

CITY OF CIBOLO, TEXAS  
ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2012

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ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2012

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CITY OF CIBOLO, TEXAS  
ELECTED OFFICIALS  
SEPTEMBER 30, 2012

ELECTED OFFICIALS

MAYOR

JENNIFER HARTMAN

COUNCILMEMBER – PLACE 1

RON PEDDE

COUNCILMEMBER – PLACE 2

MIGUEL TRONCOSO

COUNCILMEMBER – PLACE 3

GABRIEL CASTRO

COUNCILMEMBER – PLACE 4

KAREN HALE

COUNCILMEMBER – PLACE 5

LARRY CARLTON

COUNCILMEMBER – PLACE 6/MAYOR PRO-TEM

STEVE LIPAROTO

COUNCILMEMBER – PLACE 7

MELVIN HICKS

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## **FINANCIAL SECTION**

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**ALONZO.BACARISSE**  
**IRVINE + PALMER** P.C.  
CERTIFIED PUBLIC ACCOUNTANTS and ADVISORS

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713-954-2002 • Fax 713-954-2022  
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### Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cibolo, Texas, as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Cibolo, Texas' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Cibolo, Texas, as of September 30, 2012, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress be presented to supplement the basic financial statements. Such information, although not part a of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with

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management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Cibolo, Texas' financial statements as a whole. The introductory section, other supplementary information, and statistical section are presented for the purposes of additional analysis and are not a required part of the financial statements. The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Alonso, Bacarisse, Irvine & Palmer, P.C.*

Certified Public Accountants

San Antonio, Texas

March 19, 2013

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CITY OF CIBOLO, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Cibolo's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2012. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total combined net assets were \$38,614,768 at September 30, 2012.
- During the year, the City's governmental expenses were \$9,364,692, \$1,409,616 less than the \$10,774,308 generated by charges for services, operating grants, capital grants, contributions, and general revenues for governmental activities.
- During the year, the City's business-type activities expenses were \$7,049,558, \$1,939,117 less than the \$8,988,675 generated in charges for services, contributions, and other revenues for business-type activities (water and wastewater services).
- The general fund reported a total fund balance this year of \$4,408,692, of which \$4,323,998 is unassigned. The 2010-11 fiscal year audit reported a total fund balance of \$3,531,339 of which \$3,519,621 was unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

## Government-Wide Statements

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

The two government-wide statements report the City's net assets and how they have changed.

Net assets – the difference between the City's assets and liabilities – is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one needs to consider additional nonfinancial factors such as changes in the City's tax base.

The government-wide financial statements of the City include the governmental activities. Most of the City's basic services are included here, such as public safety, public works, and general administration. Property taxes, franchise fees, sales taxes, and charges for services finance most of these activities.

## Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by state law and by bond covenants.
- The city council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has the following kinds of funds:

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

- **Proprietary Funds** – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial statements.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Table A-1  
CITY'S NET ASSETS

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>						
<u>Current Assets</u>						
Cash and Investments	\$ 4,960,503	\$ 6,735,355	\$ 3,470,441	\$ 2,448,111	\$ 8,430,944	\$ 9,183,466
Receivables	398,175	426,828	969,965	1,244,918	1,368,140	1,671,746
Inventories and Prepaid Expenses	37,549	22,195	66,349	88,557	103,898	110,752
Bond Issuance Costs (Net)	449,987	480,292	64,692	69,350	514,679	549,642
Total Current Assets	<u>5,846,214</u>	<u>7,664,670</u>	<u>4,571,447</u>	<u>3,850,936</u>	<u>10,417,661</u>	<u>11,515,606</u>
<u>Non-Current Assets</u>						
Capital Assets (Net)	31,462,292	31,441,247	17,523,862	15,917,052	48,986,154	47,358,299
Restricted Cash and Investments	<u>10,719,207</u>	<u>10,041,331</u>	<u>3,820,118</u>	<u>3,390,580</u>	<u>14,539,325</u>	<u>13,431,911</u>
Total Non-Current Assets	<u>42,181,499</u>	<u>41,482,578</u>	<u>21,343,980</u>	<u>19,307,632</u>	<u>63,525,479</u>	<u>60,790,210</u>
TOTAL ASSETS	<u>48,027,713</u>	<u>49,147,248</u>	<u>25,915,427</u>	<u>23,158,568</u>	<u>73,943,140</u>	<u>72,305,816</u>
<u>Current Liabilities</u>						
Accounts Payable and						
Accrued Liabilities	848,250	1,467,492	685,128	548,260	1,533,378	2,015,752
Accrued Leave and Comp Time	171,433	148,177	15,438	17,975	186,871	166,152
Deferred Revenue	29,664	-	-	-	29,664	-
Accrued Interest Payable	177,178	184,941	33,807	35,771	210,985	220,712
Deposits/Bonds Payable	<u>2,027</u>	<u>19,580</u>	<u>212,210</u>	<u>180,851</u>	<u>214,237</u>	<u>200,431</u>
Total Current Liabilities	<u>1,228,552</u>	<u>1,820,190</u>	<u>946,583</u>	<u>782,857</u>	<u>2,175,135</u>	<u>2,603,047</u>
<u>Non-Current Liabilities</u>						
Due within One Year	1,239,628	1,169,628	386,931	280,000	1,626,559	1,449,628
Due in More than One Year	<u>26,917,478</u>	<u>28,157,106</u>	<u>4,609,200</u>	<u>4,830,000</u>	<u>31,526,678</u>	<u>32,987,106</u>
Total Non-Current Liabilities	<u>28,157,106</u>	<u>29,326,734</u>	<u>4,996,131</u>	<u>5,110,000</u>	<u>33,153,237</u>	<u>34,436,734</u>
TOTAL LIABILITIES	<u>29,385,658</u>	<u>31,146,924</u>	<u>5,942,714</u>	<u>5,892,857</u>	<u>35,328,372</u>	<u>37,039,781</u>
<u>Net Assets</u>						
Invested in Capital Assets, Net	12,505,601	11,394,731	12,527,731	9,303,769	25,033,332	20,698,500
Restricted	1,659,707	2,646,191	2,826,828	2,339,100	4,486,535	4,985,291
Unrestricted	<u>4,476,747</u>	<u>3,959,402</u>	<u>4,618,154</u>	<u>5,622,842</u>	<u>9,094,901</u>	<u>9,582,244</u>
TOTAL NET ASSETS	<u>\$ 18,642,055</u>	<u>\$ 18,000,324</u>	<u>\$ 19,972,713</u>	<u>\$ 17,265,711</u>	<u>\$ 38,614,768</u>	<u>\$ 35,266,035</u>

