



ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
SEPTEMBER 30, 2021**



CITY OF LYTLE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>PAGE</u>
TITLE PAGE	i
TABLE OF CONTENTS	ii
PRINCIPAL OFFICERS	iii

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	12
STATEMENT OF NET POSITION	13
STATEMENT OF ACTIVITIES	14
BALANCE SHEET - GOVERNMENTAL FUNDS	16
RECONCILIATION OF THE GOVERNMENTAL FUNDS	17
STATEMENT OF REVENUES, EXPENDITURES	18
RECONCILIATION OF THE STATEMENT OF REVENUES,	19
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	20
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION	21
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS	22
NOTES TO BASIC FINANCIAL STATEMENTS.....	24
REQUIRED SUPPLEMENTARY INFORMATION	44
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL - GENERAL FUND	45
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS.....	46
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS	47
SCHEDULE OF CITY PENSION CONTRIBUTIONS.....	48
SCHEDULE OF CHANGES – TOTAL OPEB LIABILITY AND RELATED RATIOS - SUPPLEMENTAL DEATH BENEFIT	49
SUPPLEMENTARY INFORMATION.....	50
COMBINING BALANCE SHEETS - NONMAJOR GOVERNMENTAL FUNDS.....	51
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS	52
DEBT SERVICE FUND BUDGET COMPARISON.....	53
LIBRARY FUND BUDGET COMPARISON	54
ANIMAL CONTROL FUND BUDGET COMPARISON	55

CITY OF LYTLE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

PRINCIPAL OFFICERS

CITY OFFICIALS

MAYOR

RUBEN GONZALEZ

ALDERMEN

JOSEPH MORROW

SAM CORTEZ

DAVID EMERY

JERRY STONE

CHARLES CATE

CITY SECRETARY

JOSIE CAMPA



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lytle as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise City of Lytle's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lytle, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 City of Lytle 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The City of Lytle's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 City of Lytle's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement 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 City of Lytle'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Lytle'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 the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability, schedule of employer pension contributions, and schedules of changes in total other postemployment benefit liabilities (as listed in 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.

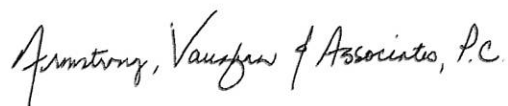
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Lytle's basic financial statements as a whole. The comparative and combining fund financial statements -nonmajor are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative and combining fund financial statements – non major are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.



Armstrong, Vaughan & Associates, P.C.

May 16, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Lytle's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2021. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

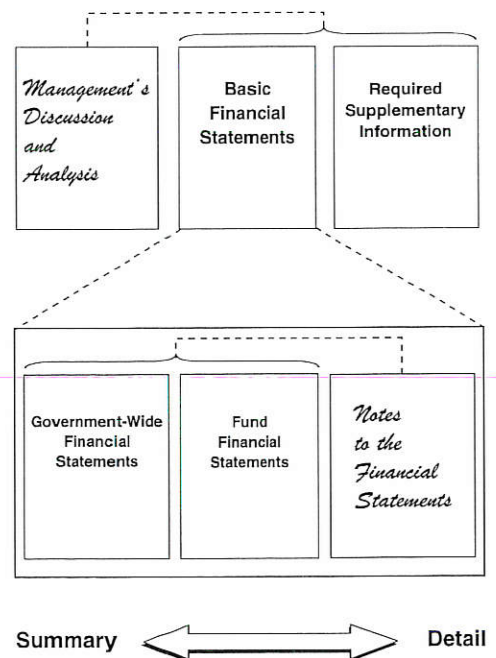
- The City's total combined net position was \$10.5 million at September 30, 2021.
- The City's governmental expenses were \$241 thousand less than the \$3.4 million generated in general and program revenues for governmental activities, including transfers and payments in lieu of taxes. The total cost of the City's governmental programs increased 9%.
- The City's business-type expenses (including transfers and payments in lieu of taxes) were \$359 thousand less than the \$1.6 million generated in charges for services and other revenues. The total cost of the City's business-type activities increased 19%.
- The general fund reported a fund balance of \$1.6 million, an increase of \$216 thousand, largely due to increased sales tax revenues and decreased capital outlay for streets and buildings.
- No new debt was issued.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*.

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



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

Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements			
		Fund Statements	
<i>Type of Statements</i>	Government-wide	Governmental Funds	Proprietary Funds
<i>Scope</i>	Entire City's government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities of the City that operate similar to private businesses: electric, water, airport, and sanitation
<i>Required financial statements</i>	• Statement of net position	• Balance Sheet	• Statement of net position
	• Statement of activities	• Statement of revenues, expenditures & changes in fund balances	• Statement of revenues, expenses & changes in net position • Statement of cash flows
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position—the difference between the City's assets and liabilities—is one way to measure the City's financial health or *position*.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the City's tax base.
- The government-wide financial statements of the City include the *Governmental activities*. Most of the City's basic services are included here, such as general government, public safety, streets, culture and recreation, environmental protection, and interest on long-term debt. Property taxes and charges for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant *funds*—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has the following kinds of funds:

- *Governmental funds*—Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page, which explains the relationship (or differences) between them.
- *Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's combined net position was \$10.5 million at September 30, 2021. (See Table A-1).

Table A-1
City's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<i>Assets:</i>						
Current Assets	\$ 1,909,083	\$ 1,670,430	\$ 1,506,341	\$ 972,310	\$ 3,415,424	\$ 2,642,740
Other Assets	-	4,926	664,116	373,593	664,116	378,519
Capital Assets (net)	3,279,499	3,317,535	5,453,075	5,499,149	8,732,574	8,816,684
<i>Total Assets</i>	<u>5,188,582</u>	<u>4,992,891</u>	<u>7,623,532</u>	<u>6,845,052</u>	<u>12,812,114</u>	<u>11,837,943</u>
<i>Deferred Outflows:</i>	<u>144,519</u>	<u>111,945</u>	<u>69,216</u>	<u>153,818</u>	<u>213,735</u>	<u>265,763</u>
<i>Liabilities:</i>						
Current Liabilities	196,970	168,027	614,596	194,153	811,566	362,180
Long-Term Liabilities	1,417,903	1,528,025	194,865	208,900	1,612,768	1,736,925
<i>Total Liabilities</i>	<u>1,614,873</u>	<u>1,696,052</u>	<u>809,461</u>	<u>403,053</u>	<u>2,424,334</u>	<u>2,099,105</u>
<i>Deferred Inflows:</i>	<u>88,691</u>	<u>19,789</u>	<u>19,463</u>	<u>91,508</u>	<u>108,154</u>	<u>111,297</u>
<i>Net Position:</i>						
Net Invested in Capital Assets	2,205,159	2,173,667	5,453,075	5,499,149	7,658,234	7,672,816
Restricted	-	149,397	5,472,538	326,629	5,472,538	476,026
Unrestricted	1,424,378	1,065,931	1,084,120	678,531	2,508,498	1,744,462
<i>Total Net Position</i>	<u>\$ 3,629,537</u>	<u>\$ 3,388,995</u>	<u>\$ 12,009,733</u>	<u>\$ 6,504,309</u>	<u>\$ 15,639,270</u>	<u>\$ 9,893,304</u>

In the year ending September 30, 2021:

Governmental Activities

- Total assets increased by \$195 thousand to \$5.2 million.
- Total liabilities decreased by \$81 thousand to \$1.6 million.
- Total net position increased by \$241 thousand to \$3.6 million.

Business-Type Activities

- Total assets increased by \$778 thousand to \$7.6 million.
- Total liabilities increased by \$406 thousand to \$809 thousand.
- Total net position increased by \$360 thousand to \$6.9 million.

Total

- Total assets increased by \$974 thousand to \$12.8 million.
- Total liabilities decreased by \$325 thousand to \$2.4 million.
- Total net position increased by \$600 thousand to \$10.5 million.

