



EST. 1955

SPRING VALLEY VILLAGE, TEXAS  
**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**  
FOR THE FISCAL YEAR ENDING  
SEPTEMBER 30, 2024



**CITY OF SPRING VALLEY VILLAGE, TEXAS**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
For the year ended September 30, 2024

CITY OF SPRING VALLEY VILLAGE, TEXAS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the year ended September 30, 2024

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CITY OF SPRING VALLEY VILLAGE, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
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## **INTRODUCTORY SECTION**



EST. 1955

# SPRING VALLEY VILLAGE

May 2, 2025

The Honorable Mayor, City Council  
Members, and Citizens of the  
City of Spring Valley Village, Texas:

The Finance Department is pleased to submit the Annual Comprehensive Financial Report for the City of Spring Valley Village, Texas (the “City”) for the fiscal year (FY) ended September 30, 2024. This report is published to provide the City Council, City staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial condition and activities of the City government. Management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

We believe the data presented is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City’s financial activities have been included.

Crowe LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended September 30, 2024. The independent auditor’s report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE GOVERNMENT**

The City was incorporated under the laws of the State of Texas (the “State”) in 1955. The City operates as a “General Law” City, which provides for a “Mayor-Council” form of government.

The City provides the following municipal services: public safety; highways and streets; sanitation, water, and sewer services; and general administration.

The City is an independent political subdivision of the State governed by an elected council and a mayor and is considered a primary government. Spring Valley Village is one of the six Memorial Villages and is located ten miles west of downtown Houston. As of September 30, 2024, the City has a land area of 1.6 square miles and an estimated population of approximately 4,288. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

## **ACCOUNTING SYSTEM AND BUDGETARY CONTROL**

The City’s accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received, and the liabilities are incurred. Accounting records for the City’s utilities and other proprietary activities are maintained on the accrual basis.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
LETTER OF TRANSMITTAL  
September 30, 2024

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City Ordinance establishes the fiscal year as October 1 through September 30. City Ordinance also requires the City Administrator to submit a proposed budget and accompanying budget message to the Council each year. The proposed budget is reviewed by the Council and is formally adopted by the passage of a budget ordinance. The City Administrator is required to inform the Council of any revisions of expenditures for any fund or department revisions which must be approved by the Council.

Budgetary control has been established at the department level. Monthly financial reports for Council are produced showing budget and actual revenues and expenditures. Individual line items are reviewed and analyzed for budgetary compliance.

**ECONOMIC CONDITION AND OUTLOOK**

The City encompasses a 1.6 square mile area located along the north side of Interstate 10, approximately ten miles west of downtown Houston, Texas. The City has one of the most desired school districts in the Houston metropolitan area. The City is an integral part of the Houston metropolitan area and is completely surrounded by the cities of Houston, Hillshire Village, Hedwig Village, and Hunters Creek Village. The City is right next to the largest and busiest freeway in the nation. The City is primarily a residential area whose approximately 4,288 inhabitants are employed throughout the Houston urban area.

There is very little vacant and/or undeveloped land in the City, so construction generally involves rebuilding and remodeling. The City continues to enjoy a stable outlook with property taxable value, and its property taxable value reached over \$1 billion in the FY 2017 and doubled from ten years ago. Among reasons for this strength is the City's convenient proximity to the Galleria, Energy Corridor, downtown Houston, the Texas Medical Center, as well as the ever-evolving Memorial area.

The City's tax rate is among the lowest in the Houston area and is anticipated to remain relatively stable into the future due to residential property values and a new medical building completed in 2022.

The City's relative stability is the result of a desire for suburban families to live closer to work. The City has its own Police Department to maintain the low crime rate, and its hometown appeal has attracted many of these families. These factors have contributed, and continue to contribute, to the relative stability of property values in the City.

The value of real property in the City is expected to stay strong in 2025. Expenditures are expected to remain steady with considerations for the continued competitive pressure on personnel costs and potential increases in the cost of employee health benefits.

The City maintained the low property tax rate for tax year 2024 (fiscal year 2025).

**LONG-TERM FINANCIAL PLANNING**

Capital improvement projects are funded with general governmental revenues and proceeds of general obligation and certificates of obligation debt issues. The City annually updates a five-year Capital Improvement Plan (the "Plan") and regularly prepares short-term improvement plans for water, wastewater, drainage, municipal facilities, and parks. The Plan is prepared by staff and presented to the City Council for review and acceptance. The Plan requires funding sources to be identified for each project.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
LETTER OF TRANSMITTAL  
September 30, 2024

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In FY 2019, the Council's policy on capital projects funding changed from pay-as-you-go with cash to the use of certificates of obligation bonds in order to undertake a greater number of capital projects. A portion of general fund revenues is allocated to the Debt Service Fund each year to cover bond payments, and a portion is allocated to the Capital Improvements Fund each year to fund those capital projects that will be funded by cash.

### **MAJOR INITIATIVES**

FY 2024 was a year of accomplishments for the City of Spring Valley Village. The list below highlights some of the significant City activities:

- The Cedarspur (West of Bingle) and Burkhart (East of Bingle) paving and utility improvement project began in 2024 and will be completed in 2025.
- The Brighton Place Pavement and Utility Improvement Project began in 2024 and will be completed in 2025.
- The Water Plant Upgrade Project went to bid and was awarded in 2024, project began, and will be completed by 2026.
- Park Improvements Phase III went to bid and was awarded in 2024 and completed in 2024 with the addition of new playground equipment.

### **ANNUAL BUDGET**

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Activities of the General Fund, Utility Fund, and Debt Service Fund are included in the annual operating budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level within an individual fund. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

### **FINANCIAL INFORMATION**

The City's management team is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable assurance that employees, in the normal course of business, will detect and/or prevent errors or irregularities that could be material to the financial statements.

### **INDEPENDENT AUDIT**

Sections 103.001-103.004 of the Local Government Code require the City to have an annual audit of its financial records and accounts. The independent auditor's report, prepared by Crowe LLP, is presented as the first component of the financial section of this report.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
LETTER OF TRANSMITTAL  
September 30, 2024

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**CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Spring Valley Village for its annual comprehensive financial report for the fiscal year ending September 30, 2023. This was the ninth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

**ACKNOWLEDGEMENTS**

The preparation of this Annual Comprehensive Financial Report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. Appreciation is expressed to all City employees throughout the organization, especially to those who were instrumental in the successful completion of this report. Additionally, I would also like to thank the Mayor, the Council, and the City Administrator for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Brent Walker  
City Treasurer

CITY OF SPRING VALLEY VILLAGE, TEXAS  
LIST OF ELECTED OFFICIALS AND KEY STAFF  
September 30, 2024

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<b>Elected Officials</b>	<b>Position</b>
Marcus Vajdos	Mayor
Allen Carpenter	Mayor Pro-Tem
Joy McCormack	Council Member
John Lisenby	Council Member
David Dominy	Council Member
Steve Bass	Council Member

<b>Key Staff</b>	<b>Position</b>
John McDonald	City Administrator
Jasmin Torres	City Secretary
Brent Walker	City Treasurer
Mark Schulze	Chief of Police

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CITY OF SPRING VALLEY VILLAGE, TEXAS  
CERTIFICATE OF ACHIEVEMENT FOR  
EXCELLENCE IN FINANCIAL REPORTING  
September 30, 2024

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Spring Valley Village  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

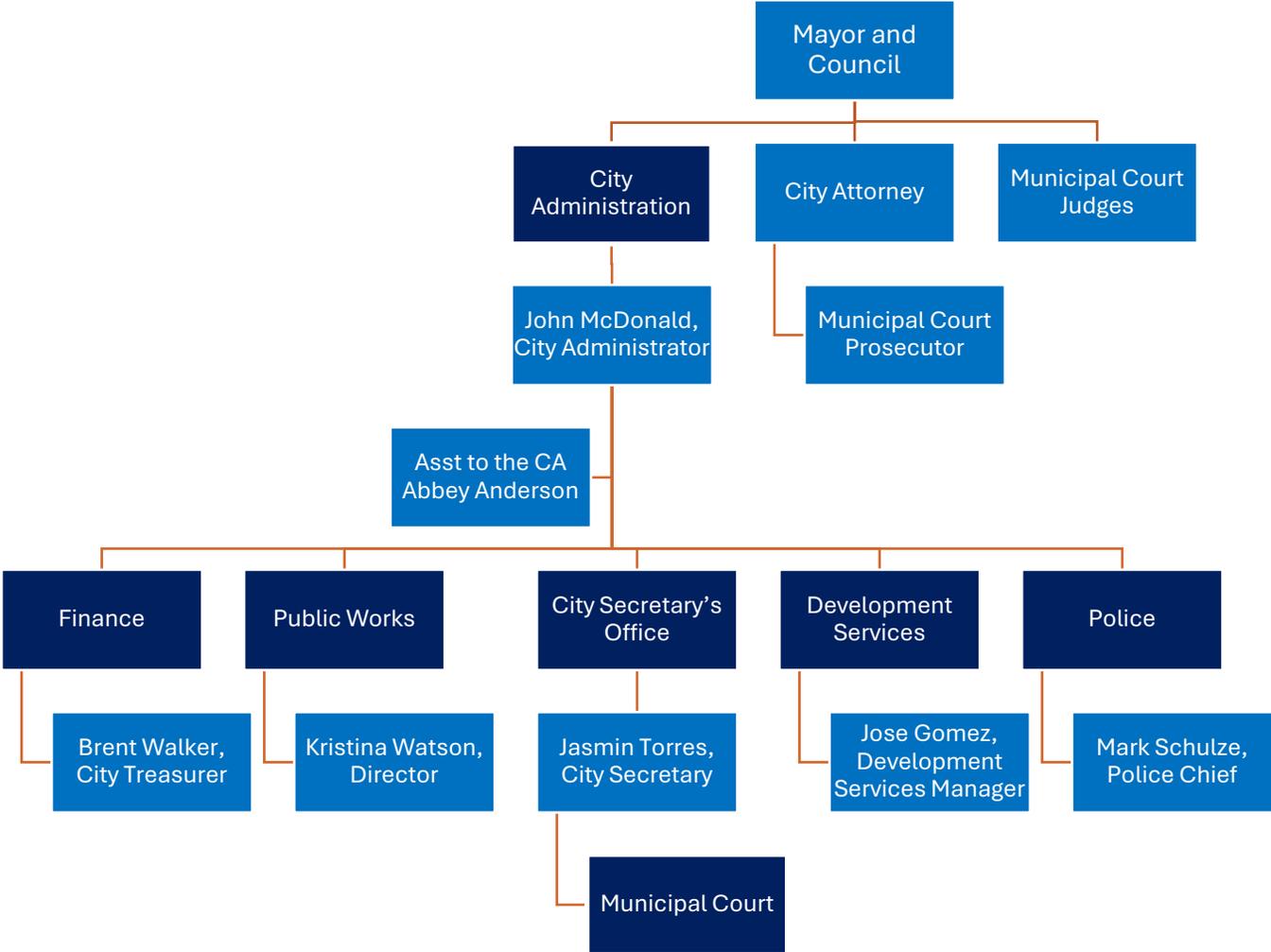
September 30, 2023

*Christopher P. Morill*

Executive Director/CEO

CITY OF SPRING VALLEY VILLAGE, TEXAS  
ORGANIZATIONAL CHART  
September 30, 2024

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## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
City Council Members of the  
City of Spring Valley Village, Texas

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Spring Valley Village, Texas (the "City"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

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

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

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

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(Continued)

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

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

In performing an audit in accordance with GAAS, we

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

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

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total other postemployment benefits liability and related ratios, and schedule of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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(Continued)

### ***Supplementary 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 combining statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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 combining statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Crowe LLP

Crowe LLP

Houston, Texas  
May 2, 2025

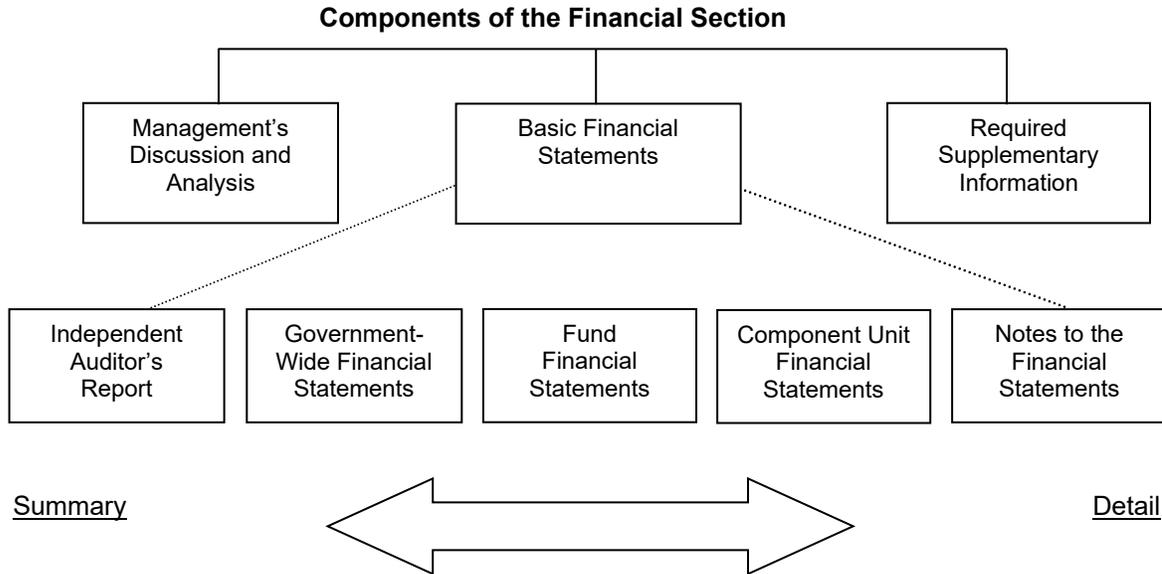
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 For the year ended September 30, 2024

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The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Spring Valley Village, Texas (the "City") for the year ended September 30, 2024. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the City's financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-Wide Statements**

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference 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. Other nonfinancial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended September 30, 2024

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The Statement of Activities presents information showing how the City'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 – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here, which include general government, public safety, and public works. Sales taxes, property taxes, franchise fees, and other revenue finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water distribution and wastewater collection/treatment.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate corporation, the Spring Valley Legacy Fund, Inc., for which the City is financially accountable. Although legally separate, this component unit functions for all practical purposes as a department of the City and, therefore, is included as an integral part of the primary government.

The government-wide financial statements can be found after the MD&A.

## **FUND FINANCIAL STATEMENTS**

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of City funds are governmental and proprietary.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund 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. Such information may be useful in evaluating the City'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 presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended September 30, 2024

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The City maintains five governmental funds. Information is presented in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, the capital improvements fund, and the debt service fund, which are considered to be major funds for reporting purposes. The asset forfeiture fund and legacy fund are nonmajor funds combined into a single aggregated presentation.

The City adopts annual appropriated budgets for its general fund and debt service fund. Budgetary comparison schedules have been provided for the general fund and debt service fund to demonstrate compliance with these budgets.

### **Proprietary Fund**

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and wastewater services. The proprietary fund financial statements provide separate information for the water distribution and wastewater collection/treatment operations. The proprietary fund financial statements can be found in the basic financial statements of this report.

The City also uses an Internal Service Fund to account for its equipment replacement program. The capital replacement fund has been included within governmental activities in the governmental-wide financial statements.