### Net Assets

The City's combined net assets were \$38,614,768 at September 30, 2012. The City's net assets include restricted and unrestricted net assets. Restricted net assets represent those proceeds that may only be used for specific or limited uses. These restricted assets are comprised primarily from the fees collected through the City's water, wastewater, drainage, and streets impact fee programs and the City's parks development fees. The expenditure of these proceeds is restricted for capital assets.

Unrestricted net assets are those net assets that may be used for any allocations established by the city council through the budget process. Unrestricted net assets include funds collected and unexpended through revenue streams like sales taxes, franchise fees, interest collected on the City's invested funds, and property taxes. The City's balance in unrestricted net assets in the governmental activities increased to \$4,476,747 from a balance of \$3,959,402 in the prior year (an increase of \$517,345 or 13%).

#### Primary Sources of Operating Revenues

The City's governmental and business-type revenues were \$19,762,983. Approximately 83% of the revenues came from the following three sources - utility charges (39.4%), taxes (inclusive of property taxes, sales taxes, and franchise fees) (34.9%), and construction permits (9.01%).

Table A-2 below shows the distribution of revenues for the 2011-12 fiscal year.

TABLE A-2  
REVENUES  
2011-2012 FISCAL YEAR

<u>SOURCE</u>	<u>REVENUE</u>	<u>PERCENT</u>
Capital Contributions	\$ 804,520	4.07%
Utility Charges	7,786,881	39.40
Taxes	6,897,792	34.90
Construction Permits	1,699,931	9.01
Interest	28,915	0.15
Fines/Forfeitures	271,612	2.16
Impact Fees	1,071,403	5.42
Other Charges for Services	320,829	1.22
Operating Grants	622,933	2.37
Legal Judgement	112,500	0.57
Miscellaneous	<u>145,667</u>	<u>0.74</u>
TOTALS	<u>\$19,762,983</u>	<u>100.00%</u>

The total cost of all programs and services was \$16,414,250; 57% (\$9,364,692) of these costs are for general government services and 43% (\$7,049,558) was for utility services.

#### Governmental Activities

- Property tax rates had an increase this year. The rate was \$0.4327 for 2011 (revenue for the 2012 fiscal year). Increased property values and tax rates resulted in the collection of \$5,410,039 in property tax revenues, an increase of \$431,425 from the previous fiscal year. Historical property taxes rates are presented in the statistical section.
- Sales and use tax revenues for the year were \$794,950, an increase of \$115,299 from the \$679,651 from the previous fiscal year.



- Construction permits generated \$1,699,931 in revenues for the year, an increase of \$269,056 from the \$1,430,875 collected for the previous fiscal year. Also, impact fees collected for the year were \$240,123, an increase of \$101,619 from the \$139,504 collected for the previous fiscal year.
- The cost of all *governmental* activities this year was \$9,364,692.
- The amount that our taxpayers paid for these activities through property taxes was \$5,410,039 (or 57.8% of the cost of governmental activities, compared to 55.6% in the prior period).

