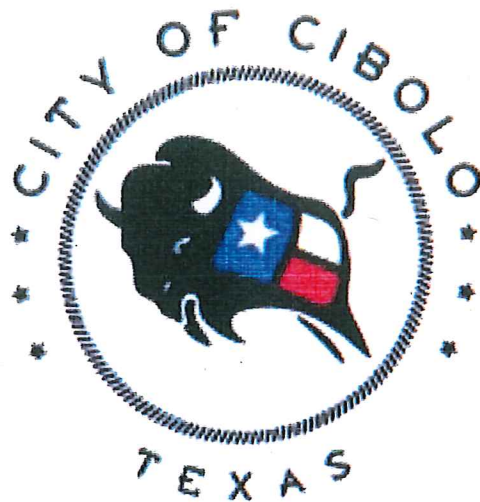


CITY OF CIBOLO, TEXAS
COMPREHENSIVE ANNUAL
FINANCIAL REPORT



FISCAL YEAR ENDED
SEPTEMBER 30, 2014

CITY OF CIBOLO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2014

OFFICIALS ISSUING REPORT

Robert T. Herrera
City Manager

Anna Miranda
Director of Finance



CITY OF CIBOLO, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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INTRODUCTORY SECTION



City of Cibolo 200 South Main / PO BOX 826 Cibolo, Texas 78108 (210) 658-9900 www.cibolotx.gov

March 18, 2015

To the Honorable Mayor, City Council, and the Citizens of City of Cibolo:

State law requires that local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States of America and audited in accordance with generally accepted auditing standards in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Cibolo for the fiscal year ended September 30, 2014.

This report consists of management's representations concerning the finances of the City of Cibolo. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Cibolo has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse; and to compile sufficient, reliable information for the preparation of the City of Cibolo's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Cibolo comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Cibolo's financial statements have been audited by Armstrong, Vaughan & Associates P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Cibolo, for the fiscal year ended September 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Cibolo's financial statements for the fiscal year ended September 30, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Cibolo's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Cibolo, incorporated in 1965, is located in the central part of Texas, which is considered to be a top growth area in the state, and one of the top growth areas in the country. The City of Cibolo currently occupies a land area of 15.6 square miles and serves an estimated population of 25,508. The City of Cibolo is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Cibolo has operated under the council-manager form of government since September 2004. Policymaking and legislative authority are vested in a City Council consisting of the mayor and 7 members. The City Council is responsible for establishing public policy on City matters by the passage of appropriate ordinances and resolutions. The City Manager is responsible for overseeing the day-to-day operations of the government, implementing policy established by City Council, and for appointing the heads of the various departments. Since November 2013, the council is elected by district on a non-partisan basis. Council members serve two-year staggered terms. The mayor is elected at large, to serve a two-year term.

The City of Cibolo provides a full range of services, including police and fire protection, the construction and maintenance of streets and drainage ways, parks maintenance, water and sewer services and animal services.

The annual budget serves as the foundation for the City of Cibolo's financial planning and control. All departments of the City of Cibolo are required to submit requests for appropriation to the City Manager by June of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review prior to August 15th. The council then holds public hearings and community meetings on the proposed budget and to adopt a final budget by no later than September 30th, the close of the City of Cibolo's fiscal year. The appropriated budget is prepared by each department (e.g. police). The City Council may authorize budget amendments as necessary during the year when unforeseen events occur. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 54-56 as part of the required supplementary information.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Cibolo operates.

Local economy. The City of Cibolo is one of the fastest growing cities in the State. The strong military presence in the area contributes to our growth and job stability. With the high population growth, Cibolo economy has become attractive for commercial development and 2014 has seen tremendous business interest and commercial activity.

Cibolo's first major retail development project, Wal-Mart Super Center began construction in late July 2014 and is expected to be completed by early fall of 2015, just in time for the holiday season. Other retail development is taking place within the same vicinity. Cibolo Marketplace, a new 20,000 square foot facility broke ground in June 2014 and will host stores such as Dutch Boy Cleaners, Little Caesar's Pizza, a nail and hair salon, and an optometrist office. The Shops at Cibolo Bend will be breaking ground on a 50,000 square foot retail center project in March 2015 and will host stores such as Petco, Dollar Tree, a full service bank and various fast food restaurants. In addition, in the same area, CVS Pharmacy will also be breaking ground in March 2015. HEB, a major Texas grocery store has also announced that they will be introducing a new 70,000 square foot grocery store in 2016.

In Cibolo's industrial area, new jobs have been created by companies like Total Safety, an oil and gas safety equipment company; O G Supply, a manufacturing company; SeatCraft, a home theater seating manufacturer; and Pack Pro of Texas, which supports custom packaging and shipping for industrial users. There is also interest in development of a second industrial park in the southern part of the City.

Long-term financial planning. The City of Cibolo fund balance policy sets the City's guidelines for maintaining fund balance levels that contribute to our financial stability and our strong bond rating. It is the City's goal to maintain fund balance equal to between 30% and 40% of expenditures. Historically, the City has been very dependent on property tax revenue and building permits and fees, which comprise 49% and 25% of our revenues respectively. In the near future, with the development of retail business, our revenues will be slightly more diversified with the anticipated growth in sales tax. This should help to maintain our property tax rates as one of the lowest rates in the surrounding area.

In November 2014, the community approved \$13.5 million in bond propositions for roadway improvements and an additional Fire Station. \$7 million of this bond package, along with a funding commitment from the Texas Department of Public Safety for an additional \$7 million, will significantly improve traffic flow, as well as, improve pedestrian and bicycle safety along F.M. 1103, the City's major traffic corridor. \$2.5 million is to improve roadway conditions on Haeckerville Road which is a primary route in the southern part of the City. These roadway improvements are a first step to foster economic development in the southern part of the City. \$4 million of the bond package is for design and construction of Fire Station #3. The City's rapid residential growth has necessitated placement of a third fire station to maintain service levels to new residents and maintain our ISO rating.

Financial Information

Internal Control. Management is responsible for establishing and maintaining internal controls designed to ensure that assets of the City are protected from loss, theft or misuse, and to provide adequate accounting information compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), and the American Institute of Certified Public Accountants (AICPA). The internal control system is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of an internal control should not exceed the benefits derived from the internal control. The City utilizes financial accounting software which is designed with a system of internal controls. These controls are continually being reevaluated to provide reasonable, but not absolute, assurances.

Budget Controls. The City also utilizes budgetary controls. Legally expenditures cannot exceed the appropriated amount. The objective of these budgetary controls is to ensure compliance with the adopted budget approved by the City Council as mandated by the city charter and state law. The levels of budgetary control are established at the line-item basis and at the fund level.

Cash management policies and practices. During the year, temporarily idle cash was invested through State local investment pools. Cash available for longer term investments was invested in certificates of deposit and municipal bonds. Cash in local investment pools are essentially liquid. Weighted average maturity of the City's portfolio during the year was just over 3.5 months. The average yield on investments was 0.22 percent which was 12 basis points over the benchmark rate of the one year treasury. Active involvement in investment instruments was limited due to the continuation of extremely low interest rates and market uncertainty. The rate of return was simply not sufficient to justify the management expense.

Risk Management. During 2014, the City continued a risk management program for worker's compensation. Accident prevention training offered by the Risk Pool is a tool utilized to educate employees in order to minimize accident-related losses. Third-party coverage is currently maintained for individual worker's compensation claims and all other potential losses. Additional information on the City of Cibolo's risk management activity can be found in the notes to the financial statements.

Pension benefits. The City of Cibolo sponsors an agent multiple-employer defined benefit pension plan for its employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution the City of Cibolo must make to the pension plan to ensure the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City of Cibolo fully funds each year's annual required contribution to the pension plan as determined by the actuary. The remaining unfunded amount is being systematically funded as part of the annual required contribution calculated by the actuary.

Independent Audit. An independent audit is performed every year of the general ledger, accounts, financial records, and transactions of all city departments. The audit is completed by an independent certified public accounting firm selected by the City Council. The City is in compliance with this requirement and the independent auditor's report by Armstrong, Vaughan & Associates P.C. has been included in this report.

Awards and Acknowledgements

On February 3, 2015, an internet based consumer group, ValuePenguin, released a study identifying the safest cities in Texas based upon information contained in FBI Uniform Crime Reports. The City of Cibolo ranked #7 in the state among mid-sized cities with populations between 20,000 and 50,000 and #15 overall out of 210 cities ranked. Cibolo was the only city in the San Antonio Metropolitan Area to rank in the top 50 safest cities.


For 2014, the City of Cibolo has earned a Platinum Leadership Circle Award for our efforts at financial transparency. In 2014, the Texas Comptroller enhanced their Leadership Circle program by adding criteria specific to an entity's debt and thereby added the platinum award level designation. The Texas Transparency website recognizes entities that are participating in this program. This is the fourth consecutive year that the City has been recognized by this program.

In 2014, the City of Cibolo was recognized at Gold level by the American Heart Association as a Fit-Friendly Worksite. To be recognized with a Gold Achievement, the City must offer employees physical activity support, increase healthy eating options at work and promote a wellness culture.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report.

In addition, without the assistance of each and every department head on staff, we would not have the successes we've enjoyed. Credit also must be given to the Mayor and the City Council for their unfailing support for the City Manager and staff.

Respectfully submitted,


City Manager


Finance Director

CITY OF CIBOLO, TEXAS

CITY OFFICIALS

MAYOR

LISA M. JACKSON

CITY COUNCIL

JENNIFER SCHULTES

VERLIN (DOUG) GARRETT

GABRIEL CASTRO

JAMES DOTY JR.

JAY HOGUE

JIM RUSSELL

ALLEN DUNN

CITY MANAGER

ROBERT T. HERRERA

DIRECTOR OF FINANCE

ANNA MIRANDA

CITY ATTORNEY

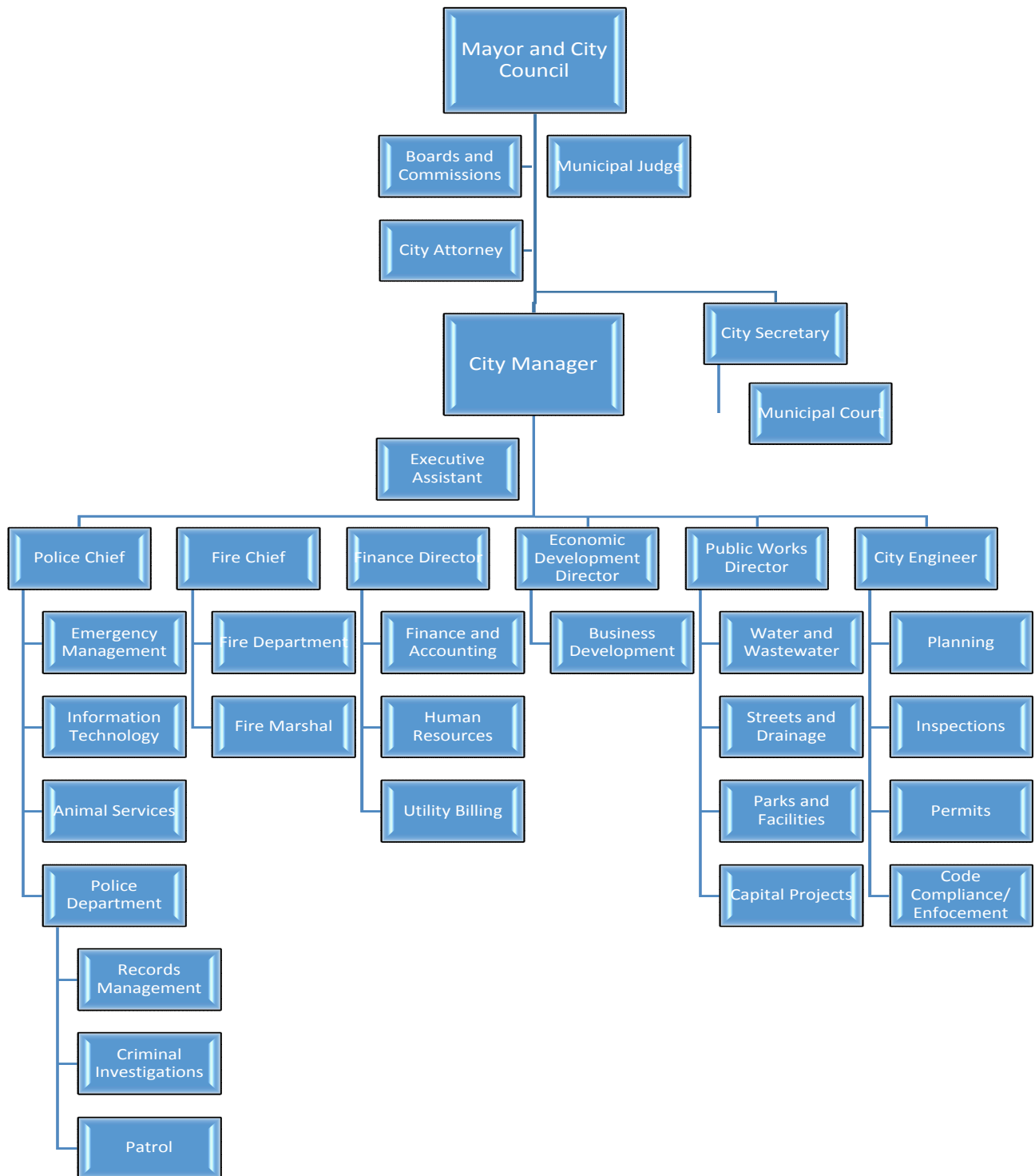
CHARLES E. ZECH,
DENTON, NAVARRO, ROCHA, BERNAL, HYDE & ZECH, P.C.

CITY AUDITOR

ARMSTRONG, VAUGHAN & ASSOCIATES, P.C.

CITY OF CIBOLO, TEXAS
SEPTEMBER 30, 2014

ORGANIZATIONAL CHART





FINANCIAL SECTION

SHAREHOLDERS:

Nancy L. Vaughan, CPA
Deborah F. Fraser, CPA
Phil S. Vaughan, CPA



Armstrong, Vaughan & Associates, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Cibolo, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Cibolo, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise City of Cibolo's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

City of Cibolo'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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Cibolo, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, and schedule of funding progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The budgetary comparison information is the responsibility of management and was 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 budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole. We have applied certain limited procedures to the management's discussion and analysis and schedule of funding progress 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 management's discussion and analysis and schedule of funding progress because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Cibolo's basic financial statements. The combining and individual nonmajor fund financial statements, introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2015 on our consideration of City of Cibolo's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Cibolo's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

March 18, 2015

CITY OF CIBOLO, TEXAS
SEPTEMBER 30, 2014

MANAGEMENTS DISCUSSION AND ANALYSIS

This section of the City of Cibolo's comprehensive annual financial report presents an overview, through management's discussion and analysis (MD&A), of the City's financial activities and performance during the fiscal year ended September 30, 2014. The MD&A should be read in conjunction with the transmittal letter found in the introductory section of this report and the accompanying financial statements and disclosure following this section.

Financial Highlights

Government-Wide statements

- The net position (the amount by which assets exceed liabilities) of the City, excluding component units, was \$44.2 million at September 30, 2014. Of this amount, \$8.1 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's net position increased by approximately \$3 million in this fiscal year. A significant portion of this increase, 40% is attributable to impact fees.
- Total net expenses over program revenue of \$7.65 million was \$1.4 million more than the prior year with the most significant increase, 85.7%, in the net expense of governmental activities. This was due largely to a significant increase in interest and long term debt due to the issuance of \$8.5 million in general obligation bonds in late 2013 and an increase in public safety personnel in 2014.
- Total general revenues and transfers of \$10.1 million was \$1.6 million more than the prior year, of which 53.4% is additional property tax revenue raised in 2014.
- A prior period adjustment reduced the City's overall net position by approximately \$0.8 million due to implementation of GASB 65 which required the restatement of beginning net position for the removal of unamortized bond issue costs. Please see Note 12.

Fund statements

- At the end of the fiscal year, the combined total of the General Fund fund balances was \$5.6 million, of which \$5.4 million is unassigned. This represents 66% of the general fund expenditures not including capital outlay. The fund balance policy is to maintain between 30% and 40% balance in reserves. It should be noted that the fiscal year 2015 budget draws down excess fund balance to be used for one-time capital expenses.
- General fund revenues increased by 11.7% to \$9 million over the prior fiscal year largely due to an increase in property tax revenue and permit revenue related to construction activity in the City.
- Expenditures in the general fund increased 8.8% largely due to an increase in personnel. The City added 3 police officers, 3 firefighters, 2 labor positions, 2 administrative positions, a crew leader, and a code enforcement officer.
- During the fiscal year, the City issued \$2.875 million in general obligation bonds for roadway improvements and fire station improvements.
- Water and Sewer Fund operating revenues increased by 2.2% to \$8.1 million.
- Water and Sewer Fund operating expenses increased by 14.3% to \$7.9 million largely due to an increase in the cost of service contracts and the development of additional water resources.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Cibolo that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Cibolo include general government, public safety, streets maintenance, parks and recreation, and community development. The business-type activities of the City of Cibolo include a water and sewer department and drainage utility district.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Cibolo, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City of Cibolo can be divided into two categories: governmental and proprietary.

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

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

The City of Cibolo maintains fifteen (15) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, and the Debt Service Fund, all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The City of Cibolo maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Cibolo uses enterprise funds to account for its water and sewer utility and other non-major proprietary funds of the City.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer utility which is considered to be a major fund of the City of Cibolo. Individual fund data for each of the non-major proprietary funds is provided in the form of combining statements elsewhere in this report.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's General Fund budgetary schedule. The City of Cibolo adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. The Economic Development Corporation also adopts an annual budget, and a comparison schedule for it also is provided in the required supplementary information.

The combining statements referred to earlier in connection with non-major governmental funds and non-major proprietary funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Cibolo, assets exceeded liabilities by \$44.2 million at the close of the most recent fiscal year.

The largest portion of the City's total net position (66.6% or \$29.3 million) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding, plus bond proceeds that have not yet been signed. The City of Cibolo uses these capital assets to provide services to citizens; consequently, these assets are not available for operational type of future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's total net position (15.2% or \$6.7 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$8.1 million, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Cibolo is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The following table reflects the Net Position of the governmental and business-type activities:

	Governmental Activities		Business-Type Activities		Total	
	2014	2013*	2014	2013*	2014	2013*
Current and Other Assets	\$ 27,576,746	\$ 25,340,278	\$ 16,279,062	\$ 16,382,422	\$ 43,855,808	\$ 41,722,700
Capital Assets	31,584,100	31,319,492	20,585,376	18,397,865	52,169,476	49,717,357
Total Assets	59,160,846	56,659,770	36,864,438	34,780,287	96,025,284	91,440,057
Deferred Outflows	66,711	72,426	-	-	66,711	72,426
Current Liabilities	2,826,278	2,655,762	1,791,081	1,667,312	4,617,359	4,323,074
Long-Term Liabilities	36,042,212	34,417,750	11,259,154	11,628,840	47,301,366	46,046,590
Total Liabilities	38,868,490	37,073,512	13,050,235	13,296,152	51,918,725	50,369,664
Net Investment in						
Capital Assets	12,647,240	12,943,557	16,695,634	14,350,403	29,342,874	27,293,960
Restricted	2,279,034	2,090,014	4,375,183	3,845,778	6,654,217	5,935,792
Unrestricted	5,432,793	4,625,113	2,743,386	3,287,954	8,176,179	7,913,067
Total Net Position	\$ 20,359,067	\$ 19,658,684	\$ 23,814,203	\$ 21,484,135	\$ 44,173,270	\$ 41,142,819

* 2013 has been restated to reflect the prior period adjustment (note 12).

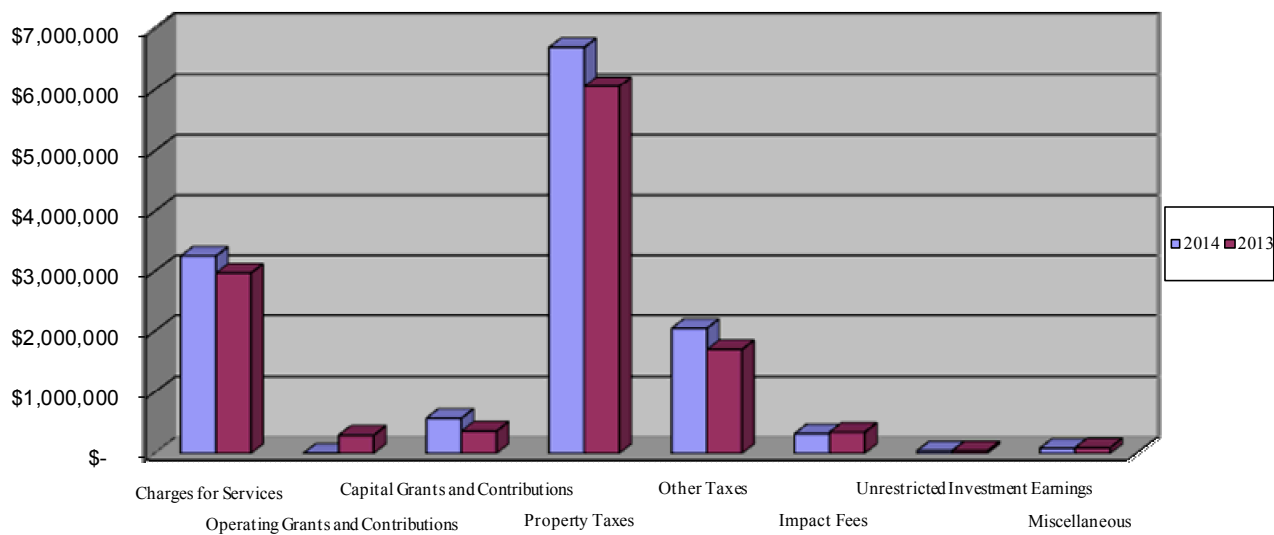
The government's net position increased by \$3 million during the current fiscal year. 46.8% of this increase represents capital contributions from developers. The following table indicates changes in net position for governmental and business-type activities:

	Governmental Activities		Business-Type Activities		Total	
	2014	2013*	2014	2013*	2014	2013*
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,253,165	\$ 2,972,075	\$ 8,553,123	\$ 8,359,478	\$ 11,806,288	\$ 11,331,553
Operating Contributions	2,608	294,482	-	-	2,608	294,482
Capital Contributions	569,036	361,775	849,431	238,764	1,418,467	600,539
General Revenues						
Property Taxes	6,701,205	6,059,839	-	-	6,701,205	6,059,839
Other Taxes	2,046,971	1,702,027	-	-	2,046,971	1,702,027
Impact Fees	318,224	343,142	856,159	860,961	1,174,383	1,204,103
Investment Earnings	44,618	41,774	36,250	28,591	80,868	70,365
Miscellaneous	84,657	92,567	2,509	8,580	87,166	101,147
Total Revenues	13,020,484	11,867,681	10,297,472	9,496,374	23,317,956	21,364,055
Expenses:						
General Government	1,032,591	1,035,640	-	-	1,032,591	1,035,640
Public Safety	3,113,876	2,768,504	-	-	3,113,876	2,768,504
Community Development	948,076	736,643	-	-	948,076	736,643
Public Works	2,043,744	2,113,172	-	-	2,043,744	2,113,172
Parks and Recreation	628,968	651,418	-	-	628,968	651,418
Animal Control	136,731	103,804	-	-	136,731	103,804
Fire	1,753,480	1,539,629	-	-	1,753,480	1,539,629
Finance	311,373	298,842	-	-	311,373	298,842
Information Technology	163,671	87,256	-	-	163,671	87,256
Water, Sewer, Drainage	-	-	8,809,747	7,886,173	8,809,747	7,886,173
Interest and Other Fees	1,345,248	1,164,936	-	-	1,345,248	1,164,936
Total Expenses	11,477,758	10,499,844	8,809,747	7,886,173	20,287,505	18,386,017
INCREASE IN NET POSITION						
BEFORE TRANSFERS	1,542,726	1,367,837	1,487,725	1,610,201	3,030,451	2,978,038
Transfers	(842,343)	98,779	842,343	(98,779)	-	-
CHANGE IN NET POSITION	\$ 700,383	\$ 1,466,616	\$ 2,330,068	\$ 1,511,422	\$ 3,030,451	\$ 2,978,038

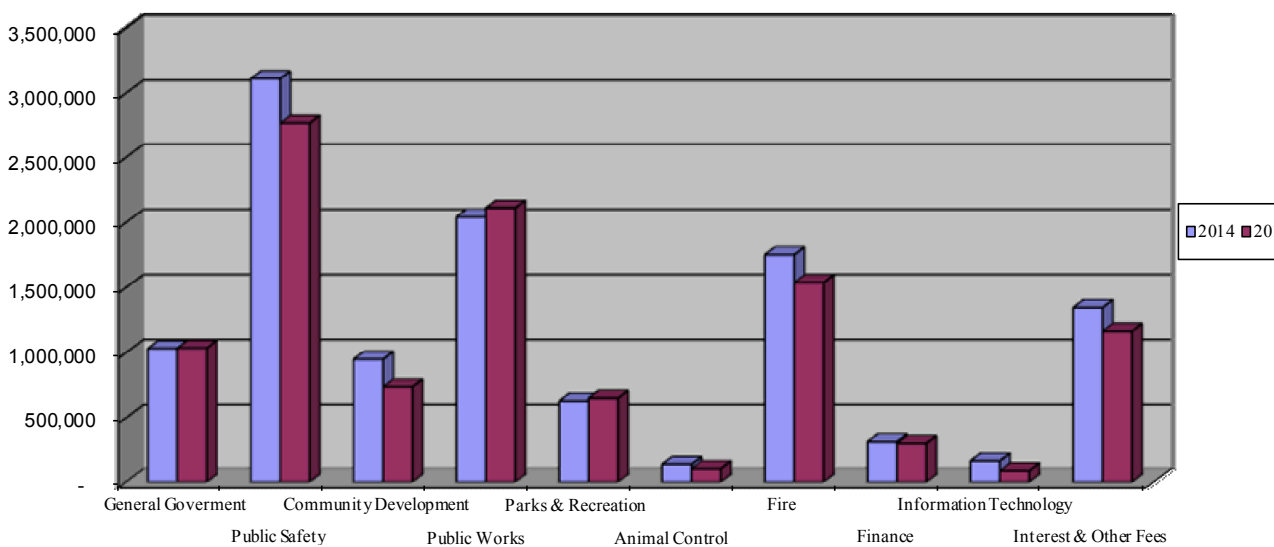
* 2013 has been restated to reflect the prior period adjustment (note 12).