### **Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

### **Other Information**

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund and schedules of changes in net pension and total other postemployment benefits liability and related ratios and a schedule of contributions for the Texas Municipal Retirement System. RSI can be found after the notes to the basic financial statements.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows exceed liabilities and deferred inflows of resources by \$51,685,247 as of September 30, 2024. The largest portion of the City's net position (71%) reflects its investment in capital assets (e.g., land and City hall, as well as the public works facilities). 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 assets themselves cannot be used to liquidate these liabilities.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended September 30, 2024

**Statement of Net Position**

The following table reflects the condensed Statement of Net Position:

	2024			2023		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
<b>ASSETS</b>						
Current and other assets	\$ 24,896,249	\$ 1,931,690	\$26,827,939	\$ 25,007,107	\$ 2,304,256	\$ 27,311,363
Capital assets, net	43,919,106	9,038,293	52,957,399	41,718,181	9,709,896	51,428,077
Total assets	<u>68,815,355</u>	<u>10,969,983</u>	<u>79,785,338</u>	<u>66,725,288</u>	<u>12,014,152</u>	<u>78,739,440</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows - pensions	470,341	67,387	537,728	902,170	133,430	1,035,600
Deferred outflows - OPEB	18,054	3,021	21,075	23,121	3,747	26,868
Total deferred outflows of resources	<u>488,395</u>	<u>70,408</u>	<u>558,803</u>	<u>925,291</u>	<u>137,177</u>	<u>1,062,468</u>
<b>LIABILITIES</b>						
Long-term liabilities	21,114,058	2,684,822	23,798,880	24,283,828	3,438,578	27,722,406
Other liabilities	3,913,489	758,186	4,671,675	1,587,544	699,724	2,287,268
Total liabilities	<u>25,027,547</u>	<u>3,443,008</u>	<u>28,470,555</u>	<u>25,871,372</u>	<u>4,138,302</u>	<u>30,009,674</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows - pensions	123,383	17,677	141,060	78,793	11,653	90,446
Deferred inflows - OPEB	40,981	6,298	47,279	58,176	8,761	66,937
Total deferred inflows of resources	<u>164,364</u>	<u>23,975</u>	<u>188,339</u>	<u>136,969</u>	<u>20,414</u>	<u>157,383</u>
<b>NET POSITION</b>						
Net investment in capital assets	30,815,133	6,073,293	36,888,426	28,734,093	6,419,896	35,153,989
Restricted	286,280	358,408	644,688	253,331	358,408	611,739
Unrestricted	13,010,426	1,141,707	14,152,133	12,654,814	1,214,309	13,869,123
Total net position	<u>\$ 44,111,839</u>	<u>\$ 7,573,408</u>	<u>\$51,685,247</u>	<u>\$ 41,642,238</u>	<u>\$ 7,992,613</u>	<u>\$ 49,634,851</u>

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended September 30, 2024

A portion of the City's net position, \$644,688, represents resources restricted to a specific purpose. The balance of unrestricted net position, \$14,152,133, may be used to meet the City's ongoing obligation to citizens and creditors. The City's total net position increased by \$2,050,396. Total assets increased by \$1,045,898, which was primarily due to additional capital projects begun in 2024, net of the decrease in capital assets as a result of depreciation and amortization. Total liabilities decreased by a net \$1,539,119 as a result of an overall reduction in long-term liabilities of \$3,923,526. Total deferred outflows decreased by \$503,665 for the differences between expected and actual economic experience related to the pension plan. Total deferred inflows increased by \$30,956 from prior year due to the changes in the differences between projected and actual investment earnings related to the pension plan.

**Statement of Activities**

The following table provides a summary of the City's changes in net position:

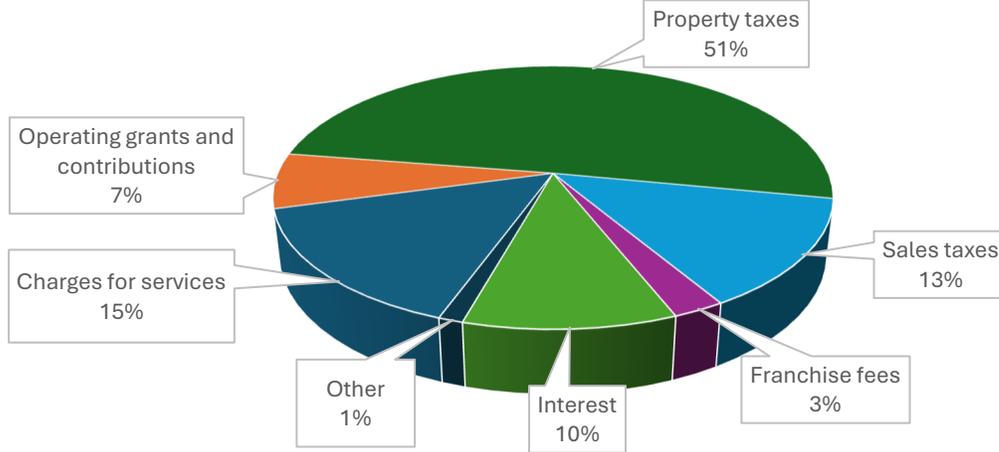
	For the Year Ended September 30, 2024			For the Year Ended September 30, 2023		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,929,054	\$ 3,180,372	\$ 5,109,426	\$ 1,777,167	\$ 3,501,583	\$ 5,278,750
Operating grants and contributions	863,252	-	863,252	842,512	-	842,512
General revenues:						
Property taxes	6,433,720	-	6,433,720	5,935,937	-	5,935,937
Sales taxes	1,704,427	-	1,704,427	1,575,534	-	1,575,534
Franchise fees	323,540	-	323,540	368,487	-	368,487
Interest	1,318,719	84,910	1,403,629	1,104,948	68,824	1,173,772
Other	153,259	40,331	193,590	136,223	40,161	176,384
Total revenues	<u>12,725,971</u>	<u>3,305,613</u>	<u>16,031,584</u>	<u>11,740,808</u>	<u>3,610,568</u>	<u>15,351,376</u>
<b>Expenses</b>						
General government	2,796,392	-	2,796,392	2,388,984	-	2,388,984
Public safety	5,611,865	-	5,611,865	5,306,712	-	5,306,712
Public works	1,697,110	-	1,697,110	1,930,573	-	1,930,573
Interest and fees on debt	580,599	-	580,599	621,120	85,120	706,240
Water and sewer	-	3,295,222	3,295,222	-	3,743,863	3,743,863
Total expenses	<u>10,685,966</u>	<u>3,295,222</u>	<u>13,981,188</u>	<u>10,247,389</u>	<u>3,828,983</u>	<u>14,076,372</u>
Increase (decrease) in net position before transfers	2,040,005	10,391	2,050,396	1,493,419	(218,415)	1,275,004
Transfers in (out)	429,596	(429,596)	-	(86,072)	86,072	-
<b>Change in net position</b>	2,469,601	(419,205)	2,050,396	1,407,347	(132,343)	1,275,004
Beginning net position	<u>41,642,238</u>	<u>7,992,613</u>	<u>49,634,851</u>	<u>40,234,891</u>	<u>8,124,956</u>	<u>48,359,847</u>
<b>Ending net position</b>	<u>\$ 44,111,839</u>	<u>\$ 7,573,408</u>	<u>\$ 51,685,247</u>	<u>\$ 41,642,238</u>	<u>\$ 7,992,613</u>	<u>\$ 49,634,851</u>

(Continued)

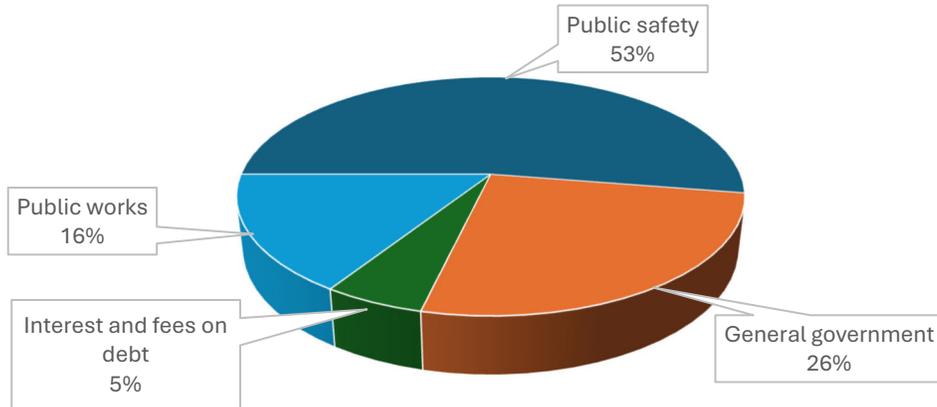
CITY OF SPRING VALLEY VILLAGE, TEXAS  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 For the year ended September 30, 2024

Graphic presentations of the selected data from the summary tables follow to assist in the analysis of the City's activities.

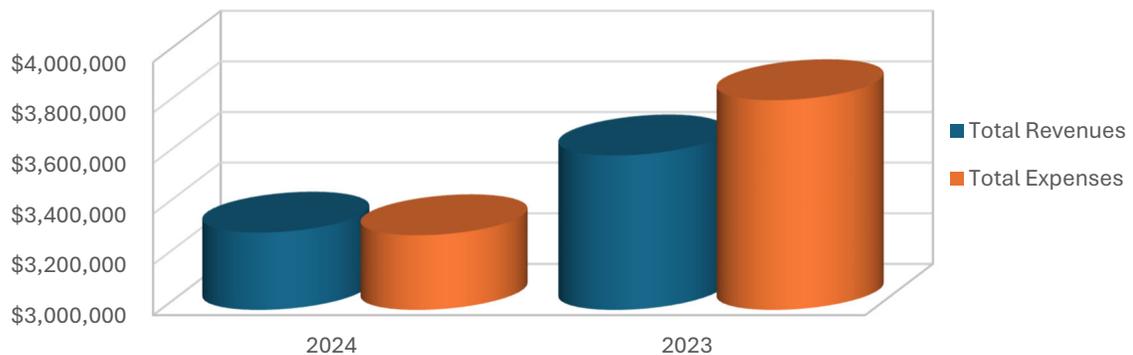
### Governmental Revenues



### Governmental Expenses



### Business-Type Activities



(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended September 30, 2024

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Revenues for governmental activities increased \$985,163 or 8%. Property tax revenue increased \$497,783, or 8%, due to an increase in property values within the City. Interest revenue increased \$213,771 due to increases in invested funds and higher interest rates on investments. Total governmental activities expenses increased by \$438,577, which was primarily due to an increase in public safety expenses from an increase in personnel costs and fire protection expenses.

Revenues for business-type activities decreased \$304,955, or 8%, from the prior year as a result of a decrease in charges for services due to reduced consumption. Business-type expenses decreased by \$533,761, or 14%, mainly due to reductions in groundwater charges and maintenance costs.

### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

**Governmental Funds** – The focus of the 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, the unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

The City's governmental funds reflect a combined fund balance of \$20,499,636. At the end of the current year, \$8,525,841 was unassigned, \$359,308 was assigned for capital outlay of equipment and capital improvements, and \$3,042,226 was assigned for 120 days' operating reserve. Total restricted fund balance includes \$8,269,906 for capital projects and \$286,280 for other various purposes, and \$16,075 was nonspendable for prepaid items.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$8,542,454, while total fund balance reached \$12,172,856. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. For the fiscal year ended September 30, 2024, unassigned fund balance for the general fund did not exceed general fund's expenditures, while total fund balance for the general fund exceeded general fund's expenditures. The fund balance for the general fund demonstrated an overall increase of \$1,119,422. This increase includes excess revenues over expenditures of \$1,737,174 and net transfers out to other funds of \$617,752. The excess in revenues over expenditures is primarily the result of increases in property tax revenues from an increase in property values and an increase in investment income from higher interest rates.

The City's debt service fund had a deficit fund balance of \$16,613, which was a decrease of \$18,239 due to debt service costs in excess of property tax collections and transfers from the general fund. The City will transfer funds to cover deficit fund balances in the subsequent fiscal year.

Overall, there was a decrease of \$2,022,992 in fund balance for the capital improvements fund as a result of the City's ongoing construction and investment in infrastructure. The fund balance was \$8,269,906, which is restricted to capital outlay and projects.

**Proprietary Funds** – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the year ended September 30, 2024

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### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The City had planned a decrease of \$1,011,839 in the general fund fund balance but actually realized an increase of \$1,119,422. The activity resulted in a positive budget variance of \$2,131,261.

Actual general fund revenues exceeded budgeted revenues by a net \$886,003 during the year. This positive revenue budget variance is mainly due to increases in investment income and property tax revenues that were higher than originally estimated.

### **CAPITAL ASSETS**

At the end of the year, the City's had invested \$52,958,399 in capital assets and infrastructure (net of accumulated depreciation) and software subscription assets for equipment (net of accumulated amortization). This represents a net increase of \$1,529,322 from the prior year.

Major capital asset events during the year included the following:

- Pavement and utility improvement at Cedarspur and Burkhart for \$1,134,062
- Pavement and utility improvement at Brighton Place for \$1,684,217
- Playground equipment upgrade project for \$208,575
- Water plant electrical project for \$79,000

More detailed information about the City's capital assets is presented in Note 3 to the financial statements.

### **LONG-TERM DEBT**

At the end of the current year, the City had total long-term debt outstanding of \$25,673,854. Of this amount, \$8,475,000 was general obligation bonds, \$12,450,000 was certificates of obligation debt, \$2,965,000 was revenue bond debt, and \$591,358 was liabilities from software subscription arrangements.

More detailed information about the City's long-term liabilities is presented in Note 3 to the financial statements.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The property tax rate for the 2024 tax year (fiscal year 2025) is \$0.395 per \$100 of property valuation, representing an unchanged tax rate from the prior year. The total budget for general fund expenditures is about \$10 million.

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

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to Brent Walker, City Treasurer, Spring Valley Village City Hall, 1025 Campbell Road, Houston, Texas, 77055; telephone (713) 465-8308.

## **BASIC FINANCIAL STATEMENTS**

CITY OF SPRING VALLEY VILLAGE, TEXAS  
STATEMENT OF NET POSITION  
September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents			
Unrestricted	\$ 23,915,900	\$ 1,602,700	\$ 25,518,600
Restricted	193,146	358,408	551,554
Receivables, net	374,574	367,136	741,710
Internal balances	396,554	(396,554)	-
Prepaid items	16,075	-	16,075
	<u>24,896,249</u>	<u>1,931,690</u>	<u>26,827,939</u>
Noncurrent assets:			
Nondepreciable capital assets	5,803,030	5,207	5,808,237
Depreciable capital assets, net	37,445,535	9,033,086	46,478,621
Amortizable subscription assets, net	670,541	-	670,541
	<u>43,919,106</u>	<u>9,038,293</u>	<u>52,957,399</u>
Total assets	<u>68,815,355</u>	<u>10,969,983</u>	<u>79,785,338</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - pensions	470,341	67,387	537,728
Deferred outflows - OPEB	18,054	3,021	21,075
Total deferred outflows of resources	<u>488,395</u>	<u>70,408</u>	<u>558,803</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	1,261,018	276,337	1,537,355
Accrued interest	75,154	8,186	83,340
Customer deposits	70,188	134,569	204,757
Unearned revenue	971,249	-	971,249
Long-term liabilities due within one year	1,535,880	339,094	1,874,974
	<u>3,913,489</u>	<u>758,186</u>	<u>4,671,675</u>
Noncurrent liabilities			
Net pension liability	190,084	27,234	217,318
Total OPEB liability	124,716	21,578	146,294
Long-term liabilities due in more than one year	20,799,258	2,636,010	23,435,268
	<u>21,114,058</u>	<u>2,684,822</u>	<u>23,798,880</u>
Total liabilities	<u>25,027,547</u>	<u>3,443,008</u>	<u>28,470,555</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - pensions	123,383	17,677	141,060
Deferred inflows - OPEB	40,981	6,298	47,279
Total deferred inflows of resources	<u>164,364</u>	<u>23,975</u>	<u>188,339</u>

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
STATEMENT OF NET POSITION  
September 30, 2024

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**NET POSITION**

Net investment in capital assets	30,815,133	6,073,293	36,888,426
Restricted			
Municipal court - security	134,247	-	134,247
Municipal court - technology	63,756	-	63,756
Harris County child safety	14,790	-	14,790
Debt service	-	358,408	358,408
Asset forfeitures	19,054	-	19,054
Legacy fund	54,433	-	54,433
Unrestricted	<u>13,010,426</u>	<u>1,141,707</u>	<u>14,152,133</u>
 Total net position	 <u>\$ 44,111,839</u>	 <u>\$ 7,573,408</u>	 <u>\$ 51,685,247</u>

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See notes to financial statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
STATEMENT OF ACTIVITIES  
For the year ended September 30, 2024