Table A-2
Changes in City's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<i>Program Revenues:</i>						
Charges for Services	\$ 337,359	\$ 736,021	\$ 1,550,953	\$ 1,396,112	\$ 1,888,312	\$ 2,132,133
Operating Grants and Contributions	522,839	165,275	-	-	522,839	165,275
<i>General Revenues:</i>						
Taxes	2,482,265	2,362,523	-	-	2,482,265	2,362,523
Interest Earnings	2,677	4,855	247	1,893	2,924	6,748
Miscellaneous	84,579	49,981	26,039	18,643	110,618	68,624
TOTAL REVENUES	3,429,719	3,318,655	1,577,239	1,416,648	5,006,958	4,735,303
<i>Program Expenses:</i>						
Administration	608,187	519,218	-	-	608,187	519,218
Public Safety	1,516,378	1,478,669	-	-	1,516,378	1,478,669
Environmental Protection	492,322	383,454	-	-	492,322	383,454
Culture and Recreation	217,586	248,511	-	-	217,586	248,511
Public Streets	224,383	157,176	-	-	224,383	157,176
Water	-	-	638,308	477,570	638,308	477,570
Gas	-	-	423,454	386,049	423,454	386,049
Sewer	-	-	242,542	234,989	242,542	234,989
Interest on Debt	43,741	50,131	-	-	43,741	50,131
TOTAL EXPENSES	3,102,597	2,837,159	1,304,304	1,098,608	4,406,901	3,935,767
Transfers	(86,580)	(159,488)	86,580	159,488	-	-
Change in Net Position	240,542	322,008	359,515	477,528	600,057	799,536
Beginning Net Position	3,388,995	3,066,987	6,504,309	6,026,781	9,893,304	9,093,768
Ending Net Position	<u>\$ 3,629,537</u>	<u>\$ 3,388,995</u>	<u>\$ 6,863,824</u>	<u>\$ 6,504,309</u>	<u>\$ 10,493,361</u>	<u>\$ 9,893,304</u>

Governmental Activities

- Property tax rates for the fiscal year ending September 30, 2021 decreased which led to a decrease in ad valorem tax revenue of 5% to \$778 thousand.
- Sales tax collections increased to \$1.4 million.
- Program expenses increased by 9%.

Business-Type Activities

- Total revenues from all business-type activities increased by an average of 38% due to an increase in rates and increased population.
- Expenses increased by an average of 18%. Water expense increased by 32%, gas utilities increased by 10% and Sewer increased by 2%.

Table A-3 presents the cost of each of the City's largest functions, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by grants as well as local tax dollars. The cost of all *governmental* activities this year was \$3.06 million. Taxpayers paid for 78% of these activities through property, sales and franchise taxes of \$2.4 million. 28% of the cost was paid by those who directly benefited from the programs. Business-type activities charges for services equaled 120% of expenses.

Table A-3
Net Cost of Selected City Functions

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Administration	\$ 608,187	\$ 519,218	\$ 559,741	\$ 478,675
Public Safety	1,516,378	1,478,669	1,224,965	1,082,015
Environmental Protection	492,322	383,454	(28,017)	(80,645)
Culture and Recreation	217,586	248,511	217,586	248,511
Public Streets	224,383	157,176	224,383	157,176
Water	638,308	477,570	(118,861)	(201,772)
Gas	423,454	386,049	29,910	17,657
Sewer	242,542	234,989	(157,698)	(113,389)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

- The General fund increased its fund balance by \$216 thousand.
- Total nonmajor funds fund balance decreased by \$2 thousand.
- The water and sewer funds generated sufficient operating revenues to cover operating expenses and debt service.

Budgetary Highlights

- General Fund revenues were less than the budget by \$146 thousand, mostly from lower than expected service charges and miscellaneous revenues.
- General Fund expenditures were \$546 thousand under budget. A large portion of the savings was from less than expected culture and recreation, and public streets expenditures.
- The General Fund balance increased \$216 thousand, which was \$85 thousand less than what the final budget projected.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2021, the City had invested \$8.7 million in a broad range of capital assets, including land, equipment, buildings, and vehicles. Significant additions were made to the City's Water Utility infrastructure. (See Table A-4)

Table A-4
City's Capital Assets
(in thousands dollars)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 120	\$ 120	\$ 812	\$ 812	\$ 932	\$ 932
Buildings and Improvements	2,866	2,827	3	3	2,869	2,830
Infrastructure	1,101	1,101	9,747	9,747	10,848	10,848
Equipment	720	729	335	236	1,055	965
Totals at Historical Cost	4,807	4,777	10,897	10,798	15,704	15,575
Total Accumulated Depreciation	(1,528)	(1,459)	(5,444)	(5,298)	(6,972)	(6,757)
Net Capital Assets	<u>\$ 3,279</u>	<u>\$ 3,318</u>	<u>\$ 5,453</u>	<u>\$ 5,500</u>	<u>\$ 8,732</u>	<u>\$ 8,818</u>

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

Long Term Debt

The City had bonds payable at year end as outlined in Table A-5. No new debt was issued during the 2021 fiscal year. More detailed information about the City's debt is presented in the notes H and I to the financial statements.

City's Long-Term Debt
(in thousands dollars)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Bonds Payable	\$ 1,020	\$ 1,085	\$ -	\$ -	\$ 1,020	\$ 1,085
Total Long-Term Debt	<u>\$ 1,020</u>	<u>\$ 1,085</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,020</u>	<u>\$ 1,085</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the 2021-2022 year, the City decreased the property tax rate from \$0.4154 to \$0.3905. However, property value growth is expected to offset the decrease in the rate. The City intends to maintain current service levels to the citizens, while containing and reducing overall operational costs. Any increases in revenue are targeted towards improving working capital and fund capital improvements. The City plans to continue water system rehabilitation efforts associated with its capital improvement program.

The City of Lytle's revenue trends are generally up over the past years especially in property tax revenue. In the coming years, we expect sales tax revenue to increase along with property tax revenue. This is important as the City continues to invest in capital improvement projects especially with its projected growth. This is key as the City needs to bring its second water well operational in the near future in order to keep up with its demands. The City plans to continue water system rehabilitation efforts associated with its five-year Capital Improvement Program while maintaining current service levels to their citizens.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact City Hall at (830) 709-3692 or visit the City's website at www.LytleTX.org.



BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

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

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



*"A City on
the Grow"*

CITY OF LYTLE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,377,915	\$ 1,343,402	\$ 2,721,317
Ad Valorem Tax Receivable (Net)	88,973	-	88,973
Sales Tax Receivables (Net)	291,612	-	291,612
Other Receivables (Net)	117,902	163,030	280,932
Internal Balances	24,302	(24,302)	-
Inventory	8,379	24,211	32,590
Restricted Cash and Cash Equivalents	-	664,116	664,116
Capital Assets (net)	3,279,499	5,453,075	8,732,574
TOTAL ASSETS	<u>5,188,582</u>	<u>7,623,532</u>	<u>12,812,114</u>
DEFERRED OUTFLOWS			
Deferred Pension/OPEB Related Outflows	144,519	69,216	213,735
TOTAL DEFERRED OUTFLOWS	<u>144,519</u>	<u>69,216</u>	<u>213,735</u>
LIABILITIES			
Accounts Payable	61,786	60,659	122,445
Accrued Interest	3,846	-	3,846
Accrued Wages	29,386	9,219	38,605
Accrued Compensated Absences	80,838	58,971	164,896
Deposits and Unearned Revenue	21,114	<u>485,747</u>	506,861
<i>Long-term Liabilities</i>			
Long-term Debt Due in One Year	60,000	-	60,000
Long-term Debt Due in More than One Year	1,014,340	-	1,014,340
Total OPEB Liabilities Due in More than One Year	32,698	15,189	47,887
Net Pension Liability Due in More than One Year	310,865	179,676	490,541
TOTAL LIABILITIES	<u>1,614,873</u>	<u>809,461</u>	<u>2,449,421</u>
DEFERRED INFLOWS			
Deferred Pension/OPEB Related Inflows	88,691	19,463	108,154
TOTAL DEFERRED INFLOWS	<u>88,691</u>	<u>19,463</u>	<u>108,154</u>
NET POSITION			
Net Investment in Capital Assets	2,205,159	5,453,075	7,658,234
Restricted	-	326,629	326,629
Unrestricted	1,424,378	1,084,120	2,483,411
TOTAL NET POSITION	<u>\$ 3,629,537</u>	<u>\$ 6,863,824</u>	<u>\$ 10,468,274</u>

See accompanying notes to basic financial statements.