TABLE A-3  
CHANGES IN CITY'S NET ASSETS

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>PROGRAM REVENUES</u>						
Charges for Services	\$2,292,372	\$2,154,003	\$7,786,881	\$7,851,850	\$10,079,253	\$10,005,853
Operating Grants and Contributions	622,933	85,679	-	-	622,933	85,679
Capital Grants and Contributions	441,762	2,008,349	362,758	2,131,310	804,520	4,139,659
<u>GENERAL REVENUES</u>						
Taxes	6,897,792	6,320,295	-	-	6,897,792	6,320,295
Impact Fees	240,123	139,504	831,280	620,280	1,071,403	759,784
Interest/Investment	22,874	29,135	6,041	6,525	28,915	35,660
Gain (Loss) on Sale of Assets	18,125	6,319	-	-	18,125	6,319
Legal Judgement	112,500	-	-	-	112,500	-
Miscellaneous	125,827	190,324	1,715	-	127,542	190,324
Total Revenues	<u>10,774,308</u>	<u>10,933,608</u>	<u>8,988,675</u>	<u>10,609,965</u>	<u>19,762,983</u>	<u>21,543,573</u>
<u>PROGRAM EXPENSES</u>						
City Council	5,777	6,007	-	-	5,777	6,007
Administration	934,939	1,188,225	-	-	934,939	1,188,225
Public Safety	2,453,387	2,164,651	-	-	2,453,387	2,164,651
Community Development Services	670,872	643,292	-	-	670,872	643,292
Public Works	1,865,501	1,917,432	-	-	1,865,501	1,917,432
Parks	526,153	583,388	-	-	526,153	583,388
Animal Control	102,581	92,271	-	-	102,581	92,271
Economic Development	103,013	101,299	-	-	103,013	101,299
Fire	1,273,984	1,126,990	-	-	1,273,984	1,126,990
Finance	279,883	283,494	-	-	279,883	283,494
Fundraising	9,775	-	-	-	9,775	-
Water/Sewer	-	-	6,837,749	6,743,329	6,837,749	6,743,329
Interest on Long-Term Debt	<u>1,138,827</u>	<u>840,419</u>	<u>211,809</u>	<u>223,115</u>	<u>1,350,636</u>	<u>1,063,534</u>
Total Expenses	<u>9,364,692</u>	<u>8,947,468</u>	<u>7,049,558</u>	<u>6,966,444</u>	<u>16,414,250</u>	<u>15,913,912</u>
Increase in Net Assets before Transfers	1,409,616	1,986,140	1,939,117	3,643,521	3,348,733	5,629,661
<u>TRANSFERS IN (OUT)</u>	<u>(138,142)</u>	<u>(559,371)</u>	<u>138,142</u>	<u>559,371</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>\$1,271,474</u>	<u>\$1,426,769</u>	<u>\$2,077,259</u>	<u>\$4,202,892</u>	<u>\$ 3,348,733</u>	<u>\$ 5,629,661</u>

### Business-Type Activities

Revenues of the City's business-type activities decreased \$1,621,290 (15.3%) to a total of \$8,988,675 while expenses increased \$83,114 (1.2%) to \$7,049,558.

The City experienced a decrease in the change of net assets from \$4,202,892 for the 2010-11 fiscal year to \$2,077,259 for the 2011-12 fiscal year. This is a decrease of \$2,125,633.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenues from governmental fund types totaled \$10,338,317 an increase of 16.1% percent over the preceding year. The increase in total revenues is primarily a result of an increase in property tax collections.

### General Fund Budgetary Highlights

The City amended the budget over the course of the year. Actual revenues were more than budgeted revenues by \$362,032, and actual expenditures were less than budgeted expenditures by \$268,315 for the General Fund. Resources available were \$589,927 more than the final budgeted amount.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2011-12 fiscal year, the City had invested (less accumulated depreciation) \$48,986,154 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4 below).

TABLE A-4  
CITY'S CAPITAL ASSETS

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2012	2011	2012	2011	2012	2011
ASSETS						
Land	\$ 1,341,881	\$ 1,341,881	\$ 485,123	\$ 485,123	\$ 1,827,004	\$ 1,827,004
Water Rights	-	-	475,000	475,000	475,000	475,000
Construction in Progress	1,259,849	235,801	1,006,327	585,561	2,266,176	821,362
Buildings and Improvements	32,914,216	32,457,843	-	-	32,914,216	32,457,843
Water, Sewer and						
Drainage Systems	-	-	17,702,013	16,359,896	17,702,013	16,359,896
Transportation and Equipment	2,444,824	2,422,698	721,493	578,708	3,166,317	3,001,406
Totals at Historical Cost	37,960,770	36,458,223	20,389,956	18,484,288	58,350,726	54,942,511
Accumulated Depreciation	(6,498,478)	(5,016,976)	(2,866,094)	(2,567,236)	(9,364,572)	(7,584,212)
NET CAPITAL ASSETS	\$ 31,462,292	\$ 31,441,247	\$ 17,523,862	\$ 15,917,052	\$ 48,986,154	\$ 47,358,299

### Long-Term Debt

At year end the City had \$28,328,539 in long-term debt as shown in Table A-5 below. More detailed information about the City's debt is presented in the notes to the financial statements.

TABLE A-5  
CITY'S LONG-TERM DEBT

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2012	2011	2012	2011	2012	2011
ASSETS						
Bonds Payable	\$28,328,539	\$29,474,911	\$5,011,569	\$5,127,975	\$33,340,108	\$34,602,886

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

In 2012, The City of Cibolo earned a Gold Leadership Circle Award for the second consecutive year from the office of the Texas Comptroller of Public Accounts which is noted on the Comptroller's "Texas Transparency" website. Financial transparency is important to the City of Cibolo and we strive to continuously improve our efforts in getting information to the public.

### **Bond Rating**

In December 2012, Standard and Poor's affirmed its 'A+' underlying rating and revised the outlook from stable to positive on the City's general obligation debt outstanding due primarily to the city's strong tax base growth and maintenance of its very strong reserve levels. Additionally, on its first rating of the utility system bonds, Standard and Poor's assigned an AA- rating with a stable outlook. Sustained strong financial performance over the next two year outlook horizon would be the key to a higher rating in the future.