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Government Activities	Business-Type Activities	Total
<b>Primary Government</b>						
Governmental activities						
General government	\$ 2,796,392	\$ 906,822	\$ -	\$ (1,889,570)	\$ -	\$ (1,889,570)
Public safety	5,611,865	1,022,232	-	(4,589,633)	-	(4,589,633)
Public works	1,697,110	-	863,252	(833,858)	-	(833,858)
Interest and fiscal charges on long-term debt	580,599	-	-	(580,599)	-	(580,599)
Total governmental activities	<u>10,685,966</u>	<u>1,929,054</u>	<u>863,252</u>	<u>(7,893,660)</u>	<u>-</u>	<u>(7,893,660)</u>
Business-type activities						
Water and sewer	<u>3,295,222</u>	<u>3,180,372</u>	<u>-</u>	<u>-</u>	<u>(114,850)</u>	<u>(114,850)</u>
Total business-type activities	<u>3,295,222</u>	<u>3,180,372</u>	<u>-</u>	<u>-</u>	<u>(114,850)</u>	<u>(114,850)</u>
Total primary government	<u>\$ 13,981,188</u>	<u>\$ 5,109,426</u>	<u>\$ 863,252</u>	<u>(7,893,660)</u>	<u>(114,850)</u>	<u>(8,008,510)</u>
General revenues						
Taxes						
Property taxes				6,433,720	-	6,433,720
Sales taxes				1,704,427	-	1,704,427
Franchise fees				323,540	-	323,540
Investment income				1,318,719	84,910	1,403,629
Other				153,259	40,331	193,590
Transfers				429,596	(429,596)	-
Total general revenues and transfers				<u>10,363,261</u>	<u>(304,355)</u>	<u>10,058,906</u>
Change in net position				2,469,601	(419,205)	2,050,396
Beginning net position				<u>41,642,238</u>	<u>7,992,613</u>	<u>49,634,851</u>
Ending net position				<u>\$ 44,111,839</u>	<u>\$ 7,573,408</u>	<u>\$ 51,685,247</u>

See notes to financial statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 12,698,967	\$ -	\$ 9,111,217	\$ 73,487	\$ 21,883,671
Receivables, net	363,654	10,920	-	-	374,574
Due from other funds	412,209	-	-	-	412,209
Prepays	16,075	-	-	-	16,075
Restricted cash	193,146	-	-	-	193,146
Total assets	<u>\$ 13,684,051</u>	<u>\$ 10,920</u>	<u>\$ 9,111,217</u>	<u>\$ 73,487</u>	<u>\$ 22,879,675</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 414,807	\$ -	\$ 841,311	\$ -	\$ 1,256,118
Deposits	70,188	-	-	-	70,188
Due to other funds	-	15,655	-	-	15,655
Unearned revenue	971,249	-	-	-	971,249
Total liabilities	<u>1,456,244</u>	<u>15,655</u>	<u>841,311</u>	<u>-</u>	<u>2,313,210</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	54,951	11,878	-	-	66,829
Total deferred inflows of resources	<u>54,951</u>	<u>11,878</u>	<u>-</u>	<u>-</u>	<u>66,829</u>

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>FUND BALANCES</b>					
Nonspendable					
Prepays	16,075	-	-	-	16,075
Restricted					
Municipal court - security	134,247	-	-	-	134,247
Municipal court - technology	63,756	-	-	-	63,756
Harris County child safety	14,790	-	-	-	14,790
Asset forfeitures	-	-	-	19,054	19,054
Legacy fund	-	-	-	54,433	54,433
Capital projects	-	-	8,269,906	-	8,269,906
Assigned					
120 days' operating reserve	3,042,226	-	-	-	3,042,226
Capital outlay and projects	359,308	-	-	-	359,308
Unassigned	8,542,454	(16,613)	-	-	8,525,841
Total fund balances	<u>12,172,856</u>	<u>(16,613)</u>	<u>8,269,906</u>	<u>73,487</u>	<u>20,499,636</u>
Total liabilities, deferred inflows of resources, and fund balances					
	<u>\$ 13,684,051</u>	<u>\$ 10,920</u>	<u>\$ 9,111,217</u>	<u>\$ 73,487</u>	<u>\$ 22,879,675</u>

See notes to financial statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
September 30, 2024

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Total fund balances for governmental funds \$ 20,499,636

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.

Capital assets - nondepreciable/nonamortizable	5,803,030
Capital assets - depreciable/amortizable	79,041,530
Capital assets - depreciation/amortization	(40,925,454)

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. 66,829

The capital replacement fund is used by management to charge the costs of certain capital assets to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position. 2,027,329

Deferred outflows and deferred inflows related to pension and other postemployment benefits (OPEB) activity are not reported in the governmental funds.

Deferred outflows - pensions	470,341
Deferred outflows - OPEB	18,054
Deferred inflows - pensions	(123,383)
Deferred inflows - OPEB	(40,981)
Net pension liability	(190,084)
Total OPEB liability	(124,716)

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

Accrued interest payable	(75,154)
Noncurrent liabilities due in one year	(1,535,880)
Noncurrent liabilities due in more than one year	<u>(20,799,258)</u>

Net position of governmental activities \$ 44,111,839

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See notes to financial statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the year ended September 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>(Formerly major)</u>		<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
				<u>Asset Forfeiture</u>	<u>Legacy</u>		
<b>Revenues</b>							
Property taxes	\$ 5,518,951	\$ 894,854	\$ -			\$ -	\$ 6,413,805
Sales taxes	1,704,427	-	-			-	1,704,427
Franchise fees	323,540	-	-			-	323,540
Fines and forfeitures	433,429	-	-			-	433,429
Licenses and permits	336,142	-	-			-	336,142
Charges for services	393,035	-	-			-	393,035
Hilshire police contract	588,803	-	-			-	588,803
Investment income	687,397	-	561,544			-	1,248,941
Intergovernmental	863,252	-	-			-	863,252
Other	141,634	-	-			11,625	153,259
<b>Total revenues</b>	<u>10,990,610</u>	<u>894,854</u>	<u>561,544</u>			<u>11,625</u>	<u>12,458,633</u>
<b>Expenditures</b>							
<b>Current</b>							
General government	2,482,646	-	-			-	2,482,646
Public safety	5,173,118	-	-			8,975	5,182,093
Public works	582,643	-	-			-	582,643
Capital outlay	872,652	-	3,110,526			-	3,983,178
<b>Debt service</b>							
Principal	133,082	1,265,000	-			-	1,398,082
Interest and fiscal charges	9,295	622,556	-			-	631,851
<b>Total expenditures</b>	<u>9,253,436</u>	<u>1,887,556</u>	<u>3,110,526</u>			<u>8,975</u>	<u>14,260,493</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,737,174</u>	<u>(992,702)</u>	<u>(2,548,982)</u>			<u>2,650</u>	<u>(1,801,860)</u>

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the year ended September 30, 2024

	General	Debt Service	Capital Improvements	(Formerly major)		Nonmajor Governmental Funds	Total Governmental Funds
				Asset Forfeiture	Legacy		
<b>Other Financing Sources (Uses)</b>							
Transfers in	300,000	974,463	525,990			-	1,800,453
Transfers (out)	(1,300,453)	-	-			-	(1,300,453)
SBITA's issued	382,701	-	-			-	382,701
Total other financing sources (uses)	<u>(617,752)</u>	<u>974,463</u>	<u>525,990</u>			<u>-</u>	<u>882,701</u>
Net change in fund balances	1,119,422	(18,239)	(2,022,992)			2,650	(919,159)
Beginning fund balances	<u>11,053,434</u>	<u>1,626</u>	<u>10,292,898</u>	<u>19,054</u>	<u>51,783</u>	<u>-</u>	<u>21,418,795</u>
Change to or within financial reporting entity	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,054)</u>	<u>(51,783)</u>	<u>70,837</u>	<u>-</u>
Beginning fund balances, as adjusted	<u>11,053,434</u>	<u>1,626</u>	<u>10,292,898</u>	<u>-</u>	<u>-</u>	<u>70,837</u>	<u>21,418,795</u>
Ending fund balances	<u>\$ 12,172,856</u>	<u>\$ (16,613)</u>	<u>\$ 8,269,906</u>			<u>\$ 73,487</u>	<u>\$ 20,499,636</u>

See notes to financial statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
For the year ended September 30, 2024

Net change in fund balances - total governmental funds \$ (919,159)

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/amortization expense.

Capital asset acquisitions	4,029,654
Depreciation/amortization expense	(1,828,729)

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

Net change in unavailable revenue - property taxes	19,915
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These amounts are the effect of these differences in the treatment of long-term debt and related items.

Accrued interest expense	4,837
Premium on debt	46,415
Principal payment	1,398,082
Issuance of SBITA's	(382,701)

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 the governmental funds.

Compensated absences	(8,432)
Net pension liability	591,208
Total OPEB liability	(10,682)
Deferred outflows - pensions	(431,829)
Deferred outflows - OPEB	(5,067)
Deferred inflows - pensions	(44,590)
Deferred inflows - OPEB	17,195

The capital replacement fund is used by management to charge the costs of providing various services and benefits to individual funds. The net revenue (loss) of certain activities of the internal service fund is reported with governmental activities.

(6,516)

Change in net position of governmental activities	<u>\$ 2,469,601</u>
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See notes to financial statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
September 30, 2024

	<u>Business-Type</u> <u>Activities</u>  <u>Enterprise</u>	<u>Governmental</u> <u>Activities</u> <u>Internal</u> <u>Service</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,602,700	\$ 2,032,229
Restricted cash	358,408	-
Receivables, net	367,136	-
Total current assets	2,328,244	2,032,229
Noncurrent assets		
Capital assets		
Nondepreciable capital assets	5,207	-
Net depreciable capital assets	9,033,086	-
Total capital assets, net	9,038,293	-
Total noncurrent assets	9,038,293	-
Total assets	11,366,537	2,032,229
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows - pensions	67,387	-
Deferred outflows - OPEB	3,021	-
Total deferred outflows of resources	70,408	-
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	276,337	4,900
Due to other funds	396,554	-
Customer deposits	134,569	-
Accrued interest payable	8,186	-
Long-term liabilities due within one year	339,094	-
Total current liabilities	1,154,740	4,900
Noncurrent liabilities		
Net pension liability	27,234	-
Total OPEB liability	21,578	-
Long-term liabilities due in more than one year	2,636,010	-
Total noncurrent liabilities	2,684,822	-
Total liabilities	3,839,562	4,900
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows - pensions	17,677	-
Deferred inflows - OPEB	6,298	-
Total deferred inflows of resources	23,975	-
<b>NET POSITION</b>		
Net investment in capital assets	6,073,293	-
Restricted for debt service	358,408	-
Unrestricted	1,141,707	2,027,329
Total net position	\$ 7,573,408	\$ 2,027,329

See notes to financial statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For the year ended September 30, 2024

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise</u>	<u>Internal Service</u>
<b>Operating revenues</b>		
Water charges	\$ 1,718,309	\$ -
Sewer charges	1,462,063	-
Charges for services	-	177,645
Other	40,331	-
Total operating revenues	3,220,703	177,645
<b>Operating expenses</b>		
General and administrative	672,398	253,939
Water	866,145	-
Sewer	887,862	-
Depreciation	742,007	-
Total operating expenses	3,168,412	253,939
Operating income (loss)	52,291	(76,294)
<b>Nonoperating revenues (expenses)</b>		
Investment earnings	84,910	69,778
Interest expense	(126,810)	-
Total nonoperating revenues (expenses)	(41,900)	69,778
Income (loss) before contributions and transfers	10,391	(6,516)
Capital contributions	70,404	-
Transfers out	(500,000)	-
Total contributions and transfers	(429,596)	-
Change in net position	(419,205)	(6,516)
Beginning net position	7,992,613	2,033,845
Ending net position	\$ 7,573,408	\$ 2,027,329

See notes to financial statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the year ended September 30, 2024

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise</u>	<u>Internal Service</u>
<b>Cash flows from operating activities</b>		
Receipts from customers	\$ 2,972,789	\$ 661,245
Payments to suppliers	(2,158,103)	(249,039)
Payments to employees	(559,262)	-
Net cash provided by operating activities	<u>255,424</u>	<u>412,206</u>
<b>Cash flows from capital and related financing activities</b>		
Interest and fiscal agent fees paid	(126,810)	-
Debt payments	(325,000)	-
Net cash (used) by capital and related financing activities	<u>(451,810)</u>	<u>-</u>
<b>Cash flows from noncapital financing activities</b>		
Transfers (to) other funds	(500,000)	-
Net cash (used) by noncapital financing activities	<u>(500,000)</u>	<u>-</u>
<b>Cash flows from investing activities</b>		
Interest on investments	84,910	69,778
Net cash provided by investing activities	<u>84,910</u>	<u>69,778</u>
Net increase (decrease) in cash and cash equivalents	(611,476)	481,984
Beginning cash and cash equivalents	<u>2,572,584</u>	<u>1,550,245</u>
Ending cash and cash equivalents	<u>\$ 1,961,108</u>	<u>\$ 2,032,229</u>
<b>Ending cash and cash equivalents</b>		
Unrestricted cash and cash equivalents	1,602,700	2,032,229
Restricted cash and cash equivalents	358,408	-
	<u>\$ 1,961,108</u>	<u>\$ 2,032,229</u>

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the year ended September 30, 2024

**Reconciliation of operating income (loss) to net cash provided  
(used) by operating activities**

Operating income (loss)	\$ 52,291	\$ (76,294)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	742,007	-
Changes in operating assets and liabilities		
(Increase) decrease in		
Accounts receivable	170,354	-
Due from other funds	-	483,600
Deferred outflows - pensions	66,043	-
Deferred outflows - OPEB	726	-
Increase (decrease) in		
Accounts payable and accrued liabilities	(271,628)	4,900
Due to other funds	(409,264)	-
Net pension liability	(88,318)	-
Total OPEB liability	1,531	-
Deferred inflows - pensions	6,024	-
Deferred inflows - OPEB	(2,463)	-
Compensated absences	(2,875)	-
Customer deposits	(9,004)	-
Net cash provided by operating activities	<u>\$ 255,424</u>	<u>\$ 412,206</u>
Noncash investing, capital, and financing activities		
Contributions of capital assets	<u>\$ 70,404</u>	<u>\$ -</u>

See notes to financial statements.

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

Reporting Entity: The City of Spring Valley Village, Texas (the “City”) was incorporated under the laws of the State of Texas (the “State”) in 1955. The City operates as a “General Law” city, which provides for a “Mayor-Council” form of government.

The City provides the following services: public safety; parks and streets; sanitation, water, and sewer services; and general administration.

The City is an independent political subdivision of the State governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

*Blended Component Unit*

Spring Valley Legacy Fund, Inc. - The Spring Valley Legacy Fund, Inc. (the “Corporation”) has been included in the reporting entity as a blended component unit. The Corporation was established to allow the City to receive private and corporate donations to be used to benefit the Spring Valley Police Department. The Board of Directors consists of six members, all members of the City Council, for terms of office coinciding with their respective terms of office with the City, plus one appointed individual.

The component unit is included in the City’s reporting entity because of the significance of its operational or financial relationships with the City. The City appoints a majority of the Corporation’s Board and is either able to impose its will on it or a financial benefit/burden exists.

Complete financial statements of the Corporation can be obtained directly from administrative offices of the City.

Government-Wide Financial Statements: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Basis of Presentation - Government-Wide Financial Statements: While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and the internal service fund, while business-type activities incorporate data from the City's enterprise fund. Separate financial statements are provided for governmental and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater, and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation - Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The City reports the following governmental funds:

General Fund: The *general fund* is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales taxes, franchise fees, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, and public works. The general fund is always considered a major fund for reporting purposes.

Debt Service Fund: The *debt service fund* is used to account for the payment of interest and principal on all long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

Capital Projects Funds: The *capital projects fund* is used to account for the expenditures related to capital projects through resources accumulated from various internal transfers and bond financing. The capital improvements fund is considered a major fund for reporting purposes.

Special Revenue Funds: The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The asset forfeiture fund holds monies seized by the police department to be used for public safety and security. The legacy fund is used solely to benefit the Spring Valley Police Department. The primary source of revenue for the legacy fund is from private and corporate donations. The special revenue funds are considered major funds for reporting purposes.

The City reports the following enterprise fund:

Enterprise Fund: The enterprise fund is used to account for the operations that provide water and wastewater collection, and wastewater treatment. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The enterprise fund is considered a major fund for reporting purposes.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Additionally, the City reports the following fund type:

Internal Service Fund: The internal service fund is used to account for services provided to other departments or agencies of the primary government, or to other governments, on a cost reimbursement basis. The capital replacement fund is used to account for vehicle and equipment replacement.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise fund) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting: The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property taxes, sales taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance:

Cash and Cash Equivalents: The City's cash and cash equivalents are considered to be cash on hand, demand deposits, balances in statewide investment pools, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

The City maintains a pooled cash account. Each fund whose monies are deposited in the pooled cash account has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end.

Investments: Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest-earning contracts, such as certificates of deposit, are reported at cost.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

Prepaid Items: The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method). Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) and are recognized as expenditures when utilized.