CITY OF LYTLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Functions and Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary Government:			
<i>Governmental Activities:</i>			
Administration	\$ 608,187	\$ 48,446	\$ -
Public Safety	1,516,378	288,913	2,500
Environmental Protection	492,322	-	520,339
Culture and Recreation	217,586	-	-
Public Streets	224,383	-	-
Interest and Premium on Long-term Debt	43,741	-	-
<i>Total Governmental Activities</i>	<u>3,102,597</u>	<u>337,359</u>	<u>522,839</u>
<i>Business-Type Activities:</i>			
Water	638,308	757,169	-
Gas	423,454	393,544	-
Sewer	242,542	400,240	-
<i>Total Business-Type Activities</i>	<u>1,304,304</u>	<u>1,550,953</u>	<u>-</u>
Total Primary Government	<u>\$ 4,406,901</u>	<u>\$ 1,888,312</u>	<u>\$ 522,839</u>
General Revenues:			
Taxes			
Ad Valorem Taxes			
Sales Taxes			
Franchise Taxes			
Other Taxes			
Interest and Investment Earnings			
Miscellaneous			
Total General Revenues			
Transfers			
Change in Net Position			
Net Position at Beginning of Year			
Net Position at End of Year			

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (559,741)		\$ (559,741)
(1,224,965)		(1,224,965)
28,017		28,017
(217,586)		(217,586)
(224,383)		(224,383)
(43,741)		(43,741)
<u>(2,242,399)</u>		<u>(2,242,399)</u>
	\$ 118,861	118,861
	(29,910)	(29,910)
	157,698	157,698
	<u>246,649</u>	<u>246,649</u>
		<u>(1,995,750)</u>
777,793	-	777,793
1,437,147	-	1,437,147
166,095	-	166,095
101,230	-	101,230
2,677	247	2,924
84,579	26,039	110,618
<u>2,569,521</u>	<u>26,286</u>	<u>2,595,807</u>
<u>(86,580)</u>	<u>86,580</u>	<u>-</u>
240,542	359,515	600,057
<u>3,388,995</u>	<u>6,504,309</u>	<u>9,893,304</u>
<u>\$ 3,629,537</u>	<u>\$ 6,863,824</u>	<u>\$ 10,493,361</u>

CITY OF LYTLE
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	<u>Major Fund</u> General Fund	<u>Other</u> Nonmajor Funds	<u>Total</u> Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,294,006	\$ 83,909	\$ 1,377,915
Ad Valorem Taxes Receivable (Net)	74,623	14,350	88,973
Sales Taxes Receivable (Net)	291,612	-	291,612
Other Receivables (Net)	117,902	-	117,902
Inventory	8,379	-	8,379
Due from Other Funds	24,302	-	24,302
TOTAL ASSETS	<u>\$ 1,810,824</u>	<u>\$ 98,259</u>	<u>\$ 1,909,083</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 61,785	\$ -	\$ 61,785
Accrued Wages	19,565	9,820	29,385
Deposits and Unearned Revenue	21,114	-	21,114
<i>Total Liabilities</i>	<u>102,464</u>	<u>9,820</u>	<u>112,284</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Property Tax Revenue	74,623	19,640	94,263
<i>Total Deferred Inflows of Resources</i>	<u>74,623</u>	<u>19,640</u>	<u>94,263</u>
<i>Fund Balances:</i>			
Nonspendable for Prepaid Expenses	8,379	-	8,379
Committed for:			
Library Fund	-	70,315	70,315
Animal Care Fund	-	3,774	3,774
Unassigned	1,625,358	-	1,625,358
<i>Total Fund Balances</i>	<u>1,633,737</u>	<u>74,089</u>	<u>1,707,826</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,810,824</u>	<u>\$ 103,549</u>	<u>\$ 1,914,373</u>

See accompanying notes to basic financial statements.

CITY OF LYTLE
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Major Fund General Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES			
Ad Valorem Taxes	\$ 647,676	\$ 119,023	\$ 766,699
Sales Taxes	1,437,147	-	1,437,147
CARES Act Grant	520,339	-	520,339
Franchise Taxes	166,095	-	166,095
Other Taxes	101,230	-	101,230
Licenses and Permits	48,447	-	48,447
Grants and Donations	-	13,137	13,137
Fines and Penalties	288,913	-	288,913
Interest Income	2,484	199	2,683
Miscellaneous	65,269	8,675	73,944
TOTAL REVENUES	<u>3,277,600</u>	<u>141,034</u>	<u>3,418,634</u>
EXPENDITURES			
<i>Current:</i>			
General Government	552,106	-	552,106
Public Streets	193,340	-	193,340
Public Safety	1,277,693	271,894	1,549,587
Environmental Protection	492,322	271,894	764,216
Culture and Recreation	37,733	175,896	213,629
<i>Debt Service:</i>			
Principal	-	65,000	65,000
Interest and Fiscal Charges	-	48,425	48,425
TOTAL EXPENDITURES	<u>2,553,194</u>	<u>833,109</u>	<u>3,386,303</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	724,406	(692,075)	<u>32,331</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	(508,482)	(5,598)	(514,080)
Transfers In	-	427,500	427,500
TOTAL OTHER FINANCING SOURCES (USES)	<u>(508,482)</u>	<u>421,902</u>	<u>(86,580)</u>
Net Change in Fund Balance	215,924	(270,173)	(54,249)
Fund Balances at Beginning of Year	<u>1,417,813</u>	<u>72,368</u>	<u>1,490,181</u>
Fund Balances at End of Year	<u>\$ 1,633,737</u>	<u>\$ (197,805)</u>	<u>\$ 1,435,932</u>

See accompanying notes to basic financial statements.

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

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 1,707,826

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. 3,279,499

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 94,261

Accrued compensated absences are not due and payable in the current period and, therefore, not reported in the funds. (80,838)

Long-term liabilities, including capital leases and related accrued interest, are not due and payable in the current period and, therefore not reported in the funds. (1,078,186)

Net pension and total other post-employment liabilities (and related deferred outflows and inflows of resources) do not consume or create current financial resources and are not reported in the funds.

Net Pension Liability	(310,865)	
Total OPEB Liability	(32,698)	
Pension/OPEB Related Deferred Outflows	144,519	
Pension/OPEB Related Deferred Inflows	<u>(88,691)</u>	<u>(287,735)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 3,634,827

CITY OF LYTTLE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (54,249)

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
reported as depreciation expense.

Capital Outlay	93,942	
Depreciation	<u>131,978</u>	(38,036)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	11,092
---	--------

Governmental funds report required contributions to employee pensions and other post-
employment benefits (OPEB) as expenditures. However in the Statement of
Activities the cost of these benefits are recorded based on the actuarially determined
cost of the plan. This is the amount that contributions exceeded (fell short of) the
actuarially determined plan expenses.

Pension Plan	(4,396)	
Other Post-employment Benefits	<u>8,656</u>	4,260

The issuance of long-term debt (e.g. bonds and capital leases) provides current financial
resources to the governmental funds, while the repayment of the principal of long-term
consumes the current financial resources of governmental funds. Neither transaction,
however, has any effect on net position. This amount is the net effect of these differences
in the treatment of long-term debt and related items.

Principal Payments	65,000	
Amortization of Bond Premium	<u>4,528</u>	69,528

Some expenses reported in the Statement of Activities do not require the use of current
financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in Compensated Absences	(24,103)	
Change in Accrued Interest	<u>156</u>	<u>(23,947)</u>

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ (31,352)</u>
--	--------------------

See accompanying notes to basic financial statements.