Governmental Activities Governmental activities accounted for 23.3% of the growth in the net position of the City of Cibolo. Of this increase, 81.2% is the result of capital contributions from developers. The 9.3% increase in governmental activities program expenses is matched by a 9.7% increase in program revenues.

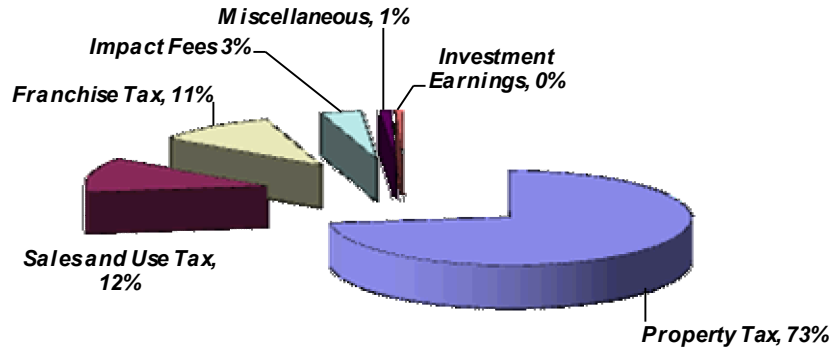
Total Revenues – Government-Wide



Total Expenses – Government-Wide

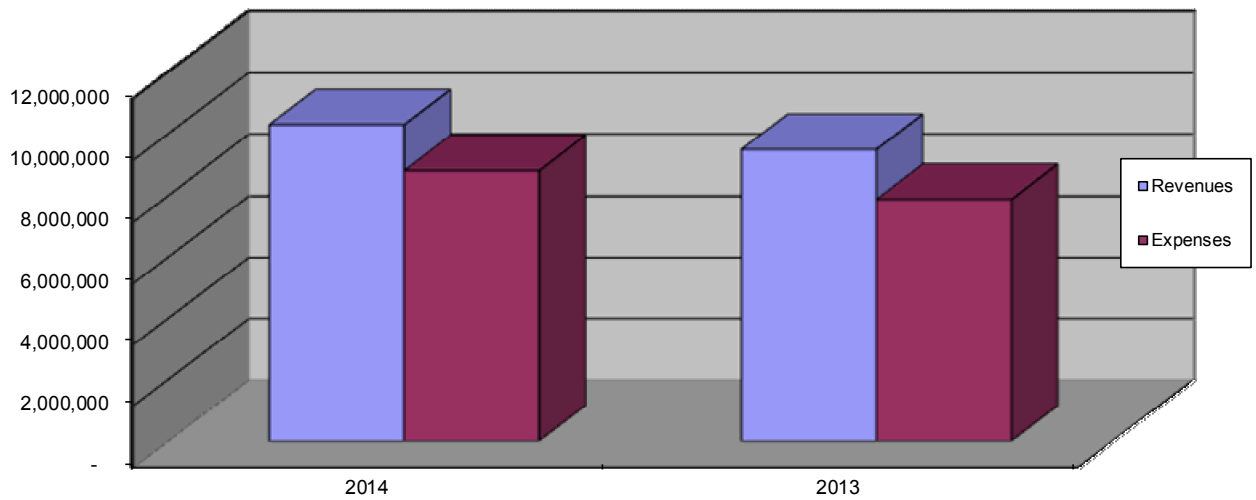


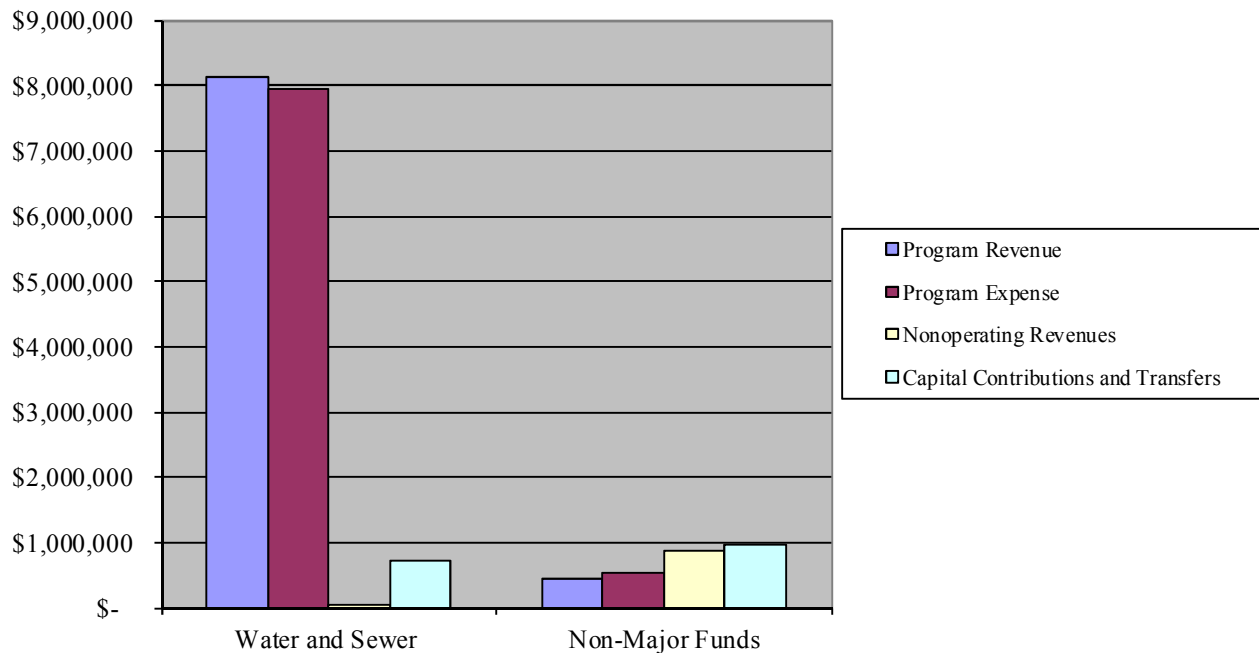
General Revenue by Source - Governmental Activities



Business-Type Activities

Business-type activities accounted for 76.7% of the growth in the net position of the City of Cibolo. Of this increase, 36.7% is the result of capital contributions from developers and 36.1% is transfers from governmental activities related to utility infrastructure funded by general obligation bonds. The 11.7% increase in business-type activities program expenses is related to increases in service contracts, and development of alternate water resources connected to the high growth continuing in our area.





Financial Analysis of the Government's Funds

As noted earlier, the City of Cibolo uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$26.6 million. Of this total amount, \$5.4 million constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been committed to pay debt service, for capital improvement projects, and other assigned purposes.

The General Fund is the chief operating fund of the City of Cibolo. At the end of the fiscal year, unassigned fund balance of the General Fund was \$5.4 million, while total fund balance was \$5.6 million, an increase of \$0.6 million from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 65.8% of total General Fund expenditures, not including capital.

The Debt Service Fund has a total fund balance of approximately \$0.4 million, all of which is restricted for the payment of debt service. The net decrease in fund balance during the fiscal year in the Debt Service Fund was \$2,940. The City is maintaining approximately 15% of annual principal and interest costs in the Debt Service Fund balance.

The Capital Projects Fund has a total fund balance of \$18.5 million, an increase of \$1.2 million. New general obligation debt of \$2.875 million was issued in fiscal year 2014 to fund roadway improvements and fire station improvements. These proceeds were offset by capital expenditures of prior voter approved bonds issued in prior years.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$2.5 million.

General Fund Budgetary Highlights

The General Fund expenditures were \$68,464 less than the \$8.7 million amended budget. This was the result of salary savings due to vacancies in high turnover labor positions. Revenues were higher by \$265,777 than amended budgeted largely due to an increase in building activity near fiscal year end. Overall, the fund balance increased by \$407,734 higher than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$52.2 million (net of accumulated depreciation). Developers contributed \$1.4 million in infrastructure improvements during the year. The City also has several projects in progress from voter approved bonds. Additional information on the City's capital assets can be found in Note 6 to the basic financial statements.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 2,357,532	\$ 1,545,149	\$ 1,484,208	\$ 686,389	\$ 3,841,740	\$ 2,231,538
Water Rights	-	-	475,000	475,000	475,000	475,000
Buildings and Improvements	35,720,291	35,041,184	-	-	35,720,291	35,041,184
Utility Systems	-	-	20,178,809	19,329,378	20,178,809	19,329,378
Transportation and Equipment	3,231,414	2,816,904	1,260,393	746,385	4,491,807	3,563,289
Construction in Progress	200,857	117,720	967,993	455,829	1,168,850	573,549
Accumulated Depreciation	(9,925,994)	(8,201,465)	(3,781,027)	(3,295,116)	(13,707,021)	(11,496,581)
TOTALS	\$ 31,584,100	\$ 31,319,492	\$ 20,585,376	\$ 18,397,865	\$ 52,169,476	\$ 49,717,357

Long-Term Debt. At the end of the fiscal year, the City of Cibolo had total long-term debt outstanding of \$48.5 million. Of this amount, \$39 million comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). During the fiscal year, the City issued \$2.875 million in general obligation bonds for roadway improvements and fire station improvements. The related principal and interest payment for the bonds are from an annual ad valorem tax levied against all taxable property within the City. Additional information on the City's long-term debt can be found in Note 8 to the basic financial statements.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$36,530,000	\$34,865,000	\$ 2,185,000	\$ 2,335,000	\$38,715,000	\$37,200,000
Certificates of Obligation	300,000	400,000	-	-	300,000	400,000
Revenue Bonds	-	-	9,030,000	9,480,000	9,030,000	9,480,000
Capital Leases	72,309	-	366,788	84,200	439,097	84,200
TOTALS	\$36,902,309	\$35,265,000	\$11,581,788	\$11,899,200	\$48,484,097	\$47,164,200

Economic Factors and Next Year's Budgets and Rates

Bond Rating. In 2014, Standard & Poor's (S&P) Ratings Services raised its long-term rating and underlying rating (SPUR) one notch to 'AA' from 'AA-' on our outstanding general obligation (GO) debt based on new local GO criteria released September 12, 2013 and assigned its 'AA' rating to the City's series 2014 GO bonds with a stable outlook. This is the second year in a row that Cibolo was granted a ratings upgrade. The new rating is a testament that the City is on sound economic footing and has implemented plans and policies that will help prepare the City for the future. The “AA” Bond Rating allows the City to sell bonds at lower interest rates than it would if the City did not get the bond upgrade. Standard & Poor’s included the following rationale for the bond rating:

- Strong economy with access to San Antonio-New Braunfels metropolitan statistical area;
- Very strong budgetary flexibility;
- Strong budgetary performance;
- Very strong liquidity providing very strong cash levels; and
- Strong management with good financial policies.

Local Economy. The City of Cibolo has begun to realize expansion of our commercial development. In July 2014, construction of our first major retail store began and is expected to be completed in the fall of 2015, in time for the holiday season. Other retail development is also taking place along the same Main Street and FM 1103 corridor. Cibolo Marketplace, a new 20,000 square foot retail center, was completed in March 2015 and will host stores such as Dutch Boy Cleaners, Little Caesar’s Pizza, a nail and hair salon, and optometrist. The Shops at Cibolo Bend will be breaking ground on a 50,000 square foot retail center project in March 2015, with stores such as Petco, Dollar Tree, various restaurants, and a full service bank. CVS Pharmacy has submitted building plans for the same area, with construction expected to start in the March 2015. 2016 will see the addition of a 70,000 square foot full service HEB grocery store. These new retail developments, around the FM 1103 and Main Street intersection, will provide several new dining and retail options for residents as well as provide a significant increase in sales tax revenues for our City which will help maintain our tax rate going into the future.

The Economic Development Corporation was also able to recruit new jobs to the city with growth in our industrial area. New industry includes companies such as Total Safety, an oil & gas safety equipment company; O G Supply, a manufacturing company; SeatCraft a home theater seating manufacturer; and Pack Pro of Texas, which supports custom packaging & shipping for industrial users.

Taxable Values. The City’s net taxable assessed valuation for fiscal year 2015 was approximately 10% higher than the prior year at \$1.687 billion. Residential construction has driven this increase over the last 10 years and continues to remain steady. With the expansion of commercial developments in the City we will realize additional property tax growth in the coming years.

Tax Rate. The tax rate adopted by the City Council for fiscal year 2015 was unchanged at \$0.4454 per \$100 of assessed valuation. This rate was 3.68% over the effective rate of \$0.4296 per \$100 of assessed valuation. Historical values and tax rates are presented in the statistical section of this report.

Bond Program. In November 2008, Cibolo voters approved five (5) bond propositions and authorized the issuance of approximately \$27.9 million in bonds to fund roadway improvements, drainage improvements, construction of public safety facilities, and construction of recreation and community facilities. The timing of projects called for issuance of general obligation bonds in 2009, 2011 and 2013. The first phase of projects, which included roadway improvements and the construction of public safety facilities, was funded in 2009 and completed in 2011. The second phase of projects, funded in 2011, includes drainage improvements to the Town Creek watershed and park land acquisition for the construction of ball fields. Land has been acquired for these projects; engineers are currently in the design phase; and construction is expected to commence in mid-2015 for the ball fields and mid-2016 for the drainage projects. The final phase of projects, funded in 2013, includes additional funding for the drainage improvements within Town Creek and construction of a community center. The community center project includes renovation and improvements of an existing City facility and will provide additional community meeting rooms and recreational areas. This project is currently in the design phase as well and is expected to begin construction in the summer of 2015.

In April 2014, the City issued \$2.875 million in general obligation bonds that were authorized by the voters in November 2013 under two (2) bond propositions. These bonds will fund road and sidewalk improvements and fire station improvements:

- Proposition 1 - \$2.05 million for road and sidewalk improvements designed to improve traffic flow and safety of pedestrians and provide for continued growth of the City. Intersection improvements at North Main and F.M. 1103 would address congestion and improve mobility. Sidewalk construction along Borgfeld Road will provide a dedicated path for adults and children, especially during school hours. This portion of the project is fully designed and construction is planned for spring 2015.
- Proposition 2 - \$0.825 million for fire station improvements to provide better amenities and facilities at Fire Station 1 and make room for future growth by providing office areas for administration. This project is currently in the design phase and construction is planned for the summer of 2015.

In November 2014, the voters overwhelmingly approved three (3) bond propositions that were on the ballot for consideration. Issuance of \$13.5 million in general obligation bonds are planned to be issued bi-annually over the next five years to fund the following projects:

- Proposition 1 - \$7 million for roadway improvements on and along F.M. 1103 to address mobility challenges. It should be noted that the Texas Department of Transportation (TXDOT), which had committed to match these funds, has more recently committed to an additional investment of \$11 million to further expand this project to total \$18 million of roadway improvements. This project will add acceleration/deceleration lanes, traffic signalization, sidewalks and expand the roadway to four lanes for a portion of the roadway. F.M. 1103 serves as a major thoroughfare in the City with traffic counts approximating 15,000 trips per day.
- Proposition 2 - \$4 million for construction of, and equipment for, a third fire station at Weidner and F.M. 1103 which will improve responsiveness on and along F.M. 1103. This station will service an immediate area of approximately 11,630 residents and 2 schools.
- Proposition 3 - \$2.5 million for roadway improvements on and along Haeckerville Road. This roadway serves as a primary route for citizens, as well as public safety and school transportation for the southern part of the City toward I.H. 10. These improvements are a first step to foster economic development in the southern part of the City.

General Fund. During the current fiscal year, unassigned fund balance in the General Fund increased to \$5.4 million. This represents 66% of the General Fund expenditures not including capital outlay. The fund balance policy is to maintain between 30% and 40% balance in reserves. It should be noted that the fiscal year 2015 budget draws down excess fund balance to be used for one-time capital expenses as authorized by the City's fund balance policy.

Water and Sewer Fund. Unrestricted net position in the Water and Sewer Fund decreased from the prior year to \$2.5 million, which represents a 21.8% decrease. Working capital also decreased by 15.9% to \$2.1 million which represents approximately 29.7% of operating expenses of the Water and Sewer Fund. As residential growth continues in our City, the need for the development of additional water resources increases. The additional costs associated with that, coupled with the decrease in working capital has prompted the City to further analyze our rate structure to make necessary adjustments in fiscal year 2015 and beyond.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of Cibolo, 200 S. Main St. Cibolo, TX 78108.



BASIC FINANCIAL STATEMENTS

CITY OF CIBOLO, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	Primary Government			Component Unit
	Governmental	Business-Type	Total	Cibolo Economic
	Activities	Activities		Development
				Corporation
ASSETS				
<i>Current Assets:</i>				
Cash and Cash Equivalents	\$ 7,549,813	\$ 2,852,157	\$ 10,401,970	\$ 322,459
Investments	440,088	-	440,088	-
Receivables (net of allowances)				
Delinquent Taxes	401,685	-	401,685	41,925
Accounts and Other	31,452	1,205,797	1,237,249	1,769
Due from Component Unit	2,421	-	2,421	-
Prepaid Expenses	5,656	6,059	11,715	-
Inventories	14,317	55,651	69,968	-
Internal Balances	148,324	(148,324)	-	-
<i>Total Current Assets</i>	<u>8,593,756</u>	<u>3,971,340</u>	<u>12,565,096</u>	<u>366,153</u>
<i>Noncurrent Assets:</i>				
Restricted Assets:				
Cash and Cash Equivalents	15,433,880	10,566,469	26,000,349	-
Investments	3,549,110	1,738,062	5,287,172	-
Accounts Receivable	-	3,191	3,191	-
Capital Assets:				
Land	2,357,532	1,484,208	3,841,740	-
Water Rights	-	475,000	475,000	-
Buildings	8,691,115	-	8,691,115	-
Improvements Other Than Buildings	27,029,176	-	27,029,176	-
Utility Systems	-	20,178,809	20,178,809	-
Equipment and Vehicles	3,231,414	1,260,393	4,491,807	-
Construction in Progress	200,857	967,993	1,168,850	-
Accumulated Depreciation	(9,925,994)	(3,781,027)	(13,707,021)	-
<i>Total Noncurrent Assets</i>	<u>50,567,090</u>	<u>32,893,098</u>	<u>83,460,188</u>	<u>-</u>
TOTAL ASSETS	<u>59,160,846</u>	<u>36,864,438</u>	<u>96,025,284</u>	<u>366,153</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Debt Refunding	66,711	-	66,711	-
TOTAL DEFERRED OUTFLOWS				
OF RESOURCES	<u>\$ 66,711</u>	<u>\$ -</u>	<u>\$ 66,711</u>	<u>\$ -</u>

See accompanying notes to basic financial statements.

CITY OF CIBOLO, TEXAS
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2014

	Primary Government			Component Unit
	Governmental	Business-Type	Total	Cibolo Economic
	Activities	Activities		Development
				Corporation
LIABILITIES				
<i>Current Liabilities:</i>				
Accounts Payable	\$ 493,287	\$ 672,130	\$ 1,165,417	\$ 9,270
Accrued Liabilities	389,811	42,258	432,069	7,389
Due to Primary Government	-	-	-	2,421
Unearned Revenue	39,534	-	39,534	-
Accrued Interest Payable	234,317	67,262	301,579	-
Customer Deposits	-	255,576	255,576	-
Compensated Absences	59,440	3,476	62,916	1,640
Current Portion of Long-Term Debt	1,609,889	750,379	2,360,268	-
<i>Total Current Liabilities</i>	<u>2,826,278</u>	<u>1,791,081</u>	<u>4,617,359</u>	<u>20,720</u>
<i>Noncurrent Liabilities:</i>				
Compensated Absences	237,760	13,904	251,664	6,561
Long-Term Debt	35,804,452	11,245,250	47,049,702	-
<i>Total Noncurrent Liabilities</i>	<u>36,042,212</u>	<u>11,259,154</u>	<u>47,301,366</u>	<u>6,561</u>
TOTAL LIABILITIES	<u>38,868,490</u>	<u>13,050,235</u>	<u>51,918,725</u>	<u>27,281</u>
NET POSITION				
Net Investment In Capital Assets	12,647,240	16,695,634	29,342,874	-
Restricted For:				
Debt Service	174,977	403,737	578,714	-
Impact Fees	1,088,038	3,971,446	5,059,484	-
Capital Improvement	801,843	-	801,843	-
PEG Capital Fees	161,181	-	161,181	-
Police and Municipal Court	36,966	-	36,966	-
Economic Development	-	-	-	338,872
Other Purposes	16,029	-	16,029	-
Unrestricted	5,432,793	2,743,386	8,176,179	-
TOTAL NET POSITION	<u>\$ 20,359,067</u>	<u>\$ 23,814,203</u>	<u>\$ 44,173,270</u>	<u>\$ 338,872</u>

See accompanying notes to basic financial statements.