### **Bond Program – General Obligation Debt**

General Obligation Bonds: In November 2008, Cibolo voters approved 5 bond propositions and authorized the issuance of approximately \$27.9 million in bonds to fund roadway, drainage, public safety buildings, and parks/recreation improvements with bond issuances planned for 2009, 2011 and 2013. The first phase of projects, which included the construction of public safety buildings and roadway improvements, was funded in 2009 with an issuance of 10.75 million and completed in 2011. The second phase of projects was funded in 2011, with an issuance of \$8.65 million in general obligation bonds, dated August 2011. The following projects are expected to be funded by this issuance:

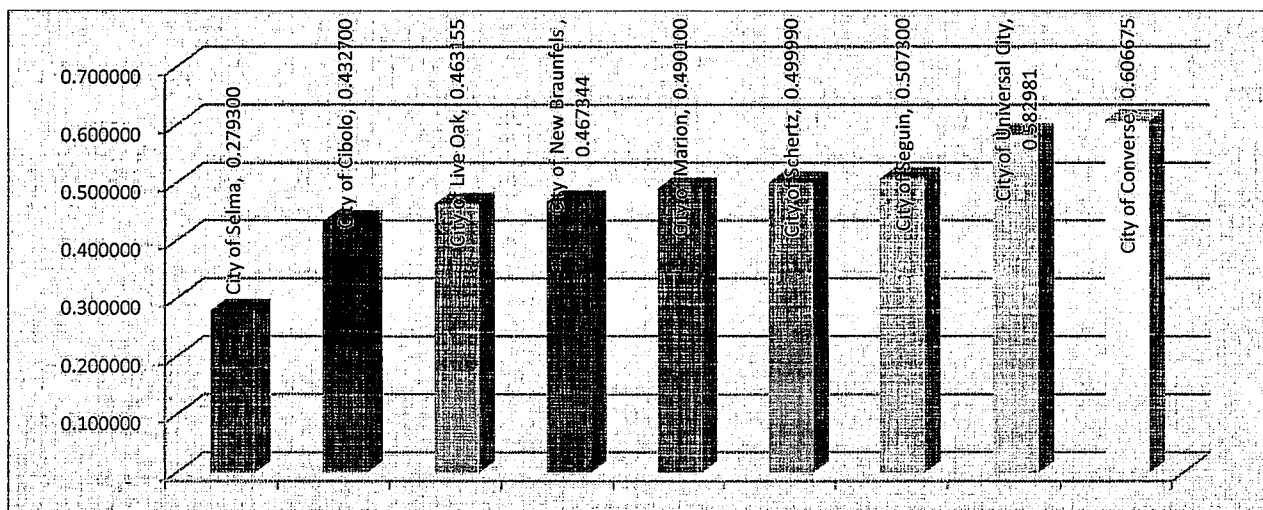
- Town Creek Regional Detention – Design for this project is underway and property acquisition is currently pending. The project approved by voters includes the construction of improvements designed to lessen the storm water runoff impacts of upstream developments. Located south of FM 1103, the project includes constructing a berm and outflow structure, and upstream channel improvements. Capacity of the facility reduces 25-year storm events to 10-year storm events. Existing structures will be protected and capacity may be provided to enhance future commercial and retail development opportunities within the water shed.
- Park Land Acquisition - Purchase of 40-45 acres of land to develop a community park that accommodates the entire community. Park amenities like lit ball fields, libraries, community centers, hike and bike trails, playscapes, volleyball courts will be phased in over time with additional funding required.
- Ball Field Construction - The first phase of park improvements for the community park is a competition level ball field complex that consists of four baseball/softball fields and four football/soccer fields to include bleachers, backstops, lighting, scoreboards, concessions, restrooms, landscaping and irrigation.

\$8.5 million in remaining projects to be funded by issuance of the last tranche of general obligation bonds planned for 2013 include the following:

- Town Creek West Drainage Phase II
- Community Center

## Tax Rate

The city continues to enjoy one of the lowest property tax rates in our immediate region. The following tax chart compares the City of Cibolo 2012 tax rate to its neighbors.



## Economic Outlook

From 2004 to 2012, Cibolo's taxable assessed value increased by approximately 438%, an average of 24% annually. Residential construction has driven the increase over the last 10 years and continues to remain steady. In fact, new home permits in fiscal year 2012 exceeded our projections by approximately 20%, and fiscal year 2013 continues this trend. Moreover, assessed values for fiscal year 2013 reflect additional growth in commercial property with significant capital investments made in the business sector in 2012. We expect that as needed infrastructure is constructed and with Cibolo being ranked as the 77th best place to live in America for cities with populations less than 50,000, families and businesses will continue to choose Cibolo as their home.

With growth come opportunities and challenges. Over the last couple of years, our geographic boundaries have been significantly extended. Geographically, this growth has added miles of additional roadway to maintain and for which to provide acceptable safety response times. The growth has been outpacing the growth in city staff and staffing needs must be addressed in future budgets. In the short-term the City, like many throughout the country, struggles to dedicate funding for ever-growing list of capital improvements.

Some of the bigger long-term challenges facing the City of Cibolo include funding for the infrastructure necessary to support economic growth; and development of alternate water resources to secure water supplies for the long term needs of the community. Our infrastructure needs are widespread, and the City updated our CIP program in 2012 to prioritize our needs to encourage and promote economic development. Early in fiscal year 2013, the City issued \$7.64 million in revenue bonds to address utility infrastructure issues. Expansion of our water storage and distribution system is the primary endeavor to be funded by these bonds. In addition, to address our water resource issues, the City of Cibolo and 2 other member cities united under Cibolo Valley Local Government Corporation are working on developing alternative water resources.