CITY OF LYTLE
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-Type Activities			Total
	Water	Gas	Sewer	Proprietary
ASSETS				
<i>Current Assets:</i>				
Cash and Cash Equivalents	\$ 587,334	\$ 390,889	\$ 365,179	\$ 1,343,402
Receivables (net of allowances for uncollectible)	91,171	32,385	39,474	163,030
Due From Other Funds	20,170	3,100	-	23,270
Inventory	14,772	8,201	1,238	24,211
<i>Total Current Assets</i>	<u>713,447</u>	<u>434,575</u>	<u>405,891</u>	<u>1,553,913</u>
<i>Noncurrent Assets:</i>				
Restricted Cash for Construction	408,978	-	255,138	664,116
Property and Equipment (net)	3,870,152	28,741	1,554,182	5,453,075
<i>Total Noncurrent Assets</i>	<u>4,279,130</u>	<u>28,741</u>	<u>1,809,320</u>	<u>6,117,191</u>
TOTAL ASSETS	<u>4,992,577</u>	<u>463,316</u>	<u>2,215,211</u>	<u>7,671,104</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension/OPEB Related Deferred Outflows	41,587	17,014	10,615	69,216
TOTAL DEFERRED OUTFLOWS	<u>41,587</u>	<u>17,014</u>	<u>10,615</u>	<u>69,216</u>
			21,230	
LIABILITIES				
<i>Current Liabilities:</i>				
Accounts Payable	58,777	1,514	368	60,659
Accrued Wages	4,021	2,746	2,452	9,219
Accrued Compensated Absences	36,819	18,328	3,824	58,971
Deposits and Unearned Revenue	447,761	24,336	13,650	485,747
Due to Other Funds	-	12,404	35,168	47,572
<i>Total Current Liabilities</i>	<u>547,378</u>	<u>59,328</u>	<u>55,462</u>	<u>662,168</u>
<i>Long-term Liabilities:</i>				
Total OPEB Liability	6,979	5,766	2,444	15,189
Net Pension Liability	87,856	64,179	27,641	179,676
<i>Total Long-term Liabilities</i>	<u>94,835</u>	<u>69,945</u>	<u>30,085</u>	<u>194,865</u>
TOTAL LIABILITIES	<u>642,213</u>	<u>129,273</u>	<u>85,547</u>	<u>857,033</u>
DEFERRED INFLOWS OF RESOURCES				
Pension/OPEB Related Deferred Inflows	14,883	828	3,752	19,463
TOTAL DEFERRED INFLOWS	<u>14,883</u>	<u>828</u>	<u>3,752</u>	<u>19,463</u>
NET POSITION				
Net Investment In Capital Assets	3,870,152	28,741	1,554,182	5,453,075
Restricted	408,978	-	255,138	664,116
Unrestricted	97,938	321,488	327,207	746,633
TOTAL NET POSITION	<u>\$ 4,377,068</u>	<u>\$ 350,229</u>	<u>\$ 2,136,527</u>	<u>\$ 6,863,824</u>

CITY OF LYTLE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR SEPTEMBER 30, 2021

	Business-Type Activities			Total Proprietary
	Water	Gas	Sewer	
OPERATING REVENUES				
Charges for Utility Service	\$ 757,169	\$ 393,544	\$ 400,240	\$ 1,550,953
Miscellaneous Charges	13,111	11,031	1,897	26,039
TOTAL OPERATING REVENUES	<u>770,280</u>	<u>404,575</u>	<u>402,137</u>	<u>1,576,992</u>
OPERATING EXPENSES				
Personnel	203,764	180,862	89,554	474,180
Materials and Supplies	251,971	1,570	6,737	260,278
Services	82,525	132,091	101,041	315,657
Gas Purchased	-	107,949	-	107,949
Depreciation	100,048	982	45,210	146,240
TOTAL OPERATING EXPENSES	<u>638,308</u>	<u>423,454</u>	<u>242,542</u>	<u>1,304,304</u>
OPERATING INCOME (LOSS)	<u>131,972</u>	<u>(18,879)</u>	<u>159,595</u>	<u>272,688</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Income	123	98	26	247
TOTAL NONOPERATING	<u>123</u>	<u>98</u>	<u>26</u>	<u>247</u>
			52	
INCOME (LOSS) BEFORE TRANSFERS	<u>132,095</u>	<u>(18,781)</u>	<u>159,621</u>	<u>272,935</u>
TRANSFERS				
Transfers Out	86,580	-	-	86,580
TOTAL TRANSFERS	<u>86,580</u>	<u>-</u>	<u>-</u>	<u>86,580</u>
CHANGE IN NET POSITION	218,675	(18,781)	159,621	359,515
BEGINNING NET POSITION	<u>4,158,393</u>	<u>369,010</u>	<u>1,976,906</u>	<u>6,504,309</u>
ENDING NET POSITION	<u>\$ 4,377,068</u>	<u>\$ 350,229</u>	<u>\$ 2,136,527</u>	<u>\$ 6,863,824</u>

CITY OF LYTLE
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-Type Activities			Total
	Water	Gas	Sewer	Proprietary
Cash Flows From Operating Activities:				
Cash Received From Customers	\$ 1,141,726	\$ 401,546	\$ 402,271	\$ 1,945,543
Cash Paid to Employees for Services	(195,355)	(176,987)	(86,142)	(458,484)
Cash Paid to Suppliers for Goods and Services	(270,274)	(261,281)	(107,203)	(638,758)
Net Cash Provided (Used) by Operating Activities	<u>676,097</u>	<u>(36,722)</u>	<u>208,926</u>	<u>848,301</u>
Cash Flows From Noncapital Financing Activities:				
Transfers	86,580	-	-	86,580
Net Cash Provided (Used) by Noncapital Financing Activities	<u>86,580</u>	<u>-</u>	<u>-</u>	<u>86,580</u>
Cash Flows From Capital and Related Financing Activities:				
Purchase of Capital Assets	(30,782)	-	(69,385)	(100,167)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(30,782)</u>	<u>-</u>	<u>(69,385)</u>	<u>(100,167)</u>
Cash Flows From Investing Activities:				
Investment Interest Received	123	98	26	247
Net Cash Provided (Used) by Investing Activities	<u>123</u>	<u>98</u>	<u>26</u>	<u>247</u>
Net Increase (Decrease) in Cash and Cash Equivalents	732,018	(36,624)	139,567	834,961
Beginning of Year:				
Cash and Cash Equivalents	93,656	427,513	324,759	845,928
Restricted Cash	170,638	-	155,991	326,629
Total Beginning of Year	<u>264,294</u>	<u>427,513</u>	<u>480,750</u>	<u>1,172,557</u>
End of Year:				
Cash and Cash Equivalents	587,334	390,889	365,179	1,343,402
Restricted Cash	408,978	-	255,138	664,116
Total End of Year	<u>\$ 996,312</u>	<u>\$ 390,889</u>	<u>\$ 620,317</u>	<u>\$ 2,007,518</u>

CITY OF LYTLE
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Water	Gas	Sewer	Proprietary Funds
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 131,972	\$ (18,879)	\$ 159,595	\$ 272,688
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	100,048	982	45,210	146,240
(Increase) Decrease in Operating Assets:				
Accounts Receivable (net)	(10,005)	(1,799)	(541)	(12,345)
Prepaid Expenses	-	-	950	950
Inventory	22,457	(416)	(238)	21,803
(Increase) Decrease in Deferred Outflows:				
Pension/OPEB Related Deferred Outflows	31,473	39,512	13,617	84,602
Increase (Decrease) in Current Liabilities:				
Accounts Payable	41,765	(19,255)	(137)	22,373
Accrued Wages	1,493	149	1,895	3,537
Accrued Compensated Absences	7,555	4,334	1,748	13,637
Deposits and Unearned Revenue	381,451	(1,230)	675	380,896
Total OPEB Liability	950	897	342	2,189
Net Pension Liability	(7,040)	(6,651)	(2,533)	(16,224)
Increase (Decrease) in Deferred Inflows:				
Pension/OPEB Related Deferred Inflows	(26,022)	(34,366)	(11,657)	(72,045)
Total Adjustments to Reconcile Operating Activities	<u>544,125</u>	<u>(17,843)</u>	<u>49,331</u>	<u>575,613</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 676,097</u></u>	<u><u>\$ (36,722)</u></u>	<u><u>\$ 208,926</u></u>	<u><u>\$ 848,301</u></u>

CITY OF LYTLE
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lytle, Texas ("City") was incorporated by an election on October 27, 1951 and the actual incorporation date is listed as October 29, 1951. The city operates under a general law type of government. The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

The statement of activities reflects the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds and proprietary funds. The General Fund meets the criteria as a **major governmental fund**. All of the City's proprietary funds are all major funds.

2. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue types which have been accrued consist of revenue from the investments, property taxes, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

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

CITY OF LYTTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred inflows.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences, pension benefits and other post-employment benefits, are recorded only when the liability has matured and payment is due.

The government reports the following major governmental fund:

The General Fund is the general operating fund of the City and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, sales and franchise taxes, charges for services and fines. Primary expenditures are for general government, public streets, public safety, environmental protection, culture and recreation, and public works.

Proprietary fund level financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The City's Proprietary Funds are the Water, Gas and Sewer.

The **Proprietary Funds** are accounted for using the accrual basis of accounting as follows:

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

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

CITY OF LYTTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the City.

Cash is reported as restricted only if the restriction on the cash is narrower than the purpose of the fund as a whole. For the City, these balances generally consist of the unspent bond proceeds for specific projects.

4. INVESTMENTS

State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. Earnings from these investments are added to each account monthly or quarterly. Investments are carried at fair market value except for certificates of deposit and qualifying external investment pools which are carried at amortized cost.

5. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2020 and past due after January 31, 2021. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior years' levy are shown net of an allowance for uncollectibles of \$13,169 and \$2,532 in the general and debt service funds, respectively.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

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

CITY OF LYTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

7. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period while a deferred inflow of resources is an acquisition of net position. These items are presented in separate sections following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

Property tax revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue not expected to be available for the current period are reflected as deferred revenue. Unavailable revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grant and reimbursement revenues received in advance of expenses/expenditures are reflected as unearned revenue.

8. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$5,000 or more and a useful life in excess of 1 year. Infrastructure assets include City-owned streets, sewer, sidewalks, curbs and utilities. Capital assets are recorded at historical costs if purchased or constructed. In general, donated capital assets are recorded at estimated fair market value at the date of donation. However, donated works of art and capital assets received in a service concession arrangement are reported at acquisition value.

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

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

<u>Asset</u>	<u>Estimated Life</u>
Buildings and Improvements	20 to 50 years
Streets, Utilities and Infrastructure	30 to 50 years
Furniture, Fixtures, Vehicles	5 years

CITY OF LYTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. INVENTORY

Inventory consists of utility supplies. The inventory is recorded at cost using the first in/first out method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

10. COMPENSATED ABSENCES

Full-time employees earn vacation leave at varying rates depending on length of service. Up to 240 hours may be carried over annually based on the employee's length of service. Accumulated vacation leave is paid on termination. Full-time employees earn sick leave at 1 day per month. Unused sick leave is paid upon retirement (up to 160 hours or one fourth of his/her accumulated sick time, whichever is less) but not paid upon termination. Upon retirement an employee may either receive monetary value or early retirement for 16 hours or one fourth of the amount of accumulated sick leave whichever is less.

Liabilities for compensated absences are recognized in the fund statements only to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

11. LONG-TERM OBLIGATIONS

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the period incurred. 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.

12. PENSIONS

The net pension liability, deferred inflows and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS), and additions to and deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF LYTTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The total OPEB liability (and related deferred inflows and outflows of resources) and OPEB expense of the TMRS supplemental death benefits fund, have been determined on the same basis as they are reported by TMRS.

14. FUND BALANCES

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted - Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed - Represents amounts that can only be used for a specific purpose by a resolution of City Council. Committed amounts cannot be used for any other purpose unless the City Council removes those constraints through the same formal action.

Assigned - Represents amounts which the City intends to use for a specific purpose but do not meet the criteria of restricted or committed. Assignments may be created by the Council, City Manager or Finance Director.

Unassigned - Represents the residual balance that may be spent on any other purpose of the City.

When an expenditure is incurred for a purpose in which multiple classifications are available, the City considers restricted balances spent first, committed second and assigned third.

15. NET POSITION

Net position represents the difference between assets and liabilities. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

16. OPERATING REVENUES AND EXPENSES

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

CITY OF LYTTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. INTERFUND TRANSFERS

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

18. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B -- DEPOSITS AND INVESTMENTS

1. Deposits

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledge securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. At September 30, 2021, the carrying amount of the City's deposits were fully collateralized by a combination of federal deposit insurance (FDIC) and securities pledged by the City's depository.

2. Investments

The City's investments at September 30, 2021 consist of \$837,195 in certificates of deposit covered by pledged securities from the City's depository. The certificates are reported at amortized cost.

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures. The City has reviewed its risk exposure and does not believe it is exposed to significant credit risk, custodial credit risk, or concentration of credit risk.

CITY OF LYTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE C -- PROPERTY TAX CALENDAR

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the Bexar, Atascosa and Medina County Appraisal Districts at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2020, upon which the fiscal 2021 levy was based, was \$182 million (i.e., market value less exemptions). The estimated market value was \$218 million, making the taxable value 94% of the estimated market value.

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2021, was \$0.4154 per \$100 of assessed value, which means that the City has a tax margin of \$2.0846 for each \$100 value and could increase its annual tax levy by approximately \$4.5 million based upon the present assessed valuation before the limit is reached. However, the City may not adopt a tax rate that exceeds the effective tax rate calculated in accordance with the Texas Property Tax Code without holding two public hearings. The Property Tax Code subjects an increase in the proposed tax rate to a referendum election, if petitioned by registered voters, when the effective tax rate increase is more than eight percent (8%) of the previous year's maintenance and operations tax rate

NOTE D -- RECEIVABLES

Receivables for the City as of September 30, 2021 are as follows:

	General Fund	Nonmajor Funds	Governmental Totals	
Franchise Fees	\$ 34,162	\$ -	\$ 34,162	
Hotel Occupancy Tax	16,645	-	16,645	
Property Tax	87,792	16,882	104,674	
Sales Tax	291,612	-	291,612	
Customer Charges - Garbage	67,510	-	67,510	
Other Receivables	373	-	373	
Allowance for Uncollectible	(13,957)	(2,532)	(16,489)	
Total Other Receivables	<u>\$ 484,137</u>	<u>\$ 14,350</u>	<u>\$ 498,487</u>	
				Proprietary
	Water	Gas	Sewer	Totals
Customer Charges	\$ 92,573	32,851	\$ 40,035	\$ 165,459
Allowance for Uncollectible	(1,402)	(466)	(561)	(2,429)
Total Other Receivables	<u>\$ 91,171</u>	<u>\$ 32,385</u>	<u>\$ 39,474</u>	<u>\$ 163,030</u>

CITY OF LYTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE E -- RESTRICTED CASH AND INVESTMENTS

Restricted cash reported in the Proprietary Funds represents water and sewer acquisition fees and customer deposits.

NOTE F -- INTERFUND TRANSACTIONS

Interfund balances as of September 30, 2021 were as follows:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Purpose</u>
Water	General	\$ 12,984	<i>Short-term pooled cash loan</i>
Gas	Water	12,404	<i>Short-term pooled cash loan</i>
Sewer	General	11,318	<i>Short-term pooled cash loan</i>
Sewer	Water	20,750	<i>Short-term pooled cash loan</i>
Sewer	Gas	3,100	<i>Short-term pooled cash loan</i>
		<u>\$ 60,556</u>	

Interfund transfers during the year ending September 30, 2021 were as follows:

<u>Transfer From</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Nonmajor Fund	\$ 161,500	<i>Contributions toward operations</i>
General Fund	Nonmajor Fund	266,000	<i>Contributions toward operations</i>
General Fund	Water Fund	86,580	<i>Contributions toward operations</i>
Debt Service Fund	General Fund	5,598	<i>Contributions toward debt payment</i>
		<u>\$ 519,678</u>	

CITY OF LYTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE G -- CAPITAL ASSETS