CITY OF CIBOLO, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Functions and Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
<i>Governmental Activities:</i>				
General Government	\$ 1,032,591	\$ -	\$ -	\$ -
Law Enforcement and Municipal Court	3,113,876	421,942	2,608	-
Community Development	948,076	2,726,258	-	-
Public Works	2,043,744	-	-	569,036
Parks and Recreation	628,968	64,203	-	-
Animal Control	136,731	11,531	-	-
Fire	1,753,480	29,231	-	-
Finance	311,373	-	-	-
Information Technology	163,671	-	-	-
Interest and Fees	1,345,248	-	-	-
<i>Total Governmental Activities</i>	<u>11,477,758</u>	<u>3,253,165</u>	<u>2,608</u>	<u>569,036</u>
<i>Business-Type Activities</i>				
Water, Sewer, and Drainage	8,809,747	8,553,123	-	849,431
<i>Total Business-Type Activities</i>	<u>8,809,747</u>	<u>8,553,123</u>	<u>-</u>	<u>849,431</u>
Total Primary Government	<u>\$ 20,287,505</u>	<u>\$ 11,806,288</u>	<u>\$ 2,608</u>	<u>\$ 1,418,467</u>
Component Unit:				
Cibolo Economic Development Corporation	<u>\$ 270,897</u>	<u>\$ -</u>	<u>\$ 79,400</u>	<u>\$ -</u>
General Revenues:				
Taxes:				
Ad Valorem				
Sales				
Franchise Fees				
Impact Fees				
Investment Earnings				
Miscellaneous				
Total General Revenues				
Transfers				
Change in Net Position				
Net Position at Beginning of Year				
Prior Period Adjustment (Note 12)				
Net Position at End of Year				

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Cibola Economic Development Corporation
\$ (1,032,591)		\$ (1,032,591)	\$ -
(2,689,326)		(2,689,326)	-
1,778,182		1,778,182	-
(1,474,708)		(1,474,708)	-
(564,765)		(564,765)	-
(125,200)		(125,200)	-
(1,724,249)		(1,724,249)	-
(311,373)		(311,373)	-
(163,671)		(163,671)	-
(1,345,248)		(1,345,248)	-
<u>(7,652,949)</u>		<u>(7,652,949)</u>	<u>-</u>
	\$ 592,807	592,807	-
	<u>592,807</u>	<u>592,807</u>	<u>-</u>
<u>(7,652,949)</u>	<u>592,807</u>	<u>(7,060,142)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(191,497)</u>
6,701,205	-	6,701,205	-
1,072,230	-	1,072,230	213,308
974,741	-	974,741	-
318,224	856,159	1,174,383	-
44,618	36,250	80,868	107
84,657	2,509	87,166	-
<u>9,195,675</u>	<u>894,918</u>	<u>10,090,593</u>	<u>213,415</u>
<u>(842,343)</u>	<u>842,343</u>	<u>-</u>	<u>-</u>
700,383	2,330,068	3,030,451	21,918
20,282,518	21,639,001	41,921,519	316,954
(623,834)	(154,866)	(778,700)	-
<u>\$ 20,359,067</u>	<u>\$ 23,814,203</u>	<u>\$ 44,173,270</u>	<u>\$ 338,872</u>

CITY OF CIBOLO, TEXAS
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	General Fund	Capital Projects Fund	Debt Service
ASSETS			
Cash and Cash Equivalents	\$ 5,603,515	\$ -	\$ -
Investments	440,088	-	-
Receivables (net of allowances)			
Taxes	329,195	-	30,564
Accounts and Other	325	-	-
Due from Other Funds	62,803	802	-
Due from Component Unit	2,421	-	-
Inventory	14,317	-	-
Prepaid Items	1,288	-	-
Restricted Assets:			
Cash and Cash Equivalents	-	15,042,832	391,048
Investments	-	3,549,110	-
TOTAL ASSETS	<u>\$ 6,453,952</u>	<u>\$ 18,592,744</u>	<u>\$ 421,612</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 404,053	\$ 64,913	\$ -
Accrued Interest Payable	-	-	12,318
Accrued Salaries and Benefits	389,811	-	-
Due to Other Funds	25,209	-	-
Unearned Revenues	31,304	-	-
<i>Total Liabilities</i>	<u>850,377</u>	<u>64,913</u>	<u>12,318</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Revenues	<u>35,566</u>	<u>-</u>	<u>21,494</u>
<i>Fund Balances:</i>			
Nonspendable:			
Inventory	14,317	-	-
Prepaid Items	1,288	-	-
Restricted for:			
Impact Fees	-	-	-
Capital Improvement	-	-	-
PEG Capital Fees	161,181	-	-
Capital Projects	-	18,527,831	-
Debt Service	-	-	387,800
Special Events	-	-	-
Street Maintenance	-	-	-
Tree Project	1,400	-	-
Police Special	-	-	-
Court Special	-	-	-
Committed for Capital Replacement	-	-	-
Unassigned	5,389,823	-	-
<i>Total Fund Balances</i>	<u>5,568,009</u>	<u>18,527,831</u>	<u>387,800</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 6,453,952</u>	<u>\$ 18,592,744</u>	<u>\$ 421,612</u>

See accompanying notes to basic financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,946,298	\$ 7,549,813
-	440,088
41,926	401,685
31,127	31,452
112,552	176,157
-	2,421
-	14,317
4,368	5,656
-	15,433,880
-	3,549,110
<u>\$ 2,136,271</u>	<u>\$ 27,604,579</u>

\$ 24,321	\$ 493,287
-	12,318
-	389,811
2,624	27,833
8,230	39,534
<u>35,175</u>	<u>962,783</u>

-	57,060
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-	14,317
4,368	5,656
1,088,038	1,088,038
558,916	558,916
-	161,181
-	18,527,831
-	387,800
14,629	14,629
257,556	257,556
-	1,400
4,547	4,547
32,419	32,419
140,623	140,623
-	5,389,823
<u>2,101,096</u>	<u>26,584,736</u>

<u>\$ 2,136,271</u>	<u>\$ 27,604,579</u>
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CITY OF CIBOLO, TEXAS
RECONCILIATION OF BALANCE SHEET
SEPTEMBER 30, 2014

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$ 26,584,736
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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.	31,584,100
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized as revenue in the funds.	57,060
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Long-term liabilities, including bonds payable and capital leases, are not due and payable in the current period and therefore, not reported in the funds:

Bonds Payable	(36,830,000)	
Unamortized Premiums, Discounts, Losses on Refundings	(445,321)	
Capital Lease Payable	(72,309)	
Accrued Interest Payable	(221,999)	
Compensated Absences	(297,200)	
	(37,866,829)	(37,866,829)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 20,359,067
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CITY OF CIBOLO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	General Fund	Capital Projects Fund	Debt Service Fund
REVENUES			
Taxes	\$ 6,010,025	\$ -	\$ 2,561,260
Permits and Fees	2,421,637	-	-
Service Fees	215,244	-	-
Fines and Fees	227,376	-	-
Park Revenue	37,745	-	-
Impact Fees	-	-	-
Investment Earnings	12,366	30,753	574
Miscellaneous	80,400	-	40,600
TOTAL REVENUES	<u>9,004,793</u>	<u>30,753</u>	<u>2,602,434</u>
EXPENDITURES			
<i>Current:</i>			
General Government	1,065,821	22,743	-
Law Enforcement and Municipal Court	2,883,848	-	-
Community Development Services	856,039	-	-
Public Works	738,612	-	-
Parks and Recreation	431,181	-	-
Animal Control	133,115	-	-
Fire	1,619,360	-	-
Finance	301,603	-	-
Information Technology	161,425	-	-
<i>Capital Outlay</i>	451,419	684,687	-
<i>Debt Service:</i>			
Principal	-	-	1,310,000
Interest and Fiscal Charges	-	-	1,298,852
Bond Issue Costs	-	57,100	-
TOTAL EXPENDITURES	<u>8,642,423</u>	<u>764,530</u>	<u>2,608,852</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>362,370</u>	<u>(733,777)</u>	<u>(6,418)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	875	-	-
Proceeds from Issuance of Debt	72,309	2,875,000	-
Premium on Issuance of Debt	-	57,100	3,478
Transfers In	149,209	-	-
Transfers Out	-	(981,246)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>222,393</u>	<u>1,950,854</u>	<u>3,478</u>
Net Change in Fund Balance	584,763	1,217,077	(2,940)
Fund Balances at Beginning of Year	<u>4,983,246</u>	<u>17,310,754</u>	<u>390,740</u>
Fund Balances at End of Year	<u>\$ 5,568,009</u>	<u>\$ 18,527,831</u>	<u>\$ 387,800</u>

See accompanying notes to basic financial statements.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 213,308	\$ 8,784,593
289,200	2,710,837
-	215,244
13,870	241,246
-	37,745
318,224	318,224
926	44,619
54,083	175,083
<u>889,611</u>	<u>12,527,591</u>
-	1,088,564
35,764	2,919,612
-	856,039
94,907	833,519
23,372	454,553
-	133,115
-	1,619,360
-	301,603
-	161,425
309,196	1,445,302
-	1,310,000
-	1,298,852
-	57,100
<u>463,239</u>	<u>12,479,044</u>
<u>426,372</u>	<u>48,547</u>
-	875
-	2,947,309
-	60,578
-	149,209
<u>(10,306)</u>	<u>(991,552)</u>
<u>(10,306)</u>	<u>2,166,419</u>
416,066	2,214,966
<u>1,685,030</u>	<u>24,369,770</u>
<u>\$ 2,101,096</u>	<u>\$ 26,584,736</u>



CITY OF CIBOLO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 2,214,966

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

Governmental funds report capital outlays as expenditures. However, in the statement
of activities the cost of those assets is allocated over their estimated useful lives and
reported as depreciation expense. In addition, capital assets contributed to governmental
activities are not recorded on the fund statements.

Capital Outlay	1,445,302	
Capital Contributions	569,036	
Depreciation Expense	<u>(1,749,730)</u>	264,608

Revenues in the Statement of Activities that do not provide current financial resources
are not reported as revenues in the funds. (36,416)

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

Proceeds from the Issuance of Debt	(2,947,309)	
Principal Repayments	1,310,000	
Amortization of Premiums, Discounts, Losses	<u>(23,632)</u>	(1,660,941)

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:

Compensated Absences	(55,590)	
Accrued Interest	<u>(26,244)</u>	<u>(81,834)</u>

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 700,383

CITY OF CIBOLO, TEXAS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2014

	Water and Sewer Fund	Non-Major Funds	Total
ASSETS			
<i>Current Assets:</i>			
Cash and Cash Equivalents	\$ 2,590,955	\$ 261,202	\$ 2,852,157
Accounts Receivable, Net of Allowance:			
Customer Accounts	1,161,666	44,131	1,205,797
Prepaid Expenses	6,059	-	6,059
Inventory	55,651	-	55,651
<i>Total Current Assets</i>	<u>3,814,331</u>	<u>305,333</u>	<u>4,119,664</u>
<i>Noncurrent Assets:</i>			
Restricted Assets:			
Cash and Cash Equivalents	6,474,146	4,092,323	10,566,469
Investments	1,738,017	45	1,738,062
Accounts Receivable	-	3,191	3,191
Due from Other Funds	-	100,621	100,621
Capital Assets:			
Land	592,514	891,694	1,484,208
Water Rights	475,000	-	475,000
Utility Systems	18,286,535	1,892,274	20,178,809
Equipment and Vehicles	815,243	445,150	1,260,393
Construction in Progress	504,261	463,732	967,993
Less: Accumulated Depreciation	(3,531,120)	(249,907)	(3,781,027)
<i>Total Noncurrent Assets</i>	<u>25,354,596</u>	<u>7,639,123</u>	<u>32,993,719</u>
TOTAL ASSETS	<u>\$ 29,168,927</u>	<u>\$ 7,944,456</u>	<u>\$ 37,113,383</u>

See accompanying notes to basic financial statements.

CITY OF CIBOLO, TEXAS
STATEMENT OF NET POSITION - PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2014

	Water and Sewer Fund	Non-Major Funds	Total
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts Payable	\$ 632,931	\$ 39,199	\$ 672,130
Accrued Liabilities	31,680	10,578	42,258
Customer Deposits	255,576	-	255,576
Accrued Interest Payable	67,262	-	67,262
Due to Other Funds	45,721	203,224	248,945
Current Portion of Compensated Absences	2,795	681	3,476
Current Portion of Long-Term Debt	711,879	38,500	750,379
<i>Total Current Liabilities</i>	<u>1,747,844</u>	<u>292,182</u>	<u>2,040,026</u>
<i>Noncurrent Liabilities:</i>			
Compensated Absences	11,179	2,725	13,904
Long-Term Debt (Net of Current Portion)	<u>11,138,750</u>	<u>106,500</u>	<u>11,245,250</u>
<i>Total Noncurrent Liabilities</i>	<u>11,149,929</u>	<u>109,225</u>	<u>11,259,154</u>
TOTAL LIABILITIES	<u>12,897,773</u>	<u>401,407</u>	<u>13,299,180</u>
NET POSITION			
Net Investment in Capital Assets	13,397,691	3,297,943	16,695,634
Restricted For:			
Debt Service	403,737	-	403,737
Impact Fees	-	3,971,446	3,971,446
Unrestricted	<u>2,469,726</u>	<u>273,660</u>	<u>2,743,386</u>
TOTAL NET POSITION	<u>\$ 16,271,154</u>	<u>\$ 7,543,049</u>	<u>\$ 23,814,203</u>

See accompanying notes to basic financial statements.

CITY OF CIBOLO, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Water and Sewer Fund	Non-Major Funds	Total
OPERATING REVENUES			
Fees Charged to Users	\$ 8,064,858	\$ 435,976	\$ 8,500,834
Other Charges	52,289	-	52,289
TOTAL OPERATING REVENUES	<u>8,117,147</u>	<u>435,976</u>	<u>8,553,123</u>
OPERATING EXPENSES			
Water Purchase	2,962,086	-	2,962,086
Garbage Service	1,890,008	-	1,890,008
Sewage Treatment	1,431,464	-	1,431,464
Personnel Services	660,181	243,239	903,420
Contractual Services	191,485	159,949	351,434
Supplies and Maintenance	268,473	37,792	306,265
General and Administrative	110,424	10,388	120,812
Depreciation	416,574	69,337	485,911
TOTAL OPERATING EXPENSES	<u>7,930,695</u>	<u>520,705</u>	<u>8,451,400</u>
OPERATING INCOME (LOSS)	<u>186,452</u>	<u>(84,729)</u>	<u>101,723</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	33,375	2,875	36,250
Impact Fees	-	856,159	856,159
Interest Expense	(380,537)	(801)	(381,338)
Amortization of Premium	22,991	-	22,991
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(324,171)</u>	<u>858,233</u>	<u>534,062</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(137,719)</u>	<u>773,504</u>	<u>635,785</u>
Transfers In (Out)	179,818	662,525	842,343
Proceeds on Sale of Asset	2,509	-	2,509
Capital Contributions	537,636	311,795	849,431
CHANGE IN NET POSITION	582,244	1,747,824	2,330,068
NET POSITION AT BEGINNING OF YEAR	15,843,776	5,795,225	21,639,001
Prior Period Adjustment	<u>(154,866)</u>	<u>-</u>	<u>(154,866)</u>
NET POSITION AT END OF YEAR	<u>\$ 16,271,154</u>	<u>\$ 7,543,049</u>	<u>\$ 23,814,203</u>

See accompanying notes to basic financial statements.

CITY OF CIBOLO, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Water and Sewer System	Non-Major Funds	Total
Cash Flows From Operating Activities:			
Cash Received From Customers and Users	\$ 8,100,402	\$ 431,302	\$ 8,531,704
Cash Paid to Employees for Services	(651,387)	(242,549)	(893,936)
Cash Paid to Supplier for Goods & Services	(6,808,562)	(180,982)	(6,989,544)
Net Cash Provided (Used) by Operating Activities	<u>640,453</u>	<u>7,771</u>	<u>648,224</u>
Cash Flows From Noncapital Financing Activities:			
Impact Fees	-	856,159	856,159
Cash Transfers and Advances From/(To) Other Funds	191,089	782,559	973,648
Net Cash Provided (Used) by Noncapital Financing Activities	<u>191,089</u>	<u>1,638,718</u>	<u>1,829,807</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Capital Assets	(652,735)	(1,171,256)	(1,823,991)
Proceeds from Capital Lease	221,788	145,000	366,788
Proceeds on Sale of Assets	2,509	-	2,509
Interest Paid on Long-Term Debt	(388,195)	(801)	(388,996)
Principal Paid on Long-Term Debt	(655,275)	(28,925)	(684,200)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,471,908)</u>	<u>(1,055,982)</u>	<u>(2,527,890)</u>
Cash Flows From Investing Activities:			
Proceeds from the Sale of Investments	377,388	394,607	771,995
Interest and Investment Earnings	33,375	2,875	36,250
Net Cash Provided (Used) by Investing Activities	<u>410,763</u>	<u>397,482</u>	<u>808,245</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(229,603)</u>	<u>987,989</u>	<u>758,386</u>
Cash and Cash Equivalents at Beginning of Year:			
Cash and Cash Equivalents	2,973,779	233,432	3,207,211
Restricted Cash and Cash Equivalents	6,320,925	3,132,104	9,453,029
	<u>9,294,704</u>	<u>3,365,536</u>	<u>12,660,240</u>
Cash and Cash Equivalents at End of Year:			
Cash and Cash Equivalents	2,590,955	261,202	2,852,157
Restricted Cash and Cash Equivalents	6,474,146	4,092,323	10,566,469
	<u>\$ 9,065,101</u>	<u>\$ 4,353,525</u>	<u>\$ 13,418,626</u>
Noncash Capital and Related Financing Transactions:			
Developer Contributions of Capital Assets	\$ 537,636	\$ 311,795	\$ 849,431

See accompanying notes to basic financial statements.

CITY OF CIBOLO, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Water and Sewer System	Non-Major Funds	Total
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income	\$ 186,452	\$ (84,729)	\$ 101,723
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	416,574	69,337	485,911
Decrease (Increase) in Assets:			
Accounts Receivable (net)	(41,702)	(4,674)	(46,376)
Prepaid Expenses	(403)	-	(403)
Inventory	5,225	-	5,225
Increase (Decrease) in Liabilities:			
Accounts Payable	40,556	27,147	67,703
Accrued Liabilities	6,905	399	7,304
Customer Deposits	24,957	-	24,957
Compensated Absences	1,889	291	2,180
NET CASH PROVIDED BY (USED) FOR OPERATING ACTIVITIES	<u><u>\$ 640,453</u></u>	<u><u>\$ 7,771</u></u>	<u><u>\$ 648,224</u></u>

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cibolo is a municipal corporation governed by an elected mayor and seven-member council. The financial statements of the City and its discretely presented component unit have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

A. Reporting Entity

Discretely Presented Component Unit – The component unit's column in the government-wide financial statements includes the financial data of the component unit of the City of Cibolo. The component unit is presented as a governmental fund type. Following is a summary of the component unit:

1. Cibolo Economic Development Corporation - The Corporation was organized for the purpose of promoting economic development in order to eliminate unemployment and underemployment and to promote and encourage employment and public welfare of, for, and on behalf of the City.

Joint Ventures - A joint venture is a legally separate entity that results from a contractual arrangement and that is owned, operated, or governed by two or more participating governments. The following entities meet the criteria as joint ventures. Separate financial statements for these entities may be obtained at City Hall.

1. Cibolo Valley Local Government Corporation – is a public, nonprofit corporation organized July 28, 2011 to aid, assist, and act on behalf of the cities of Cibolo, Converse and Cibolo in acquiring, constructing, maintaining, and operating a water utility system. The participating governments have an ongoing financial responsibility to fund the operation of the corporation through either purchase of services or by subsidizing the operations. Converse elected to leave the joint venture during the year ending September 30, 2014.
2. Canyon Regional Water Authority – was created by the Texas Legislature on August 28, 1989 under Article XVI, Section 59 of the Texas Constitution. The Authority operates under Chapter 65 of the Texas Water Code. The Authority was created to purchase, own, hold, lease and otherwise acquire sources of potable water; build, operate and maintain facilities for the treatment and transportation of water; sell potable water to local governments, water supply corporations and other persons in this state; and to protect, preserve and restore the purity and sanitary condition of water in the area. The Authority may not levy or collect ad valorem taxes, but does have the power of eminent domain and may issue bonds. The Authority is comprised of ten member entities, and the governing board consists of two voting members from each entity. The member entities consist of Crystal Clear Special Utility District, East Central Special Utility District, Springs Hill Water Supply Corporation, Green Valley Special Utility District, County Line Special Utility District, Maxwell Water Supply Corporation, Martindale Water Supply Corporation and the cities of Marion, Cibolo, and La Vernia.

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Nonexchange revenues that are measurable but not available are recorded as unavailable revenue (a deferred inflow of resources). These revenues are generally property taxes and warrants outstanding. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Exchange revenues (payments for services) received in advance of the service being provided are recorded as unearned revenue.

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund which accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The Capital Projects Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities and is principally financed by the sale of bonds or certificates of obligation and grants.

The government reports the following major proprietary fund:

The Water and Sewer System Fund accounts for the water and sewer services provided to the citizens through user charges.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this are charges between the City's general government function and various other functions of the City. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applications for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes and investment earnings.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand and demand deposits. Cash is reported as restricted when it has restrictions on its use narrower than the purpose of the fund in which it is reported. This can result in differences in presentation between fund statements and government-wide statements.

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Investments

The City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas of the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated of not less than "AA" or its equivalent; (5) certificates of deposit issued by state and national banks domiciled in Texas that are guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, or secured by obligations mentioned above; and (6) fully collateralized direct repurchase agreements having a defined termination date. In addition, the City is authorized to invest in local government investment pools. The investment pools operate in accordance with appropriate state laws and regulations and have regulatory oversight from the Texas Public Funds Investment Act Sec. 2256.0016. The fair value of the City's position in each pool is the same as the fair value of the pool shares.

F. Receivables and Payables

Activities between the funds that are representative of interfund loans outstanding at the end of the fiscal year are referred to as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Accounts receivable are reported net of allowances for uncollectible accounts. The allowance account represents management's estimate of uncollectible accounts based upon experience and historical trends.

Property taxes for the City are levied each October 1 on the taxable value as of the preceding January 1, the date a lien attaches, for all taxable real and personal property located in the City. Taxes are due by January 31 following the October 1 assessment date and become delinquent on February 1, at which time they begin accruing penalty and interest. The enforceable legal claim date for property taxes is the assessment date; therefore, the City did not record a receivable for accrual of future taxes at year end. Accordingly, no current taxes receivable are reported. Delinquent taxes have been reported in the financial statements net of the allowance for uncollectible taxes. Tax revenues are recognized as they become available. Accordingly, an amount equal to taxes not yet available has been reported as unavailable revenue (a deferred inflow of resources) at the government fund level.

G. Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

H. Restricted Assets

Certain proceeds from bonds, resources set aside for their repayment, and other restrictive agreements are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants and/or contractual arrangements.

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets

Capital assets, which include land, buildings and improvements, utility systems, equipment, vehicles, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

Capital assets are valued at cost where historical records are available and at an estimated cost where no records exist. Donated capital assets are valued at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements to capital assets that materially extend the life of the asset or add to the value are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction will not be capitalized in the governmental activities on the government-wide financial statements; however capitalization of interest is required for business-type activities. There was no capitalized interest during the current fiscal year.

Capital assets are depreciated over their useful lives on a straight-line basis as follows:

Assets	Useful Lives (Years)
Buildings and Improvements	10 - 40
Utility Systems	50
Equipment and Vehicles	3 - 10

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and compensatory time benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation and compensatory time pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Deferred Inflows/Outflows of Resources

A deferred outflow of resources is a consumption of net position by the government 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.

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, losses on defeasance, are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and losses on defeasance. 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 current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Fund Equity

Fund balances in governmental funds are classified as follows:

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

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

Committed – Represents amounts that can only be used for a specific purpose because of a formal action by the government's highest level of decision making authority: an ordinance adopted by City Council prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned – Represents amounts which the City intends to use for a specific purpose but do not meet the criteria of restricted or committed. The City Council may make assignments through formal documentation in the minutes. The City Council authorized (by way of policy) the City Manager to also make assignments. The City Manager's assignments do not require formal action; however, the City Manager has not assigned any funds at this time.

Unassigned – Represents the residual balance that may be spent on any other purpose of the City. The City's policy is to maintain an unassigned fund balance in the general fund of 30-40% of operating expenditures.

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.

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed by creditors, grantors, or laws or regulations of other governments.

O. Estimates

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

P. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the special revenue funds and the capital projects fund, which adopts project-length budgets, however the budgets are then estimated by fiscal year.

Q. Change in Accounting Method/Policy

For the year ending September 30, 2014, the City has made the following change in their accounting policies:

1. Adoption of Governmental Accounting Standards Board (GASB) Statement No. 65. The adoption of these statements has resulted in the City removing unamortized bond issue costs from the financial statements. The effect on prior periods was recorded as a prior period adjustment. See Note 12.

R. Reclassifications

Certain reclassifications have been made in the presentation of the September 30, 2014 financial statements. All comparative information for prior periods has been reclassified to match the new presentation. The changes in presentation had no impact on the changes in net position or fund balance.

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

The City's operating deposits are held at one institution. The institution provides a combination of pledged collateral and FDIC insurance to completely collateralize the City's deposits.

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

As of September 30, 2014, the City had the following pooled investment funds:

Investment Type	Cost	Fair Value	Weighted Average Maturity in Days
TexPool	\$ 15,292,146	\$ 15,292,146	48
TexSTAR	746,504	746,504	51
Wells Fargo - Brokered Certificate of Deposits	2,944,167	2,944,167	547
Municipal Bonds and Government Agencies	8,776,807	8,702,070	230
Schertz Bank & Trust - Certificate of Deposit	11,017,905	11,017,905	194
Total	<u>\$ 38,777,529</u>	<u>\$ 38,702,792</u>	<u>169</u>

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to highly liquid investments to meet unanticipated cash requirements, and/or to redeploy cash into other investments expected to outperform current holdings.

Credit Risk. State law limits investments in certificates of deposit to guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor or the National Credit Union Share Insurance Fund, or its successor and investment pools continuously rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. The City's investment policy does not further limit its investment choices. As of September 30, 2014, the City's investments in the pooled investment funds were rated AAAm by a nationally recognized rating service.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned. As of September 30, 2014, the City's cash and cash equivalents (including certificates of deposit, and component unit holdings) were fully collateralized by the City's depository by a combination of pledged collateral and FDIC insurance. All collateral is held in the City's name.

Custodial Credit Risk - Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the government securities owned by the City are held by its agent in the City's name.

NOTE 3 - PROPERTY TAX

Taxes are levied on and payable as of October 1. The City has contracted with the Guadalupe County Tax Assessor-Collector to collect taxes on its behalf. Current taxes become delinquent February 1. Current year delinquent taxes not paid by July 1 are turned over to attorneys for collection action. The total taxable value as of October 1, 2013, upon which the fiscal 2014 levy was based, was \$1,424,494,024 (i.e., market value less exemptions). The estimated market value was \$1,678,524,557, making the taxable value 84.9% of the estimated market value.