As of the end of the 2012 fiscal year, the City is in a sound financial position with the fund balance equating to approximately 7.5 months of operating expenses, or 64% of annual operating expenses, which is more than the 40% goal established by the City's fund balance policy. Although we are confident that we have adequate reserves for emergencies, we are cautiously optimistic about our future and continue to be conservative in our planning and efficient with our resources. Our goal is to maintain or improve the quality of life to which our citizens are accustomed and that resulted in our ranking as the 77th best place to live in America.

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

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. In 2012, the City obtained the Gold Leadership Circle Comptroller's Award for financial transparency. Financial information can be found on the City's website at [www.cibolotx.gov](http://www.cibolotx.gov). If you have questions about this report or need additional financial information, contact the city manager's office at (210) 658-9900.

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## **BASIC FINANCIAL STATEMENTS**

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

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

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

CITY OF CIBOLO, TEXAS  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2012

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	CIBOLO ECONOMIC DEVELOPMENT CORPORATION
<u>ASSETS</u>				
Cash and Investments	\$ 4,960,503	\$ 3,470,441	\$ 8,430,944	\$ 186,029
Receivables (Net of Allowances for Uncollectibles)				
Taxes	240,034	-	240,034	30,195
Other	148,010	6,755	154,765	-
Accounts		973,341	973,341	-
Internal Balances	10,131	(10,131)	-	-
Inventories and Prepaid Expenses	37,549	66,349	103,898	-
Restricted Assets				
Cash and Investments	10,719,207	3,820,118	14,539,325	-
Bond Issuance Costs (Net)	449,987	64,692	514,679	-
Capital Assets				
Land	1,341,881	485,123	1,827,004	-
Water Rights	-	475,000	475,000	-
Buildings	8,634,858	-	8,634,858	-
Construction in Progress	1,259,849	1,006,327	2,266,176	-
Improvements Other than Buildings/Infrastructure	24,279,358	-	24,279,358	-
Water, Sewer and Drainage Systems	-	17,702,013	17,702,013	-
Transportation and Equipment	2,444,824	721,493	3,166,317	-
Accumulated Depreciation	(6,498,478)	(2,866,094)	(9,364,572)	-
 TOTAL ASSETS	 <u>\$ 48,027,713</u>	 <u>\$25,915,427</u>	 <u>\$73,943,140</u>	 <u>\$216,224</u>



CITY OF CIBOLO, TEXAS  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2012

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	CIBOLO ECONOMIC DEVELOPMENT CORPORATION
<u>LIABILITIES AND NET ASSETS</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 613,698	\$ 654,216	\$ 1,267,914	\$ 717
Accrued Liabilities	234,552	30,912	265,464	-
Accrued Compensated Absences	171,433	15,438	186,871	-
Accrued Interest Payable	177,178	33,807	210,985	-
Deferred Revenue	29,664	-	29,664	-
Deposits	2,027	212,210	214,237	-
<u>Noncurrent Liabilities</u>				
Due Within One Year	1,239,628	386,931	1,626,559	-
Due in More than One Year	<u>26,917,478</u>	<u>4,609,200</u>	<u>31,526,678</u>	-
Total Liabilities	<u>29,385,658</u>	<u>5,942,714</u>	<u>35,328,372</u>	<u>717</u>
<u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt	12,505,601	12,527,731	25,033,332	-
Restricted Net Assets				
Debt Service	198,747	-	198,747	-
Public Education Grant	49,991	-	49,991	-
Public Safety, Court Security, and Technology	94,556	-	94,556	-
Impact Fees	803,937	2,826,828	3,630,765	-
Capital Improvements	273,097	-	273,097	-
Special Events	7,990	-	7,990	-
Street Maintenance	231,389	-	231,389	-
Unrestricted	<u>4,476,747</u>	<u>4,618,154</u>	<u>9,094,901</u>	<u>215,507</u>
Total Net Assets	<u>18,642,055</u>	<u>19,972,713</u>	<u>38,614,768</u>	<u>215,507</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 48,027,713</u>	 <u>\$25,915,427</u>	 <u>\$73,943,140</u>	 <u>\$ 216,224</u>

CITY OF CIBOLO, TEXAS  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED SEPTEMBER 30, 2012

FUNCTIONS AND PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<u>Primary Government</u>				
Governmental Activities				
City Council	\$ 5,777	\$ -	\$ 179,893	\$ -
General Government Administration	934,939	-	-	-
Law Enforcement and Municipal Court	2,453,387	271,612	154,920	-
Community Development Services	670,872	1,779,731	-	-
Public Works	1,865,501	191,866	-	441,762
Parks	526,153	32,937	288,120	-
Animal Control	102,581	16,226	-	-
Economic Development	103,013	-	-	-
Fire	1,273,984	-	-	-
Finance	279,883	-	-	-
Fundraising	9,775	-	-	-
Interest and Fiscal Charges				
on Long-Term Debt	<u>1,138,827</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>9,364,692</u>	<u>2,292,372</u>	<u>622,933</u>	<u>441,762</u>
<u>Business-Type Activities</u>				
Water/Sewer/Drainage	6,837,749	7,786,881	-	362,758
Interest and Fiscal Charges				
on Long-Term Debt	<u>211,809</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>7,049,558</u>	<u>7,786,881</u>	<u>-</u>	<u>362,758</u>
Total Primary Government	<u>\$ 16,414,250</u>	<u>\$ 10,079,253</u>	<u>\$ 622,933</u>	<u>\$ 804,520</u>
<u>Component Unit</u>				
Cibolo Economic Development Corporation	\$ 129,480	\$ -	\$ -	\$ -