Restricted Assets: Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements or state statute. Restricted assets of the enterprise fund are restricted by bond covenants for repayment of debt.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 For the year ended September 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with the construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful years:

<u>Assets Depreciation</u>	<u>Estimated Useful Life</u>
Vehicles	5 years
Furniture and fixtures	4 to 8 years
Infrastructure	40 years
Machinery and equipment	4 to 8 years
Water and sewer system	20 to 40 years
Buildings	40 years

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Compensated Employee Absences: The City maintains formal programs for vacation and sick leave. Vacation pay is calculated six months from the date of employment and is cumulative up to 80 hours for employees with less than five years of service and 120 hours for employees with more than five years of service. According to policy, 40 hours may carry over at year end if no exceptions are made. Sick leave is accumulated up to 240 hours but does not vest.

Long-Term Obligations: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

Subscription-Based Information Technology Arrangements: The City has noncancellable subscription-based information technology arrangements (SBITAs) to finance the use of information technology software. The City recognizes a liability (the "subscription liability") and an intangible, right-to-use subscription asset (the "subscription asset") in the government-wide financial statements.

At the commencement of the SBITAs, the City initially measures the subscription liability at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using either the implicit rate or the City's incremental borrowing rate if the interest rate is not readily determinable. The subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, plus payments made before the commencement of the subscription term and capitalizable implementation costs. The subscription asset is reduced for any vendor incentives received. The subscription asset is amortized on a straight-line basis over the subscription term.

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Key estimates and judgments related to the SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) term of the subscription arrangements, and (3) subscription payments.

- The City uses the interest rate charged on the SBITAs as the discount rate. When the interest rate charged on the SBITAs is not provided, the City uses its estimated incremental borrowing rate as the discount rate.
- The term includes the noncancellable period of the SBITAs plus option periods, in which one party may exercise, that the City is reasonably certain will be exercised.
- The subscription payments included in the measurement of the subscription liability are composed of fixed or fixed in substance payments and other payments associated with the SBITA that the City is reasonably certain to make based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its subscription arrangements and will remeasure the subscription liability and asset if certain changes occur that are expected to significantly affect the amount of the subscription liability. The subscription liabilities are reported with long-term debt and the subscription assets are reported with other capital assets on the Statement of Net Position.

Net Position Flow Assumption: Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions: Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies: Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The City will strive to achieve and maintain an unassigned fund balance in the general fund equal to at least 120 days of budgeted operating expenditures. If the unassigned fund balance falls below the target or has a deficiency, the City will seek to reduce expenditures prior to increasing revenues in order to replenish the fund balance within a reasonable time frame not to exceed three years.

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, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Pensions: For the 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' 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 City participates in a defined benefit group-term life insurance plan administered 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 funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenues and Expenditures/Expenses:

Program Revenues: Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes: Property taxes are levied during September of each year, are due upon receipt of the City's tax bill, and become delinquent on February 1 of the following year. The City's tax lien exists from January 1 (the assessment date) each year until the taxes are paid. The penalties and interest accumulate on the unpaid accounts until July 1, at which time the delinquent accounts are turned over to the tax attorney for legal action.

Proprietary Funds Operating and Nonoperating Revenues and Expenses: Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund and capital replacement fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund and capital replacement fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City in the approved budget is the department level.

Expenditures in Excess of Appropriations: For the year ended September 30, 2024, the City exceeded appropriations at the legal level of control as follows:

Debt service fund:	
Debt service	
Interest	<u>\$ 2,774</u>

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 NOTES TO FINANCIAL STATEMENTS  
 For the year ended September 30, 2024

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**NOTE 3 - DETAILED NOTES ON ALL FUNDS**

Deposits and Investments: As of September 30, 2024, the City had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
External investment pools	<u>\$ 24,254,063</u>	0.27

*Interest rate risk* – In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

*Credit risk* – State law and the City’s investment policy limits investments to obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent. Further, commercial paper must be rated not less than “A-1” or “P-1” or an equivalent rating by at least two nationally recognized credit rating agencies. As of year end, the City’s investments in investment pools were rated “AAAm” by Standard & Poor’s. All other investments are guaranteed (either express or implied) by the full faith and credit of the U.S. government or the issuing U.S. agency.

*Custodial credit risk – deposits* – In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s investment policy requires funds on deposit at the depository bank to be collateralized by securities with a collective market value of at least 102 percent. As of September 30, 2024, the market values of pledged securities and FDIC coverage exceeded the City’s bank balances.

**TexPool** - TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor’s rates TexPool “AAAm”. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool’s authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool’s liquidity.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

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**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

**Texas CLASS:** The Texas Cooperative Liquid Assets Securities System Trust (CLASS) is a public funds investment pool under Section 2256.016 of the Public Funds Investment Act, Texas Government Code, as amended. CLASS is created under an amended and restated trust agreement, dated as of December 14, 2011 (the "Agreement"), among certain Texas governmental entities investing in CLASS (the "Participants"), with Cutwater Investor Services Corporation as program administrator and Wells Fargo Bank Texas, NA as custodian. CLASS is not SEC registered and is not subject to regulation by the State. Under the Agreement, however, CLASS is administered and supervised by a seven-member board of trustees (the "Board"), whose members are investment officers of the Participants, elected by the Participants for overlapping two-year terms. In the Agreement and by resolution of the Board, CLASS has contracted with Cutwater Investors Service Corporation to provide for the investment and management of the public funds of CLASS. Separate financial statements for CLASS may be obtained from CLASS' website at [www.texasclass.com](http://www.texasclass.com).

Receivables: The following comprise receivable balances as of September 30, 2024:

	<u>General</u>	<u>Debt Service</u>	<u>Enterprise</u>
Property taxes	\$ 62,396	\$ 10,920	\$ -
Other taxes	301,147	-	-
Accounts	7,560	-	394,336
Less allowance	<u>(7,449)</u>	<u>-</u>	<u>(27,200)</u>
Total	<u>\$ 363,654</u>	<u>\$ 10,920</u>	<u>\$ 367,136</u>

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

Capital Assets: A summary of changes in capital assets at year end is as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	(Decreases)	
<u>Governmental activities</u>				
Capital assets not being depreciated/ amortized				
Land	\$ 1,966,307	\$ -	\$ -	\$ 1,966,307
Construction in progress	730,870	3,105,853	-	3,836,723
Total capital assets not being depreciated/amortized	2,697,177	3,105,853	-	5,803,030
Other capital assets				
Infrastructures	64,710,749	-	-	64,710,749
Buildings	8,335,034	-	-	8,335,034
Furniture and fixtures	2,326,502	-	-	2,326,502
Machinery and equipment	771,688	-	-	771,688
Vehicles	1,580,221	436,995	-	2,017,216
Subscription assets for equipment	393,535	486,806	-	880,341
Total other capital assets	78,117,729	923,801	-	79,041,530
Less accumulated depreciation/ amortization for				
Infrastructures	(33,660,790)	(1,078,746)	-	(34,739,536)
Buildings	(1,488,353)	(201,388)	-	(1,689,741)
Furniture and fixtures	(1,926,062)	(224,747)	-	(2,150,809)
Machinery and equipment	(753,501)	(10,464)	-	(763,965)
Vehicles	(1,211,799)	(159,804)	-	(1,371,603)
Subscription assets for equipment	(56,220)	(153,580)	-	(209,800)
Total accumulated depreciation/ amortization	(39,096,725)	(1,828,729)	-	(40,925,454)
Other capital assets, net	39,021,004	(904,928)	-	38,116,076
Governmental activities				
capital assets, net	\$ 41,718,181	\$ 2,200,925	\$ -	\$ 43,919,106
				Less associated debt (22,215,190)
				Plus unspent bond proceeds 9,111,217
				Net investment in capital assets \$ 30,815,133

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

Depreciation/amortization was charged to governmental functions as follows:

General government	\$ 192,864
Public safety	515,748
Public works	1,120,117
Total governmental activities depreciation and amortization expense	\$ 1,828,729

A summary of changes in capital assets for business-type activities for the year end is as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	(Decreases)	
<u>Business-type activities</u>				
Capital assets not being depreciated				
Land	\$ 5,207	\$ -	\$ -	\$ 5,207
Total capital assets not being depreciated	5,207	-	-	5,207
Other capital assets				
Building	44,793	-	-	44,793
Infrastructure	26,892	-	-	26,892
Water system	14,681,783	-	-	14,681,783
Sewer System	5,836,279	70,404	-	5,906,683
Vehicles	105,055	-	-	105,055
Machinery and equipment	229,774	-	-	229,774
Total other capital assets	20,924,576	70,404	-	20,994,980
Less accumulated depreciation for				
Building	(36,082)	(604)	-	(36,686)
Infrastructure	(10,733)	(646)	-	(11,379)
Water system	(7,506,851)	(568,782)	-	(8,075,633)
Sewer system	(3,390,259)	(159,583)	-	(3,549,842)
Vehicles	(47,867)	(11,832)	-	(59,699)
Machinery and equipment	(228,095)	(560)	-	(228,655)
Total accumulated depreciation	(11,219,887)	(742,007)	-	(11,961,894)
Other capital assets, net	9,704,689	(671,603)	-	9,033,086
Business-type activities capital assets, net	\$ 9,709,896	\$ (671,603)	\$ -	9,038,293
				(2,965,000)
				\$ 6,073,293

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

Depreciation was charged to business-type functions as follows:

Water	\$ 570,032
Sewer	171,975
Total business-type activities depreciation expense	\$ 742,007

Long-Term Debt: The following is a summary of changes in the City's total long-term liabilities for the year. In general, the City uses the general fund and debt service fund to liquidate governmental long-term liabilities.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<u>Governmental activities</u>					
General obligation bonds, series 2015	\$ 9,115,000	\$ -	\$ (640,000)	\$ 8,475,000	* \$ 660,000
Certificates of obligation, series 2019	5,620,000	-	(270,000)	5,350,000	* 280,000
Certificates of obligation, series 2020	7,455,000	-	(355,000)	7,100,000	* 360,000
Premiums	745,247	-	(46,415)	698,832	*
Subscription liability	341,739	382,701	(133,082)	591,358	* 127,927
Net pension liability	781,292	-	(591,208)	190,084	-
Total OPEB liability	114,034	10,682	-	124,716	-
Compensated absences	111,516	132,760	(124,328)	119,948	107,953
Total governmental activities	\$ 24,283,828	\$ 526,143	\$ (2,160,033)	\$ 22,649,938	\$ 1,535,880
Long-term liabilities due in more than one year				\$ 21,114,058	
*Debt associated with governmental activities capital assets				\$ 22,215,190	

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Business-type activities</u>					
Direct borrowings/placements					
Revenue bonds, series 2014	\$ 1,335,000	\$ -	\$ (210,000)	\$ 1,125,000 *	\$ 215,000
Revenue bonds, series 2018	1,955,000	-	(115,000)	1,840,000 *	115,000
Net pension liability	115,552	-	(88,318)	27,234	-
Total OPEB liability	20,047	1,531	-	21,578	-
Compensated absences	12,979	11,280	(14,155)	10,104	9,094
	<u>\$ 3,438,578</u>	<u>\$ 12,811</u>	<u>\$ (427,473)</u>	<u>\$ 3,023,916</u>	<u>\$ 339,094</u>
				<u>\$ 2,684,822</u>	
				<u>\$ 2,965,000</u>	

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

Long-term debt for governmental activities at year end was comprised of the following debt issues:

	<u>Amounts Outstanding</u>	<u>Interest Rates</u>	<u>Matures</u>
General obligation bonds			
Series 2015	\$ 8,475,000	2.00% - 3.89%	2035
Certificates of obligation			
Series 2019	5,350,000	3.00% - 4.00%	2039
Series 2020	7,100,000	2.00% - 4.00%	2040
Subscription liability			
Subscription assets - cameras	<u>591,358</u>	2.18% - 2.72%	2029
	<u>\$ 21,516,358</u>		

Long-term debt for business-type activities at year end was comprised of the following debt issues:

	<u>Amounts Outstanding</u>	<u>Interest Rates</u>	<u>Matures</u>
Revenue bonds			
Series 2014	\$ 1,125,000	2.63%	2029
Series 2018	<u>1,840,000</u>	1.21% - 2.61%	2038
	<u>\$ 2,965,000</u>		

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

Pledged Revenues: The net revenue of the enterprise fund is for the payment of interest and principal on the outstanding revenue bonds, series 2014 and series 2018 (the "Revenue Bonds"). The Revenue Bonds were issued for the purpose of improving and extending the City's water and sanitary sewer system and are payable through 2038. The table below represents the pledged amount at September 30, 2024:

<u>Gross Revenue (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenue</u>	<u>Debt Service Requirement (3)</u>	<u>Revenue Bond Coverage (4)</u>
\$ 3,305,613	\$ 2,426,405	\$ 879,208	\$ 399,965	2.20

- (1) Gross revenues, as defined in the revenue bond ordinance, include operating and nonoperating revenue and exclude capital contributions, grant revenues, and capital recovery fees.
- (2) Total operating expenses, as defined in the revenue bond ordinance, do not include amortization, depreciation, bond interest, and fiscal charges.
- (3) Debt service requirements are based on the expected debt service payments for the following fiscal year.
- (4) The 2014 and 2018 bond series' net revenue amount shall be at least equal to or greater than 1.1.

The annual requirements to amortize bond debt issues outstanding at year end were as follows:

Fiscal Year Ended September 30,	<u>Governmental Activities</u>		
	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>
2025	\$ 660,000	\$ 250,819	\$ 910,819
2026	680,000	230,719	910,719
2027	700,000	210,019	910,019
2028	720,000	188,719	908,719
2029	745,000	166,744	911,744
2030-2034	4,075,000	474,516	4,549,516
2035	895,000	14,544	909,544
Total	<u>\$ 8,475,000</u>	<u>\$ 1,536,078</u>	<u>\$ 10,011,078</u>

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

Fiscal Year Ended <u>September 30,</u>	Governmental Activities		
	Certificates of Obligation		
	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>
2025	\$ 640,000	\$ 331,313	\$ 971,313
2026	660,000	308,913	968,913
2027	685,000	282,013	967,013
2028	720,000	255,488	975,488
2029	740,000	233,638	973,638
2030-2034	3,975,000	884,696	4,859,696
2035-2039	4,510,000	347,950	4,857,950
2040	520,000	5,200	525,200
Total	\$ 12,450,000	\$ 2,649,211	\$ 15,099,211

Fiscal Year Ended <u>September 30,</u>	Business-Type Activities Revenue Bonds		
	(Direct Borrowings/Placements)		
	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>
2025	\$ 330,000	\$ 69,965	\$ 399,965
2026	340,000	62,401	402,401
2027	345,000	54,539	399,539
2028	350,000	46,462	396,462
2029	360,000	38,205	398,205
2030-2034	655,000	119,902	774,902
2035-2038	585,000	37,651	622,651
Total	\$ 2,965,000	\$ 429,124	\$ 3,394,124

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds is from taxes levied on all taxable property located within the City. The City is not obligated in any manner for special assessment debt.

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

Subscription liability: During the fiscal year, the City entered into subscription-based information technology arrangements (SBITAs) to control the right to use camera software that is recorded within the City's general fund. The SBITAs commenced or were in effect at the beginning of fiscal year 2024, and the term is for 7 years. Principal and interest payments are due annually and the estimated incremental borrowing rates for the SBITAs are 2.18-2.72%. The value of the subscription assets at year end was \$880,341. The value of the subscription liability as of September 30, 2024 was \$591,358. The amortization of the subscription assets at September 30, 2024 was \$209,800. The remaining annual requirements to amortize the subscription liability from the SBITAs at year end were as follows:

Fiscal Year Ended September 30,	Governmental Activities		
	Subscription Liability		
	Principal	Interest	Total Due
2025	\$ 127,927	\$ 14,450	\$ 142,377
2026	131,010	11,367	142,377
2027	134,170	8,207	142,377
2028	137,406	4,970	142,376
2029	60,845	1,655	62,500
Total	\$ 591,358	\$ 40,649	\$ 632,007

Federal Arbitrage: The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

Interfund Transactions: Transfers between the primary government funds during the year were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Capital improvements fund	General fund	\$ 325,990
Capital improvements fund	Utility fund	200,000
Debt service fund	General fund	974,463
General fund	Utility fund	300,000
		\$ 1,800,453

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

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**NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)**

The transfers out from the general fund and utility fund are made to the capital improvements fund for capital projects. Transfers into the debt service fund from the general fund are for supplemental funds to assist with debt service payments. Transfers out of the utility fund to the general fund were to offset costs in the City's grant program.

Amounts recorded as due to/from are considered to be temporary loans and will generally be repaid in less than one year.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Utility fund	\$ 396,554
General fund	Debt service fund	<u>15,655</u>
		<u>\$ 412,209</u>

Fund Equity: Funds restricted by enabling legislation are \$198,003, which are related to municipal court security and technology.