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 3 - PROPERTY TAX (CONTINUED)

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt for the year ended September 30, 2014, was \$0.4454 per \$100 of assessed value, which means that the City has a tax margin of \$2.0546 for each \$100 value and could increase its annual tax levy by approximately \$29,267,617 based upon the present assessed valuation before the limit is reached.

However, the City may not adopt a tax rate that exceeds the tax rate calculated in accordance with the Texas Property Tax Code without holding a public hearing. The Property Tax Code subjects an increase in the effective tax rate to a referendum election, if petitioned by registered voters, when the effective tax rate increase is more than eight percent (8%) of the previous year's effective tax rate.

Property taxes are recorded as receivables and unearned revenues at the time the taxes are assessed. In governmental funds, revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in the time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue. In the government-wide financial statements, the entire levy is recognized as revenue, net of estimated uncollectible amounts (if any), at the levy date.

NOTE 4 - RECEIVABLES

Receivables as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds				Proprietary Funds	
	General	Capital Projects	Debt Service	Nonmajor Funds	Water and Sewer Fund	Non-Major Funds
<i>Receivables:</i>						
Property Taxes	\$ 54,346	\$ -	\$ 32,173	\$ -	\$ -	\$ -
Sales Taxes	169,535	-	-	41,926	-	-
Franchise Taxes	108,032	-	-	-	-	-
Customers	-	-	-	31,127	1,459,588	58,529
Other	324	-	-	-	-	3,191
Gross Receivables	332,237	-	32,173	73,053	1,459,588	61,720
Less: Allowance for Uncollectibles	2,717	-	1,609	-	297,922	14,398
Net Total Receivables	<u>\$ 329,520</u>	<u>\$ -</u>	<u>\$ 30,564</u>	<u>\$ 73,053</u>	<u>\$ 1,161,666</u>	<u>\$ 47,322</u>

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4 – RECEIVABLES (CONTINUED)

Governmental funds report *unavailable revenue* in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unearned/unavailable revenue* and *unavailable revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned
<i>General Fund</i>		
Delinquent Property Taxes Receivable	\$ 35,566	\$ -
SCUCISD Program	-	14,167
Permits	-	17,137
<i>Total General Fund</i>	<u>35,566</u>	<u>31,304</u>
<i>Debt Service Fund</i>		
Delinquent Property Taxes Receivable	21,494	-
<i>Total Debt Service Fund</i>	<u>21,494</u>	<u>-</u>
<i>Non-Major Funds</i>		
Cibolo Fest	-	8,230
<i>Total Non-Major Fund</i>	<u>-</u>	<u>8,230</u>
<i>Total Governmental Funds</i>	<u>\$ 57,060</u>	<u>\$ 39,534</u>

NOTE 5 - INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of September 30, 2014 is as follows:

Transfer From	Transfer To	Amount	Purpose
Nonmajor Governmental	General	\$ 10,306	Crossing guard fees
Nonmajor Proprietary	General	8,721	Drainage utility administration fees
Nonmajor Proprietary	Water & Sewer	271,250	Water impact in support of utility debt
Nonmajor Proprietary	Water & Sewer	38,750	Sewer impact in support of utility debt
Capital Projects	Nonmajor Proprietary	981,246	Transfer of land and drainage project
Water & Sewer	General	130,182	Administration fees

The following schedule briefly summarizes the City's transfer activity:

Due From	Due To	Amount	Purpose
Water & Sewer	General	\$ 45,721	Short-term cash flow borrowing
Nonmajor Governmental	General	808	Cibolo Fest short-term cash flow borrowing
General	Nonmajor Proprietary	100,621	Water Impact revenue deposited in General
Nonmajor Proprietary	General	142,379	Sewer Impact short-term cash flow borrowing
General	Nonmajor Governmental	5,108	Traffic Impact revenue deposited in General
General	Nonmajor Governmental	50,069	Street Impact revenue deposited in General
Nonmajor Proprietary	General	45,579	Drainage Impact short-term cash flow borrowing
General	Nonmajor Governmental	54,269	Park Fee revenue deposited in General
General	Nonmajor Governmental	498	Court Tech revenue deposited in General
Nonmajor Governmental	General	190	Court Security short-term cash flow borrowing
General	Nonmajor Governmental	2,608	Police seizure revenue deposited in General
Nonmajor Governmental	General	1,626	Crossing guard reimbursement
Nonmajor Proprietary	General	15,266	Drainage short-term cash flow borrowing
General	Capital Projects	802	Portion of interest

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014 was as follows:

	Beginning Balance	Increases	Deletions	Ending Balance
Governmental Activities:				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 1,545,149	\$ 812,383	\$ -	\$ 2,357,532
Construction in Progress	117,720	83,137	-	200,857
<i>Total Capital Assets Not Being Depreciated</i>	<u>1,662,869</u>	<u>895,520</u>	<u>-</u>	<u>2,558,389</u>
<i>Capital Assets, Being Depreciated:</i>				
Buildings and Improvements	8,691,115	-	-	8,691,115
Improvements Other Than Buildings	26,350,069	679,107	-	27,029,176
Equipment and Vehicles	2,816,904	439,711	(25,201)	3,231,414
<i>Total Capital Assets Being Depreciated</i>	<u>37,858,088</u>	<u>1,118,818</u>	<u>(25,201)</u>	<u>38,951,705</u>
<i>Accumulated Depreciation:</i>				
Buildings and Improvements	(1,013,081)	(218,449)	-	(1,231,530)
Improvements Other Than Buildings	(5,640,781)	(1,244,887)	-	(6,885,668)
Equipment and Vehicles	(1,547,603)	(286,394)	25,201	(1,808,796)
<i>Total Accumulated Depreciation</i>	<u>(8,201,465)</u>	<u>(1,749,730)</u>	<u>25,201</u>	<u>(9,925,994)</u>
Total Capital Assets Being Depreciated, Net	<u>29,656,623</u>	<u>(630,912)</u>	<u>-</u>	<u>29,025,711</u>
Governmental Activities Capital Assets, Net	<u>\$ 31,319,492</u>	<u>\$ 264,608</u>	<u>\$ -</u>	<u>\$ 31,584,100</u>
	Beginning Balance	Increases	Deletions	Ending Balance
Business-Type Activities:				
<i>Capital Assets, Not Being Depreciated:</i>				
Land	\$ 686,389	\$ 797,819	\$ -	\$ 1,484,208
Water Rights	475,000	-	-	475,000
Construction in Progress	455,829	512,164	-	967,993
<i>Total Assets Not Being Depreciated</i>	<u>1,617,218</u>	<u>1,309,983</u>	<u>-</u>	<u>2,927,201</u>
<i>Capital Assets, Being Depreciated:</i>				
Utility Systems	19,329,378	849,431	-	20,178,809
Equipment and Vehicles	746,385	514,008	-	1,260,393
<i>Total Capital Assets Being Depreciated</i>	<u>20,075,763</u>	<u>1,363,439</u>	<u>-</u>	<u>21,439,202</u>
<i>Accumulated Depreciation:</i>				
Utility Systems	(2,926,463)	(388,476)	-	(3,314,939)
Equipment and Vehicles	(368,653)	(97,435)	-	(466,088)
<i>Total Accumulated Depreciation</i>	<u>(3,295,116)</u>	<u>(485,911)</u>	<u>-</u>	<u>(3,781,027)</u>
Total Capital Assets Being Depreciated, Net	<u>16,780,647</u>	<u>877,528</u>	<u>-</u>	<u>17,658,175</u>
Business-Type Activities Capital Assets, Net	<u>\$ 18,397,865</u>	<u>\$ 2,187,511</u>	<u>\$ -</u>	<u>\$ 20,585,376</u>

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 6 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 67,649
Law Enforcement and Municipal Court	168,190
Community Development Services	10,827
Public Works	1,197,919
Parks and Recreation	179,877
Animal Control	3,256
Fire	122,012
<i>Total Depreciation Expense - Governmental Activities</i>	<u><u>\$ 1,749,730</u></u>

Business-Type Activities:

Water, Sewer, and Drainage Systems	<u>\$ 485,911</u>
<i>Total Depreciation Expense - Business Type Activities</i>	<u><u>\$ 485,911</u></u>

NOTE 7 - CAPITAL LEASE

The City has entered into a lease agreement to finance equipment. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments at the inception date. The assets acquired through capital lease are as follows:

<i>Assets:</i>	Governmental Activities	Business-type Activities
Equipment	\$ 101,127	\$ 511,138
Less Accumulated Depreciation	(4,815)	(24,340)
Total	<u><u>\$ 96,312</u></u>	<u><u>\$ 486,798</u></u>

Future minimum obligations and the net present value of these minimum lease payments as of September 30, 2014 are as follows:

Year Ending September 30,	Governmental Activities	Business-type Activities
2015	\$ 20,300	\$ 102,974
2016	20,300	102,974
2017	20,300	102,974
2018	14,883	75,493
Total Payments	<u>75,783</u>	<u>384,415</u>
Less: Amount Representing Interest	(3,474)	(17,627)
Present Value of Minimum Lease Payments	<u><u>\$ 72,309</u></u>	<u><u>\$ 366,788</u></u>

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 8 - LONG TERM DEBT

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities and equipment for governmental activities. These instruments include general obligation bonds, certificates of obligation, and capital leases. These debt obligations are secured by either future property tax revenue or liens on property and equipment.

In May 2014, the City issued General Obligation Bonds Series 2014 in the amount of \$2,875,000 for improvements to the streets, bridges, and fire station. The bonds mature serially through 2034. The payment of the related principal and interest is to be made from an annual ad valorem tax levied against all taxable property within the City.

Bonded debt of the City consists of various series of general obligation bonds, revenue bonds, and certificates of obligation. General obligation bonds and certificates of obligation are direct obligations of the City for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the City. Revenue bonds are generally payable from pledged revenues generated by the water and sewer fund. The debenture agreement for water and sewer bonds requires that funds be available for 1/12th of the principal and 1/6th of the interest requirements of the next fiscal year.

The City is required to accumulate a reserve fund in an amount equal to the average principal and interest on the revenue bonds.

A summary of the terms of general obligation bonds and combination of tax and revenue certificates of obligation outstanding at September 30, 2014, follows:

	<u>Issue Amount</u>	<u>Maturity</u>	<u>Rate</u>	<u>Balance</u>
<u>Primary Government</u>				
General Obligation Bonds				
2007 Series	\$ 5,325,000	2027	4.5%	\$ 4,235,000
2007 Series, Refunding	2,650,000	2027	4.5%	1,980,000
2009 Series	10,750,000	2029	4.0% - 4.6%	9,680,000
2010 Series, Refunding	920,000	2021	1.13% - 3.73%	645,000
2011 Series	8,650,000	2031	2.0% - 4.0%	7,400,000
2012 Series, Refunding	1,465,000	2030	1.5% - 3.0%	1,465,000
2013 Series	8,500,000	2033	2.0% - 4.0%	8,250,000
2014 Series	2,875,000	2034	2.0% - 3.5%	2,875,000
Certificates of Obligation				
2003 Series	1,135,000	2017	4.0% - 3.5%	300,000
Total Governmental Long-Term Obligations				<u>\$ 36,830,000</u>
Revenue Bonds				
2006 Series	\$ 3,000,000	2026	4.07%	\$ 2,050,000
2012 Series	7,640,000	2032	1.5% - 3.5%	6,980,000
General Obligation Bonds				
2007 Series	3,025,000	2027	4.5%	2,185,000
Total Business-Type Long-Term Obligations				<u>\$ 11,215,000</u>

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 8 - LONG-TERM DEBT (Continued)

Changes in long-term debt for the year ending September 30, 2014 are as follows:

	Balance 9/30/2013	Additions	Reductions	Balance 9/30/2014	Due Within One Year
<i>Governmental Activities:</i>					
General Obligation Bonds	\$ 30,580,000	\$ 2,875,000	\$ (1,015,000)	\$ 32,440,000	\$ 1,220,000
Unamortized Premium	394,589	60,578	(36,807)	418,360	39,836
General Obligation Refunding Bonds	4,285,000	-	(195,000)	4,090,000	225,000
Unamortized Premium	99,526	-	(5,854)	93,672	5,854
Certificates of Obligation	400,000	-	(100,000)	300,000	100,000
Capital Lease	-	72,309	-	72,309	19,199
Compensated Absences	241,610	297,200	(241,610)	297,200	59,440
<i>Total Governmental Activities</i>	<u>\$ 36,000,725</u>	<u>\$ 3,305,087</u>	<u>\$ (1,594,271)</u>	<u>\$ 37,711,541</u>	<u>\$ 1,669,329</u>
<i>Business-Type Activities:</i>					
Revenue Bonds	\$ 9,480,000	\$ -	\$ (450,000)	\$ 9,030,000	\$ 470,000
Unamortized Premium	436,832	-	(22,991)	413,841	22,991
General Obligation Bonds	2,335,000	-	(150,000)	2,185,000	160,000
Capital Lease	84,200	366,788	(84,200)	366,788	97,388
Compensated Absences Payable	15,200	17,380	(15,200)	17,380	3,476
<i>Total Business-Type Activities</i>	<u>\$ 12,351,232</u>	<u>\$ 384,168</u>	<u>\$ (722,391)</u>	<u>\$ 12,013,009</u>	<u>\$ 753,855</u>
<i>Economic Development Corporation:</i>					
Compensated Absences Payable	\$ -	\$ 8,201	\$ -	\$ 8,201	\$ 1,640
<i>Total Economic Development Corporation</i>	<u>\$ -</u>	<u>\$ 8,201</u>	<u>\$ -</u>	<u>\$ 8,201</u>	<u>\$ 1,640</u>

Annual debt service requirements of bonded debt as of September 30, 2014, are as follows:

September 30,	Governmental Activities		
	Principal	Interest	Total
2015	\$ 1,545,000	\$ 1,348,830	\$ 2,893,830
2016	1,665,000	1,273,526	2,938,526
2017	1,830,000	1,223,398	3,053,398
2018	1,940,000	1,166,015	3,106,015
2019	2,100,000	1,100,899	3,200,899
2020-2024	11,305,000	4,356,719	15,661,719
2025-2029	12,150,000	2,036,384	14,186,384
2030-2034	4,295,000	305,011	4,600,011
Total	<u>\$ 36,830,000</u>	<u>\$ 12,810,782</u>	<u>\$ 49,640,782</u>

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 8 - LONG-TERM DEBT (Continued)

September 30,	Business-Type Activities		
	Principal	Interest	Total
2015	\$ 630,000	\$ 367,620	\$ 997,620
2016	655,000	349,087	1,004,087
2017	610,000	331,142	941,142
2018	625,000	314,002	939,002
2019	640,000	294,682	934,682
2020-2024	3,535,000	1,146,749	4,681,749
2025-2029	3,090,000	518,060	3,608,060
2030-2032	1,430,000	101,325	1,531,325
Total	<u>\$ 11,215,000</u>	<u>\$ 3,422,667</u>	<u>\$ 14,637,667</u>

NOTE 9 - RETIREMENT PLAN

A. Plan Description

The City provides pension benefits for its eligible employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contribution, benefits and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at www.TMRS.com.

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

	Plan Year 2013	Plan Year 2014
Employee deposit rate	7.0%	7.0%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 9 - RETIREMENT PLAN (Continued)

B. Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for the City. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. The annual pension cost and net pension obligation (asset) are as follows:

Fiscal Year	Annual Pension Cost	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation
2014	\$ 456,097	\$ 456,097	100%	\$ -
2013	388,068	388,068	100%	-
2012	378,430	378,430	100%	-

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

Actuarial Valuation Date	December 31, 2011	December 31, 2012	December 31, 2013
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	22.1 years - Closed Period	21.2 years - Closed Period	30.0 years - Closed Period
Amortization of New Gains/Losses	25 years	25 years	19 years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Investment Rate of Return	7.0%	7.0%	7.0%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
Inflation Rate	3.0%	3.0%	3.0%
Cost-of-Living Adjustments	2.1%	2.1%	2.1%

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 9 - RETIREMENT PLAN (Continued)

B. Contributions (Continued)

In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate Factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report (CAFR).

The funded status as of December 31, 2013, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2013	\$ 5,352,122	\$ 6,706,899	79.8%	\$ 1,354,777	\$ 4,384,931	30.9%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used to include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

C. Other Post-Employment Benefits

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by TMRS known as 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.

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.

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

The City's contributions to the TMRS SDBF for the years ended 2014, 2013, and 2012 were \$5,754, \$5,116, and \$5,368, respectively, which equaled the required contributions each year.

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 10 - JOINT VENTURES

Cibolo Valley Local Government Corporation

The Cibolo Valley Local Government Corporation (CVLGC) is a public nonprofit corporation incorporated in March 2012 to assist and act on behalf of the cities of Cibolo, Converse and Cibolo to obtain additional water sources. The participating governments have an ongoing financial responsibility to fund the operation of the corporation through either purchase of services or by subsidizing the operations. Contributions to the corporation are reflected as “operating expenses” in the water and sewer fund. Separate financial statements for the CVLGC may be obtained from the City of Seguin, 210 East Gonzales Street, Seguin, Texas 78156.

The City of Cibolo is jointly liable, together with the City of Seguin, City of Converse, and City of Cibolo, for operating deficits and long-term debt of CVLGC. Following is a summary of financial data as reported in the Corporation’s audited financial statements dated September 30, 2013:

ASSETS:	
Current Assets	\$ 563,185
TOTAL ASSETS	<u>563,185</u>
 LIABILITIES:	
Current Liabilities	<u>26,401</u>
TOTAL LIABILITIES	<u>26,401</u>
 NET POSITION:	
Unrestricted	<u>536,784</u>
TOTAL NET POSITION	<u><u>\$ 536,784</u></u>

Canyon Regional Water Authority

Canyon Regional Water Authority (the “Authority”) operates under Chapter 65 of the Texas Water Code. The Authority is comprised of the ten member entities listed in Note 1 section A. The Authority was created to purchase, own, hold, lease and otherwise acquire sources of potable water; build, operate and maintain facilities for the treatment and transportation of water; sell potable water to local governments, water supply corporations and other persons in this state; and to protect, preserve and restore the purity and sanitary condition of water in the area.

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 10 - JOINT VENTURES (CONTINUED)

Canyon Regional Water Authority (Continued)

Separate financial statements may be obtained from the Authority. Following is a summary of financial data as reported in the Authority's audited financial statements dated September 30, 2014:

ASSETS:

Cash and Investments	\$ 3,939,428
Other Current Assets	1,257,358
Other Assets	7,411,036
Capital Assets (Net)	115,390,886
TOTAL ASSETS	<u>127,998,708</u>

LIABILITIES:

Accounts Payable and Accruals	1,924,468
Long Term Debt	108,179,733
TOTAL LIABILITIES	<u>110,104,201</u>

NET POSITION:

Net Investment in Capital Assets	8,261,458
Restricted	3,645,113
Unrestricted	5,987,936
TOTAL NET POSITION	<u>\$ 17,894,507</u>

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Construction Commitments

The City of Cibolo has entered into various contracts for construction projects. As of September 30, 2014, the City had the following estimated commitments related to these contracts:

	Estimated Project Cost to City	Expended to Date	Estimated Future Commitment
School Building and Community Event Center	\$ 325,500	\$ 6,885	\$ 318,615
W. Borgfeld Rd Sidewalk Improvements	192,165	-	192,165
Total Estimated Future Commitments	<u>\$ 517,665</u>	<u>\$ 6,885</u>	<u>\$ 510,780</u>

Litigation

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

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 11 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City contracts with the Texas Municipal League Intergovernmental Risk Pool, a public entity risk pool currently operating as a common risk management and insurance program providing insurance coverage in the following areas: general liability, automobile liability and physical damage, law enforcement liability, worker's compensation, real and personal property, mobile equipment, and errors and omissions liability. 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. Annual contributions for the year ended September 30, 2014 were \$201,790 for property and casualty and workers compensation coverage.

NOTE 12 - PRIOR PERIOD ADJUSTMENT

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, which required a restatement of the beginning net position to remove unamortized bond issue costs from the financial statements. The implementation resulted in a \$778,700 decrease to beginning net position on the government-wide statements. See also Note 1.Q.

NOTE 13 - RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27*. The statement improves information provided by governments for defined benefit retirement plans. The Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements and it may be significant.

NOTE 14 - SUBSEQUENT EVENTS

The City entered into a lease financing agreement with Cal-First in December 2014 for the purchase of six patrol cars for a total cost of \$300,127. The interest rate is 2.45% and will be financed over a five year period.

The City awarded a bid to D&D Contractors in the amount of \$281,307 to construct a parking area containing twenty four parking places.

The City approved a contract with Vickery & Associates for the architectural and engineering design of the Cibolo Sports complex in the amount of \$389,000.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CIBOLO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		2014 Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 5,796,700	\$ 5,688,150	\$ 6,010,025	\$ 321,875
Permits and Fees	1,934,200	2,249,625	2,421,637	172,012
Service Fees	190,400	449,100	215,244	(233,856)
Fines and Fees	276,300	236,300	227,376	(8,924)
Park	28,600	30,280	37,745	7,465
Grant Revenue	5,600	4,000	-	(4,000)
Investment Earnings	14,000	11,600	12,366	766
Miscellaneous	39,100	69,960	80,400	10,440
TOTAL REVENUES	8,284,900	8,739,015	9,004,793	265,778
EXPENDITURES				
<i>General Government:</i>				
Mayor and Council Meeting Expense and Awards	2,500	3,411	4,599	(1,188)
City Council Contingency	4,400	3,763	3,822	(59)
Salaries and Fringe Benefits	459,559	458,799	456,404	2,395
Supplies	54,250	60,176	30,467	29,709
Maintenance	15,000	23,778	21,333	2,445
Contractual Services	525,650	523,471	486,222	37,249
Utilities	64,400	60,228	62,974	(2,746)
Capital Outlay	258,210	8,568	8,568	-
<i>Total General Government</i>	1,383,969	1,142,194	1,074,389	67,805
<i>Law Enforcement and Municipal Court:</i>				
Salaries and Fringe Benefits	2,348,916	2,159,800	2,135,553	24,247
Supplies	188,748	235,758	222,008	13,750
Maintenance	120,800	126,893	137,719	(10,826)
Contractual Services	345,133	324,733	343,624	(18,891)
Utilities	59,545	43,929	44,944	(1,015)
Capital Outlay	96,062	88,188	90,640	(2,452)
<i>Total Law Enforcement and Municipal Court</i>	\$ 3,159,204	\$ 2,979,301	\$ 2,974,488	\$ 4,813

CITY OF CIBOLO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		2014 Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
<i>Community Development Services:</i>				
Salaries and Fringe Benefits	\$ 644,985	\$ 615,223	\$ 582,058	\$ 33,165
Supplies	11,850	11,720	7,030	4,690
Maintenance	16,400	9,231	10,871	(1,640)
Contractual Services	171,550	202,612	253,230	(50,618)
Utilities	10,000	2,620	2,850	(230)
Capital Outlay	44,000	41,887	42,205	(318)
<i>Total Community Development Services</i>	<u>898,785</u>	<u>883,293</u>	<u>898,244</u>	<u>(14,951)</u>
<i>Public Works:</i>				
Salaries and Fringe Benefits	568,227	564,129	537,120	27,009
Supplies	119,350	116,949	117,452	(503)
Maintenance	66,500	66,023	70,254	(4,231)
Contractual Services	14,650	10,009	10,202	(193)
Utilities	5,250	3,596	3,584	12
Capital Outlay	173,400	171,608	209,596	(37,988)
<i>Total Public Works</i>	<u>947,377</u>	<u>932,314</u>	<u>948,208</u>	<u>(15,894)</u>
<i>Parks and Recreation:</i>				
Salaries and Fringe Benefits	332,939	304,480	278,704	25,776
Supplies	60,800	55,005	57,515	(2,510)
Maintenance	29,300	29,374	31,982	(2,608)
Contractual Services	4,700	3,919	2,959	960
Utilities	102,200	77,693	60,021	17,672
Capital Outlay	48,950	47,605	49,234	(1,629)
<i>Total Parks and Recreation</i>	<u>578,889</u>	<u>518,076</u>	<u>480,415</u>	<u>37,661</u>
<i>Animal Control:</i>				
Salaries and Fringe Benefits	89,918	93,489	93,747	(258)
Supplies	26,050	23,651	21,122	2,529
Maintenance	8,700	7,918	6,317	1,601
Contractual Services	10,480	7,645	7,417	228
Utilities	3,400	3,006	4,512	(1,506)
Capital Outlay	28,600	28,557	27,074	1,483
<i>Total Animal Control</i>	<u>\$ 167,148</u>	<u>\$ 164,266</u>	<u>\$ 160,189</u>	<u>\$ 4,077</u>

CITY OF CIBOLO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		2014 Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
<i>Fire:</i>				
Salaries and Fringe Benefits	\$ 1,019,412	\$ 986,371	\$ 1,018,703	\$ (32,332)
Supplies	68,673	58,008	50,208	7,800
Maintenance	27,000	24,307	25,914	(1,607)
Contractual Services	509,957	505,604	502,688	2,916
Utilities	17,800	20,327	21,847	(1,520)
<i>Total Fire</i>	<u>1,642,842</u>	<u>1,594,617</u>	<u>1,619,360</u>	<u>(24,743)</u>
<i>Finance:</i>				
Salaries and Fringe Benefits	193,125	182,014	182,524	(510)
Supplies	4,200	4,394	4,525	(131)
Contractual Services	114,620	121,016	114,554	6,462
<i>Total Finance</i>	<u>311,945</u>	<u>307,424</u>	<u>301,603</u>	<u>5,821</u>
<i>Information Technology:</i>				
Salaries and Fringe Benefits	66,073	66,667	65,755	912
Supplies	53,000	58,781	51,578	7,203
Maintenance	1,500	-	-	-
Contractual Services	42,500	39,822	43,230	(3,408)
Utilities	1,200	420	862	(442)
Capital Outlay	19,000	23,712	24,102	(390)
<i>Total Information Technology</i>	<u>183,273</u>	<u>189,402</u>	<u>185,527</u>	<u>3,875</u>
TOTAL EXPENDITURES	<u>9,273,432</u>	<u>8,710,887</u>	<u>8,642,423</u>	<u>68,464</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(988,532)</u>	<u>28,128</u>	<u>362,370</u>	<u>334,242</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	1,000	2,500	875	(1,625)
Proceeds from Issuance of Debt	-	-	72,309	72,309
Transfers In (Out)	154,480	146,400	149,209	2,809
TOTAL OTHER FINANCING SOURCES (USES)	<u>155,480</u>	<u>148,900</u>	<u>222,393</u>	<u>73,493</u>
NET CHANGE IN FUND BALANCE	(833,052)	177,028	584,763	407,735
FUND BALANCE - BEGINNING	<u>4,983,246</u>	<u>4,983,246</u>	<u>4,983,246</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ 4,150,194</u>	<u>\$ 5,160,274</u>	<u>\$ 5,568,009</u>	<u>\$ 407,735</u>

CITY OF CIBOLO, TEXAS
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SEPTEMBER 30, 2014

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. Annual budgets are adopted for the general fund; debt service fund; special revenue funds; capital replacement, Cibolo Fest, traffic impact, street impact, street maintenance, park fee, court technology, court security, police seizure, police special, police education, and child safety funds. Project-length financial plans are adopted for capital projects funds. Of these budgets, only the General Fund and Debt are legally adopted.