General Revenues

Taxes

General Property Taxes

Sales Taxes

Franchise Taxes

Impact Fees

Interest and Investment Earnings

Gain (Loss) on Sale of Capital Assets

Legal Judgement

Miscellaneous

Total General Revenues

Transfers In (Out)

Change in Net Assets

NET ASSETS AT BEGINNING OF YEAR

NET ASSETS AT END OF YEAR

(The Accompanying Notes are an Integral Part of these Financial Statements)

NET (EXPENSE) REVENUE			
PRIMARY GOVERNMENT			COMPONENT UNIT
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	CIBOLO ECONOMIC DEVELOPMENT CORPORATION
\$ 174,116	\$ -	\$ 174,116	\$ -
(934,939)	-	(934,939)	-
(2,026,855)	-	(2,026,855)	-
1,108,859	-	1,108,859	-
(1,231,873)	-	(1,231,873)	-
(205,096)	-	(205,096)	-
(86,355)	-	(86,355)	-
(103,013)	-	(103,013)	-
(1,273,984)	-	(1,273,984)	-
(279,883)	-	(279,883)	-
(9,775)	-	(9,775)	-
<u>(1,138,827)</u>	<u>-</u>	<u>(1,138,827)</u>	<u>-</u>
<u>(6,007,625)</u>	<u>-</u>	<u>(6,007,625)</u>	<u>-</u>
-	1,311,890	1,311,890	-
-	(211,809)	(211,809)	-
-	<u>1,100,081</u>	<u>1,100,081</u>	<u>-</u>
<u>(6,007,625)</u>	<u>1,100,081</u>	<u>(4,907,544)</u>	<u>-</u>
-	-	-	(129,480)
5,410,039	-	5,410,039	-
794,950	-	794,950	158,216
692,803	-	692,803	-
240,123	831,280	1,071,403	-
22,874	6,041	28,915	225
18,125	-	18,125	-
112,500	-	112,500	-
<u>125,827</u>	<u>1,715</u>	<u>127,542</u>	<u>12,727</u>
<u>7,417,241</u>	<u>839,036</u>	<u>8,256,277</u>	<u>171,168</u>
<u>(138,142)</u>	<u>138,142</u>	<u>-</u>	<u>-</u>
1,271,474	2,077,259	3,348,733	41,688
<u>17,370,581</u>	<u>17,895,454</u>	<u>35,266,035</u>	<u>173,819</u>
<u>\$ 18,642,055</u>	<u>\$ 19,972,713</u>	<u>\$ 38,614,768</u>	<u>\$ 215,507</u>

CITY OF CIBOLO, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2012

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>					
Cash and Investments	\$ 4,461,464	\$ 140,915	\$ 36,391	\$ 321,733	\$ 4,960,503
Receivables (Net of Allowances for Uncollectibles)					
Taxes	161,655	-	23,184	55,195	240,034
Other	136,788	11,222	-	-	148,010
Due from Other Funds	317,126	2,453	-	41,719	361,298
Inventories and Prepaids	34,703	-	-	2,846	37,549
Restricted Assets					
Cash and Investments	49,991	9,059,500	198,747	1,410,969	10,719,207
TOTAL ASSETS	<u>\$ 5,161,727</u>	<u>\$ 9,214,090</u>	<u>\$ 258,322</u>	<u>\$ 1,832,462</u>	<u>\$ 16,466,601</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 446,303	\$ 41,595	\$ -	\$ 125,800	\$ 613,698
Due to Other Funds	45,623	112,995	-	192,549	351,167
Accrued Liabilities	198,161	-	36,391	-	234,552
Court Bonds	2,027	-	-	-	2,027
Deferred Revenue	60,921	-	23,184	8,690	92,795
Total Liabilities	<u>753,035</u>	<u>154,590</u>	<u>59,575</u>	<u>327,039</u>	<u>1,294,239</u>
<u>Fund Balances</u>					
Nonspendable					
Inventory and Prepaids	34,703	-	-	-	34,703
Restricted					
Public Education Grant	49,991	-	-	-	49,991
Capital Projects	-	9,059,500	-	-	9,059,500
Debt Service	-	-	198,747	-	198,747
Impact Fees	-	-	-	803,937	803,937
Capital Improvements	-	-	-	273,097	273,097
Special Events	-	-	-	7,990	7,990
Street Maintenance	-	-	-	231,389	231,389
Public Safety, Court Technology, and Security	-	-	-	94,556	94,556
Committed					
Capital Replacement	-	-	-	94,454	94,454
Unassigned	4,323,998	-	-	-	4,323,998
Total Fund Balances	<u>4,408,692</u>	<u>9,059,500</u>	<u>198,747</u>	<u>1,505,423</u>	<u>15,172,362</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,161,727</u>	<u>\$ 9,214,090</u>	<u>\$ 258,322</u>	<u>\$ 1,832,462</u>	<u>\$ 16,466,601</u>