**NOTE 4 - OTHER INFORMATION**

Risk Management: The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with about 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at a group rate for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

Contingent Liabilities: Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount 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.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

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**NOTE 4 - OTHER INFORMATION** (Continued)

Pension Plan:

**Texas Municipal Retirement System**

Plan Description: The City participates as one of 921 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the Texas Government Code, Title 8, Subtitle G (the "TMRS Act") as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees (the "Board"); however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at 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 member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	2024	2023
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yr of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	0% of CPI	0% of CPI

Employees Covered by Benefit Terms: At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	41
Inactive employees entitled to, but not yet receiving, benefits	45
Active employees	41
Total	127

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

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**NOTE 4 - OTHER INFORMATION** (Continued)

Contributions: Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, 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 actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 6.13% and 6.17% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2024 were \$226,014 and were equal to the required contributions.

Net Pension Liability: The City's Net Pension Liability/(Asset) (NPL/(A)) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the NPL/(A) was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The TPL in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payment growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75% net of pension plan investment expense, including inflation

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

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

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

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**NOTE 4 - OTHER INFORMATION** (Continued)

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, TMRS' actuary 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 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global public equity	35%	7.7%
Core fixed income	6%	4.9%
Non-core fixed income	20%	8.7%
Other public and private markets	12%	8.1%
Real estate	12%	5.8%
Hedge funds	5%	6.9%
Private equity	<u>10%</u>	11.8%
Total	<u>100%</u>	

Discount Rate: The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, TMRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

**NOTE 4 - OTHER INFORMATION** (Continued)

Changes in the NPL/(A)

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 442,290	\$ -	\$ 442,290
Interest	906,240	-	906,240
Difference between expected and actual experience	24,171	-	24,171
Changes in assumptions	(140,835)	-	(140,835)
Contributions - employer	-	213,315	(213,315)
Contributions - employee	-	243,590	(243,590)
Net investment income	-	1,463,876	(1,463,876)
Benefit payments, including refunds of employee contributions	(710,540)	(710,540)	-
Administrative expense	-	(9,324)	9,324
Other changes	-	(65)	65
Net Changes	521,326	1,200,852	(679,526)
Balance at December 31, 2022	13,559,903	12,663,059	896,844
Balance at December 31, 2023	<u>\$ 14,081,229</u>	<u>\$ 13,863,911</u>	<u>\$ 217,318</u>

Sensitivity of the NPL/(A) to Changes in the Discount Rate: The following presents the NPL/(A) of the City, calculated using the discount rate of 6.75%, as well as what the City's NPL/(A) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	<u>\$ 1,948,046</u>	<u>\$ 217,318</u>	<u>\$ (1,221,679)</u>

Detailed information about TMRS' fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at [tmrs.com](http://tmrs.com).

Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions: For the fiscal year ended September 30, 2024, the City recognized pension expense of \$94,975.

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

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**NOTE 4 - OTHER INFORMATION** (Continued)

At September 30, 2024, 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	\$ 16,400	\$ (48,957)
Changes in actuarial assumptions	-	(92,103)
Difference between projected and actual investment earnings	356,102	-
Contributions subsequent to the measurement date	165,226	-
Total	\$ 537,728	\$ (141,060)

\$165,226 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a decrease to the NPL for the fiscal year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year ended September 30,</u>	<u>Pension Expense</u>
2025	\$ 12,170
2026	69,909
2027	271,184
2028	(121,821)
Total	\$ 231,442

Other Postemployment Benefits:

Plan Description: The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

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**NOTE 4 - OTHER INFORMATION** (Continued)

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

Benefits: 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). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. 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).

Participation in the SDBF as of December 31, 2023 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	24
Inactive employees entitled to, but not yet receiving, benefits	12
Active employees	41
Total	77

Total OPEB Liability: The City's total OPEB liability of \$146,294 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate*	3.77%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

\* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

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**NOTE 4 - OTHER INFORMATION** (Continued)

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018. Due to the higher mortality rates associated with the global pandemic, the TMRS Board adopted changes to the assumptions and methodology used for calculating 2024 and 2023 rates as determined in the December 31, 2023 and December 31, 2022 actuarial valuations, respectively.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Changes for the year:	
Service cost	\$ 4,524
Interest	5,437
Difference between expected and actual experience	1,663
Changes of assumptions	4,765
Benefit payments*	<u>(4,176)</u>
Net Changes	12,213
Balance at December 31, 2022	<u>134,081</u>
Balance at December 31, 2023	<u><u>\$ 146,294</u></u>

\* Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the City's yearly contribution for retirees.

The discount rate decreased from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023. There were no other changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease in Discount <u>Rate (3.05%)</u>	Discount <u>Rate (4.05%)</u>	1% Increase in Discount <u>Rate (5.05%)</u>
City's total OPEB liability	<u>\$ 172,747</u>	<u>\$ 146,294</u>	<u>\$ 125,349</u>

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

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**NOTE 4 - OTHER INFORMATION** (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the year ended September 30, 2024, the City recognized OPEB expense of \$2,484. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 1,661	\$ (9,577)
Changes in actuarial assumptions	16,468	(37,702)
Contributions subsequent to the measurement date	<u>2,946</u>	<u>-</u>
 Total	 <u>\$ 21,075</u>	 <u>\$ (47,279)</u>

\$2,946 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2025.

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year ended September 30,</u>	<u>OPEB Expense</u>
2025	\$ (6,490)
2026	(13,902)
2027	(9,758)
2028	<u>1,000</u>
 Total	 <u>\$ (29,150)</u>

Revenue Allocation Agreement: Effective October 1, 2014, the City entered into an amended Congestion Mitigation/Traffic Management Agreement (the "Agreement") with Metropolitan Transit Authority of Harris County, Texas (METRO), which continues through December 31, 2025, unless terminated earlier per the provisions of the Agreement. In December 2019, the Agreement was extended through September 30, 2040, unless terminated earlier per the provisions of the Agreement. Under the terms of the Agreement, the City will receive periodic payments in amounts equal to one-half of all available sales and use tax revenues collected by or for METRO within the corporate limits of the City. The City may utilize the funds for traffic-related projects and costs. The funds are accounted for in the general fund.

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(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
For the year ended September 30, 2024

**NOTE 4 - OTHER INFORMATION** (Continued)

*Related Organizations and Joint Ventures*

**Fire Protection:** The City has entered into an interlocal agreement (the “Agreement”) with the cities of Bunker Hill Village, Hedwig Village, Hunters Creek Village, Piney Point Village, and Hilshire Village, Texas, to create the Village Fire Department (VFD). The Agreement automatically renews for a period of five years unless terminated by at least one of the contracting cities. Under the terms of this Agreement, the City is liable for 16.25% of VFD’s approved budget.

Consolidated financial information extracted from the VFD’s audited financial statements for the year ended December 31, 2023, on which the VFD’s auditors expressed an unmodified opinion, is as follows:

	VFD Total		City's Portion (16.25%)	
	Net Position	Balance Sheet	Net Position	Balance Sheet
Total assets and deferred outflows	\$ 10,345,057	\$ 947,071	\$ 1,681,072	\$ 153,899
Total liabilities and deferred inflows	2,812,354	544,177	457,008	88,429
 Total participant's equity	\$ 7,532,703	\$ 402,894	\$ 1,224,064	\$ 65,470
	Change in Net Position	Revenues and Expenditures	Change in Net Position	Revenues and Expenditures
Total revenues	\$ 9,821,028	\$ 9,845,438	\$ 1,595,917	\$ 1,599,884
Total expenditures/expenses	9,813,740	9,786,904	1,594,733	1,590,372
Revenues over expenditures/expenses	7,288	58,534	1,184	9,512
Beginning participants equity	7,525,415	344,360	1,222,880	55,959
 Ending participant's equity	\$ 7,532,703	\$ 402,894	\$ 1,224,064	\$ 65,471

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF SPRING VALLEY VILLAGE, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
For the year ended September 30, 2024

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
<b>Revenues</b>				
Property taxes	\$ 5,015,000	\$ 5,015,000	\$ 5,518,951	\$ 503,951
Sales taxes	1,698,000	1,698,000	1,704,427	6,427
Franchise fees	334,300	334,300	323,540	(10,760)
Fines and forfeitures	410,800	410,800	433,429	22,629
Licenses and permits	324,150	324,150	336,142	11,992
Charges for services	337,249	337,249	393,035	55,786
Hilshire police contract	683,260	683,260	588,803	(94,457)
Investment income	300,248	300,248	687,397	387,149
Intergovernmental	875,000	875,000	863,252	(11,748)
Other	126,600	126,600	141,634	15,034
Total revenues	<u>10,104,607</u>	<u>10,104,607</u>	<u>10,990,610</u>	<u>886,003</u>
<b>Expenditures</b>				
Current				
General government				
Mayor and council	6,900	6,900	6,400	500
General government	1,132,013	1,132,013	1,021,668	110,345
Contractual and city-wide	946,361	946,361	1,051,735	(105,374)
Municipal court	316,919	316,919	283,008	33,911
Parks and recreation	122,840	122,840	119,835	3,005
Total general government	<u>2,525,033</u>	<u>2,525,033</u>	<u>2,482,646</u>	<u>42,387</u>
Public safety				
Police	3,699,854	3,699,854	3,492,250	207,604
Fire	1,610,942	1,610,942	1,680,868	(69,926)
Total public safety	<u>5,310,796</u>	<u>5,310,796</u>	<u>5,173,118</u>	<u>137,678</u>
Public works				
Streets and drainage	629,326	629,326	582,643	46,683
Total public works	<u>629,326</u>	<u>629,326</u>	<u>582,643</u>	<u>46,683</u>

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
For the year ended September 30, 2024

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Capital outlay	\$ 1,508,461	\$ 1,508,461	\$ 872,652	\$ 635,809
Total capital outlay	<u>1,508,461</u>	<u>1,508,461</u>	<u>872,652</u>	<u>635,809</u>
Debt service				
Principal	133,082	133,082	133,082	-
Interest and fiscal charges	<u>9,295</u>	<u>9,295</u>	<u>9,295</u>	<u>-</u>
Total debt service	<u>142,377</u>	<u>142,377</u>	<u>142,377</u>	<u>-</u>
Total expenditures	<u>10,115,993</u>	<u>10,115,993</u>	<u>9,253,436</u>	<u>862,557</u>
Excess of revenues over expenditures	<u>(11,386)</u>	<u>(11,386)</u>	<u>1,737,174</u>	<u>(862,557)</u>
<b>Other financing sources (uses)</b>				
Transfers in	300,000	300,000	300,000	-
Transfers (out)	(1,300,453)	(1,300,453)	(1,300,453)	-
SBITA's issued	<u>-</u>	<u>-</u>	<u>382,701</u>	<u>382,701</u>
Total other financing sources (uses)	<u>(1,000,453)</u>	<u>(1,000,453)</u>	<u>(617,752)</u>	<u>382,701</u>
Net change in fund balance	<u>\$ (1,011,839)</u>	<u>\$ (1,011,839)</u>	1,119,422	<u>\$ 2,131,261</u>
Beginning fund balance			<u>11,053,434</u>	
Ending fund balance			<u>\$ 12,172,856</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SPRING VALLEY VILLAGE, TEXAS  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
For the year ended September 30, 2024

	Measurement Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>										
Service cost	\$ 442,290	\$ 446,686	\$ 461,920	\$ 485,599	\$ 400,723	\$ 366,289	\$ 355,629	\$ 345,789	\$ 317,389	\$ 262,594
Interest (on the total pension liability)	906,240	876,356	839,156	800,516	758,269	730,507	698,883	675,456	647,576	612,560
Difference between expected and actual experience	24,171	(131,935)	3,249	13,241	69,979	(81,620)	(10,553)	(69,514)	(239)	(49,336)
Change of assumptions	(140,835)	-	-	-	44,082	-	-	-	275,713	-
Benefit payments, including refunds of employee contributions	(710,540)	(781,840)	(709,349)	(720,797)	(658,397)	(583,816)	(577,768)	(641,405)	(356,533)	(349,425)
Net change in total pension liability	521,326	409,267	594,976	578,559	614,656	431,360	466,191	310,326	883,906	476,393
Beginning total pension liability	13,559,903	13,150,636	12,555,660	11,977,101	11,362,445	10,931,085	10,464,894	10,154,568	9,270,662	8,794,269
Ending total pension liability	\$ 14,081,229	\$ 13,559,903	\$ 13,150,636	\$ 12,555,660	\$ 11,977,101	\$ 11,362,445	\$ 10,931,085	\$ 10,464,894	\$ 10,154,568	\$ 9,270,662
<b>Plan fiduciary net position</b>										
Contributions - employer	\$ 213,315	\$ 224,228	\$ 244,896	\$ 263,383	\$ 209,961	\$ 201,221	\$ 201,756	\$ 155,593	\$ 164,572	\$ 168,939
Contributions - employee	243,590	247,962	257,030	266,813	213,313	196,176	188,306	179,431	175,076	161,113
Net investment income	1,463,876	(1,020,622)	1,637,818	900,238	1,621,083	(329,801)	1,364,168	643,013	14,056	516,782
Benefit payments, including refunds of employee contributions	(710,540)	(781,840)	(709,349)	(720,797)	(658,397)	(583,816)	(577,768)	(641,405)	(356,533)	(349,425)
Administrative expense	(9,324)	(8,838)	(7,581)	(5,828)	(9,162)	(6,375)	(7,070)	(7,261)	(8,561)	(5,396)
Other	(65)	10,547	52	(229)	(276)	(333)	(358)	(391)	(423)	(444)
Net change in plan fiduciary net position	1,200,852	(1,328,563)	1,422,866	703,580	1,376,522	(522,928)	1,169,034	328,980	(11,813)	491,569
Beginning plan fiduciary net position	12,663,059	13,991,622	12,568,756	11,865,176	10,488,654	11,011,582	9,842,548	9,513,568	9,525,381	9,033,812
Ending plan fiduciary net position	\$ 13,863,911	\$ 12,663,059	\$ 13,991,622	\$ 12,568,756	\$ 11,865,176	\$ 10,488,654	\$ 11,011,582	\$ 9,842,548	\$ 9,513,568	\$ 9,525,381
Net Pension Liability/(Asset)	\$ 217,318	\$ 896,844	\$ (840,986)	\$ (13,096)	\$ 111,925	\$ 873,791	\$ (80,497)	\$ 622,346	\$ 641,000	\$ (254,719)
Plan fiduciary net position as a percentage of total pension liability	98.46%	93.39%	106.40%	100.10%	99.07%	92.31%	100.74%	94.05%	93.69%	102.75%
Covered Payroll	\$ 3,479,859	\$ 3,542,313	\$ 3,671,861	\$ 3,811,611	\$ 3,047,322	\$ 2,802,521	\$ 2,690,083	\$ 2,563,301	\$ 2,501,093	\$ 2,301,618
Net pension liability/(asset) as a percentage of covered payroll	6.25%	25.32%	-22.90%	-0.34%	3.67%	31.18%	-2.99%	24.28%	25.63%	-11.07%

CITY OF SPRING VALLEY VILLAGE, TEXAS  
SCHEDULE OF CONTRIBUTIONS  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
For the year ended September 30, 2024

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 226,014	\$ 213,187	\$ 225,186	\$ 246,762	\$ 248,998	\$ 209,511	\$ 195,848	\$ 194,112	\$ 167,012	\$ 164,572
Contributions in relation to the actuarially determined contribution	<u>226,014</u>	<u>213,187</u>	<u>225,186</u>	<u>246,762</u>	<u>248,998</u>	<u>209,511</u>	<u>195,848</u>	<u>194,112</u>	<u>167,012</u>	<u>164,572</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Covered payroll	\$ 3,669,541	\$ 3,446,497	\$ 3,454,916	\$ 3,666,577	\$ 3,605,526	\$ 3,012,340	\$ 2,711,205	\$ 2,691,644	\$ 2,690,588	\$ 2,501,093
Contributions as a percentage of covered payroll	6.16%	6.19%	6.52%	6.73%	6.91%	6.96%	7.22%	7.21%	6.21%	6.58%

Notes to Required Supplementary Information:

1. Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	22 years (longest amortization ladder)
Asset valuation method	10 year smoothed market; 12.00% soft corridor
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

3. Other Information: There were no benefit changes during the year.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
For the year ended September 30, 2024

	Measurement Year*						
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability</b>							
Service cost	\$ 4,524	\$ 8,856	\$ 6,977	\$ 6,861	\$ 5,180	\$ 5,325	4,573
Interest (on the total OPEB liability)	5,437	3,853	3,889	4,474	4,678	4,506	4,429
Difference between expected and actual experience	1,663	(15,675)	496	(2,720)	913	(9,783)	-
Change of assumptions	4,765	(66,156)	6,279	25,654	26,362	(8,848)	10,568
Benefit payments**	(4,176)	(3,542)	(3,672)	(1,525)	(1,219)	(1,121)	(807)
Net change in total OPEB liability	<u>12,213</u>	<u>(72,664)</u>	<u>13,969</u>	<u>32,744</u>	<u>35,914</u>	<u>(9,921)</u>	<u>18,763</u>
Beginning total OPEB liability	<u>134,081</u>	<u>206,745</u>	<u>192,776</u>	<u>160,032</u>	<u>124,118</u>	<u>134,039</u>	<u>115,276</u>
Ending total OPEB liability	<u>\$ 146,294</u>	<u>\$ 134,081</u>	<u>\$ 206,745</u>	<u>\$ 192,776</u>	<u>\$ 160,032</u>	<u>\$ 124,118</u>	<u>\$ 134,039</u>
Covered-employee payroll	\$ 3,479,859	\$ 3,542,313	\$ 3,671,861	\$ 3,811,611	\$ 3,047,322	\$ 2,802,521	\$ 2,690,083
Total OPEB liability as a percentage of covered-employee payroll	4.20%	3.79%	5.63%	5.06%	5.25%	4.43%	4.98%

\* Only seven years of information is currently available. The City will build this schedule over the next three-year period.