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

<i>Governmental Activities</i>	Balance 10/1/2020	Additions	Disposals/ Transfers	Balance 9/30/2021
Land	\$ 119,763	\$ -	\$ -	\$ 119,763
Buildings and Improvements	2,826,886	38,684	-	2,865,570
Infrastructure	1,101,329	-	-	1,101,329
Vehicles and Equipment	728,801	55,258	(63,205)	720,854
	<u>4,776,779</u>	<u>93,942</u>	<u>(63,205)</u>	<u>4,807,516</u>
Less Accumulated Depreciation				
Buildings and Improvements	(654,015)	(59,831)	-	(713,846)
Infrastructure	(224,429)	(19,987)	-	(244,416)
Vehicles and Equipment	(580,800)	(52,160)	63,205	(569,755)
	<u>(1,459,244)</u>	<u>(131,978)</u>	<u>63,205</u>	<u>(1,528,017)</u>
Capital Assets, Net	<u>\$ 3,317,535</u>	<u>\$ (38,036)</u>	<u>\$ -</u>	<u>\$ 3,279,499</u>
<i>Business-Type Activities</i>	Balance 10/1/2020	Additions	Disposals/ Transfers	Balance 9/30/2021
Land	\$ 811,571	\$ -	\$ -	\$ 811,571
Buildings and Improvements	2,526	-	-	2,526
Infrastructure	9,746,983	-	-	9,746,983
Vehicles and Equipment	236,140	100,167	-	336,307
	<u>10,797,220</u>	<u>100,167</u>	<u>-</u>	<u>10,897,387</u>
Less Accumulated Depreciation				
Buildings and Improvements	(2,526)	-	-	(2,526)
Infrastructure	(5,090,348)	(140,043)	-	(5,230,391)
Vehicles and Equipment	(205,197)	(6,198)	-	(211,395)
	<u>(5,298,071)</u>	<u>(146,241)</u>	<u>-</u>	<u>(5,444,312)</u>
Capital Assets, Net	<u>\$ 5,499,149</u>	<u>\$ (46,074)</u>	<u>\$ -</u>	<u>\$ 5,453,075</u>

Land and Construction in Progress are not depreciated.

CITY OF LYTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE G -- CAPITAL ASSETS (Continued)

Depreciation expense was charged to the governmental functions as follows:

General Government	\$ 19,866
Public Safety	42,216
Public Streets	33,075
Culture and Recreation	36,821
Total Depreciation Expense - Governmental Activities	<u>\$ 131,978</u>

NOTE H -- LONG-TERM LIABILITIES

	Balance 10/1/2020	Additions	Reductions	Balance 9/30/2021
<i>Governmental Activities</i>				
Certificates of Obligation	\$ 1,085,000	\$ -	\$ (65,000)	\$ 1,020,000
Bond Premium	58,868	-	(4,528)	54,340
Net Pension Liability	357,791	-	(46,926)	310,865
Accrued Compensated Absences	56,735	24,103	-	80,838
Total OPEB Liabilities				
SBDF	26,366	6,332	-	32,698
<i>Total Governmental Activities</i>	<u>\$ 1,584,760</u>	<u>\$ 30,435</u>	<u>\$ (116,454)</u>	<u>\$ 1,498,741</u>
<i>Business-Type Activities</i>				
Net Pension Liability	195,900	-	(16,224)	179,676
Accrued Compensated Absences	45,334	13,637	-	58,971
Total OPEB Liabilities				
SBDF	13,000	2,189	-	15,189
<i>Total Business-Type Activities</i>	<u>\$ 254,234</u>	<u>\$ 15,826</u>	<u>\$ (16,224)</u>	<u>\$ 253,836</u>

Historically, the General Fund has been used to pay for governmental activities accrued compensated absences. Because of time restrictions placed on compensated absences, the City estimates that accrued compensated absences are generally taken within one year from the fiscal year end. Thus, the liability is shown as a current liability on the Statement of Net Position.

Historically, the General Fund has been used to pay for governmental pension and other post-employment benefits (OPEB) including Supplemental Death Benefits Fund (SBDF).

CITY OF LYTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE I -- BONDS PAYABLE

Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2013

The City issued \$1,480,000 in revenue bonds in 2013 for the purposes of making permanent public improvements and for other public purposes. The debt service is funded by the sales tax collections of the City. The bonds mature serially through February 1, 2022 and bear interest at rates between 2.00% and 3.00%. These bonds were privately placed through a bank and contain no subjective acceleration clauses, events of default with finance-related consequences, or termination events with finance-related consequences.

Changes in Bonds Payable

	Balance 10/1/2020	Additions	Reductions	Balance 9/30/2021	Due Within One Year
<i>Governmental Activities</i>					
Bonds Payable:					
2013 Series	\$ 1,085,000	\$ -	\$ (65,000)	\$ 1,020,000	\$ 60,000
<i>Total Governmental Activities</i>	<u>\$ 1,085,000</u>	<u>\$ -</u>	<u>\$ (65,000)</u>	<u>\$ 1,020,000</u>	<u>\$ 60,000</u>

The annual requirements to amortize all long-term debt and obligations outstanding as of September 30, 2021, including interest payments, are as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
<i>Governmental Activities</i>			
2022	\$ 60,000	\$ 46,150	\$ 106,150
2023	70,000	43,675	113,675
2024	70,000	40,525	110,525
2025	75,000	37,263	112,263
2026	80,000	33,775	113,775
2027-2031	450,000	110,537	560,537
2032-2033	215,000	10,875	225,875
	<u>\$ 1,020,000</u>	<u>\$ 322,800</u>	<u>\$ 1,342,800</u>

CITY OF LYTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS

Plan Description

The City participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the state of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmr.com. All eligible employees of the City are required to participate in TMRS retirement system.

Benefits Provided

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

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

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

	2019	2020
Inactive employees or beneficiaries currently receiving benefits	3	4
Inactive employees entitled to but not yet receiving benefits	8	8
Active employees	24	24
	<u>35</u>	<u>36</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

CITY OF LYTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Contributions (Continued)

Employees for the City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 10.24% and 10.55% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021 were \$137,071 and matched the required contributions.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary Increases	3.5%-10.5% including inflation
Discount Rate *	3.71%

* Based on the Fidelity "20-year Municipal GO AA Index"

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) are 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.

CITY OF LYTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions (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, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

CITY OF LYTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Changes in the Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2020:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2019	\$ 4,188,806	\$ 3,635,115	\$ 553,691
Changes for the year:			
Service Cost	148,671	-	148,671
Interest	286,385	-	286,385
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(27,677)	-	(27,677)
Changes of Assumptions	-	-	-
Contributions - Employer	-	131,565	(131,565)
Contributions - Employee	-	64,304	(64,304)
Net Investment Income	-	276,514	(276,514)
Benefit Payments, Including Refunds of Employee Contributions	(40,794)	(40,794)	-
Administrative Expense	-	(1,785)	1,785
Other Changes	-	(69)	69
Net Changes	366,585	429,735	(63,150)
Balance at December 31, 2020	\$ 4,555,391	\$ 4,064,850	\$ 490,541

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

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability (Asset)	\$ 1,200,105	\$ 490,541	\$ (92,212)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

CITY OF LYTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

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

For the year ended September 30, 2021, the City recognized pension expense of \$135,071. Also as of September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 84,443	\$ -
Changes in Actuarial Assumptions	19,154	-
Differences Between Projected and Actual Investment Earnings	-	102,681
Contributions Subsequent to the Measurement Date	99,677	-
	<u>\$ 203,274</u>	<u>\$ 102,681</u>

Deferred outflows of resources in the amount of \$99,677 is related to pensions resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Calendar Year ended December 31,		
2021	\$	(4,674)
2022		29,285
2023		(35,763)
2024		14,069
2025		(1,456)
Thereafter		(545)
	<u>\$</u>	<u>916</u>

NOTE K -- OTHER POSTEMPLOYMENT BENEFIT – SUPPLEMENTAL DEATH BENEFIT

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

CITY OF LYTTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE K -- OTHER POSTEMPLOYMENT BENEFIT - SBDF (Continued)

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB. Membership in the plan at December 31, 2020, the valuation and measurement date, consisted of:

	2020
Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	1
Active employees	24
	<u>27</u>

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

Actuarial Valuation Date	December 31, 2019
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount Rate	2.00%
Mortality Table	2019 Municipal Retirees of Texas Mortality Tables

These contribution rates are based on actuarial assumptions developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2019. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. For calculating the OPEB liability and the OPEB contribution rates, the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0%.