CITY OF CIBOLO, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2012

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$ 15,172,362
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	31,462,292
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Bond issue costs are reported as current expenditures in the funds, but are reflected as long-term assets in the statement of net assets and amortized over the life of the bonds.	449,987
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Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	63,131
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Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the funds.	(171,433)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.	
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Bonds Payable	(28,157,106)
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Accrued interest payable on long-term bonds is not due and payable in the current period and, therefore, not reported in the funds.	<u>(177,178)</u>
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TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 18,642,055</u>
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CITY OF CIBOLO, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2012

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>					
Taxes	\$4,632,369	\$ -	\$2,131,103	\$ 158,216	\$ 6,921,688
Construction Permits	1,699,931	-	-	79,800	1,779,731
Charges for Services	363,011	-	-	14,047	377,058
Fines and Forfeitures	257,565	-	-	243,558	501,123
Grants	77,138	-	-	-	77,138
Impact Fees	-	-	-	239,569	239,569
Parks	32,937	-	-	-	32,937
Interest/Miscellaneous	211,529	17,495	116,671	63,378	409,073
Total Revenues	<u>7,274,480</u>	<u>17,495</u>	<u>2,247,774</u>	<u>798,568</u>	<u>10,338,317</u>
<u>EXPENDITURES</u>					
Current					
City Council	5,777	-	-	-	5,777
General Government					
Administration	844,811	23,381	-	9,675	877,867
Law Enforcement and					
Municipal Court	2,254,078	-	-	25,523	2,279,601
Community Development Services	664,969	-	-	7,833	672,802
Public Works	725,983	-	-	3,475	729,458
Parks	379,689	-	-	9,775	389,464
Animal Control	101,984	-	-	-	101,984
Economic Development	101,424	-	-	-	101,424
Fire	1,150,082	-	-	-	1,150,082
Finance	276,702	-	-	-	276,702
Capital Projects/Outlay	203,779	73,153	-	1,060,037	1,336,969
Debt Service:					
Principal	-	-	1,145,000	-	1,145,000
Interest and Fiscal Charges	-	-	1,104,522	-	1,104,522
Total Expenditures	<u>6,709,278</u>	<u>96,534</u>	<u>2,249,522</u>	<u>1,116,318</u>	<u>10,171,652</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>565,202</u>	<u>(79,039)</u>	<u>(1,748)</u>	<u>(317,750)</u>	<u>166,665</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from Sale of Capital Assets	36,363	-	-	-	36,363
Gain on Judgement	-	122,000	-	-	122,000
Transfers In	310,734	-	-	34,946	345,680
Transfers Out	(34,946)	(263,679)	-	(185,197)	(483,822)
Total Other Financing Sources (Uses)	<u>312,151</u>	<u>(141,679)</u>	<u>-</u>	<u>(150,251)</u>	<u>20,221</u>
Net Change in Fund Balances	877,353	(220,718)	(1,748)	(468,001)	186,886
<u>FUND BALANCES AT BEGINNING OF YEAR</u>					
	<u>3,531,339</u>	<u>9,280,218</u>	<u>200,495</u>	<u>1,973,424</u>	<u>14,985,476</u>
FUND BALANCES AT END OF YEAR	<u>\$4,408,692</u>	<u>\$9,059,500</u>	<u>\$ 198,747</u>	<u>\$ 1,505,423</u>	<u>\$ 15,172,362</u>

(The Accompanying Notes are an Integral Part of these Financial Statements)

CITY OF CIBOLO, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED SEPTEMBER 30, 2012

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$	186,886
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays.		(420,717)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes		(23,896)
Capital Contributions		441,762

The repayment of principal of long-term debt consumes the current financial resources of governmental funds but has no effect on net assets.		1,145,000
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Compensated Absences		(23,256)
Amortization of Bond Issue Costs		(30,305)
Premium		28,950
Loss on Debt Refunding		(4,322)
Accrued Interest Expense		(28,628)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	1,271,474
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CITY OF CIBOLO, TEXAS  
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS  
SEPTEMBER 30, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	MAJOR FUND	NON-MAJOR FUNDS				
	WATER/SEWER FUND	WATER IMPACT FUND	SEWER IMPACT FUND	DRAINAGE FUND	DRAINAGE IMPACT FUND	TOTAL
<u>ASSETS</u>						
<u>Current Assets</u>						
Cash and Cash Equivalents	\$ 3,279,061	\$ -	\$ -	\$ 191,380	\$ -	\$ 3,470,441
Receivables (Net of Allowances for Uncollectibles of \$208,017)						
Accounts	920,547	-	-	52,794	-	973,341
Other	3,564	-	3,191	-	-	6,755
Due From Other Funds	7,268	4,554	1,494	-	1,417	14,733
Inventory of Supplies and Prepaids	66,349	-	-	-	-	66,349
Total Current Assets	4,276,789	4,554	4,685	244,174	1,417	4,531,619
<u>Restricted Assets</u>						
Cash and Investments	912,590	931,915	1,396,578	-	579,035	3,820,118
<u>Bond Issuance Costs (Net of Accumulated Amortization)</u>						
	64,692	-	-	-	-	64,692
<u>Capital Assets</u>						
Land	391,248	-	-	93,875	-	485,123
Construction in Progress	758,595	-	-	247,732	-	1,006,327
Water Rights	475,000	-	-	-	-	475,000
Water, Sewer and Drainage Systems	16,121,534	-	-	1,580,479	-	17,702,013
Equipment	478,453	-	-	243,040	-	721,493
Accumulated Depreciation	(2,735,904)	-	-	(130,190)	-	(2,866,094)
Capital Assets, Net	15,488,926	-	-	2,034,936	-	17,523,862
TOTAL ASSETS	\$20,742,997	\$ 936,469	\$1,401,263	\$2,279,110	\$ 580,452	\$25,940,291