\*\* Due to the SDBF being considered an unfunded OPEB plan under GASB Statement No. 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
 TEXAS MUNICIPAL RETIREMENT SYSTEM  
 For the year ended September 30, 2024

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**Notes to Required Supplementary Information:**

1. Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate	3.77%
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

3. Other Information: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

There were no benefit changes during the year.

**COMBINING STATEMENTS AND SCHEDULES**

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS

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**Special Revenue Funds**

Police Asset Forfeiture Fund - The Police Asset Forfeiture Fund revenues are derived from the proceeds of assets seized by local and State law enforcement officials for activities related to enforcement and abatement of criminal statutes or from proceeds of assets deemed abandoned or unclaimed property. These funds are classified as revenues under Chapter 18 or Chapter 47 of the Code of Criminal Procedures. Expenditures can be used to improve activities related to general law enforcement programs and law enforcement equipment.

Legacy Fund - The Legacy Fund is a blended component unit to include the Spring Valley Legacy Fund, Inc. with the reporting entity. Revenues for the Legacy Fund are derived from donations with donor restrictions to be used to benefit the Spring Valley Police Department. The funds are restricted until expenditures are budgeted in accordance with donor restrictions.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 September 30, 2024

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	<u>Asset Foreiture</u>	<u>Legacy</u>	<u>Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 19,054	\$ 54,433	\$ 73,487
Total assets	<u>\$ 19,054</u>	<u>\$ 54,433</u>	<u>\$ 73,487</u>
<b>FUND BALANCES</b>			
Restricted			
Asset forfeitures	\$ 19,054	\$ -	\$ 19,054
Legacy fund	<u>-</u>	<u>54,433</u>	<u>54,433</u>
Total fund balances	<u>19,054</u>	<u>54,433</u>	<u>73,487</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 19,054</u>	 <u>\$ 54,433</u>	 <u>\$ 73,487</u>

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the year ended September 30, 2024

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	<u>Asset Foreiture</u>	<u>Legacy</u>	<u>Nonmajor Governmental Funds</u>
<b>Revenues</b>			
Other	\$ -	\$ 11,625	\$ 11,625
Total revenues	<u>-</u>	<u>11,625</u>	<u>11,625</u>
<b>Expenditures</b>			
Current			
Public safety	-	8,975	8,975
Total expenditures	<u>-</u>	<u>8,975</u>	<u>8,975</u>
Net change in fund balances	-	2,650	2,650
Beginning fund balances	<u>19,054</u>	<u>51,783</u>	<u>70,837</u>
Ending fund balances	<u>\$ 19,054</u>	<u>\$ 54,433</u>	<u>\$ 73,487</u>

CITY OF SPRING VALLEY VILLAGE, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
DEBT SERVICE FUND  
For the year ended September 30, 2024

	<u>Original Amounts</u>	<u>Final Amounts</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Property taxes	\$ 910,319	\$ 910,319	\$ 894,854	\$ (15,465)
Total revenues	<u>910,319</u>	<u>910,319</u>	<u>894,854</u>	<u>(15,465)</u>
<b>Expenditures</b>				
Debt service				
Principal	1,265,000	1,265,000	1,265,000	-
Interest and fiscal charges	619,782	619,782	622,556	(2,774)
Total expenditures	<u>1,884,782</u>	<u>1,884,782</u>	<u>1,887,556</u>	<u>(2,774)</u>
(Deficiency) of revenues (under) expenditures	<u>(974,463)</u>	<u>(974,463)</u>	<u>(992,702)</u>	<u>(18,239)</u>
<b>Other financing sources (uses)</b>				
Transfers in	974,463	974,463	974,463	-
Total other financing sources	<u>974,463</u>	<u>974,463</u>	<u>974,463</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(18,239)	<u>\$ (18,239)</u>
Beginning fund balance			<u>1,626</u>	
Ending fund balance			<u>\$ (16,613)</u>	

**STATISTICAL SECTION**

CITY OF SPRING VALLEY VILLAGE, TEXAS  
STATISTICAL SECTION

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This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the City's overall financial health.

CONTENTS

FINANCIAL TRENDS.....70

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

REVENUE CAPACITY.....75

These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

DEBT CAPACITY.....79

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

DEMOGRAPHIC AND ECONOMIC INFORMATION .....84

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION.....86

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
NET POSITION BY COMPONENT  
Last Ten Years  
(Accrual Basis of Accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Governmental activities</b>										
Net investment in capital assets	\$ 30,915,133	\$ 28,734,093	\$ 28,167,543	\$ 27,370,964	\$ 27,155,714	\$ 28,275,487	\$ 28,879,559	\$ 28,189,939	\$ 26,621,889	\$ 25,354,855
Restricted	286,280	253,331	1,104,744	375,119	227,136	189,668	164,600	176,253	160,271	154,588
Unrestricted	13,010,426	12,654,814	10,962,604	12,077,260	11,753,888	10,636,408	10,192,767	9,455,581	9,662,867	9,970,921
Total governmental activities net position	<u>\$ 44,211,839</u>	<u>\$ 41,642,238</u>	<u>\$ 40,234,891</u>	<u>\$ 39,823,343</u>	<u>\$ 39,136,738</u>	<u>\$ 39,101,563</u>	<u>\$ 39,236,926</u>	<u>\$ 37,821,773</u>	<u>\$ 36,445,027</u>	<u>\$ 35,480,364</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 6,073,293	\$ 6,419,896	\$ 6,789,411	\$ 6,643,637	\$ 7,974,574	\$ 8,641,742	\$ 5,057,352	\$ 5,764,333	\$ 6,446,443	\$ 6,429,975
Restricted	358,408	358,408	472,736	359,177	358,408	443,928	331,411	871,778	965,480	1,004,614
Unrestricted	1,141,707	1,214,309	862,809	437,445	(795,570)	(1,599,244)	1,213,688	(328,932)	(1,042,151)	(963,461)
Total business-type activities net position	<u>\$ 7,573,408</u>	<u>\$ 7,992,613</u>	<u>\$ 8,124,956</u>	<u>\$ 7,440,259</u>	<u>\$ 7,537,412</u>	<u>\$ 7,486,426</u>	<u>\$ 6,602,451</u>	<u>\$ 6,307,179</u>	<u>\$ 6,369,772</u>	<u>\$ 6,471,128</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 36,988,426	\$ 35,153,989	\$ 34,956,954	\$ 34,014,601	\$ 35,130,288	\$ 36,917,229	\$ 33,936,911	\$ 33,954,272	\$ 33,068,332	\$ 31,784,830
Restricted	644,688	611,739	1,577,480	734,296	585,544	633,596	496,011	1,048,031	1,125,751	1,159,202
Unrestricted	14,152,133	13,869,123	11,825,413	12,514,705	10,958,318	9,037,164	11,406,455	9,126,649	8,620,716	9,007,460
Total primary government net position	<u>\$ 51,785,247</u>	<u>\$ 49,634,851</u>	<u>\$ 48,359,847</u>	<u>\$ 47,263,602</u>	<u>\$ 46,674,150</u>	<u>\$ 46,587,989</u>	<u>\$ 45,839,377</u>	<u>\$ 44,128,952</u>	<u>\$ 42,814,799</u>	<u>\$ 41,951,492</u>

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 CHANGES IN NET POSITION  
 Last Ten Years  
 (Accrual Basis of Accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Expenses</b>										
<b>Governmental activities</b>										
General government	\$ 2,796,392	\$ 2,388,984	\$ 2,373,042	\$ 2,444,681	\$ 2,449,914	\$ 2,144,920	\$ 1,726,894	\$ 903,011	\$ 800,723	\$ 1,247,843
Public safety	5,611,865	5,306,712	4,786,732	4,957,464	5,159,269	4,880,263	3,992,287	3,922,109	3,880,246	3,036,137
Public works	1,697,110	1,930,573	2,262,530	1,972,528	1,912,521	1,846,313	1,730,944	1,818,890	1,906,985	1,354,685
Interest and fiscal agent fees	580,599	621,120	652,416	688,443	656,102	590,374	350,842	307,683	432,200	337,430
Total governmental activities expenses	<u>10,685,966</u>	<u>10,247,389</u>	<u>10,074,720</u>	<u>10,063,116</u>	<u>10,177,806</u>	<u>9,461,870</u>	<u>7,800,967</u>	<u>6,951,693</u>	<u>7,020,154</u>	<u>5,976,095</u>
<b>Business-type activities</b>										
Water and sewer	3,295,222	3,828,983	3,430,812	2,795,042	3,121,559	2,982,655	2,795,072	3,058,370	2,848,278	2,614,157
Total business-type activities expenses	<u>3,295,222</u>	<u>3,828,983</u>	<u>3,430,812</u>	<u>2,795,042</u>	<u>3,121,559</u>	<u>2,982,655</u>	<u>2,795,072</u>	<u>3,058,370</u>	<u>2,848,278</u>	<u>2,614,157</u>
Total expenses	<u>\$ 13,981,188</u>	<u>\$ 14,076,372</u>	<u>\$ 13,505,532</u>	<u>\$ 12,858,158</u>	<u>\$ 13,299,365</u>	<u>\$ 12,444,525</u>	<u>\$ 10,596,039</u>	<u>\$ 10,010,063</u>	<u>\$ 9,868,432</u>	<u>\$ 8,590,252</u>
<b>Program revenues</b>										
<b>Governmental activities</b>										
<b>Charges for services</b>										
General government	\$ 906,822	\$ 697,329	\$ 840,943	\$ 907,284	\$ 613,189	\$ 680,365	\$ 196,591	\$ 260,442	\$ 265,706	\$ 397,023
Public safety	1,022,232	1,079,838	1,328,469	1,246,332	830,901	1,086,534	1,193,648	880,102	938,409	1,133,967
Operating grants and contributions	863,252	842,512	945,930	787,015	754,729	746,199	702,846	620,005	661,046	438,493
Total governmental activities program revenues	<u>2,792,306</u>	<u>2,619,679</u>	<u>3,115,342</u>	<u>2,940,631</u>	<u>2,198,819</u>	<u>2,513,098</u>	<u>2,093,085</u>	<u>1,760,549</u>	<u>1,865,161</u>	<u>1,969,483</u>
<b>Business-type activities</b>										
<b>Charges for services</b>										
Water and sewer	3,180,372	3,501,583	3,330,052	2,847,372	2,966,158	2,676,454	3,069,771	2,940,857	2,720,856	2,708,075
Total business-type activities program revenues	<u>3,180,372</u>	<u>3,501,583</u>	<u>3,330,052</u>	<u>2,847,372</u>	<u>2,966,158</u>	<u>2,676,454</u>	<u>3,069,771</u>	<u>2,940,857</u>	<u>2,720,856</u>	<u>2,708,075</u>
Total program revenues	<u>\$ 5,972,678</u>	<u>\$ 6,121,262</u>	<u>\$ 6,445,394</u>	<u>\$ 5,788,003</u>	<u>\$ 5,164,977</u>	<u>\$ 5,189,552</u>	<u>\$ 5,162,856</u>	<u>\$ 4,701,406</u>	<u>\$ 4,586,017</u>	<u>\$ 4,677,558</u>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (7,893,660)	\$ (7,627,710)	\$ (6,959,378)	\$ (7,122,485)	\$ (7,978,987)	\$ (6,948,772)	\$ (5,707,882)	\$ (5,191,144)	\$ (5,154,993)	\$ (4,006,612)
Business-type activities	(114,850)	(327,400)	(100,760)	52,330	(155,401)	(306,201)	274,699	(117,512)	(127,422)	93,918
Total primary government net (expense) revenue	<u>\$ (8,008,510)</u>	<u>\$ (7,955,110)</u>	<u>\$ (7,060,138)</u>	<u>\$ (7,070,155)</u>	<u>\$ (8,134,388)</u>	<u>\$ (7,254,973)</u>	<u>\$ (5,433,183)</u>	<u>\$ (5,308,656)</u>	<u>\$ (5,282,415)</u>	<u>\$ (3,912,694)</u>

(Continued)

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 CHANGES IN NET POSITION  
 Last Ten Years  
 (Accrual Basis of Accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 6,433,720	\$ 5,935,937	\$ 5,625,596	\$ 5,519,222	\$ 5,569,072	\$ 5,171,426	\$ 5,142,514	\$ 4,693,922	\$ 4,402,210	\$ 4,245,518
Sales taxes	1,704,427	1,575,534	1,748,586	1,598,465	1,482,145	1,535,394	1,430,561	1,262,647	1,197,292	1,191,356
Franchise fees	323,540	368,487	296,152	309,282	323,537	370,171	326,582	339,607	353,381	339,321
Investment income	1,318,719	1,104,948	164,499	22,291	147,746	320,856	124,225	57,565	30,566	21,502
Other	153,259	136,223	243,591	176,230	641,662	272,109	196,729	214,149	136,207	136,451
Transfers	429,596	(86,072)	(707,498)	183,600	(150,000)	(1,095,543)	-	-	-	75,000
Total governmental activities	<u>10,363,261</u>	<u>9,035,057</u>	<u>7,370,926</u>	<u>7,809,090</u>	<u>8,014,162</u>	<u>6,574,413</u>	<u>7,220,611</u>	<u>6,567,890</u>	<u>6,119,656</u>	<u>6,009,148</u>
Business-type activities										
Other	125,241	108,985	77,959	34,117	56,387	55,498	32,694	54,920	26,066	89
Transfers	(429,596)	86,072	707,498	(183,600)	150,000	1,095,543	-	-	-	(75,000)
Total business-type activities	<u>(304,355)</u>	<u>195,057</u>	<u>785,457</u>	<u>(149,483)</u>	<u>206,387</u>	<u>1,151,041</u>	<u>32,694</u>	<u>54,920</u>	<u>26,066</u>	<u>(74,911)</u>
Total primary government	<u>\$ 10,058,906</u>	<u>\$ 9,230,114</u>	<u>\$ 8,156,383</u>	<u>\$ 7,659,607</u>	<u>\$ 8,220,549</u>	<u>\$ 7,725,454</u>	<u>\$ 7,253,305</u>	<u>\$ 6,622,810</u>	<u>\$ 6,145,722</u>	<u>\$ 5,934,237</u>
Change in net position										
Governmental activities	\$ 2,469,601	\$ 1,407,347	\$ 411,548	\$ 686,605	\$ 35,175	\$ (374,359)	\$ 1,512,729	\$ 1,376,746	\$ 964,663	\$ 2,002,536
Business-type activities	(419,205)	(132,343)	684,697	(97,153)	50,986	844,840	307,393	(62,592)	(101,356)	19,007
Total change in net position	<u>\$ 2,050,396</u>	<u>\$ 1,275,004</u>	<u>\$ 1,096,245</u>	<u>\$ 589,452</u>	<u>\$ 86,161</u>	<u>\$ 470,481</u>	<u>\$ 1,820,122</u>	<u>\$ 1,314,154</u>	<u>\$ 863,307</u>	<u>\$ 2,021,543</u>