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

The City did not exceed the budgeted expenditures in any funds with legally adopted budgets during 2014. However, the budgets for the following special revenue funds were exceeded; Cibolofest, street impact, court technology, police education, and court security.

The City does not use encumbrances.

CITY OF CIBOLO, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
ANALYSIS OF FUNDING PROGRESS
LAST TEN CALENDAR YEARS

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS **	ACTUARIAL ACCRUED LIABILITY*	FUNDING RATIO (1)/(2)	UNFUNDED ACTUARIAL ACCRUED LIABILITY	ANNUAL COVERED PAYROLL	UNFUNDED ACTUARIAL ACCRUED LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
2013	\$ 5,352,122	\$ 6,706,899	79.8%	\$ 1,354,777	\$ 4,384,931	30.9%
2012	4,480,317	5,984,759	74.9%	1,504,442	3,853,934	39.0%
2011	3,678,308	5,125,573	71.8%	1,447,265	3,551,443	40.8%
2010	3,057,653	4,841,955	63.1%	1,784,302	3,011,192	59.3%
2009	2,225,512	3,509,834	63.4%	1,284,322	2,800,505	45.9%
2008	1,825,280	2,608,854	70.0%	783,574	2,712,684	28.9%
2007	1,540,552	2,162,891	71.2%	622,339	2,212,664	28.1%
2006	1,213,145	1,378,619	88.0%	165,474	1,748,714	9.5%
2005	938,093	1,083,921	86.5%	145,828	1,310,133	11.1%
2004	812,213	957,558	84.8%	145,345	949,102	15.3%

* As of December 31 of the preceding year, the date of the actuarial valuation.

** Assets are stated cost as of December 31 of the preceding year.

SUPPLEMENTARY INFORMATION

- Comparative Statements
 - General Fund
 - Debt Service Fund
 - Capital Projects Fund
- Combining and Comparative Individual Fund Statements - Nonmajor Governmental Funds
 - Capital Replacement Fund
 - Cibolo Fest Fund
 - Traffic Impact Fund
 - Street Impact Fund
 - Street Maintenance Fund
 - Park Fee Fund
 - Court Technology Fund
 - Court Security Fund
 - Police Seizure Fund
 - Police Special Fund
 - Police Education Fund
 - Child Safety Fund
- Combining Fund Statements – Nonmajor Proprietary Funds
 - Water Impact Fund
 - Sewer Impact Fund
 - Drainage Fund
 - Drainage Impact Fund
- Comparative Statements – Discretely Presented Component Units
 - Economic Development Corporation

CITY OF CIBOLO, TEXAS
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 5,603,515	\$ 4,054,717
Investments	440,088	1,315,042
Receivables (net of allowances):		
Taxes	329,195	295,633
Accounts and Other	325	4,324
Due from Other Funds	62,803	61,572
Due from Component Unit	2,421	31,845
Inventory	14,317	32,945
Prepays	1,288	4,820
	<u>6,453,952</u>	<u>5,800,898</u>
TOTAL ASSETS	<u>\$ 6,453,952</u>	<u>\$ 5,800,898</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 402,954	\$ 485,117
Accrued Liabilities	389,811	214,732
Court Bonds	1,099	973
Due to Other Funds	25,209	31,346
Unearned Revenue	31,304	26,005
<i>Total Liabilities</i>	<u>850,377</u>	<u>758,173</u>
<i>Deferred Inflows of Resources:</i>		
Unavailable Revenue	<u>35,566</u>	<u>59,479</u>
<i>Fund Balance:</i>		
Nonspendable:		
Inventory	14,317	32,945
Prepaid Items	1,288	4,820
Restricted for:		
Public Education Grant	161,181	104,363
Tree Project	1,400	1,400
Unassigned	5,389,823	4,839,718
<i>Total Fund Balance</i>	<u>5,568,009</u>	<u>4,983,246</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 6,453,952</u>	<u>\$ 5,800,898</u>

CITY OF CIBOLO, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
REVENUES		
Taxes	\$ 6,010,025	\$ 5,464,769
Permits and Fees	2,421,637	2,068,228
Service Fees	215,244	189,815
Fines and Fees	227,376	231,533
Parks Revenue	37,745	34,158
Grant Revenue	-	5,610
Investment Earnings	12,366	13,304
Miscellaneous	80,400	51,828
TOTAL REVENUES	<u>9,004,793</u>	<u>8,059,245</u>
EXPENDITURES		
Current:		
General Government	1,065,821	918,616
Law Enforcement and Municipal Court	2,883,848	2,579,410
Community Development Services	856,039	717,311
Public Works	738,612	915,680
Parks and Recreation	431,181	435,045
Animal Control	133,115	103,607
Fire	1,619,360	1,405,512
Finance	301,603	297,877
Information Technology	161,425	83,689
Capital Outlay	451,419	463,333
TOTAL EXPENDITURES	<u>8,642,423</u>	<u>7,920,080</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>362,370</u>	<u>139,165</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from Sale of Assets	875	966
Proceeds from Issuances of Debt	72,309	-
Transfers In	149,209	434,423
TOTAL OTHER FINANCING SOURCES (USES)	<u>222,393</u>	<u>435,389</u>
Net Change in Fund Balance	<u>584,763</u>	<u>574,554</u>
Fund Balance at Beginning of Year	<u>4,983,246</u>	<u>4,408,692</u>
Fund Balance at End of Year	<u><u>\$ 5,568,009</u></u>	<u><u>\$ 4,983,246</u></u>

CITY OF CIBOLO, TEXAS
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 391,048	\$ 276,579
Investments	-	96,004
Receivables (net of allowances):		
Taxes	30,564	33,997
Due from Other Funds	<u>-</u>	<u>18,157</u>
TOTAL ASSETS	<u>\$ 421,612</u>	<u>\$ 424,737</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
<i>Liabilities:</i>		
Accrued Interest Payable	<u>\$ 12,318</u>	<u>\$ -</u>
<i>Deferred Inflows of Resources:</i>		
Unavailable Revenue	<u>21,494</u>	<u>33,997</u>
<i>Fund Balance:</i>		
Restricted for:		
Debt Service	<u>387,800</u>	<u>390,740</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 421,612</u>	<u>\$ 424,737</u>

CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget- Positive (Negative)	2013 Actual Amounts
	Original	Final			
REVENUES					
Property Taxes	\$ 2,536,000	\$ 2,543,048	\$ 2,561,260	\$ 18,212	\$ 2,283,330
Investment Earnings	450	717	574	(143)	514
TOTAL REVENUES	<u>2,536,450</u>	<u>2,543,765</u>	<u>2,561,834</u>	<u>18,069</u>	<u>2,283,844</u>
EXPENDITURES					
Debt Service:					
Principal	1,310,000	1,310,000	1,310,000	-	1,160,000
Interest and Fiscal Charges	1,261,137	1,298,898	1,298,852	46	956,775
Bond Issue Costs	-	-	-	-	59,227
TOTAL EXPENDITURES	<u>2,571,137</u>	<u>2,608,898</u>	<u>2,608,852</u>	<u>46</u>	<u>2,176,002</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(34,687)</u>	<u>(65,133)</u>	<u>(47,018)</u>	<u>18,115</u>	<u>107,842</u>
OTHER FINANCING SOURCES					
Proceeds from Bond Issuance	-	-	-	-	1,465,000
Premium on Bonds	-	-	3,478	3,478	99,526
Payments to Escrow Agent	-	-	-	-	(1,505,299)
Miscellaneous Income	40,600	40,600	40,600	-	24,924
TOTAL OTHER FINANCING SOURCES	<u>40,600</u>	<u>40,600</u>	<u>44,078</u>	<u>3,478</u>	<u>84,151</u>
Net Change in Fund Balance	5,913	(24,533)	(2,940)	21,593	191,993
FUND BALANCE, BEGINNING	<u>390,740</u>	<u>390,740</u>	<u>390,740</u>	<u>-</u>	<u>198,747</u>
FUND BALANCE, ENDING	<u>\$ 396,653</u>	<u>\$ 366,207</u>	<u>\$ 387,800</u>	<u>\$ 21,593</u>	<u>\$ 390,740</u>

CITY OF CIBOLO, TEXAS
COMPARATIVE BALANCE SHEETS
CAPITAL PROJECTS FUND
SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 15,042,832	\$ 16,237,756
Investments	3,549,110	1,077,078
Due From Other Funds	<u>802</u>	<u>2,452</u>
TOTAL ASSETS	<u><u>\$ 18,592,744</u></u>	<u><u>\$ 17,317,286</u></u>
LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ 64,913	\$ 2,307
Due to Other Funds	<u>-</u>	<u>4,225</u>
<i>Total Liabilities</i>	<u>64,913</u>	<u>6,532</u>
<i>Fund Balance:</i>		
Restricted for:		
Capital Improvement	<u>18,527,831</u>	<u>17,310,754</u>
<i>Total Fund Balance</i>	<u><u>18,527,831</u></u>	<u><u>17,310,754</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 18,592,744</u></u>	<u><u>\$ 17,317,286</u></u>

CITY OF CIBOLO, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
REVENUES		
Investment Earnings	\$ 30,753	\$ 27,957
Intergovernmental	-	75,000
TOTAL REVENUES	<u>30,753</u>	<u>102,957</u>
EXPENDITURES		
Current:		
General Government	22,743	24,448
Capital Outlay	684,687	295,882
Debt Service:		
Bond Issue Costs	57,100	157,139
TOTAL EXPENDITURES	<u>764,530</u>	<u>477,469</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(733,777)</u>	<u>(374,512)</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from Issuances of Debt	2,875,000	8,500,000
Premium on Debt Issued	57,100	157,139
Transfers Out	(981,246)	(31,373)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,950,854</u>	<u>8,625,766</u>
Net Change in Fund Balance	1,217,077	8,251,254
Fund Balance at Beginning of Year	<u>17,310,754</u>	<u>9,059,500</u>
Fund Balance at End of Year	<u><u>\$ 18,527,831</u></u>	<u><u>\$ 17,310,754</u></u>

CITY OF CIBOLO, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Special Revenue Funds				
	Capital Replacement Fund	Cibolo Fest Fund	Traffic Impact Fund	Street Impact Fund	Street Maintenance Fund
ASSETS					
Cash and Cash Equivalents	\$ 89,715	\$ 19,347	\$ 599,557	\$ 405,814	\$ 233,390
Accounts Receivable, Net of Allowance					
Taxes	-	-	-	-	41,926
Other	-	-	31,127	-	-
Due from Other Funds	-	-	5,108	50,069	-
Prepaid Expenses	-	4,368	-	-	-
TOTAL ASSETS	<u>\$ 89,715</u>	<u>\$ 23,715</u>	<u>\$ 635,792</u>	<u>\$ 455,883</u>	<u>\$ 275,316</u>
LIABILITIES AND FUND BALANCE					
<i>Liabilities</i>					
Accounts Payable	\$ -	\$ 806	\$ 720	\$ 2,917	\$ 17,760
Unearned Revenue	-	8,230	-	-	-
Due to Other Funds	-	808	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>9,844</u>	<u>720</u>	<u>2,917</u>	<u>17,760</u>
<i>Fund Balance</i>					
Nonspendable for:					
Prepays	-	4,368	-	-	-
Restricted for:					
Impact Fees	-	-	635,072	452,966	-
Capital Improvements	-	-	-	-	-
Special Events	-	9,503	-	-	-
Street Maintenance	-	-	-	-	257,556
Police Special	-	-	-	-	-
Court Special	-	-	-	-	-
Committed for:					
Capital Replacement	89,715	-	-	-	-
<i>Total Fund Balances</i>	<u>89,715</u>	<u>13,871</u>	<u>635,072</u>	<u>452,966</u>	<u>257,556</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 89,715</u>	<u>\$ 23,715</u>	<u>\$ 635,792</u>	<u>\$ 455,883</u>	<u>\$ 275,316</u>

Special Revenue Funds							
Park Fee Fund	Court Technology Fund	Court Security Fund	Police Seizure Fund	Police Special Fund	Police Education Fund	Child Safety Fund	Totals
\$ 506,063	\$ 9,627	\$ 22,485	\$ 27	\$ 1,912	\$ 5,828	\$ 52,533	\$ 1,946,298
-	-	-	-	-	-	-	41,926
-	-	-	-	-	-	-	31,127
54,269	498	-	2,608	-	-	-	112,552
-	-	-	-	-	-	-	4,368
<u>\$ 560,332</u>	<u>\$ 10,125</u>	<u>\$ 22,485</u>	<u>\$ 2,635</u>	<u>\$ 1,912</u>	<u>\$ 5,828</u>	<u>\$ 52,533</u>	<u>\$ 2,136,271</u>
\$ 1,416	\$ -	\$ -	\$ -	\$ -	\$ 702	\$ -	\$ 24,321
-	-	-	-	-	-	-	8,230
-	-	191	-	-	-	1,625	2,624
<u>1,416</u>	<u>-</u>	<u>191</u>	<u>-</u>	<u>-</u>	<u>702</u>	<u>1,625</u>	<u>35,175</u>
-	-	-	-	-	-	-	4,368
-	-	-	-	-	-	-	1,088,038
558,916	-	-	-	-	-	-	558,916
-	-	-	-	-	5,126	-	14,629
-	-	-	-	-	-	-	257,556
-	-	-	2,635	1,912	-	-	4,547
-	10,125	22,294	-	-	-	-	32,419
-	-	-	-	-	-	50,908	140,623
<u>558,916</u>	<u>10,125</u>	<u>22,294</u>	<u>2,635</u>	<u>1,912</u>	<u>5,126</u>	<u>50,908</u>	<u>2,101,096</u>
<u>\$ 560,332</u>	<u>\$ 10,125</u>	<u>\$ 22,485</u>	<u>\$ 2,635</u>	<u>\$ 1,912</u>	<u>\$ 5,828</u>	<u>\$ 52,533</u>	<u>\$ 2,136,271</u>

CITY OF CIBOLO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue Funds				
	Capital Replacement Fund	Cibolo Fest Fund	Traffic Impact Fund	Street Impact Fund	Street Maintenance Fund
REVENUES					
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ 213,308
Permits and Fees	-	-	-	-	-
Fines and Fees	-	-	-	-	-
Impact Fees	-	-	318,224	-	-
Investment Earnings	30	11	242	221	65
Miscellaneous	-	26,458	-	-	-
TOTAL REVENUES	<u>30</u>	<u>26,469</u>	<u>318,466</u>	<u>221</u>	<u>213,373</u>
EXPENDITURES					
Current:					
Law Enforcement and Municipal Court	-	-	-	-	-
Public Works	-	-	-	-	94,907
Parks and Recreation	-	23,372	-	-	-
Capital Outlay	-	-	94,855	15,600	-
TOTAL EXPENDITURES	<u>-</u>	<u>23,372</u>	<u>94,855</u>	<u>15,600</u>	<u>94,907</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>30</u>	<u>3,097</u>	<u>223,611</u>	<u>(15,379)</u>	<u>118,466</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	30	3,097	223,611	(15,379)	118,466
Fund Balances, Beginning	<u>89,685</u>	<u>10,774</u>	<u>411,461</u>	<u>468,345</u>	<u>139,090</u>
Fund Balances, Ending	<u>\$ 89,715</u>	<u>\$ 13,871</u>	<u>\$ 635,072</u>	<u>\$ 452,966</u>	<u>\$ 257,556</u>

Special Revenue Funds							
Park Fee Fund	Court Technology Fund	Court Security Fund	Police Seizure Fund	Police Special Fund	Police Education Fund	Child Safety Fund	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 213,308
289,200	-	-	-	-	-	-	289,200
-	6,429	4,833	2,608	-	-	-	13,870
-	-	-	-	-	-	-	318,224
308	3	12	1	2	7	24	926
-	-	-	-	-	2,388	25,237	54,083
<u>289,508</u>	<u>6,432</u>	<u>4,845</u>	<u>2,609</u>	<u>2</u>	<u>2,395</u>	<u>25,261</u>	<u>889,611</u>
-	6,000	5,956	3,750	3,750	11,565	4,743	35,764
-	-	-	-	-	-	-	94,907
-	-	-	-	-	-	-	23,372
<u>198,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>309,196</u>
<u>198,741</u>	<u>6,000</u>	<u>5,956</u>	<u>3,750</u>	<u>3,750</u>	<u>11,565</u>	<u>4,743</u>	<u>463,239</u>
<u>90,767</u>	<u>432</u>	<u>(1,111)</u>	<u>(1,141)</u>	<u>(3,748)</u>	<u>(9,170)</u>	<u>20,518</u>	<u>426,372</u>
-	-	-	-	-	-	(10,306)	(10,306)
-	-	-	-	-	-	(10,306)	(10,306)
90,767	432	(1,111)	(1,141)	(3,748)	(9,170)	10,212	416,066
<u>468,149</u>	<u>9,693</u>	<u>23,405</u>	<u>3,776</u>	<u>5,660</u>	<u>14,296</u>	<u>40,696</u>	<u>1,685,030</u>
<u>\$ 558,916</u>	<u>\$ 10,125</u>	<u>\$ 22,294</u>	<u>\$ 2,635</u>	<u>\$ 1,912</u>	<u>\$ 5,126</u>	<u>\$ 50,908</u>	<u>\$ 2,101,096</u>

CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CAPITAL REPLACEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget- Positive (Negative)	2013 Actual Amounts
	Original	Final			
REVENUES					
Investment Earnings	\$ 75	\$ 32	\$ 30	\$ (2)	\$ 76
TOTAL REVENUES	<u>75</u>	<u>32</u>	<u>30</u>	<u>(2)</u>	<u>76</u>
EXPENDITURES					
Current:					
Community Development	-	-	-	-	4,845
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,845</u>
Net Change in Fund Balance	75	32	30	(2)	(4,769)
FUND BALANCE, BEGINNING	<u>89,685</u>	<u>89,685</u>	<u>89,685</u>	<u>-</u>	<u>94,454</u>
FUND BALANCE, ENDING	<u>\$ 89,760</u>	<u>\$ 89,717</u>	<u>\$ 89,715</u>	<u>\$ (2)</u>	<u>\$ 89,685</u>

CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CIBOLO FEST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget- Positive (Negative)	2013 Actual Amounts
	Original	Final			
REVENUES					
Investment Earnings	\$ -	\$ 7	\$ 11	\$ 4	\$ -
Miscellaneous	15,000	26,458	26,458	-	18,455
TOTAL REVENUES	<u>15,000</u>	<u>26,465</u>	<u>26,469</u>	<u>4</u>	<u>18,455</u>
EXPENDITURES					
Current:					
Parks and Recreation	15,000	20,506	23,372	(2,866)	15,671
TOTAL EXPENDITURES	<u>15,000</u>	<u>20,506</u>	<u>23,372</u>	<u>(2,866)</u>	<u>15,671</u>
Net Change in Fund Balance	-	5,959	3,097	(2,862)	2,784
FUND BALANCE, BEGINNING	<u>10,774</u>	<u>10,774</u>	<u>10,774</u>	<u>-</u>	<u>7,990</u>
FUND BALANCE, ENDING	<u>\$ 10,774</u>	<u>\$ 16,733</u>	<u>\$ 13,871</u>	<u>\$ (2,862)</u>	<u>\$ 10,774</u>

CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
TRAFFIC IMPACT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget- Positive (Negative)	2013 Actual Amounts
	Original	Final			
REVENUES					
Impact Fees	\$ 300,000	\$ 301,243	\$ 318,224	\$ 16,981	\$ 343,142
Investment Earnings	350	236	242	6	325
TOTAL REVENUES	<u>300,350</u>	<u>301,479</u>	<u>318,466</u>	<u>16,987</u>	<u>343,467</u>
EXPENDITURES					
Current:					
Public Works	-	-	-	-	19,050
Capital Outlay	530,000	113,511	94,855	18,656	248,542
TOTAL EXPENDITURES	<u>530,000</u>	<u>113,511</u>	<u>94,855</u>	<u>18,656</u>	<u>267,592</u>
Net Change in Fund Balance	(229,650)	187,968	223,611	35,643	75,875
FUND BALANCE, BEGINNING	<u>411,461</u>	<u>411,461</u>	<u>411,461</u>	<u>-</u>	<u>335,586</u>
FUND BALANCE, ENDING	<u>\$ 181,811</u>	<u>\$ 599,429</u>	<u>\$ 635,072</u>	<u>\$ 35,643</u>	<u>\$ 411,461</u>

CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
STREET IMPACT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budgeted Amounts		2014	Variance with	2013
	Original	Final	Actual	Final Budget- Positive (Negative)	Actual
REVENUES			Amounts		Amounts
Investment Earnings	\$ 300	\$ 183	\$ 221	\$ 38	\$ 420
TOTAL REVENUES	<u>300</u>	<u>183</u>	<u>221</u>	<u>38</u>	<u>420</u>
EXPENDITURES					
Capital Outlay	150,000	-	15,600	(15,600)	426
TOTAL EXPENDITURES	<u>150,000</u>	<u>-</u>	<u>15,600</u>	<u>(15,600)</u>	<u>426</u>
Net Change in Fund Balance	(149,700)	183	(15,379)	(15,562)	(6)
FUND BALANCE, BEGINNING	<u>468,345</u>	<u>468,345</u>	<u>468,345</u>	<u>-</u>	<u>468,351</u>
FUND BALANCE, ENDING	<u>\$ 318,645</u>	<u>\$ 468,528</u>	<u>\$ 452,966</u>	<u>\$ (15,562)</u>	<u>\$ 468,345</u>

CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
STREET MAINTENANCE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget- Positive (Negative)	2013 Actual Amounts
	Original	Final			
REVENUES					
Sales Tax	\$ 187,000	\$ 201,609	\$ 213,308	\$ 11,699	\$ 201,315
Investment Earnings	250	56	65	9	230
TOTAL REVENUES	<u>187,250</u>	<u>201,665</u>	<u>213,373</u>	<u>11,708</u>	<u>201,545</u>
EXPENDITURES					
Current:					
Public Safety	200,000	152,084	94,907	57,177	-
TOTAL EXPENDITURES	<u>200,000</u>	<u>152,084</u>	<u>94,907</u>	<u>57,177</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,750)</u>	<u>49,581</u>	<u>118,466</u>	<u>68,885</u>	<u>201,545</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	-	-	-	-	(293,844)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(293,844)</u>
Net Change in Fund Balance	(12,750)	49,581	118,466	68,885	(92,299)
FUND BALANCE, BEGINNING	<u>139,090</u>	<u>139,090</u>	<u>139,090</u>	<u>-</u>	<u>231,389</u>
FUND BALANCE, ENDING	<u>\$ 126,340</u>	<u>\$ 188,671</u>	<u>\$ 257,556</u>	<u>\$ 68,885</u>	<u>\$ 139,090</u>

CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
PARK FEE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget- Positive (Negative)	2013 Actual Amounts
	Original	Final			
REVENUES					
Permits and Fees	\$ 160,000	\$ 272,143	\$ 289,200	\$ 17,057	\$ 219,000
Investment Earnings	300	397	308	(89)	314
TOTAL REVENUES	<u>160,300</u>	<u>272,540</u>	<u>289,508</u>	<u>16,968</u>	<u>219,314</u>
EXPENDITURES					
Capital Outlay	313,000	237,200	198,741	38,459	24,262
TOTAL EXPENDITURES	<u>313,000</u>	<u>237,200</u>	<u>198,741</u>	<u>38,459</u>	<u>24,262</u>
Net Change in Fund Balance	(152,700)	35,340	90,767	55,427	195,052
FUND BALANCE, BEGINNING	<u>468,149</u>	<u>468,149</u>	<u>468,149</u>	<u>-</u>	<u>273,097</u>
FUND BALANCE, ENDING	<u>\$ 315,449</u>	<u>\$ 503,489</u>	<u>\$ 558,916</u>	<u>\$ 55,427</u>	<u>\$ 468,149</u>

CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
COURT TECHNOLOGY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget- Positive (Negative)	2013 Actual Amounts
	Original	Final			
REVENUES					
Fines and Fees	\$ 6,000	\$ 6,644	\$ 6,429	\$ (215)	\$ 6,545
Investment Earnings	-	3	3	-	3
TOTAL REVENUES	<u>6,000</u>	<u>6,647</u>	<u>6,432</u>	<u>(215)</u>	<u>6,548</u>
EXPENDITURES					
Current:					
Law Enforcement and Municipal Court	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	647	432	(215)	6,548
FUND BALANCE, BEGINNING	<u>9,693</u>	<u>9,693</u>	<u>9,693</u>	<u>-</u>	<u>3,145</u>
FUND BALANCE, ENDING	<u>\$ 9,693</u>	<u>\$ 10,340</u>	<u>\$ 10,125</u>	<u>\$ (215)</u>	<u>\$ 9,693</u>

CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
COURT SECURITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget- Positive (Negative)	2013 Actual Amounts
	Original	Final			
REVENUES					
Fines and Fees	5,000	4,983	\$ 4,833	\$ (150)	4,902
Investment Earnings	10	12	12	-	15
TOTAL REVENUES	<u>5,010</u>	<u>4,995</u>	<u>4,845</u>	<u>(150)</u>	<u>4,917</u>
EXPENDITURES					
Current:					
Law Enforcement and Municipal Court	5,000	5,952	5,956	(4)	15,239
TOTAL EXPENDITURES	<u>5,000</u>	<u>5,952</u>	<u>5,956</u>	<u>(4)</u>	<u>15,239</u>
Net Change in Fund Balance	10	(957)	(1,111)	(154)	(10,322)
FUND BALANCE, BEGINNING	<u>23,405</u>	<u>23,405</u>	<u>23,405</u>	<u>-</u>	<u>33,727</u>
FUND BALANCE, ENDING	<u>\$ 23,415</u>	<u>\$ 22,448</u>	<u>\$ 22,294</u>	<u>\$ (154)</u>	<u>\$ 23,405</u>

CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
POLICE SEIZURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget- Positive (Negative)	2013 Actual Amounts
	Original	Final			
REVENUES					
Fines and Fees	\$ -	\$ -	\$ 2,608	\$ 2,608	\$ -
Investment Earnings	-	1	1	-	2
TOTAL REVENUES	<u>-</u>	<u>1</u>	<u>2,609</u>	<u>2,608</u>	<u>2</u>
EXPENDITURES					
Current:					
Law Enforcement and Municipal Court	3,750	3,750	3,750	-	-
TOTAL EXPENDITURES	<u>3,750</u>	<u>3,750</u>	<u>3,750</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(3,750)	(3,749)	(1,141)	2,608	2
FUND BALANCE, BEGINNING	<u>3,776</u>	<u>3,776</u>	<u>3,776</u>	<u>-</u>	<u>3,774</u>
FUND BALANCE, ENDING	<u>\$ 26</u>	<u>\$ 27</u>	<u>\$ 2,635</u>	<u>\$ 2,608</u>	<u>\$ 3,776</u>

CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
POLICE SPECIAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget- Positive (Negative)	2013 Actual Amounts
	Original	Final			
REVENUES					
Investment Earnings	\$ -	\$ 2	\$ 2	\$ -	\$ 3
TOTAL REVENUES	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>	<u>3</u>
EXPENDITURES					
Current					
Law Enforcement and Municipal Court	4,500	4,500	3,750	750	-
TOTAL EXPENDITURES	<u>4,500</u>	<u>4,500</u>	<u>3,750</u>	<u>750</u>	<u>-</u>
Net Change in Fund Balance	(4,500)	(4,498)	(3,748)	750	3
FUND BALANCE, BEGINNING	<u>5,660</u>	<u>5,660</u>	<u>5,660</u>	<u>-</u>	<u>5,657</u>
FUND BALANCE, ENDING	<u>\$ 1,160</u>	<u>\$ 1,162</u>	<u>\$ 1,912</u>	<u>\$ 750</u>	<u>\$ 5,660</u>

CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
POLICE EDUCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget- Positive (Negative)	2013 Actual Amounts
	Original	Final			
REVENUES					
Investment Earnings	\$ 5	\$ 7	\$ 7	\$ -	\$ 7
Miscellaneous	-	2,387	2,388	1	-
TOTAL REVENUES	<u>5</u>	<u>2,394</u>	<u>2,395</u>	<u>-</u>	<u>7</u>
EXPENDITURES					
Current					
Law Enforcement and Municipal Court	7,500	7,500	11,565	(4,065)	2,763
TOTAL EXPENDITURES	<u>7,500</u>	<u>7,500</u>	<u>11,565</u>	<u>(4,065)</u>	<u>2,763</u>
Net Change in Fund Balance	(7,495)	(5,106)	(9,170)	(4,064)	(2,756)
FUND BALANCE, BEGINNING	<u>14,296</u>	<u>14,296</u>	<u>14,296</u>	<u>-</u>	<u>17,052</u>
FUND BALANCE, ENDING	<u>\$ 6,801</u>	<u>\$ 9,190</u>	<u>\$ 5,126</u>	<u>\$ (4,064)</u>	<u>\$ 14,296</u>

CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
CHILD SAFETY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(WITH COMPARATIVE ACTUAL TOTALS FOR 2013)

	Budgeted Amounts		2014 Actual Amounts	Variance with Final Budget- Positive (Negative)	2013 Actual Amounts
	Original	Final			
REVENUES					
Investment Earnings	\$ 10	\$ 23	\$ 24	\$ 1	\$ 20
Miscellaneous	18,000	24,322	25,237	915	19,902
TOTAL REVENUES	<u>18,010</u>	<u>24,345</u>	<u>25,261</u>	<u>916</u>	<u>19,922</u>
EXPENDITURES					
Current					
Law Enforcement and Municipal Court	32,500	7,500	4,743	2,757	-
TOTAL EXPENDITURES	<u>32,500</u>	<u>7,500</u>	<u>4,743</u>	<u>2,757</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(14,490)</u>	<u>16,845</u>	<u>20,518</u>	<u>3,673</u>	<u>19,922</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	(15,380)	(10,932)	(10,306)	626	(10,427)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(15,380)</u>	<u>(10,932)</u>	<u>(10,306)</u>	<u>626</u>	<u>(10,427)</u>
Net Change in Fund Balance	(29,870)	5,913	10,212	4,299	9,495
FUND BALANCE, BEGINNING	<u>40,696</u>	<u>40,696</u>	<u>40,696</u>	<u>-</u>	<u>31,201</u>
FUND BALANCE, ENDING	<u>\$ 10,826</u>	<u>\$ 46,609</u>	<u>\$ 50,908</u>	<u>\$ 4,299</u>	<u>\$ 40,696</u>

CITY OF CIBOLO, TEXAS
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 SEPTEMBER 30, 2014

	Proprietary Funds				
	Water Impact Fund	Sewer Impact Fund	Drainage Fund	Drainage Impact Fund	Totals
ASSETS					
<i>Current Assets:</i>					
Cash and Cash Equivalents	\$ -	\$ -	\$ 261,202	\$ -	\$ 261,202
Accounts Receivable, Net of Allowance	-	-	44,131	-	44,131
Due from Other Funds	-	-	-	-	-
<i>Total Current Assets</i>	-	-	305,333	-	305,333
<i>Noncurrent Assets:</i>					
Restricted Assets:					
Cash and Cash Equivalents	1,006,993	2,043,700	-	1,041,630	4,092,323
Investments	16	18	-	11	45
Accounts Receivable - Other	-	3,191	-	-	3,191
Due from Other Funds	100,621	-	-	-	100,621
Capital Assets:					
Land	-	-	891,694	-	891,694
Utility Systems	-	-	1,892,274	-	1,892,274
Equipment and Vehicles	-	-	445,150	-	445,150
Construction in Progress	-	-	463,732	-	463,732
Less: Accumulated Depreciation	-	-	(249,907)	-	(249,907)
<i>Total Noncurrent Assets</i>	1,107,630	2,046,909	3,442,943	1,041,641	7,639,123
TOTAL ASSETS	\$ 1,107,630	\$ 2,046,909	\$ 3,748,276	\$ 1,041,641	\$ 7,944,456

CITY OF CIBOLO, TEXAS
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS (CONTINUED)
 SEPTEMBER 30, 2014

	Proprietary Funds				
	Water Impact Fund	Sewer Impact Fund	Drainage Fund	Drainage Impact Fund	Totals
LIABILITIES					
<i>Current Liabilities:</i>					
Accounts Payable	\$ 4,572	\$ 30,917	\$ 2,423	\$ 1,287	\$ 39,199
Accrued Liabilities	-	-	10,578	-	10,578
Due to Other Funds	-	142,379	15,266	45,579	203,224
Current Portion of Compensated Absences	-	-	681	-	681
Current Portion of Long-Term Debt	-	-	38,500	-	38,500
<i>Total Current Liabilities</i>	<u>4,572</u>	<u>173,296</u>	<u>67,448</u>	<u>46,866</u>	<u>292,182</u>
<i>Noncurrent Liabilities:</i>					
Compensated Absences	-	-	2,725	-	2,725
Long-Term Debt (Net of Current Portion)	-	-	106,500	-	106,500
<i>Total Noncurrent Liabilities</i>	<u>-</u>	<u>-</u>	<u>109,225</u>	<u>-</u>	<u>109,225</u>
TOTAL LIABILITIES	<u>4,572</u>	<u>173,296</u>	<u>176,673</u>	<u>46,866</u>	<u>401,407</u>
NET POSITION					
Net Investment in Capital Assets	-	-	3,297,943	-	3,297,943
Restricted For:					
Impact Fees	1,103,058	1,873,613	-	994,775	3,971,446
Unrestricted	-	-	273,660	-	273,660
TOTAL NET POSITION	<u>\$ 1,103,058</u>	<u>\$ 1,873,613</u>	<u>\$ 3,571,603</u>	<u>\$ 994,775</u>	<u>\$ 7,543,049</u>

CITY OF CIBOLO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION – NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Proprietary Funds				
	Water Impact Fund	Sewer Impact Fund	Drainage Fund	Drainage Impact Fund	Totals
OPERATING REVENUES					
Fees Charged to Users	\$ -	\$ -	\$ 435,976	\$ -	\$ 435,976
TOTAL OPERATING REVENUES	<u>-</u>	<u>-</u>	<u>435,976</u>	<u>-</u>	<u>435,976</u>
OPERATING EXPENSES					
Personnel Services	-	-	243,239	-	243,239
Contractual Services	16,055	104,585	39,309	-	159,949
Supplies and Maintenance	-	-	37,792	-	37,792
General and Administrative	-	-	10,388	-	10,388
Depreciation	-	-	69,337	-	69,337
TOTAL OPERATING EXPENSES	<u>16,055</u>	<u>104,585</u>	<u>400,065</u>	<u>-</u>	<u>520,705</u>
OPERATING INCOME (LOSS)	<u>(16,055)</u>	<u>(104,585)</u>	<u>35,911</u>	<u>-</u>	<u>(84,729)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Earnings	1,099	1,079	100	597	2,875
Impact Fees	305,112	327,966	-	223,081	856,159
Interest Expense	-	-	(801)	-	(801)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>306,211</u>	<u>329,045</u>	<u>(701)</u>	<u>223,678</u>	<u>858,233</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>290,156</u>	<u>224,460</u>	<u>35,210</u>	<u>223,678</u>	<u>773,504</u>
Transfers In (Out)	(271,250)	(38,750)	972,525	-	662,525
Capital Contributions	-	-	311,795	-	311,795
CHANGE IN NET POSITION	<u>18,906</u>	<u>185,710</u>	<u>1,319,530</u>	<u>223,678</u>	<u>1,747,824</u>
NET POSITION AT BEGINNING OF YEAR	<u>1,084,152</u>	<u>1,687,903</u>	<u>2,252,073</u>	<u>771,097</u>	<u>5,795,225</u>
NET POSITION AT END OF YEAR	<u>\$ 1,103,058</u>	<u>\$ 1,873,613</u>	<u>\$ 3,571,603</u>	<u>\$ 994,775</u>	<u>\$ 7,543,049</u>

CITY OF CIBOLO, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Proprietary Funds				
	Water Impact Fund	Sewer Impact Fund	Drainage Fund	Drainage Impact Fund	Totals
Cash Flows From Operating Activities:					
Cash Received From Customers and Users	\$ -	\$ -	\$ 431,302	\$ -	\$ 431,302
Cash Paid to Employees for Services	-	-	(242,549)	-	(242,549)
Cash Paid to Supplier for Goods & Services	(11,483)	(78,216)	(91,283)	-	(180,982)
Net Cash Provided (Used) by Operating Activities	<u>(11,483)</u>	<u>(78,216)</u>	<u>97,470</u>	<u>-</u>	<u>7,771</u>
Cash Flows From Noncapital Financing Activities:					
Impact Fees	305,112	327,966	-	223,081	856,159
Cash Advances From/(To) Other Funds	(360,486)	108,112	986,182	48,751	782,559
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(55,374)</u>	<u>436,078</u>	<u>986,182</u>	<u>271,832</u>	<u>1,638,718</u>
Cash Flows From Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	-	-	(1,171,256)	-	(1,171,256)
Proceeds from Capital Lease	-	-	145,000	-	145,000
Interest Paid on Long-Term Debt	-	-	(801)	-	(801)
Principal Paid on Long-Term Debt	-	-	(28,925)	-	(28,925)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(1,055,982)</u>	<u>-</u>	<u>(1,055,982)</u>
Cash Flows From Investing Activities:					
Proceeds from the Sale of Investments	189,744	204,874	-	(11)	394,607
Interest and Investment Earnings	1,099	1,079	100	597	2,875
Net Cash Provided (Used) by Investing Activities	<u>190,843</u>	<u>205,953</u>	<u>100</u>	<u>586</u>	<u>397,482</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>123,986</u>	<u>563,815</u>	<u>27,770</u>	<u>272,418</u>	<u>987,989</u>
Cash and Cash Equivalents at Beginning of Year:					
Cash and Cash Equivalents	-	-	233,432	-	233,432
Restricted Cash and Cash Equivalents	883,007	1,479,885	-	769,212	3,132,104
	<u>883,007</u>	<u>1,479,885</u>	<u>233,432</u>	<u>769,212</u>	<u>3,365,536</u>
Cash and Cash Equivalents at End of Year:					
Cash and Cash Equivalents	-	-	261,202	-	261,202
Restricted Cash and Cash Equivalents	1,006,993	2,043,700	-	1,041,630	4,092,323
	<u>\$ 1,006,993</u>	<u>\$ 2,043,700</u>	<u>\$ 261,202</u>	<u>\$ 1,041,630</u>	<u>\$ 4,353,525</u>
Noncash Capital and Related Financing Transactions:					
Developer Contributions of Capital Assets	\$ -	\$ -	\$ 311,795	\$ -	\$ 311,795

CITY OF CIBOLO, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Proprietary Funds				
	Water Impact Fund	Sewer Impact Fund	Drainage Fund	Drainage Impact Fund	Totals
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating Income	\$ (16,055)	\$ (104,585)	\$ 35,911	\$ -	\$ (84,729)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	-	-	69,337	-	69,337
Decrease (Increase) in Assets:					
Accounts Receivable (net)	-	-	(4,674)	-	(4,674)
Increase (Decrease) in Liabilities:					
Accounts Payable	4,572	26,369	(3,794)	-	27,147
Accrued Liabilities	-	-	399	-	399
Compensated Absences	-	-	291	-	291
NET CASH PROVIDED BY (USED) FOR OPERATING ACTIVITIES	<u>\$ (11,483)</u>	<u>\$ (78,216)</u>	<u>\$ 97,470</u>	<u>\$ -</u>	<u>\$ 7,771</u>

CITY OF CIBOLO, TEXAS
COMPARATIVE STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNIT
CIBOLO ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 322,459	\$ 337,816
Receivables (net of allowances)		
Delinquent Taxes	41,925	34,160
Accounts and Other	<u>1,769</u>	<u>-</u>
TOTAL ASSETS	<u>366,153</u>	<u>371,976</u>
LIABILITIES		
<i>Current Liabilities:</i>		
Accounts Payable	9,270	792
Accrued Liabilities	7,389	4,228
Due to Primary Government	2,421	50,002
Compensated Absences	<u>1,640</u>	<u>-</u>
<i>Total Current Liabilities</i>	<u>20,720</u>	<u>55,022</u>
<i>Noncurrent Liabilities:</i>		
Compensated Absences	<u>6,561</u>	<u>-</u>
<i>Total Noncurrent Liabilities</i>	<u>6,561</u>	<u>-</u>
TOTAL LIABILITIES	<u>27,281</u>	<u>55,022</u>
NET POSITION		
Restricted For:		
Economic Development	<u>338,872</u>	<u>316,954</u>
TOTAL NET POSITION	<u><u>\$ 338,872</u></u>	<u><u>\$ 316,954</u></u>

CITY OF CIBOLO, TEXAS
 COMPARATIVE STATEMENT OF ACTIVITIES
 DISCRETELY PRESENTED COMPONENT UNIT
 CIBOLO ECONOMIC DEVELOPMENT CORPORATION
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
REVENUES		
Sales Taxes	\$ 213,308	\$ 201,315
Interest Revenues	107	218
Revenue from Primary Government	79,400	98,917
TOTAL REVENUES	<u>292,815</u>	<u>300,450</u>
EXPENSES		
Economic Development	<u>270,897</u>	<u>199,003</u>
TOTAL EXPENSES	<u>270,897</u>	<u>199,003</u>
<i>Change in Net Position</i>	21,918	101,447
<i>Beginning Net Position</i>	<u>316,954</u>	<u>215,507</u>
<i>Ending Net Position</i>	<u><u>\$ 338,872</u></u>	<u><u>\$ 316,954</u></u>

CITY OF CIBOLO, TEXAS
COMPARATIVE BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
CIBOLO ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 322,459	\$ 337,816
Receivables		
Sales Taxes	41,925	34,160
Accounts and Other	<u>1,769</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 366,153</u></u>	<u><u>\$ 371,976</u></u>
LIABILITIES AND FUND BALANCE		
<i>Liabilities:</i>		
Accounts Payable	\$ 9,270	\$ 792
Accrued Salaries and Benefits	7,389	4,228
Due to Primary Government	<u>2,421</u>	<u>50,002</u>
<i>Total Liabilities</i>	<u><u>19,080</u></u>	<u><u>55,022</u></u>
<i>Fund Balance:</i>		
Restricted for:		
Economic Development	<u>347,073</u>	<u>316,954</u>
<i>Total Fund Balance</i>	<u><u>347,073</u></u>	<u><u>316,954</u></u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 366,153</u></u>	<u><u>\$ 371,976</u></u>
TOTAL FUND BALANCE	\$ 347,073	\$ 316,954
Amounts reported in the statement of net assets are different because for the statement of net assets:		
Long-term liabilities (including employee compensated absences) are not payable in the current period and, therefore, are deferred in the funds		
Compensated Absences	<u>(8,201)</u>	<u>-</u>
TOTAL NET ASSETS	<u><u>\$ 338,872</u></u>	<u><u>\$ 316,954</u></u>

CITY OF CIBOLO, TEXAS
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - DISCRETELY PRESENTED COMPONENT UNIT
 CIBOLO ECONOMIC DEVELOPMENT CORPORATION
 FOR THE YEAR ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
REVENUES		
Sales Taxes	\$ 213,308	\$ 201,315
Investment Earnings	107	218
Revenue from Primary Government	79,400	98,917
TOTAL REVENUES	<u>292,815</u>	<u>300,450</u>
EXPENDITURES		
Economic Development	<u>262,696</u>	<u>199,003</u>
TOTAL EXPENDITURES	<u>262,696</u>	<u>199,003</u>
Net Change in Fund Balance	30,119	101,447
FUND BALANCE, BEGINNING	<u>316,954</u>	<u>215,507</u>
FUND BALANCE, ENDING	<u><u>\$ 347,073</u></u>	<u><u>\$ 316,954</u></u>
NET CHANGE IN FUND BALANCE	\$ 30,119	\$ 101,447
Amounts reported in the statement of activities are different because:		
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Compensated Absences	<u>(8,201)</u>	<u>-</u>
CHANGE IN NET POSITION	<u><u>\$ 21,918</u></u>	<u><u>\$ 101,447</u></u>

STATISTICAL SECTION

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

Financial Trends (Tables 1 through 4)

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

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

Revenue Capacity (Tables 5 through 12)

Tax Revenues by Source, Governmental Funds
Total Water and Sewer Consumption and Rates
Principal Water and Sewer Consumers
Assessed Value and Estimated Actual Value of Taxable Property
Direct and Overlapping Property Tax Rates
Principal Property Taxpayers
Property Tax Levies and Collections
Taxable Assessed Value

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

Debt Capacity (Tables 13 through 17)

Ratios of Outstanding Debt by Type
Ratios of General Bonded Debt Outstanding
Direct and Overlapping Governmental Activities Debt
Debt Margin Information
Pledged Revenue Coverage

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

Demographic and Economic Information (Tables 18 through 19)

Demographic and Economic Statistics
Principal Employers

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

Operating Information (Tables 20 through 22)

Full-time Equivalent City Government Employees by Function
Operating Indicators by Function/Program
Capital Asset Statistics by Function/Program

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

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

	Fiscal Year			
	2005*	2006*	2007*	2008*
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$ 2,949,433	\$ 1,106,927	\$ 4,494,034	\$ 8,164,016
Restricted	776,107	4,007,735	2,234,750	1,863,848
Unrestricted	1,461,482	1,827,848	3,002,817	3,366,702
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ 5,187,022</u>	<u>\$ 6,942,510</u>	<u>\$ 9,731,601</u>	<u>\$ 13,394,566</u>
<i>Business-Type Activities</i>				
Net Investment in Capital Assets	\$ 2,894,401	\$ 2,494,073	\$ 3,883,385	\$ 7,339,992
Restricted	1,883,413	1,715,262	1,388,815	1,232,456
Unrestricted	(27,588)	828,506	919,609	1,540,011
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>\$ 4,750,226</u>	<u>\$ 5,037,841</u>	<u>\$ 6,191,809</u>	<u>\$ 10,112,459</u>
<i>Primary Government</i>				
Net Investment in Capital Assets	\$ 5,843,834	\$ 3,601,000	\$ 8,377,419	\$ 15,504,008
Restricted	2,659,520	5,722,997	3,623,565	3,096,304
Unrestricted	1,433,894	2,656,354	3,922,426	4,906,713
<i>Total Primary Government Net Position</i>	<u>\$ 9,937,248</u>	<u>\$ 11,980,351</u>	<u>\$ 15,923,410</u>	<u>\$ 23,507,025</u>