These assumptions are summarized below:

Inflation	2.50%
Salary Increases	3.5% to 11.5% including Inflation
Discount Rate	2.00%
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

CITY OF LYTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE K -- OTHER POSTEMPLOYMENT BENEFIT - SBDF (Continued)

The changes in the City's Total OPEB Liability (TOL), based on the above actuarial factors, during the year ended December 31, 2020, were as follows:

	Total OPEB Liability
Balance at December 31, 2019	\$ 39,367
Changes for the year:	
Service Cost	4,244
Interest	1,139
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(3,090)
Changes of Assumptions	6,356
Benefit Payments	(129)
Net Changes	8,520
Balance at December 31, 2020	\$ 47,887

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

The following presents the TOL of the City, calculated using the discount rate of 2.00% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower and 1-percentage point higher than the current rate:

	Discount Rate		
	1.00%	2.00%	3.00%
Total OPEB Liability (Asset)	\$ 57,613	\$ 47,887	\$ 39,653

For the year ended September 30, 2021, the City recognized OPEB expense of \$5,904. Also as of September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ -	\$ 5,473
Changes in Actuarial Assumptions	10,225	-
Contributions Subsequent to the Measurement Date	236	-
	\$ 10,461	\$ 5,473

CITY OF LYTTLE
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE K -- OTHER POSTEMPLOYMENT BENEFIT - SBDF (Continued)

Deferred outflows of resources in the amount of \$236 is related to OPEB benefits resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Calendar Year ended December 31,		
2021	\$	793
2022		793
2023		793
2024		793
2025		722
Thereafter		858
	\$	<u>4,752</u>

NOTE L -- COMMITMENTS AND CONTINGENCIES

Litigation

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

Commitments

The City has no contracts related to construction projects as of September 30, 2021.

NOTE M -- RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the City is generally limited to the contributed amounts for losses up to \$1,000,000.

NOTE N -- SUBSEQUENT EVENT

In April 2022, the city issued General Obligation Refunding Bonds, Series 2022 in the amount of \$1 million to refund the Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2013. The Series 2022 final maturity date will be in February of 2033 with an interest rate of 2.79%.



REQUIRED SUPPLEMENTARY INFORMATION

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

- Budgetary Comparison Schedule – General Fund
- Schedule of Changes – Net Pension Liability
- Schedule of Employer Pension Contributions
- Schedule of Changes – Total OPEB Liability – Supplemental Death Benefits Fund

CITY OF LYTLE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
REVENUES				
Ad Valorem Taxes	\$ 658,575	\$ 659,575	\$ 647,676	\$ (11,899)
Sales Taxes	1,235,000	1,370,000	1,437,147	67,147
Charges for Services	460,000	642,064	520,339	(121,725)
Franchise Tax	175,000	175,000	166,095	(8,905)
Other Taxes	70,000	90,000	101,230	11,230
Licenses and Permits	34,000	34,000	48,447	14,447
Fines and Penalties	337,000	292,000	288,913	(3,087)
Interest Income	2,200	2,200	2,484	284
Miscellaneous	108,000	158,516	65,269	(93,247)
TOTAL REVENUES	<u>3,079,775</u>	<u>3,423,355</u>	<u>3,277,600</u>	<u>(145,755)</u>
EXPENDITURES				
<i>Current:</i>				
General Government	533,800	629,800	552,106	77,694
Public Streets	368,800	374,800	193,340	181,460
Public Safety	1,226,600	1,289,600	1,277,693	11,907
Environmental Protection	457,000	491,400	492,322	(922)
Culture and Recreation	276,500	314,000	37,733	276,267
TOTAL EXPENDITURES	<u>2,862,700</u>	<u>3,099,600</u>	<u>2,553,194</u>	<u>546,406</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>217,075</u>	<u>323,755</u>	<u>724,406</u>	<u>400,651</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(508,482)	(508,482)
Transfers In	64,000	64,000	-	(64,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>64,000</u>	<u>64,000</u>	<u>(508,482)</u>	<u>(572,482)</u>
Net Change in Fund Balance	281,075	387,755	215,924	(171,831)
Beginning Fund Balance	1,417,813	1,417,813	1,417,813	-
Ending Fund Balance	<u>\$ 1,698,888</u>	<u>\$ 1,805,568</u>	<u>\$ 1,633,737</u>	<u>\$ (171,831)</u>

CITY OF LYTLE
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2021

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. The legal level of budgetary control is at the department level. However, additional information about expenditures at the object level is also included. The City Manager is authorized to adjust the budget within departments so long as it does not change the department total.

The following are the funds which have legally adopted annual budgets: General Fund, Debt Service, Library Fund, and Animal Care Fund.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level.

The City does not use encumbrances.

CITY OF LYTLE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST SIX PLAN (CALENDAR) YEARS

	Total Pension Liability					
	2015	2016	2017	2018	2019	2020
Service Cost	\$ 108,092	\$ 119,034	\$ 124,615	\$ 131,755	\$ 137,802	\$ 148,671
Interest (on the Total Pension Liability)	170,269	183,467	205,032	228,561	256,853	286,385
Changes of Benefit Terms	-	-	-	-	-	-
Difference between Expected and Actual Experience	31,648	25,709	39,721	90,300	41,699	(27,677)
Change of Assumptions	(19,789)	-	-	-	32,747	-
Benefit Payments, Including Refunds of Employee Contributions	(10,050)	(10,109)	(12,939)	(35,760)	(33,247)	(40,794)
Net Change in Total Pension Liability	280,170	318,101	356,429	414,856	435,854	366,585
Total Pension Liability - Beginning	2,383,396	2,663,566	2,981,667	3,338,096	3,752,952	4,188,806
Total Pension Liability - Ending	<u>\$ 2,663,566</u>	<u>\$ 2,981,667</u>	<u>\$ 3,338,096</u>	<u>\$ 3,752,952</u>	<u>\$ 4,188,806</u>	<u>\$ 4,555,391</u>
Plan Fiduciary Net Position						
	2015	2016	2017	2018	2019	2020
			6,321,780			
Contributions - Employer	\$ 88,152	\$ 93,179	\$ 103,355	\$ 110,600	\$ 118,778	\$ 131,565
Contributions - Employee	49,357	51,709	54,512	57,485	60,975	64,304
Net Investment Income	3,073	149,509	345,865	(89,459)	468,301	276,514
Benefit Payments, Including Refunds of Employee Contributions	(10,050)	(10,109)	(12,939)	(35,760)	(33,247)	(40,794)
Administrative Expense	(1,871)	(1,687)	(1,791)	(1,726)	(2,641)	(1,785)
Other	(92)	(91)	(90)	(89)	(80)	(69)
Net Change	128,569	282,510	488,912	41,051	612,086	429,735
Plan Fiduciary Net Position - Beginning	2,081,989	2,210,556	2,493,066	2,981,978	3,023,029	3,635,115
Plan Fiduciary Net Position - Ending	<u>\$ 2,210,558</u>	<u>\$ 2,493,066</u>	<u>\$ 2,981,978</u>	<u>\$ 3,023,029</u>	<u>\$ 3,635,115</u>	<u>\$ 4,064,850</u>
Net Pension Liability (Asset) - Ending	\$ 453,008	\$ 488,601	\$ 356,118	\$ 729,923	\$ 553,691	\$ 490,541
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.99%	83.61%	89.33%	80.55%	86.78%	89.23%
Covered Payroll	\$ 937,138	\$ 1,034,178	\$ 1,090,241	\$ 1,149,690	\$ 1,219,491	\$ 1,286,079
Net Pension Liability as a Percentage of Covered Payroll	48.34%	47.25%	32.66%	63.49%	45.40%	38.14%

Information for this schedule is being accumulated prospectively until 10 years is presented.