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 Last Ten Years  
 (Modified Accrual Basis of Accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General fund										
Nonspendable	\$ 16,075	\$ 16,075	\$ 2,061	\$ 13,991	\$ 14,928	\$ 13,570	\$ 11,938	\$ 1,203	\$ 870	\$ 870
Restricted	212,793	180,868	277,295	272,811	156,369	148,524	137,075	128,097	124,264	121,659
Assigned	3,401,534	3,195,921	2,966,626	2,631,495	2,631,495	2,631,495	2,631,495	2,631,495	359,267	359,267
Unassigned	<u>8,542,454</u>	<u>7,660,570</u>	<u>6,422,522</u>	<u>5,692,409</u>	<u>5,062,027</u>	<u>5,313,366</u>	<u>4,685,444</u>	<u>3,447,225</u>	<u>5,619,702</u>	<u>4,926,770</u>
Total general fund	<u>\$ 12,172,856</u>	<u>\$ 11,053,434</u>	<u>\$ 9,668,504</u>	<u>\$ 8,610,706</u>	<u>\$ 7,864,819</u>	<u>\$ 8,106,955</u>	<u>\$ 7,465,952</u>	<u>\$ 6,208,020</u>	<u>\$ 6,104,103</u>	<u>\$ 5,408,566</u>
All other governmental funds										
Restricted	\$ 8,343,393	\$ 10,365,361	\$ 10,424,011	\$ 11,302,627	\$ 13,086,398	\$ 5,798,882	\$ 27,525	\$ 48,156	\$ 9,132,618	\$ 13,135,970
Assigned	-	-	689,698	1,887,523	2,458,467	1,647,478	1,580,379	2,116,364	2,093,010	3,112,942
Unassigned	<u>(16,613)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,842)</u>	<u>-</u>	<u>(18,659)</u>	<u>(882)</u>	<u>-</u>
Total all other governmental funds	<u>\$ 8,326,780</u>	<u>\$ 10,365,361</u>	<u>\$ 11,113,709</u>	<u>\$ 13,190,150</u>	<u>\$ 15,544,865</u>	<u>\$ 7,420,518</u>	<u>\$ 1,607,904</u>	<u>\$ 2,145,861</u>	<u>\$ 11,224,746</u>	<u>\$ 16,248,912</u>

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
 Last Ten Years  
 (Modified Accrual Basis of Accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenues</b>										
Property taxes	\$ 6,413,805	\$ 5,907,654	\$ 5,625,735	\$ 5,539,717	\$ 5,583,501	\$ 5,152,045	\$ 5,128,547	\$ 4,690,696	\$ 4,508,707	\$ 4,159,264
Sales taxes	1,704,427	1,575,534	1,748,586	1,598,465	1,482,145	1,535,394	1,430,561	1,262,647	1,197,292	1,191,356
Franchise fees	323,540	368,487	296,152	309,282	323,537	370,171	326,582	339,607	353,381	339,321
Fines and forfeitures	433,429	470,997	770,327	724,302	329,056	615,636	745,884	460,809	540,494	752,084
Licenses and permits	336,142	343,856	501,273	583,611	291,765	355,933	196,591	260,442	265,706	397,023
Charges for services	393,035	353,473	339,670	323,673	321,424	324,432	-	-	-	-
Hilshire police contract	588,803	608,841	558,142	522,030	501,845	470,898	447,764	419,293	397,915	381,883
Investment income	1,248,941	1,048,390	164,499	22,291	147,746	320,856	124,225	57,565	30,566	21,502
Intergovernmental	863,252	842,512	945,930	787,015	754,729	746,199	702,846	620,005	661,046	438,493
Other	153,259	136,223	176,368	204,326	525,754	136,900	108,408	231,811	136,439	132,090
<b>Total revenues</b>	<b>12,458,633</b>	<b>11,655,967</b>	<b>11,126,682</b>	<b>10,614,712</b>	<b>10,261,502</b>	<b>10,028,464</b>	<b>9,211,408</b>	<b>8,342,875</b>	<b>8,091,546</b>	<b>7,813,016</b>
<b>Expenditures</b>										
General government	2,482,646	2,236,740	2,207,329	2,082,839	2,076,786	1,849,486	1,509,517	1,427,121	1,287,658	1,337,875
Public safety	5,182,093	4,838,540	4,956,857	4,881,359	4,773,027	4,199,438	3,653,799	3,405,232	3,397,221	3,201,065
Public works	582,643	478,945	504,726	482,352	427,879	426,402	314,546	305,642	393,737	286,142
Capital outlay	3,983,178	1,515,679	2,528,701	3,142,816	1,673,865	2,117,640	2,060,288	11,414,618	6,288,546	2,114,494
Debt service										
Bond issuance costs	-	-	-	-	-	-	-	-	-	104,614
Principal	1,398,082	1,276,796	1,180,000	825,000	795,000	550,000	530,000	510,000	400,000	-
Interest	631,851	672,685	703,981	744,246	675,582	581,801	379,019	399,819	524,336	-
<b>Total expenditures</b>	<b>14,260,493</b>	<b>11,019,385</b>	<b>12,081,594</b>	<b>12,158,612</b>	<b>10,422,139</b>	<b>9,724,767</b>	<b>8,447,169</b>	<b>17,462,432</b>	<b>12,291,498</b>	<b>7,044,190</b>
Excess (deficiency) of revenues over (under) expenditures	(1,801,860)	636,582	(954,912)	(1,543,900)	(160,637)	303,697	764,239	(9,119,557)	(4,199,952)	768,826
<b>Other financing sources (uses)</b>										
Issuance of debt	-	-	-	-	8,130,000	6,600,000	-	-	-	13,475,000
SBITA's issued	382,701	-	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	595,176	248,176	-	-	-	134,363
Sale of capital assets	-	-	1,363	-	-	7,200	35,093	751	4,320	5,310
Transfers In	1,800,453	1,349,687	1,282,991	1,245,622	1,565,022	988,432	1,524,042	2,335,849	1,250,000	2,217,000
Transfers Out	(1,300,453)	(1,349,687)	(1,348,085)	(1,310,550)	(2,244,350)	(1,932,884)	(1,603,399)	(2,192,011)	(1,382,997)	(2,142,000)
<b>Total other financing sources (uses)</b>	<b>882,701</b>	<b>-</b>	<b>(63,731)</b>	<b>(64,928)</b>	<b>8,045,848</b>	<b>5,910,924</b>	<b>(44,264)</b>	<b>144,589</b>	<b>(128,677)</b>	<b>13,689,673</b>
<b>Net change in fund balances</b>	<b>\$ (919,159)</b>	<b>\$ 636,582</b>	<b>\$ (1,018,643)</b>	<b>\$ (1,608,828)</b>	<b>\$ 7,885,211</b>	<b>\$ 6,214,621</b>	<b>\$ 719,975</b>	<b>\$ (8,974,968)</b>	<b>\$ (4,328,629)</b>	<b>\$ 14,458,499</b>
Debt service as a percentage of noncapital expenditures	19.84%	20.61%	20.35%	17.82%	16.83%	14.65%	13.06%	16.96%	15.01%	0.00%

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE  
 OF TAXABLE PROPERTY  
 Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Residential	\$1,764,168,983	\$1,323,470,667	\$1,413,884,368	\$1,358,399,591	\$1,350,215,949	\$1,286,137,521	\$1,234,212,313	\$1,147,232,344	\$1,057,666,553	\$ 938,839,232
Vacant	9,943,924	9,531,051	22,323,694	17,435,331	18,605,776	20,302,787	26,911,668	20,219,114	22,897,005	23,119,734
Commercial and industrial	235,833,444	228,394,762	143,156,737	144,410,918	149,066,674	120,709,222	127,616,169	104,087,202	69,321,629	71,949,422
Utilities	10,366,405	9,042,237	8,864,324	11,973,084	12,076,421	11,602,774	11,433,668	11,484,003	10,289,952	4,250,555
Real properties	54,625,733	33,207,130	40,480,943	32,374,130	38,620,266	25,674,830	22,199,610	23,553,054	25,945,101	8,625
Governmental and charities	<u>170,432,510</u>	<u>166,674,236</u>	<u>164,062,405</u>	<u>164,423,885</u>	<u>165,193,713</u>	<u>159,391,800</u>	<u>155,927,423</u>	<u>151,935,233</u>	<u>147,694,988</u>	<u>138,803,675</u>
Total assessed value (1)	2,245,370,999	1,770,320,083	1,792,772,471	1,729,016,939	1,733,778,799	1,623,818,934	1,578,300,851	1,458,510,950	1,333,815,228	1,176,971,243
Less tax exempt property	<u>(512,174,511)</u>	<u>(473,949,308)</u>	<u>(437,601,841)</u>	<u>(424,272,036)</u>	<u>(420,239,552)</u>	<u>(404,345,840)</u>	<u>(392,449,852)</u>	<u>(373,888,856)</u>	<u>(355,139,172)</u>	<u>(312,139,100)</u>
Total taxable assessed valuation	<u>\$1,733,196,488</u>	<u>\$1,296,370,775</u>	<u>\$1,355,170,630</u>	<u>\$1,304,744,903</u>	<u>\$1,313,539,247</u>	<u>\$1,219,473,094</u>	<u>\$1,185,850,999</u>	<u>\$1,084,622,094</u>	<u>\$ 978,676,056</u>	<u>\$ 864,832,143</u>
Taxable value as a percentage of assessed value	77%	73%	76%	75%	76%	75%	75%	74%	73%	73%
Total tax rate	\$ 0.395000	\$ 0.405000	\$ 0.415000	\$ 0.425000	\$ 0.425000	\$ 0.430000	\$ 0.430000	\$ 0.433500	\$ 0.433500	\$ 0.450000

Source: Tax department of the Spring Branch ISD.

(1) All property is assessed at 100% of actual taxable value.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS  
Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City of Spring Valley Village										
Operating tax rate	\$ 0.3426780	\$ 0.3439340	\$ 0.3490080	\$ 0.3557150	\$ 0.3558890	\$ 0.356274	\$ 0.354641	\$ 0.350711	\$ 0.356160	\$ 0.487843
Debt service tax rate	0.0523220	0.0610660	0.0659920	0.0692850	0.0691110	0.073726	0.078859	0.082789	0.093840	-
Total direct rates	<u>\$ 0.3950000</u>	<u>\$ 0.4050000</u>	<u>\$ 0.4150000</u>	<u>\$ 0.4250000</u>	<u>\$ 0.4250000</u>	<u>\$ 0.430000</u>	<u>\$ 0.433500</u>	<u>\$ 0.433500</u>	<u>\$ 0.450000</u>	<u>\$ 0.487843</u>
Spring Branch Independent School District	\$ 1.076400	\$ 1.078900	\$ 1.268800	\$ 1.307300	\$ 1.307300	\$ 1.394500	\$ 1.394500	\$ 1.394500	\$ 1.394500	\$ 1.394500
Harris County	0.385290	0.350070	0.343730	0.391160	0.391160	0.418580	0.418010	0.416560	0.419230	0.417310
Harris County Flood Control	0.048970	0.031050	0.030550	0.031420	0.031420	0.028770	0.028290	0.028290	0.027330	0.027360
Port of Houston Authority	0.006150	0.005740	0.007990	0.009100	0.009910	0.011550	0.013340	0.013340	0.013420	0.015310
Harris County Hospital District	0.163480	0.143430	0.148310	0.166710	0.166710	0.171080	0.171900	0.171790	0.170000	0.170000
Harris County Department of Education	0.004799	0.004800	0.004900	0.004993	0.004199	0.005190	0.005200	0.005200	0.005422	0.005999
Total overlapping rates	<u>\$ 1.685089</u>	<u>\$ 1.613990</u>	<u>\$ 1.804280</u>	<u>\$ 1.910683</u>	<u>\$ 1.910699</u>	<u>\$ 2.029670</u>	<u>\$ 2.031240</u>	<u>\$ 2.029680</u>	<u>\$ 2.029902</u>	<u>\$ 2.030479</u>
Total direct and overlapping rates	<u>\$ 2.080089</u>	<u>\$ 2.018990</u>	<u>\$ 2.219280</u>	<u>\$ 2.335683</u>	<u>\$ 2.335699</u>	<u>\$ 2.459670</u>	<u>\$ 2.464740</u>	<u>\$ 2.463180</u>	<u>\$ 2.479902</u>	<u>\$ 2.518322</u>

Note: The basis for property tax rates is per \$100 of the assessed valuation.

Source: Tax department records of the various governments.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 PRINCIPAL PROPERTY TAXPAYERS  
 Current Year and Nine Years Ago

Property Tax Payer	2024			2015		
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation
Stream Wellington MOB LLC	\$ 56,388,084	1	3.25%	\$ -	-	-
SV Physician Properties I LP	36,046,498	2	2.08%	2,687,120	8	0.31%
Campbell Project Partners LLC	29,040,900	3	1.68%	-	-	-
HD Development Properties	26,641,770	4	1.54%	20,106,224	2	2.32%
Ten Voss Ltd	26,641,770	5	1.54%	25,533,614	1	2.95%
Spring Valley One Center Ltd	16,118,958	6	0.93%	-	-	-
Memorial Design Center Ltd	14,645,713	7	0.85%	-	-	-
Fulgent Genetics Inc	8,893,341	8	0.51%	-	-	-
Peatwatuck Real Estate LLC	8,719,041	9	0.50%	-	-	-
Kelsey-Seybold Clinic	8,181,272	10	0.47%	-	-	-
Audrey Baker Freidman Trust	-	-	-	8,337,831	3	0.96%
Southwestern Bell	-	-	-	7,819,195	4	0.90%
Managed Rehabilitation Inc	-	-	-	6,620,700	5	0.77%
Wellington Fidelis Campbell I LP	-	-	-	4,443,120	6	0.51%
Campbell I10 Ltd	-	-	-	4,177,450	7	0.48%
C1 Health Care Management LLC	-	-	-	2,350,000	9	0.27%
Spring Valley Memorial Realty	-	-	-	2,130,000	10	0.25%
Subtotal	231,317,347		13.35%	82,075,254		9.49%
Other taxpayers	1,501,879,141		86.65%	782,756,889		90.51%
Total <sup>(1)</sup>	\$ 1,733,196,488		100.00%	\$ 864,832,143		100.00%

Source: Tax department of the Spring Branch ISD.