**Prior periods have been restated to reflect the prior period adjustment (note 12).*

TABLE 1

Fiscal Year					
2009*	2010*	2011*	2012*	2013*	2014
\$ 7,732,616	\$ 9,995,081	\$ 11,394,731	\$ 12,505,601	\$ 12,943,557	\$ 12,647,240
2,029,772	2,318,816	2,646,191	1,659,707	2,090,014	2,293,663
4,104,538	3,934,163	3,479,110	4,026,760	4,625,113	5,432,793
<u>\$ 13,866,926</u>	<u>\$ 16,248,060</u>	<u>\$ 17,520,032</u>	<u>\$ 18,192,068</u>	<u>\$ 19,658,684</u>	<u>\$ 20,359,067</u>
\$ 6,862,064	\$ 8,158,635	\$ 9,303,769	\$ 12,527,731	\$ 14,350,403	\$ 16,695,634
1,241,466	1,716,248	2,339,100	2,826,828	3,845,778	4,375,183
3,085,787	3,187,936	5,622,842	4,618,154	3,287,954	2,743,386
<u>\$ 11,189,317</u>	<u>\$ 13,062,819</u>	<u>\$ 17,265,711</u>	<u>\$ 19,972,713</u>	<u>\$ 21,484,135</u>	<u>\$ 23,814,203</u>
\$ 14,594,680	\$ 18,153,716	\$ 20,698,500	\$ 25,033,332	\$ 27,293,960	\$ 29,342,874
3,271,238	4,035,064	4,985,291	4,486,535	5,935,792	6,668,846
7,190,325	7,122,099	9,101,952	8,644,914	7,913,067	8,161,550
<u>\$ 25,056,243</u>	<u>\$ 29,310,879</u>	<u>\$ 34,785,743</u>	<u>\$ 38,164,781</u>	<u>\$ 41,142,819</u>	<u>\$ 44,173,270</u>

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

	Fiscal Year			
	2005*	2006*	2007*	2008*
Expenses				
<i>Governmental Activities</i>				
General Government	\$ 403,083	\$ 543,936	\$ 639,736	\$ 1,029,356
Law Enforcement and Municipal Court	1,114,574	1,525,518	1,708,004	1,789,584
Community Development	307,672	523,760	615,390	493,852
Public Works	583,299	577,651	694,566	1,394,360
Parks and Recreation	108,884	132,608	245,021	356,268
Animal Control	38,511	36,698	57,585	71,226
Economic Development	-	-	379,805	428,246
Fire	-	-	-	491,880
Finance	-	-	-	-
Information Technology	-	-	-	-
Capital Outlay	162,435	446,608	141,494	-
Interest on Long-Term Debt	205,140	164,417	304,491	455,324
<i>Total Governmental Activities</i>	<u>2,923,598</u>	<u>3,951,196</u>	<u>4,786,092</u>	<u>6,510,096</u>
<i>Business-Type Activities</i>				
Water and Sewer	2,817,400	4,129,780	3,711,259	4,246,673
Interest on Long-Term Debt	120,030	119,050	172,053	264,140
<i>Total Business-Type Activities</i>	<u>2,937,430</u>	<u>4,248,830</u>	<u>3,883,312</u>	<u>4,510,813</u>
Total Primary Government Expenses	<u><u>\$ 5,861,028</u></u>	<u><u>\$ 8,200,026</u></u>	<u><u>\$ 8,669,404</u></u>	<u><u>\$ 11,020,909</u></u>
Program Revenues				
<i>Governmental Activities</i>				
Charges for Service:				
General Government	\$ 166,943	\$ 133,130	\$ 157,971	\$ 169,282
Law Enforcement and Municipal Court	212,070	376,060	443,489	523,647
Community Development	1,104,892	1,786,710	3,498,323	2,560,933
Public Works	-	-	-	-
Parks and Recreation	114,061	174,977	5,962	8,457
Animal Control	5,267	6,590	8,773	8,679
Fire	-	-	-	-
Operating Grants and Contributions	47,901	54,178	75,368	26,911
Capital Grants and Contributions	13,740	487,378	-	2,777,059
<i>Total Governmental Activities</i>				
<i>Program Revenues</i>	<u>1,664,874</u>	<u>3,019,023</u>	<u>4,189,886</u>	<u>6,074,968</u>
<i>Business-Type Activities</i>				
Charges for Service:				
Water and Sewer	2,817,448	3,753,568	3,975,771	4,899,034
Capital Grants and Contributions	-	-	-	2,977,794
<i>Total Business-Type Activities</i>				
<i>Program Revenues</i>	<u>2,817,448</u>	<u>3,753,568</u>	<u>3,975,771</u>	<u>7,876,828</u>
Total Primary Government				
Program Revenues	<u><u>\$ 4,482,322</u></u>	<u><u>\$ 6,772,591</u></u>	<u><u>\$ 8,165,657</u></u>	<u><u>\$ 13,951,796</u></u>

*Prior periods have been restated to reflect the prior period adjustment (note 12).

TABLE 2

Fiscal Year					
2009*	2010*	2011*	2012*	2013*	2014
\$ 897,634	\$ 1,147,106	\$ 1,194,232	\$ 940,716	\$ 1,035,640	\$ 1,032,591
1,787,604	1,882,397	2,164,651	2,453,387	2,768,504	3,113,876
340,638	632,734	643,292	670,872	736,643	948,076
1,539,794	1,365,227	1,917,432	1,865,501	2,113,172	2,043,744
452,996	544,494	583,388	535,928	651,418	628,968
67,054	61,324	92,271	102,581	103,804	136,731
195,060	92,968	101,299	103,013	-	-
646,546	813,127	1,126,990	1,273,984	1,539,629	1,753,480
-	-	283,494	279,883	298,842	311,373
-	-	-	-	87,256	163,671
-	-	-	-	-	-
836,572	1,236,235	995,216	1,108,522	1,164,936	1,345,248
6,763,898	7,775,612	9,102,265	9,334,387	10,499,844	11,477,758
5,219,757	5,871,009	6,743,329	6,837,749	7,381,583	8,451,400
224,305	253,505	223,115	211,809	504,590	358,347
5,444,062	6,124,514	6,966,444	7,049,558	7,886,173	8,809,747
\$ 12,207,960	\$ 13,900,126	\$ 16,068,709	\$ 16,383,945	\$ 18,386,017	\$ 20,208,105
\$ 37,530	\$ 24,886	\$ 184,274	\$ -	\$ -	\$ -
334,962	207,146	199,257	271,612	461,980	421,942
2,099,796	2,030,116	1,624,562	1,779,731	2,230,483	2,726,258
-	-	-	191,866	232,247	-
170,340	196,619	145,910	32,937	34,158	64,203
-	-	-	16,226	13,207	11,531
-	-	-	-	-	29,231
39,122	36,949	85,679	622,933	294,482	2,608
-	1,580,261	2,008,349	441,762	361,775	569,036
2,681,750	4,075,977	4,248,031	3,357,067	3,628,332	3,602,853
6,035,693	6,250,437	7,851,850	7,786,881	8,359,478	8,553,123
-	808,810	2,131,310	362,758	238,764	849,431
6,035,693	7,059,247	9,983,160	8,149,639	8,598,242	9,402,554
\$ 8,717,443	\$ 11,135,224	\$ 14,231,191	\$ 11,506,706	\$ 12,226,574	\$ 13,005,407

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

	Fiscal Year			
	2005*	2006*	2007*	2008*
Net (Expenses) Revenue				
Governmental Activities	\$ (1,258,724)	\$ (932,173)	\$ (596,206)	\$ (435,128)
Business-Type Activities	(119,982)	(495,262)	92,459	3,366,015
Total Primary Government Net Expenses	<u>\$ (1,378,706)</u>	<u>\$ (1,427,435)</u>	<u>\$ (503,747)</u>	<u>\$ 2,930,887</u>
Governmental Revenues and Other Changes in Net Position				
<i>Governmental Activities</i>				
Taxes:				
Ad Valorem	\$ 898,579	\$ 1,443,842	\$ 1,977,613	\$ 2,679,743
Sales	390,977	330,234	425,339	594,414
Franchise Fees	169,790	220,161	301,298	417,035
Impact Fees	457,111	601,232	650,736	107,475
Interest and Investment Earnings	33,452	230,008	453,725	395,770
Gain (Loss) on Sale of Capital Assets	2,100	(4,900)	-	1,781
Legal Judgement	-	-	-	-
Miscellaneous	85,418	60,817	50,013	100,487
Transfers	(12,000)	(193,733)	(473,427)	(198,612)
<i>Total Governmental Activities</i>	<u>2,025,427</u>	<u>2,687,661</u>	<u>3,385,297</u>	<u>4,098,093</u>
<i>Business-Type Activities</i>				
Impact Fees	462,943	388,212	279,630	177,198
Interest and Investment Earnings	55,550	200,932	308,452	178,825
Gain (Loss) on Sale of Capital Assets	(1,567)	-	-	-
Miscellaneous	-	-	-	-
Transfers	12,000	193,733	473,427	198,612
<i>Total Business-Type Activities</i>	<u>528,926</u>	<u>782,877</u>	<u>1,061,509</u>	<u>554,635</u>
Total Primary Government	<u>\$ 2,554,353</u>	<u>\$ 3,470,538</u>	<u>\$ 4,446,806</u>	<u>\$ 4,652,728</u>
Changes In Net Position				
Government Activities	\$ 766,703	\$ 1,755,488	\$ 2,789,091	\$ 3,662,965
Business-Type Activities	408,944	287,615	1,153,968	3,920,650
Total Primary Government	<u>\$ 1,175,647</u>	<u>\$ 2,043,103</u>	<u>\$ 3,943,059</u>	<u>\$ 7,583,615</u>

*Prior periods have been restated to reflect the prior period adjustment (note 12).

TABLE 2 (Continued)

Fiscal Year					
2009*	2010*	2011*	2012*	2013*	2014
\$ (4,082,148)	\$ (3,699,635)	\$ (4,854,234)	\$ (5,977,320)	\$ (6,871,512)	\$ (7,874,905)
591,631	934,733	3,016,716	1,100,081	712,069	592,807
<u>\$ (3,490,517)</u>	<u>\$ (2,764,902)</u>	<u>\$ (1,837,518)</u>	<u>\$ (4,877,239)</u>	<u>\$ (6,159,443)</u>	<u>\$ (7,282,098)</u>
\$ 3,204,868	\$ 4,477,319	\$ 4,978,614	\$ 5,410,039	\$ 6,059,839	\$ 6,701,205
588,271	690,045	679,651	794,950	1,010,623	1,072,230
547,790	660,435	662,030	692,803	691,404	974,741
105,127	27,305	139,504	240,123	343,142	318,224
97,271	38,845	29,135	22,874	41,774	44,618
6,375	5,461	6,319	18,125	966	875
-	-	-	112,500	-	-
207,806	181,359	190,324	125,827	91,601	83,782
(203,000)	-	(559,371)	(767,885)	98,779	(842,343)
<u>4,554,508</u>	<u>6,080,769</u>	<u>6,126,206</u>	<u>6,649,356</u>	<u>8,338,128</u>	<u>8,495,888</u>
255,488	925,975	620,280	831,280	860,961	856,159
26,739	12,794	6,525	6,041	28,591	36,250
-	-	-	-	1,737	2,509
-	-	-	1,715	6,843	-
203,000	-	559,371	767,885	(98,779)	842,343
<u>485,227</u>	<u>938,769</u>	<u>1,186,176</u>	<u>1,606,921</u>	<u>799,353</u>	<u>1,737,261</u>
<u>\$ 5,039,735</u>	<u>\$ 7,019,538</u>	<u>\$ 7,312,382</u>	<u>\$ 8,256,277</u>	<u>\$ 9,137,481</u>	<u>\$ 10,233,149</u>
\$ 472,360	\$ 2,381,134	\$ 1,271,972	\$ 672,036	\$ 1,466,616	\$ 700,383
1,076,858	1,873,502	4,202,892	2,707,002	1,511,422	2,330,068
<u>\$ 1,549,218</u>	<u>\$ 4,254,636</u>	<u>\$ 5,474,864</u>	<u>\$ 3,379,038</u>	<u>\$ 2,978,038</u>	<u>\$ 3,030,451</u>

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

	Fiscal Year			
	2005	2006	2007	2008
Nonspendable Fund Balance:				
Inventory & Prepaid Items	\$ 35,530	\$ 12,001	\$ 24,100	\$ 18,090
Total Nonspendable Fund Balance	<u>35,530</u>	<u>12,001</u>	<u>24,100</u>	<u>18,090</u>
Restricted Fund Balance:				
Impact Fees	681,436	960,368	1,796,227	1,548,822
Capital Improvement	383,480	676,040	-	48,090
PEG Capital Fees	-	-	-	-
Capital Projects	314,057	2,920,682	6,665,887	4,665,030
Debt Service	32,091	(17,888)	9,328	41,898
Special Events	-	-	-	-
Street Maintenance	-	-	48,421	183,362
Tree Project	-	-	-	-
Police Special	62,580	83,421	115,475	82,223
Court Special	-	-	-	-
Total Restricted Fund Balance	<u>1,473,644</u>	<u>4,622,623</u>	<u>8,635,338</u>	<u>6,569,425</u>
Committed Fund Balance:				
Capital Replacement	-	-	258,351	141,765
Total Committed Fund Balance	<u>-</u>	<u>-</u>	<u>258,351</u>	<u>141,765</u>
Unassigned Fund Balance	<u>647,146</u>	<u>1,304,188</u>	<u>3,078,213</u>	<u>3,289,211</u>
<i>Total Governmental Funds</i>	<u><u>\$ 2,156,320</u></u>	<u><u>\$ 5,938,812</u></u>	<u><u>\$ 11,996,002</u></u>	<u><u>\$ 10,018,491</u></u>

TABLE 3

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 19,138	\$ 14,868	\$ 11,718	\$ 34,703	\$ 39,599	\$ 19,973
19,138	14,868	11,718	34,703	39,599	19,973
1,748,762	1,950,713	2,136,399	803,937	879,806	1,088,038
-	-	233,039	273,097	468,149	558,916
-	-	-	49,991	104,363	161,181
10,927,503	4,343,790	9,280,218	9,059,500	17,310,754	18,527,831
32,016	86,224	200,495	198,747	390,740	387,800
-	-	-	7,990	8,940	14,629
142,937	213,958	76,258	231,389	139,090	257,556
-	-	-	-	1,400	1,400
106,057	67,921	-	57,684	64,428	4,547
-	-	-	36,872	33,098	32,419
12,957,275	6,662,606	11,926,409	10,719,207	19,400,768	21,034,317
110,716	114,987	157,471	94,454	89,685	140,623
110,716	114,987	157,471	94,454	89,685	140,623
4,232,393	4,050,956	3,519,621	4,323,998	4,839,719	5,389,823
\$ 17,319,522	\$ 10,843,417	\$ 15,615,219	\$ 15,172,362	\$ 24,369,771	\$ 26,584,736

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

	Fiscal Year			
	2005	2006	2007	2008
REVENUES				
Taxes	\$ 1,450,511	\$ 1,998,334	\$ 2,703,074	\$ 3,689,405
Permits and Fees	1,104,892	1,786,710	4,149,059	2,668,408
Service Fees	5,729	6,590	8,773	8,679
Fines and Fees	326,131	517,035	449,451	532,104
Grants	61,641	75,334	75,368	26,911
Other Revenue	744,562	1,038,033	661,706	665,543
TOTAL REVENUES	<u>3,693,466</u>	<u>5,422,036</u>	<u>8,047,431</u>	<u>7,591,050</u>
EXPENDITURES				
Current:				
General Government	354,466	487,430	655,283	834,105
Law Enforcement and Municipal Court	1,085,595	1,463,978	1,634,651	1,682,308
Community Development Services	271,377	513,207	586,752	450,312
Public Works	435,153	854,803	476,904	1,255,770
Parks and Recreation	45,527	99,787	205,232	255,672
Animal Control	38,102	36,447	51,836	62,094
Economic Development	-	-	374,040	425,290
Fire	-	-	-	463,656
Finance	-	-	-	-
Information Technology	-	-	-	-
<i>Capital Outlay</i>	1,621,802	844,101	2,160,749	3,299,516
<i>Debt Service:</i>				
Principal	145,000	192,695	3,136,224	405,767
Interest and Fiscal Charges	102,919	93,915	203,410	457,033
Bond Issue Costs	-	56,000	85,071	-
TOTAL EXPENDITURES	<u>4,099,941</u>	<u>4,642,363</u>	<u>9,570,152</u>	<u>9,591,523</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(406,475)</u>	<u>779,673</u>	<u>(1,522,721)</u>	<u>(2,000,473)</u>
OTHER FINANCING				
SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	-	39,450
Proceeds from Issuance of Debt	-	3,047,562	7,975,000	182,124
Payment to Escrow Agent	-	-	-	-
Premium on Issuance of Debt	-	-	-	-
Gain on judgement	-	-	-	-
Transfers In (Out)	(12,000)	(193,733)	(395,089)	(198,612)
TOTAL OTHER FINANCING	<u>(12,000)</u>	<u>(193,733)</u>	<u>(395,089)</u>	<u>(198,612)</u>
SOURCES (USES)	<u>(12,000)</u>	<u>2,853,829</u>	<u>7,579,911</u>	<u>22,962</u>
NET CHANGE IN FUND BALANCE	<u>\$ (418,475)</u>	<u>\$ 3,633,502</u>	<u>\$ 6,057,190</u>	<u>\$ (1,977,511)</u>
Debt Service as a percentage of				
Noncapital Expenditures	10.0%	9.0%	46.2%	13.7%

TABLE 4

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 4,332,284	\$ 5,814,007	\$ 6,287,774	\$ 6,921,688	\$ 7,731,520	\$ 8,784,593
2,095,246	2,010,543	1,554,475	1,779,731	2,287,228	2,710,837
34,746	22,815	25,886	377,058	407,709	215,244
448,396	261,357	515,904	773,629	620,280	597,215
39,122	36,949	85,679	77,138	194,558	-
474,027	410,777	438,147	409,073	233,300	219,702
<u>7,423,821</u>	<u>8,556,448</u>	<u>8,907,865</u>	<u>10,338,317</u>	<u>11,474,595</u>	<u>12,527,591</u>
868,521	1,098,022	1,143,342	883,644	943,064	1,088,564
1,698,498	1,813,141	2,022,833	2,279,601	2,597,412	2,919,612
336,315	626,622	629,500	672,802	722,156	856,039
935,159	704,592	727,916	729,458	934,730	833,519
318,041	320,421	434,186	389,464	450,716	454,553
62,117	57,055	87,557	101,984	103,607	133,115
200,419	88,534	98,667	101,424	-	-
646,088	808,021	1,045,521	1,150,082	1,405,512	1,619,360
-	-	288,742	276,702	297,877	301,603
-	-	-	-	83,689	161,425
6,433,718	7,782,866	3,880,415	1,336,969	1,221,393	1,445,302
255,000	475,000	1,000,000	1,145,000	1,160,000	1,310,000
492,068	1,263,740	872,071	1,104,522	1,173,141	1,298,852
242,462	-	185,101	-	-	57,100
<u>12,488,406</u>	<u>15,038,014</u>	<u>12,415,851</u>	<u>10,171,652</u>	<u>11,093,297</u>	<u>12,479,044</u>
<u>(5,064,585)</u>	<u>(6,481,566)</u>	<u>(3,507,986)</u>	<u>166,665</u>	<u>381,298</u>	<u>48,547</u>
6,375	5,461	6,319	36,363	966	875
12,562,241	-	9,570,000	-	9,965,000	2,947,309
-	-	(891,669)	-	(1,505,299)	-
-	-	154,509	-	256,665	60,578
-	-	-	122,000	-	-
<u>(203,000)</u>	<u>-</u>	<u>(559,371)</u>	<u>(138,142)</u>	<u>98,779</u>	<u>(842,343)</u>
<u>12,365,616</u>	<u>5,461</u>	<u>8,279,788</u>	<u>20,221</u>	<u>8,816,111</u>	<u>2,166,419</u>
<u>\$ 7,301,031</u>	<u>\$ (6,476,105)</u>	<u>\$ 4,771,802</u>	<u>\$ 186,886</u>	<u>\$ 9,197,409</u>	<u>\$ 2,214,966</u>
16.3%	24.0%	24.1%	25.5%	23.6%	23.5%

CITY OF CIBOLO, TEXAS
TAX REVENUE BY SOURCE – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

TABLE 5

Fiscal Year	Property	Sales & Use	Franchise	Total Revenue
2014	\$ 6,737,621	\$ 1,072,231	\$ 974,741	\$ 8,784,593
2013	6,029,493	1,010,623	691,404	7,731,520
2012	5,433,935	794,950	692,803	6,921,688
2011	4,942,539	683,205	662,030	6,287,774
2010	4,462,743	690,829	660,435	5,814,007
2009	3,195,807	588,687	547,790	4,332,284
2008	2,677,956	594,414	417,035	3,689,405
2007	1,976,437	425,339	301,298	2,703,074
2006	1,447,940	330,234	220,160	1,998,334
2005	889,744	390,977	169,790	1,450,511

CITY OF CIBOLO, TEXAS
TOTAL WATER AND SEWER CONSUMPTION AND RATES
LAST TEN FISCAL YEARS

TABLE 6

Fiscal Year Ended September 30,	Total Water Consumption (In Gallons)	Water & Sewer Base Rate	Water & Sewer Initial Rate Per 1,000 Gallons
2014	\$ 470,864,998	\$ 43.13	\$ 9.71
2013	483,373,702	40.00	9.33
2012	515,859,100	39.00	8.67
2011	547,422,700	38.50	8.25
2010	413,794,000	36.50	7.64
2009	504,494,600	36.50	5.93
2008	445,075,900	34.50	5.15
2007	320,412,300	32.80	4.65
2006	382,709,300	31.30	4.65
2005	246,404,400	30.80	4.45

CITY OF CIBOLO, TEXAS
PRINCIPAL WATER AND SEWER CONSUMERS
CURRENT YEAR AND TEN YEARS AGO

TABLE 7

Consumers	2014			2005		
	Total Water Consumption (in Gallons)	Rank	Percentage of Total City Water Consumption	Total Water Consumption (in Gallons)	Rank	Percentage of Total City Water Consumption
SCUCISD	12,326,500	1	2.62%	5,017,800	2	2.04%
Sanjel	2,825,800	2	0.60%			
Lennar	2,222,600	3	0.47%			
Buell's Inc.	2,110,700	4	0.45%	1,966,100	5	0.80%
Buffalo Crossing	1,858,700	5	0.39%	2,294,900	4	0.93%
Signature Plating	1,659,300	6	0.35%			
PicNPac	1,388,000	7	0.29%			
New Haven	1,321,700	8	0.28%			
Shady Meadows	1,282,000	9	0.27%	2,805,000	3	1.14%
Falcon Ridge HOA	1,239,400	10	0.26%			
Bartlett-Cocke				13,103,300	1	5.32%
City of Cibolo				1,383,000	6	0.56%
Brazos Valley Construction				1,326,300	7	0.54%
DR Horton				1,049,200	8	0.43%
700 Cibolo Ltd.				957,000	9	0.39%
Jungle Laboratories				920,400	10	0.37%
TOTAL	28,234,700		6.00%	30,823,000		12.51%
Total City Water Consumption	470,864,998			246,404,400		

CITY OF CIBOLO, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

TABLE 8

Fiscal Year Ended September 30,	Total Taxable Assessed Value	Total Direct Tax Rate
2014	\$ 1,529,261,589	0.4454
2013	1,428,355,068	0.4327
2012	1,288,030,747	0.4256
2011	1,212,866,771	0.4139
2010	1,101,660,872	0.4100
2009	1,005,717,426	0.3186
2008	835,588,346	0.3186
2007	615,184,027	0.3186
2006	450,822,920	0.3178
2005	330,704,986	0.2695

Source: Guadalupe County Appraisal District

NOTES: Property in the City of Cibolo is reassessed every year at estimated actual value. For this reason, assessed value is equal to estimated actual value. Tax rates are per \$100 of assessed value. Total taxable assessed value is before any applicable freeze adjustments.

CITY OF CIBOLO, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 9

Fiscal Year	Direct Rate City of Cibolo	Overlapping Rates	
		Schertz- Cibolo- Universal City ISD	Guadalupe County
2014	0.4454	1.4900	0.3999
2013	0.4327	1.4600	0.4036
2012	0.4256	1.4350	0.4036
2011	0.4139	1.4350	0.3999
2010	0.4100	1.4200	0.3895
2009	0.3186	1.3850	0.3895
2008	0.3186	1.3150	0.3895
2007	0.3186	1.6100	0.4031
2006	0.3178	1.7200	0.4031
2005	0.2695	1.7400	0.4031

Source: Guadalupe County Tax Office

NOTE: Overlapping rates are those of local and county governments that apply within the City of Cibolo.