CITY OF LYTLE
SCHEDULE OF CHANGES – TOTAL OPEB LIABILITY AND RELATED RATIOS
SUPPLEMENTAL DEATH BENEFIT
LAST FOUR PLAN (CALENDAR) YEARS

	Total OPEB Liability			
	2017	2018	2019	2020
Service Cost	\$ 2,617	\$ 3,219	\$ 2,561	\$ 4,244
Interest (on the Total OPEB Liability)	987	1,079	1,293	1,139
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	-	1,110	(4,714)	(3,090)
Change of Assumptions	2,674	(2,686)	6,706	6,356
Benefit Payments	(109)	(115)	(122)	(129)
Net Change in Total OPEB Liability	6,169	2,607	5,724	8,520
Total OPEB Liability - Beginning	24,867	31,036	33,643	39,367
Total OPEB Liability - Ending	<u>\$ 31,036</u>	<u>\$ 33,643</u>	<u>\$ 39,367</u>	<u>\$ 47,887</u>
Covered Payroll	\$ 1,090,241	\$ 1,149,690	\$ 1,219,491	\$ 1,286,079
Total OPEB Liability as a Percentage of Covered Payroll	2.85%	2.93%	3.23%	3.72%

Information for this schedule is being accumulated prospectively until 10 years is presented.

Notes to Schedule of Contributions

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Inflation	2.50%
Salary Increases	3.5% to 11.5% including Inflation
Discount Rate	2.00%
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

SUPPLEMENTARY INFORMATION

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

- Combining Statements – Nonmajor Governmental Funds
- Individual Nonmajor Fund Budgetary Comparison Schedules
 - Debt Service
 - Library Fund
 - Animal Care Fund

DEBT SERVICE FUNDS

Debt Service Fund – To account for property taxes levied specifically to service voter approved bond issues.

SPECIAL REVENUE FUNDS

Library Fund – To account for revenue committed to the Library to support culture and recreation for the City.

Animal Care Fund – To account for revenue committed to the Animal Shelter to support public safety.

CITY OF LYTLE
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	Debt Service	Special Revenue Funds Library Fund	Animal Care Fund	Total Nonmajor Funds
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 72,338	\$ 11,571	\$ 83,909
Ad Valorem Taxes Receivable (Net)	14,350	-	-	14,350
TOTAL ASSETS	<u>\$ 14,350</u>	<u>\$ 72,338</u>	<u>\$ 11,571</u>	<u>\$ 98,259</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES				
<i>Liabilities:</i>				
Accrued Wages	\$ -	\$ 2,023	\$ 7,797	\$ 9,820
<i>Total Liabilities</i>	<u>-</u>	<u>2,023</u>	<u>7,797</u>	<u>9,820</u>
<i>Deferred Inflows of Resources:</i>				
Unavailable Property Tax Revenue	14,350	-	-	-
<i>Total Deferred Inflows of Resources</i>	<u>14,350</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balances:</i>				
Committed For:			-	
Culture and Recreation	-	70,315	-	70,315
Public Safety	-	-	3,774	3,774
<i>Total Fund Balances</i>	<u>-</u>	<u>70,315</u>	<u>3,774</u>	<u>74,089</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES	<u>\$ 14,350</u>	<u>\$ 72,338</u>	<u>\$ 11,571</u>	<u>\$ 98,259</u>

CITY OF LYTLE
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDING SEPTEMBER 30, 2021

	Debt Service	Special Revenue Funds		Total Nonmajor Funds
		Library Fund	Animal Care Fund	
REVENUES				
Ad Valorem Taxes	\$ 119,023	\$ -	\$ -	\$ 119,023
Grants and Donations	-	13,137	-	13,137
Miscellaneous Revenue	-	2,355	6,320	8,675
Interest Income	-	199	-	199
TOTAL REVENUES	<u>119,023</u>	<u>15,691</u>	<u>6,320</u>	<u>141,034</u>
EXPENDITURES				
<i>Current:</i>				
Public Safety	-	-	271,894	271,894
Culture and Recreation	-	175,896	-	175,896
<i>Debt Service:</i>				
Principal	65,000	-	-	65,000
Interest and Fiscal Charges	48,425	-	-	48,425
TOTAL EXPENDITURES	<u>113,425</u>	<u>175,896</u>	<u>271,894</u>	<u>561,215</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,598	(160,205)	(265,574) 6,320	(420,181)
OTHER FINANCING SOURCES (USES)				
Transfer Out	(5,598)	-	-	(5,598)
Transfer In	-	161,500	266,000	427,500
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,598)</u>	<u>161,500</u>	<u>266,000</u>	<u>421,902</u>
Net Change in Fund Balance	-	1,295	426	1,721
Fund Balances at Beginning of Year	-	69,020	3,348	72,368
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 70,315</u>	<u>\$ 3,774</u>	<u>\$ 74,089</u>

CITY OF LYTLE
DEBT SERVICE FUND BUDGET COMPARISON
FOR THE YEAR ENDING SEPTEMBER 30, 2021

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
REVENUES				
Ad Valorem Taxes	\$ 113,425	\$ 113,425	\$ 119,023	\$ 5,598
TOTAL REVENUES	<u>113,425</u>	<u>113,425</u>	<u>119,023</u>	<u>5,598</u>
EXPENDITURES				
<i>Debt Service:</i>				
Principal	65,000	65,000	65,000	-
Interest and Fiscal Charges	48,425	48,425	48,425	-
TOTAL EXPENDITURES	<u>113,425</u>	<u>113,425</u>	<u>113,425</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>5,598</u>	<u>5,598</u>
OTHER FINANCING SOURCE(S)				
Transfers Out	-	-	(5,598)	(5,598)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(5,598)</u>	<u>(5,598)</u>
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LYTLE
LIBRARY FUND BUDGET COMPARISON
FOR THE YEAR ENDING SEPTEMBER 30, 2021

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
REVENUES				
Grants and Donations	12,800	12,800	\$ 13,137	\$ 337
Miscellaneous Revenue	7,000	7,000	2,355	(4,645)
Interest Income	200	200	199	(1)
TOTAL REVENUES	<u>20,000</u>	<u>20,000</u>	<u>15,691</u>	<u>(4,309)</u>
EXPENDITURES				
Culture and Recreation	<u>213,900</u>	<u>213,900</u>	<u>175,896</u>	<u>38,004</u>
TOTAL EXPENDITURES	<u>213,900</u>	<u>213,900</u>	<u>175,896</u>	<u>38,004</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(193,900)</u>	<u>(193,900)</u>	<u>(160,205)</u>	<u>33,695</u>
OTHER FINANCING SOURCE:				
Transfers In	<u>164,000</u>	<u>164,000</u>	<u>161,500</u>	<u>(2,500)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>164,000</u>	<u>164,000</u>	<u>161,500</u>	<u>(2,500)</u>
Net Change in Fund Balance	(29,900)	(29,900)	1,295	31,195
Beginning Fund Balance	<u>69,020</u>	<u>69,020</u>	<u>69,020</u>	-
Ending Fund Balance	<u>\$ 39,120</u>	<u>\$ 39,120</u>	<u>\$ 394,610</u>	<u>\$ 31,195</u>

CITY OF LYTLE
ANIMAL CONTROL FUND BUDGET COMPARISON
FOR THE YEAR ENDING SEPTEMBER 30, 2021

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
REVENUES				
Miscellaneous Revenue	12,000	12,000	\$ 6,320	\$ (5,680)
TOTAL REVENUES	12,000	12,000	6,320	(5,680)
EXPENDITURES				
Public Safety	293,000	313,000	271,894	41,106
TOTAL EXPENDITURES	293,000	313,000	271,894	41,106
Excess (Deficiency) of Revenues Over (Under) Expenditures	(281,000)	(301,000)	(265,574)	35,426
OTHER FINANCING SOURCE:				
Transfers In	281,000	301,000	266,000	(35,000)
TOTAL OTHER FINANCING SOURCES (USES)	281,000	301,000	266,000	(35,000)
Net Change in Fund Balance	-	-	426	426
Beginning Fund Balance	3,348	3,348	3,348	-
Ending Fund Balance	\$ 3,348	\$ 3,348	\$ 269,774	\$ 426