(1) Net of exemptions and abatements

CITY OF SPRING VALLEY VILLAGE, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Years

Fiscal Year	Tax Year	Tax Rate	Total Tax Levy For Fiscal Year	Collected Within the Fiscal Year of the Levy		Delinquent Tax Collected Amount Collected	Total Collections to Date	
				Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2015	2014	\$ 0.450000	\$ 4,212,362	\$ 4,100,837	97.35%	\$ 110,933	\$ 4,211,770	99.99%
2016	2015	0.433500	4,509,649	4,392,632	97.41%	115,145	4,507,777	99.96%
2017	2016	0.433500	4,688,384	4,687,314	99.98%	(1,248)	4,686,066	99.95%
2018	2017	0.430000	5,140,951	5,126,946	99.73%	12,281	5,139,227	99.97%
2019	2018	0.430000	5,243,735	5,215,475	99.46%	26,343	5,241,818	99.96%
2020	2019	0.425000	5,562,742	5,533,075	99.47%	25,613	5,558,688	99.93%
2021	2020	0.425000	5,531,366	5,517,117	99.74%	11,460	5,528,577	99.95%
2022	2021	0.415000	5,658,344	5,646,933	99.80%	3,672	5,650,605	99.86%
2023	2022	0.405000	5,917,960	5,878,543	99.33%	28,255	5,906,798	99.81%
2024	2023	0.395000	6,483,713	6,444,933	99.40%	-	6,444,933	99.40%

Source: Tax department of the Spring Branch ISD.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
RATIOS OF OUTSTANDING DEBT BY TYPE  
Last Ten Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Governmental activities</b>										
General obligation bonds	\$ 8,475,000	\$ 9,115,000	\$ 9,735,000	\$ 10,335,000	\$ 10,920,000	\$ 11,485,000	\$ 12,143,771	\$ 12,680,169	\$ 13,196,567	\$ 13,602,965
Certificates of obligation	12,450,000	13,075,000	13,680,000	14,260,000	14,500,000	6,600,000	-	-	-	-
Issuance discounts/premiums	698,832	745,247	791,662	838,077	884,492	338,731	356,947	363,345	369,743	376,141
Subtotal	<u>21,623,832</u>	<u>22,935,247</u>	<u>24,206,662</u>	<u>25,433,077</u>	<u>26,304,492</u>	<u>18,423,731</u>	<u>12,500,718</u>	<u>13,043,514</u>	<u>13,566,310</u>	<u>13,979,106</u>
<b>Business-type activities</b>										
Revenue bonds	<u>2,965,000</u>	<u>3,290,000</u>	<u>3,610,000</u>	<u>3,920,000</u>	<u>4,225,000</u>	<u>4,525,000</u>	<u>2,310,000</u>	<u>2,490,000</u>	<u>2,665,000</u>	<u>2,835,000</u>
Subtotal	<u>2,965,000</u>	<u>3,290,000</u>	<u>3,610,000</u>	<u>3,920,000</u>	<u>4,225,000</u>	<u>4,525,000</u>	<u>2,310,000</u>	<u>2,490,000</u>	<u>2,665,000</u>	<u>2,835,000</u>
<b>Government-wide</b>										
Revenue bonds	2,965,000	3,290,000	3,610,000	3,920,000	4,225,000	4,525,000	2,310,000	2,490,000	2,665,000	2,835,000
General obligation bonds	8,475,000	9,115,000	9,735,000	10,335,000	10,920,000	11,485,000	12,143,771	12,680,169	13,196,567	13,602,965
Certificates of obligation	12,450,000	13,075,000	13,680,000	14,260,000	14,500,000	6,600,000	-	-	-	-
Issuance discounts/premiums	698,832	745,247	791,662	838,077	884,492	338,731	356,947	363,345	369,743	376,141
Total government-wide	<u>24,588,832</u>	<u>26,225,247</u>	<u>27,816,662</u>	<u>29,353,077</u>	<u>30,529,492</u>	<u>22,948,731</u>	<u>14,810,718</u>	<u>15,533,514</u>	<u>16,231,310</u>	<u>16,814,106</u>
Estimated full property value	\$2,245,370,999	\$1,770,320,083	\$1,792,772,471	\$1,729,016,939	\$1,733,778,799	\$1,623,818,934	\$1,578,300,851	\$1,458,510,950	\$1,333,815,228	\$1,176,971,243
Percentage of full property value	1.10%	1.48%	1.55%	1.70%	1.76%	1.41%	0.94%	1.07%	1.22%	1.43%
Population	4,288	4,222	4,204	4,282	4,239	4,333	4,336	4,328	4,191	4,142
<b>Debt per capita</b>										
Governmental activities	\$ 5,043	\$ 5,432	\$ 5,758	\$ 5,940	\$ 6,205	\$ 4,252	\$ 2,883	\$ 3,014	\$ 3,237	\$ 3,375
Government-wide	\$ 5,734	\$ 6,212	\$ 6,617	\$ 6,855	\$ 7,202	\$ 5,296	\$ 3,416	\$ 3,589	\$ 3,873	\$ 4,059

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Estimated actual taxable value of Property	<u>\$1,733,196,488</u>	<u>\$1,296,370,775</u>	<u>\$1,355,170,630</u>	<u>\$1,304,744,903</u>	<u>\$1,313,539,247</u>	<u>\$1,219,473,094</u>	<u>\$1,185,850,999</u>	<u>\$1,084,622,094</u>	<u>\$ 978,676,056</u>	<u>\$ 864,832,143</u>
Net bonded debt										
Gross bonded debt	\$ 21,623,832	\$ 22,935,247	\$ 24,206,662	\$ 25,433,077	\$ 26,304,492	\$ 18,423,731	\$ 12,500,718	\$ 13,043,514	\$ 13,566,310	\$ 13,979,106
Less amounts available in debt service funds	<u>-</u>	<u>(1,626)</u>	<u>(3,242)</u>	<u>(17,076)</u>	<u>(21,614)</u>	<u>-</u>	<u>(4,792)</u>	<u>-</u>	<u>-</u>	<u>(4,749)</u>
Total net bonded debt	<u>\$ 21,623,832</u>	<u>\$ 22,933,621</u>	<u>\$ 24,203,420</u>	<u>\$ 25,416,001</u>	<u>\$ 26,282,878</u>	<u>\$ 18,423,731</u>	<u>\$ 12,495,926</u>	<u>\$ 13,043,514</u>	<u>\$ 13,566,310</u>	<u>\$ 13,974,357</u>
Percentage of estimated actual taxable value of property	1.25%	1.77%	1.79%	1.95%	2.00%	1.51%	1.05%	1.20%	1.39%	1.62%
Population	4,288	4,222	4,204	4,282	4,239	4,333	4,336	4,328	4,191	4,142
Per capita	\$ 5,043	\$ 5,432	\$ 5,757	\$ 5,936	\$ 6,200	\$ 4,252	\$ 2,882	\$ 3,014	\$ 3,237	\$ 3,374

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 September 30, 2024

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	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
Governmental unit			
Spring Branch Independent School District	\$1,107,115,000	4.00%	\$ 44,284,600
Harris County	1,994,511,319	0.28%	5,584,632
Harris County Flood Control District	991,095,000	0.28%	2,775,066
Harris County Hospital District	65,285,000	0.28%	182,798
Harris County Department of Education	28,960,000	0.28%	81,088
Port of Houston Authority	426,124,397	0.28%	<u>1,193,148</u>
Subtotal, overlapping debt			54,101,332
City direct debt	\$ 21,623,832	100.00%	
Total direct and overlapping debt			<u>\$ 75,725,164</u>

Source: Municipal Advisory Council of Texas

\* The "Estimated Percentage Overlapping" is determined by dividing the City's certified taxable value by the County and related other County entities certified taxable values.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
LEGAL DEBT MARGIN INFORMATION  
Last Ten Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt limit <sup>(1)</sup>	\$ 173,319,649	\$ 129,637,078	\$ 135,517,063	\$ 130,474,490	\$ 131,353,925	\$ 121,947,309	\$ 118,585,101	\$ 108,462,209	\$ 97,867,606	\$ 86,437,914
Total net debt applicable to limit	21,623,832	22,935,247	24,206,662	25,433,077	26,304,492	18,423,731	12,500,718	13,043,514	13,566,310	13,979,106
Legal debt margin	<u>\$ 151,695,817</u>	<u>\$ 106,701,831</u>	<u>\$ 111,310,401</u>	<u>\$ 105,041,413</u>	<u>\$ 105,049,433</u>	<u>\$ 103,523,578</u>	<u>\$ 106,084,383</u>	<u>\$ 95,418,695</u>	<u>\$ 84,301,296</u>	<u>\$ 72,458,808</u>
Total net debt applicable to the limit as a percentage of debt limit	12.48%	17.69%	17.86%	19.49%	20.03%	15.11%	10.54%	12.03%	13.86%	16.17%
Legal debt margin calculation										
Assessed value	\$1,733,196,488	\$1,296,370,775	\$1,355,170,630	\$1,304,744,903	\$1,313,539,247	\$1,219,473,094	\$1,185,850,999	\$1,084,622,094	\$ 978,676,056	\$ 864,379,143
Debt limit (10% of assessed value)	173,319,649	129,637,078	135,517,063	130,474,490	131,353,925	121,947,309	118,585,101	108,462,209	97,867,606	86,437,914
Debt applicable to limit										
Gross bonded debt	21,623,832	22,935,247	24,206,662	25,433,077	26,304,492	18,423,731	12,500,718	13,043,514	13,566,310	13,979,106
Total net debt applicable to limit	<u>21,623,832</u>	<u>22,935,247</u>	<u>24,206,662</u>	<u>25,433,077</u>	<u>26,304,492</u>	<u>18,423,731</u>	<u>12,500,718</u>	<u>13,043,514</u>	<u>13,566,310</u>	<u>13,979,106</u>
Legal debt margin	<u>\$ 151,695,817</u>	<u>\$ 106,701,831</u>	<u>\$ 111,310,401</u>	<u>\$ 105,041,413</u>	<u>\$ 105,049,433</u>	<u>\$ 103,523,578</u>	<u>\$ 106,084,383</u>	<u>\$ 95,418,695</u>	<u>\$ 84,301,296</u>	<u>\$ 72,458,808</u>

Note: There is no debt limit established by law; therefore, the limit is governed by the City's ability to levy and collect taxes to service the debt. The Attorney General of the State of Texas will not approve more than \$1.00 of the tax rate for debt service. The City's maximum legal tax rate is \$2.50 per \$100 valuation assessed at 100% of the market value. Ten percent (10%) of the assessed value has been applied as a "rule of thumb" procedure.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 PLEDGED-REVENUE COVERAGE  
 Last Ten Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Gross revenues (1)	\$ 3,305,613	\$ 3,610,568	\$ 3,408,011	\$ 2,881,489	\$ 3,022,545	\$ 2,731,952	\$ 3,102,465	\$ 2,995,777	\$ 2,746,922	\$ 2,708,164
Operating expenses (2)	<u>2,426,405</u>	<u>2,902,608</u>	<u>2,525,274</u>	<u>2,052,556</u>	<u>2,383,381</u>	<u>2,263,747</u>	<u>2,173,587</u>	<u>2,464,746</u>	<u>2,297,918</u>	<u>2,059,433</u>
Net revenues available for debt service	<u>\$ 879,208</u>	<u>\$ 707,960</u>	<u>\$ 882,737</u>	<u>\$ 828,933</u>	<u>\$ 639,164</u>	<u>\$ 468,205</u>	<u>\$ 928,878</u>	<u>\$ 531,031</u>	<u>\$ 449,004</u>	<u>\$ 648,731</u>
Debt service requirements (3)										
Principal	\$ 330,000	\$ 325,000	\$ 320,000	\$ 310,000	\$ 305,000	\$ 300,000	\$ 185,000	\$ 180,000	\$ 175,000	\$ 165,000
Interest	<u>69,965</u>	<u>77,305</u>	<u>84,433</u>	<u>91,277</u>	<u>97,912</u>	<u>104,339</u>	<u>60,753</u>	<u>65,487</u>	<u>70,090</u>	<u>78,000</u>
Total	<u>\$ 399,965</u>	<u>\$ 402,305</u>	<u>\$ 404,433</u>	<u>\$ 401,277</u>	<u>\$ 402,912</u>	<u>\$ 404,339</u>	<u>\$ 245,753</u>	<u>\$ 245,487</u>	<u>\$ 245,090</u>	<u>\$ 243,000</u>
Coverage	2.20	1.76	2.18	2.07	1.59	1.16	3.78	2.16	1.83	2.67

- (1) Gross revenues as defined in the revenue bond ordinances include operating and nonoperating revenue and exclude capital contributions, grant revenues, and capital recovery fees.
- (2) Total operating expenses as defined in the revenue bond ordinances do not include amortization, bond interest, and fiscal charges.
- (3) Debt service requirements are based on the expected debt service payments for the following fiscal year.

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 Last Ten Calendar Years

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Fiscal Year Ended <u>30-Sep</u>	<u>Population<sup>(1)</sup></u>	<u>Personal Income<sup>(1)</sup></u>	<u>Per Capita Personal Income<sup>(1)</sup></u>	<u>Median Age<sup>(1)</sup></u>	<u>Public School Enrollment<sup>(2)</sup></u>	<u>Unemployment Rate<sup>(1)</sup></u>	<u>Education Level in Years of Formal Schooling<sup>(1)</sup></u>
2015	4,142	\$ 266,584	\$ 68,839	43.0	910	4.7%	79.0%
2016	4,191	201,496	75,372	42.0	280	1.2%	78.0%
2017	4,328	242,866	88,899	42.0	905	1.2%	77.9%
2018	4,336	241,139	88,258	43.0	908	1.2%	78.0%
2019	4,333	239,996	99,286	40.6	915	1.2%	82.0%
2020	4,239	205,100	91,202	40.0	691	3.3%	84.0%
2021	4,282	206,654	84,654	41.0	842	0.1%	84.0%
2022	4,204	224,722	78,201	40.0	808	1.5%	89.0%
2023	4,222	229,702	95,097	37.2	1,180	1.2%	86.0%
2024	4,288	227,922	96,255	38.0	1,195	1.1%	87.0%

Data sources:

- (1) Colliers International Estimate
- (2) Spring Branch ISD

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 PRINCIPAL EMPLOYERS  
 Current Year and Nine Years Ago

<u>Employer</u>	<u>2024</u>			<u>2015</u>		
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Rank</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Rank</u>
Spring Branch Independent School District	223	28.77%	1	126	23.16%	2
Home Depot	120	15.48%	2	153	28.13%	1
Kelsey Seybold	117	15.10%	3	-	-	-
Stoller Group	69	8.90%	4	-	-	-
East West Bank	60	7.74%	5	-	-	-
Spring Branch Presbyterian Church	45	5.81%	6	40	7.35%	4
AOK Emergency Clinic	45	5.81%	7	-	-	-
Jonathan's the Rub	40	5.16%	8	-	-	-
Starbucks Corporation	34	4.39%	9	35	6.43%	5
Specs	22	2.84%	10	26	4.78%	7
DTK	-	-	-	75	13.79%	3
Pueblo Viejo	-	-	-	35	6.43%	6
SSI	-	-	-	25	4.60%	8
Premier Technology Group	-	-	-	15	2.76%	9
Hunan Chef	-	-	-	14	2.57%	10
	<u>775</u>	<u>100.00%</u>		<u>544</u>	<u>100.00%</u>	

Source: Human Resource Department of each company

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
 Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities										
General government	10	9	10	10	9	8	8	8	8	8
Public safety	26	25	25	25	24	24	24	24	24	24
Public works	3	3	3	3	3	3	3	3	3	3
Business-type activities										
Water and sewer	4	4	5	5	4	4	4	4	4	4
Total city positions	<u>43</u>	<u>41</u>	<u>43</u>	<u>43</u>	<u>40</u>	<u>39</u>	<u>39</u>	<u>39</u>	<u>39</u>	<u>39</u>

Source: City Finance Department

CITY OF SPRING VALLEY VILLAGE, TEXAS  
OPERATING INDICATORS BY FUNCTION  
Last Ten Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City of Spring Valley Village										
Budgeted full-time employees	43	42	42	42	40	40	40	39	39	39
Function										
Police										
Arrests	70	58	85	72	47	130	205	300	460	697
Accident reports	163	158	139	122	112	108	192	208	157	165
Citations	12,121	3,912	6,362	8,887	6,332	7,437	5,689	5,487	4,417	8,061
Offense reports	430	401	481	492	487	717	1,070	913	962	1,094
Calls for service	64,305	50,484	41,410	32,262	19,629	21,150	23,307	29,068	33,351	36,638
Municipal court										
Traffic violations	7,287	9,170	8,993	16,156	2,986	5,226	4,884	6,442	5,147	8,519
Non-traffic violations	139	308	4,002	1,410	319	456	373	963	528	1,442
Community development										
Residential building permits used	26	30	55	88	47	17	44	37	37	29
Commercial building permits used	5	4	8	13	7	12	5	2	30	12
Water										
Average daily gallons pumped-combined water (millions of gallons)	0.74	0.73	0.75	0.71	0.76	0.74	0.75	0.72	0.72	0.68
Average daily gallons pumped-surface water (millions of gallons)	0.29	0.22	0.37	0.36	0.36	0.33	0.34	0.44	0.40	0.05
Average daily gallons pumped-well water (millions of gallons)	0.60	0.63	0.62	0.60	0.59	0.59	0.57	0.60	0.32	0.68
Number of connections	2,498	2,485	2,441	2,441	2,139	2,139	2,138	2,138	2,204	2,137

Source: Various City departments

CITY OF SPRING VALLEY VILLAGE, TEXAS  
 CAPITAL ASSET STATISTICS BY FUNCTION  
 Last Ten Years

Function	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government										
Municipal buildings	1	1	1	1	1	1	1	1	1	1
Public safety										
Police protection										
Stations	1	1	1	1	1	1	1	1	1	1
Public works										
Streets (lane miles)	20.01	20.01	20.01	20.01	20.01	20.01	20.01	20.01	20.01	20.01
Community services										
Parks	1	1	1	1	1	1	1	1	1	1
Pavilions	1	1	1	1	1	1	1	1	1	1
Park acreage developed	2.62	2.62	2.62	2.62	2.62	2.62	2.62	2.62	2.62	2.62
Water										
Water wells	1	1	1	1	1	1	1	1	1	1
Ground/elevated storage tanks	3	3	3	3	3	3	3	3	3	3
Water mains (miles)	25.67	25.67	25.67	25.67	25.67	25.67	25.67	25.67	25.67	25.67
Fire hydrants	206	206	206	206	206	206	206	206	206	206
Wastewater										
Sanitary sewers (miles)	16.36	16.36	16.36	16.36	16.36	16.36	16.36	16.36	16.36	16.36
Sewer manholes	389	389	389	389	389	389	389	389	389	389

Source: Various City departments