CITY OF CIBOLO, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO

TABLE 10

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Sanjel Capital USA Inc.	\$ 80,390,953	1	5.26%			
Kalmar Rt Center LLC	21,686,101	2	1.42%			
Sanjel USA USA Inc.	12,468,028	3	0.82%			
Sanjel Corporation	10,509,246	4	0.69%			
Kalmar RT Center LLC	7,848,289	5	0.51%			
Guadalupe Valley Electric Co-Op	4,500,025	6	0.29%			
Babcock Road 165 LTD	4,126,371	7	0.27%			
MacBain Properties (Texas) Inc.	2,944,337	8	0.19%			
New Haven Development of Cibolo LLC	2,742,778	9	0.18%			
Robles Demolition	2,576,093	10	0.17%			
Greenbrook - San Antonio LP				2,173,470	1	0.48%
Timber Tech Texas Inc.				2,035,950	2	0.45%
Centex Homes				1,967,343	3	0.44%
Centex Homes				1,650,485	4	0.37%
RH of Texas LP				1,453,713	5	0.32%
North American Bullet Proof Inc.				1,227,391	6	0.27%
STLP3 LTD				1,077,620	7	0.24%
Jungle Laboratories Corp.				1,072,357	8	0.24%
GA Gilbert Holdings LTD				1,017,711	9	0.23%
CVR Development Partners LP				1,010,516	10	0.22%
TOTALS	\$ 149,792,221		9.80%	\$ 14,686,556		3.26%

Source: Guadalupe County Appraisal District

CITY OF CIBOLO, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 11

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected Within Fiscal Year of Levy		Collections In Subsequent Years	Total Collections To Date	
		Amount	% of Levy		Amount	% of Levy
2014	\$ 6,648,113	\$ 6,606,247	99.37%	\$ -	\$ 6,606,247	99.37%
2013	6,025,204	5,966,742	99.03%	30,035	5,996,777	99.53%
2012	5,392,662	5,367,232	99.53%	14,806	5,382,038	99.80%
2011	4,924,577	4,893,457	99.37%	23,923	4,917,380	99.85%
2010	4,441,276	4,405,805	99.20%	30,403	4,436,208	99.89%
2009	3,183,790	3,156,026	99.13%	25,259	3,181,285	99.92%
2008	2,648,876	2,642,775	99.77%	5,040	2,647,815	99.96%
2007	1,959,999	1,947,226	99.35%	11,859	1,959,085	99.95%
2006	1,496,387	1,419,142	94.84%	76,273	1,495,415	99.94%
2005	938,261	919,683	98.02%	17,393	937,076	99.87%

Source: Guadalupe County Tax Office

CITY OF CIBOLO, TEXAS
TAXABLE ASSESSED VALUE
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 12

Fiscal Year Ended September 30,	Taxable Value January 1,	Residential Property	Commercial Property	Tax-Exempt Property	Other Property	Total Taxable Assessed Value*	Total Direct Tax Rate
2014	2013	\$ 1,373,819,236	\$ 205,346,897	\$ (149,792,893)	\$ 99,888,349	\$ 1,529,261,589	0.4454
2013	2012	1,302,276,711	159,922,830	(134,453,134)	100,608,661	1,428,355,068	0.4327
2012	2011	1,230,104,615	82,409,561	(127,786,620)	103,303,191	1,288,030,747	0.4256
2011	2010	1,153,466,284	77,307,748	(113,161,939)	95,254,678	1,212,866,771	0.4139
2010	2009	1,047,891,417	61,419,916	(103,047,503)	95,397,042	1,101,660,872	0.4100
2009	2008	942,930,117	53,872,725	(63,041,986)	71,956,570	1,005,717,426	0.3186
2008	2007	779,054,718	47,316,189	(52,880,998)	62,098,437	835,588,346	0.3186
2007	2006	561,892,286	39,496,417	(29,186,962)	42,982,286	615,184,027	0.3186
2006	2005	411,897,401	32,683,601	(20,146,774)	26,388,692	450,822,920	0.3178
2005	2004	295,417,809	27,276,604	(17,299,068)	25,309,641	330,704,986	0.2695

**Taxable Assessed Value is before any applicable freeze adjustments.*

Source: Guadalupe County Appraisal District.

CITY OF CIBOLO, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Notes Payable	Capital Lease
2014	\$ 36,530,000	\$ 300,000	\$ -	\$ -	\$ 72,309
2013	35,286,689	400,000	-	-	-
2012	26,187,106	1,970,000	-	-	-
2011	26,980,000	2,105,000	-	-	-
2010	18,240,000	3,145,000	-	-	-
2009	18,555,000	3,305,000	-	-	-
2008	7,895,000	1,870,000	-	-	-
2007	7,975,000	2,000,000	-	13,643	-
2006	-	2,120,000	3,000,000	29,265	-
2005	-	2,235,000	-	-	-

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

b. See Table 18 for personal income and population data for the City. These ratios are calculated using personal income and population for the prior calendar year.

TABLE 13

Business-Type Activities						
Revenue Bonds	General Obligation Bonds	Tax Notes	Capital Lease	Total Primary Government	Percent of Gross Income	*Per Capita
\$ 9,030,000	\$ 2,185,000	\$ -	\$ 366,788	\$ 48,117,309	2.14%	1,886
9,916,832	2,335,000	-	84,200	47,938,521	2.11%	1,926
2,325,000	2,505,000	-	166,131	32,987,106	1.57%	1,410
2,455,000	2,655,000	-	-	34,195,000	1.86%	1,591
2,580,000	2,795,000	-	-	26,760,000	1.79%	1,367
2,695,000	2,900,000	-	-	27,455,000	1.94%	1,484
2,805,000	2,975,000	200,000	-	15,745,000	1.28%	977
2,905,000	3,025,000	390,000	-	16,308,643	1.50%	1,121
3,000,000	-	575,000	-	8,724,265	1.06%	765
-	-	750,000	-	2,985,000	0.46%	318

CITY OF CIBOLO, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

TABLE 14

Fiscal Year	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Total		
2014	\$ 38,715,000	\$ 300,000	\$ -	\$ 39,015,000	2.55%	1,530
2013	37,621,689	400,000	-	38,021,689	2.66%	1,527
2012	28,692,106	1,970,000	-	30,662,106	2.38%	1,310
2011	29,635,000	2,105,000	-	31,740,000	2.62%	1,477
2010	21,035,000	3,145,000	-	24,180,000	2.19%	1,235
2009	21,455,000	3,305,000	-	24,760,000	2.46%	1,338
2008	10,870,000	1,870,000	200,000	12,940,000	1.55%	803
2007	11,000,000	2,000,000	390,000	13,390,000	2.18%	921
2006	-	2,120,000	3,575,000	5,695,000	1.26%	500
2005	-	2,235,000	750,000	2,985,000	0.90%	318

NOTE: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements. See Table 8 for the City's property tax value data. City population data can be found in Table 18.

CITY OF CIBOLO, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
CURRENT YEAR

TABLE 15

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
<i>Debt repaid with property taxes:</i>			
Guadalupe County	\$ 19,181,414	15.90%	\$ 3,049,845
Schertz-Cibolo-Universal ISD	287,979,356	37.87%	<u>109,057,782</u>
Subtotal, Overlapping Debt			112,107,627
City Governmental Activities Direct Debt			<u>39,015,000</u>
TOTAL NET OVERLAPPING DEBT			<u><u>\$ 151,122,627</u></u>

NOTES: The overlapping debt was received from the Municipal Advisory Council of Texas. Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

CITY OF CIBOLO, TEXAS
DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

TABLE 16

Assessed Value, 2013 Tax Roll \$ 1,529,261,589

Debt Limit - Texas statutes do not provide a legal debt limit for cities; however, through accepted practice a practical "economic" debt limit is considered to be 10% of the assessed value. \$ 152,926,159

Amount of Applicable Debt:

General Bonded Debt	\$ 39,015,000	
Less Debt Service Fund Balance	<u>(387,800)</u>	<u>38,627,200</u>

DEBT MARGIN \$ 114,298,959

Total Net Debt as a Percentage of Debt Margin 33.79%

	Fiscal Year		
	2011	2012	2013
Assessed Value	\$ 1,212,866,770	\$ 1,288,030,750	\$ 1,428,355,068
Debt Limit	\$ 121,286,677	\$ 128,803,075	\$ 142,835,507
Total Net Debt Applicable to Limit	<u>31,539,505</u>	<u>30,463,359</u>	<u>37,630,949</u>
Total Debt Margin	<u><u>\$ 89,747,172</u></u>	<u><u>\$ 98,339,716</u></u>	<u><u>\$ 105,204,558</u></u>
	2008	2009	2010
Assessed Value	\$ 831,411,170	\$ 989,033,060	\$ 1,172,006,780
Debt Limit	\$ 83,141,117	\$ 98,903,306	\$ 117,200,678
Total Net Debt Applicable to Limit	<u>12,898,102</u>	<u>24,727,984</u>	<u>24,093,776</u>
Total Debt Margin	<u><u>\$ 70,243,015</u></u>	<u><u>\$ 74,175,322</u></u>	<u><u>\$ 93,106,902</u></u>
	2005	2006	2007
Assessed Value	\$ 330,773,243	\$ 470,858,060	\$ 615,191,280
Debt Limit	\$ 33,077,324	\$ 47,085,806	\$ 61,519,128
Total Net Debt Applicable to Limit	<u>2,197,089</u>	<u>5,712,888</u>	<u>13,380,672</u>
Total Debt Margin	<u><u>\$ 30,880,235</u></u>	<u><u>\$ 41,372,918</u></u>	<u><u>\$ 48,138,456</u></u>

CITY OF CIBOLO, TEXAS
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS

TABLE 17

Fiscal Year	Water Revenue Bonds						
	Utility Service Charges	Less: Operating Expenses	Add: Impact Fee Revenues	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2014	\$ 8,117,147	\$ 7,514,121	\$ 633,078	\$ 1,236,104	\$ 600,000	\$ 386,697	1.25
2013	7,941,182	6,498,086	649,695	2,092,791	305,000	200,780	4.14
2012	7,386,435	6,135,866	701,807	1,952,376	280,000	213,373	3.96
2011	7,585,937	6,164,993	620,280	2,041,224	265,000	225,087	4.17
2010	6,250,437	5,566,481	925,975	1,609,931	220,000	235,484	3.53
2009	6,035,693	4,876,586	255,488	1,414,595	385,000	247,113	2.24
2008	4,899,034	4,054,555	177,198	1,021,677	325,750	262,779	1.74
2007	3,975,771	3,585,286	279,630	670,115	280,000	133,658	1.62
2006	3,753,568	4,019,011	388,212	122,769	175,000	18,733	0.63
2005	2,817,448	2,701,719	462,943	578,672	-	-	0.00

*NOTE: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.
 Operating expenses do not include depreciation, interest, amortization or joint venture expenses.*

CITY OF CIBOLO, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

TABLE 18

Year	Population	Personal Income	Median Income	Median Age	Education Level In Years of Schooling	School Enrollment	Unemployment Rate
2014	25,508	\$ 2,244,525,444	\$ 87,993	33.9	14.1	15,022	4.0%
2013	24,892	2,271,096,296	91,238	32.4	14.1	14,058	5.1%
2012	23,400	2,100,969,000	89,785	34.0	14.3	13,542	5.3%
2011	21,490	1,834,171,500	85,350	33.0	14.4	13,014	6.1%
2010	19,580	1,497,870,000	76,500	36.0	14.3	12,431	6.3%
2009	18,500	1,415,250,000	76,500	36.0	14.2	11,700	5.2%
2008	16,122	1,227,674,178	76,149	36.0	N/A	11,434	3.7%
2007	14,545	1,086,191,510	74,678	35.0	N/A	10,347	3.4%
2006	11,400	823,798,200	72,263	35.0	N/A	8,398	3.8%
2005	9,400	646,926,800	68,822	35.0	N/A	7,636	4.1%

Sources: Population, personal income, median age and education level information provided by City Economic Development Corporation. School enrollment provided by Cibolo-Cibolo - Universal City Independent School District. Unemployment data provided by the Texas Workforce Commission.

CITY OF CIBOLO, TEXAS
TOP TEN PRINCIPAL EMPLOYERS
CURRENT YEAR AND SEVEN YEARS AGO

TABLE 19

Employer	2014			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment *
Schertz/Cibolo/UC ISD	689	1	6.07%	350	1	N/A
Sanjel, USA	409	2	3.60%			
Kalmar	179	3	1.58%	60	7	N/A
City of Cibolo	121	4	1.07%	81	4	N/A
Age Industries	75	5	0.66%	70	6	N/A
Total Safety	71	6	0.63%			
Empire Roofing	60	7	0.53%			
Robles	40	8	0.35%	120	3	N/A
Signature Plating	38	9	0.33%			
Sonic Restaurant	32	10	0.28%			
Jungle Laboratories				200	2	N/A
Timber Tech				80	5	N/A
Eagle Construction				60	8	N/A
Fiber Art				40	9	N/A
Burditt Tile & Stone				30	10	N/A
	<u>1,714</u>		<u>15.10%</u>	<u>1,091</u>		<u>N/A</u>

* Percentage of total city employment is unavailable for 2007

Source: City Economic Development Corporation

Note: Principal employer information is not available prior to 2007.



CITY OF CIBOLO, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION
LAST FIVE FISCAL YEARS

TABLE 20

Function	Full-Time Equivalent Employees as of September 30,				
	2010	2011	2012	2013	2014
<u>General Fund</u>					
<u>City Manager</u>					
City Manager	0	0	0	0	1
Human Resources Manager	0	0	0	0	1
Administrative Assistant	0	0	0	0	1
Subtotal:	0	0	0	0	3
<u>City Secretary</u>					
IT Administrator	0	1	0	0	0
City Manager	1	1	1	1	0
City Secretary	1	1	1	1	1
Assistant City Secretary	1	1	1	1	1
Administrative Assistant	2	1	1	1	0
Finance Director	1	0	0	0	0
Accounting Clerk	1	0	0	0	0
Purchasing/Accounts Payable	1	0	0	0	0
Subtotal:	8	5	4	4	2
<u>Police Department</u>					
Police Chief	1	1	1	1	1
Assistant Police Chief	1	0	0	0	0
Lieutenants	1	1	1	2	2
Sergeants	4	4	7	7	7
Corporals	2	1	1	1	1
Police Officers	12	15	12	15	18
Warrant Officer	0	1	1	0	0
School Resource Officer	0	0	2	2	2
Administrative Assistant	0	0	0	0	1
Clerks	2	2	2	2	2
Crossing Guards (6)	1.2	1.2	1.2	1.2	1.2
Subtotal:	24.2	26.2	28.2	31.2	35.2
<u>Municipal Court</u>					
Court Clerk	1	1	1	1	1
Deputy Court Clerk	1	1	1	1	1
Subtotal:	2	2	2	2	2
<u>Planning and Engineering Services</u>					
Planning and Development Director	1	1	1	1	1
Senior Planner	1	1	1	1	1
Assistant Planner	1	1	1	1	1
Infrastructure Inspector	0	0.5	0.5	0.5	0.5
Senior Building Inspector	1	1	1	1	1
Building Inspector	2	2	2	2	2
Code Enforcement Officer	1	1	1	1	2
Administrative Assistant	1	1	1	1	1
Receptionist/Clerk	1	1	1	1	1
Subtotal:	9	9.5	9.5	9.5	10.5

Note: Full-time equivalent city governmental employees by function information are not available prior to 2010.

CITY OF CIBOLO, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENTAL
EMPLOYEES BY FUNCTION (CONTINUED)
LAST FIVE FISCAL YEARS

TABLE 20 (CONT.)

Function	Full-Time Equivalent Employees as of September 30,				
	2010	2011	2012	2013	2014
<u>Public Works</u>					
Public Works/Utilities Director	0	0	0.5	0.5	0.5
Fire Chief/Public Works/Utilities	0.25	0.25	0	0	0
Superintendent	1	1	1	1	1
Infrastructure Inspector	0.5	0	0	0	0
Foreman	0	0	1	0	0
Crew Leader	2	1	1	2	2
Labor III – Mechanic	1	1	1	1	0.5
Labor I,II, III	9	9	7	7	9
Subtotal:	13.75	12.25	11.5	11.5	13
<u>Animal Services</u>					
Animal Control Officer	1	1	1.5	2	2
Subtotal:	1	1	1.5	2	2
<u>Parks</u>					
Superintendent	0	0	0	0	1
Foreman	1	0	1	0	0
Crew Leader	0	1	0	1	1
Labor I and II	5	6	6	6	6
Seasonal Labor Position	0.375	0.375	0.375	0.375	0.375
Subtotal:	6.375	7.375	7.375	7.375	8.375
<u>Finance</u>					
Finance Director	0	1	1	1	1
Finance Assistant	0	1	1	1	1
Accounts Payable/Purchasing Clerk	0	1	1	1	1
Subtotal:	0	3	3	3	3
<u>Information Technology</u>					
Technology Specialist	0	0	1	1	1
Subtotal:	0	0	1	1	1
<u>Fire Department</u>					
Fire Chief	0.5	0.5	1	1	1
Assistant Fire Chief	0	0	0	0.375	0.375
Fire Marshall	1	1	1	1	1
Fire Lieutenant	0	0	0	3	3
Fire Apparatus Operator	3	3	3	0	0
Firefighter	4	7	7	9	12
Subtotal:	8.5	11.5	12	14.375	17.375
Total General Fund	72.825	77.825	80.075	85.95	97.45
		5	2.25	5.875	11.5

Note: Full-time equivalent city governmental employees by function information are not available prior to 2010.

CITY OF CIBOLO, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENTAL
EMPLOYEES BY FUNCTION (CONTINUED)
LAST FIVE FISCAL YEARS

TABLE 20 (CONT.)

Function	Full-Time Equivalent Employees as of September 30,				
	2010	2011	2012	2013	2014
<u>Water - Sewer Fund</u>					
<u>Utility Administration</u>					
Utility Administrator	1	1	1	1	1
Assistant Utility Administrator	0	0	1	1	1
Utility billing clerk	1	1	1	1	1
Receptionist	1	1	0	0	0
Subtotal:	3	3	3	3	3
<u>Utility Operations</u>					
Public Works/Utilities Director	0	0	0.35	0.35	0.35
Fire Chief/PW/Utilities	0.25	0.25	0	0	0
Superintendent	1	1	0.67	1	1
Infrastructure Inspector	0.5	0.5	0.5	0.5	0.5
Foreman	1	1	1	1	1
Crew Leader	1	0	2	2	2
Labor III – mechanic	0	0	0	0	0.5
Labor I,II, III	5	6	5	5	5
Meter Technician	1	1	1	1	1
Administrative Assistant	1	1	0	0	0
Subtotal:	10.75	10.75	10.52	10.85	11.35
Total Water - Sewer Fund	13.75	13.75	13.52	13.85	14.35
		0	-0.23	0.33	0.5
<u>Drainage Utility District</u>					
<u>Drainage Operations</u>					
Public Works Director	0	0	0.15	0.15	0.15
Superintendent	0	0	0.33	0	0
Supervisor	0	0	0	1	1
Crew Leader	0	1	1	0	0
Labor II – Street Sweeper	0	0	1	1	1
Labor I &II	0	2	3	3	4
Total Drainage Utility District	0	3	5.48	5.15	6.15
		3	2.48	-0.33	1
<u>Economic Development Fund</u>					
Economic Development Director	1	1	1	1	1
Business Development Coordinator	0	0	0	0	1
Total Economic Development Fund	1	1	1	1	2
		0	0	0	1
Grand Total	87.575	95.575	100.075	105.95	119.95
		8	4.5	5.875	14

Note: Full-time equivalent city governmental employees by function information are not available prior to 2010.

CITY OF CIBOLO, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	Fiscal Year				
	2005	2006	2007	2008	2009
<u>General Government</u>					
Building permits issued	866	909	799	503	416
<u>Police</u>					
Activities *	-	-	-	-	10,992
Custodial Arrests	-	-	-	-	-
Traffic Violations	-	-	-	-	-
Traffic Collisions	-	-	-	-	-
Average response time	-	-	-	-	-
<u>Fire</u>					
Number of fire responses	61	87	50	94	89
Number of rescue/EMS responses	427	473	562	685	677
Number of other calls for service	98	93	85	69	61
Number of false alarms	37	38	67	69	96
Hazardous condition	11	11	13	9	17
Severe weather/natural disaster	-	-	5	-	-
Total calls for service	634	702	782	926	940
Average response time	10:00	15:33	6:16	6:15	6:11
Number of training hours	243	136	223	325	363
Hours of public education/relations	-	59	35	73	215
<u>Court</u>					
New cases filed (calendar year)	4,399	6,432	5,899	6,465	3,146
Dispositions (calendar year)	3,483	5,675	5,487	8,050	3,407
<u>Animal Services</u>					
Number of animals adopted	-	-	-	-	-
Number of animals handled	-	-	-	-	-
<u>Water</u>					
New Connections	220	624	399	292	295
Total consumption	246,404,400	382,709,300	320,412,300	445,075,900	504,494,600
Average daily consumption	-	-	-	-	-
Peak daily consumption	-	-	-	-	-
Total residential customers	2,292	2,899	3,456	3,941	4,298
Total commercial customers	471	480	428	197	146
Average use per connection	-	-	-	-	-
<u>Sewer</u>					
Total residential customers	2,968	3,856	4,682	5,441	5,899
Total commercial customers	79	82	87	84	83
New Connections	304	883	671	525	404

* includes calls for service and self initiated activities

Source: Various City Departments. Prior year information for some functions is not available.

TABLE 21

Fiscal Year				
2010	2011	2012	2013	2014
384	278	335	420	383
9,216	12,936	16,874	18,431	17,445
-	197	270	262	309
-	2,202	2,196	1,737	1,672
203	194	210	227	238
-	7:26	6:11	5:28	5:09
44	91	80	88	148
680	858	907	913	859
71	83	111	149	137
115	87	87	88	89
21	21	22	21	15
3	1	-	1	4
934	1,141	1,185	1,238	1,233
7:28	11:00	7:29	7:45	7:50
161	128	392	614	1,313
143	68	80	342	246
1,773	2,404	2,496	1,979	1,849
1,979	2,204	2,500	2,016	1,933
9	57	67	25	17
218	353	349	279	190
271	168	185	138	135
413,794,000	547,422,700	515,859,100	483,373,702	470,864,998
1,445,570	1,432,482	1,475,603	1,637,712	1,186,736
2,849,000	2,513,000	2,983,000	2,939,000	2,749,000
4,569	4,739	4,894	5,023	5,146
146	154	162	155	166
10,686	14,086	10,219	10,224	10,236
6,320	6,587	6,806	7,184	7,541
89	93	96	93	95
408	263	314	353	373

CITY OF CIBOLO, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	Fiscal Year				
	2005	2006	2007	2008	2009
<u>Building Inspection/Code compliance</u>					
Vehicles	4	5	7	6	6
<u>Police</u>					
Stations	1	1	1	1	1
Patrol units	8	15	18	22	22
<u>Fire</u>					
Stations	-	-	-	-	-
Fire Vehicles	1	1	1	2	2
<u>Public Works/Utilities</u>					
Vehicles	8	11	12	19	19
<u>Streets</u>					
Streets, paved and unpaved (miles)	30	30	59	59	59
<u>Parks and Recreation</u>					
Parks - developed	3	3	3	3	3
Playgrounds, city maintained	3	3	3	3	3
Baseball fields	2	2	2	2	2
Soccer Fields	-	-	-	-	1
<u>Water</u>					
Number of storage tanks	2	2	2	2	2
Number of pump stations	1	1	1	1	1
Water mains (miles) *	N/A	N/A	N/A	N/A	N/A
<u>Sewer</u>					
Sanitary sewers (miles) *	N/A	N/A	N/A	N/A	N/A
Number of pump stations	3	3	3	3	3

* The miles of water mains and sanitary sewers were not available for years prior to 2012

Source: Various City Departments

TABLE 22

Fiscal Year				
2010	2011	2012	2013	2014
6	6	7	7	8
1	1	1	1	1
20	22	22	23	24
1	1	1	1	2
2	3	4	4	4
19	22	20	22	29
59	117	128	135	140
3	3	4	4	4
3	3	4	4	4
2	2	2	2	2
1	1	1	1	1
2	3	3	3	3
1	1	1	1	1
N/A	N/A	N/A	62	63
N/A	N/A	N/A	74	75
3	3	3	3	4



COMPLIANCE SECTION

SHAREHOLDERS:

Nancy L. Vaughan, CPA
Deborah F. Fraser, CPA
Phil S. Vaughan, CPA



Armstrong, Vaughan & Associates, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

To the City Council and management
City Of Cibolo

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Cibolo as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise City of Cibolo's basic financial statements, and have issued our report thereon dated March 18, 2015.

Internal Control over Financial Reporting

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

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

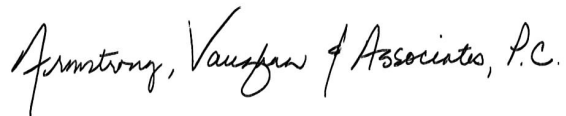
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

March 18, 2015