CITY OF CIBOLO, TEXAS  
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS  
SEPTEMBER 30, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					
	MAJOR FUND	NON-MAJOR FUNDS				
	WATER/SEWER FUND	WATER IMPACT FUND	SEWER IMPACT FUND	DRAINAGE FUND	DRAINAGE IMPACT FUND	TOTAL
<u>LIABILITIES AND NET ASSETS</u>						
<u>Current Liabilities</u>						
Accounts Payable	\$ 561,125	\$ 76,801	\$ 6,000	\$ 9,003	\$ 1,287	\$ 654,216
Accrued Expenses	22,686	-	-	8,226	-	30,912
Accrued Leave and Compensatory Time	12,715	-	-	2,723	-	15,438
Accrued Interest Payable	33,807	-	-	-	-	33,807
Current Portion of Bonds Payable	305,000	-	-	-	-	305,000
Due to Other Funds	11,757	4,995	2,273	5,839	-	24,864
Customer Deposits	212,210	-	-	-	-	212,210
Total Current Liabilities	<u>1,159,300</u>	<u>81,796</u>	<u>8,273</u>	<u>25,791</u>	<u>1,287</u>	<u>1,276,447</u>
<u>Noncurrent Liabilities</u>						
Capital Lease Payable	109,061	-	-	57,070	-	166,131
Bonds Payable	4,525,000	-	-	-	-	4,525,000
Total Noncurrent Liabilities	<u>4,634,061</u>	<u>-</u>	<u>-</u>	<u>57,070</u>	<u>-</u>	<u>4,691,131</u>
TOTAL LIABILITIES	<u>5,793,361</u>	<u>81,796</u>	<u>8,273</u>	<u>82,861</u>	<u>1,287</u>	<u>5,967,578</u>
<u>NET ASSETS</u>						
Invested in Capital Assets, Net of Related Debt	10,549,865	-	-	1,977,866	-	12,527,731
Restricted Net Assets						
Impact Fees	-	854,673	1,392,990	-	579,165	2,826,828
Unrestricted	4,399,771	-	-	218,383	-	4,618,154
Total Net Assets	<u>14,949,636</u>	<u>854,673</u>	<u>1,392,990</u>	<u>2,196,249</u>	<u>579,165</u>	<u>19,972,713</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$20,742,997</u>	<u>\$ 936,469</u>	<u>\$ 1,401,263</u>	<u>\$ 2,279,110</u>	<u>\$ 580,452</u>	<u>\$25,940,291</u>

CITY OF CIBOLO, TEXAS  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2012

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					TOTAL
	MAJOR FUND WATER/SEWER FUND	WATER IMPACT FUND	SEWER IMPACT FUND	NON-MAJOR FUNDS DRAINAGE FUND	DRAINAGE IMPACT FUND	
<u>OPERATING REVENUES</u>						
Water Sales	\$ 3,319,267	\$ -	\$ -	\$ -	-	\$ 3,319,267
Sewer Sales	2,002,516	-	-	-	-	2,002,516
Garbage Service	1,365,176	-	-	-	-	1,365,176
Service Fees	657,718	-	-	-	-	657,718
Drainage Fees	-	-	-	400,446	-	400,446
Miscellaneous	41,758	-	-	-	-	41,758
Total Operating Revenues	<u>7,386,435</u>	<u>-</u>	<u>-</u>	<u>400,446</u>	<u>-</u>	<u>7,786,881</u>
<u>OPERATING EXPENSES</u>						
Water Purchased	2,279,785	-	-	-	-	2,279,785
Sewage Treatment	1,190,009	-	-	-	-	1,190,009
Garbage Service	1,524,877	-	-	-	-	1,524,877
Salaries and Benefits	495,729	-	-	189,836	-	685,565
Supplies	89,369	-	-	19,455	-	108,824
Repairs and Maintenance	-	-	-	21,711	-	21,711
Equipment Operation	103,752	-	-	-	-	103,752
Contractual Services	399,661	-	-	51,696	-	451,357
Utilities	30,303	-	-	6,336	-	36,639
Insurance	22,381	-	-	-	-	22,381
Bad Debt Expense	121	-	-	-	-	121
Amortization	4,658	-	-	-	-	4,658
Depreciation	357,262	-	-	50,808	-	408,070
Total Operating Expenses	<u>6,497,907</u>	<u>-</u>	<u>-</u>	<u>339,842</u>	<u>-</u>	<u>6,837,749</u>
Operating Income	<u>888,528</u>	<u>-</u>	<u>-</u>	<u>60,604</u>	<u>-</u>	<u>949,132</u>
<u>NONOPERATING REVENUES</u> <u>(EXPENSES)</u>						
Interest Income	3,193	874	1,256	73	645	6,041
Impact Fees	-	438,395	263,412	-	129,473	831,280
Interest and Fiscal Charges	(211,609)	-	-	(200)	-	(211,809)
Total Nonoperating Revenues (Expenses)	<u>(208,416)</u>	<u>439,269</u>	<u>264,668</u>	<u>(127)</u>	<u>130,118</u>	<u>625,512</u>
Net Income before Contributions and Transfers	680,112	439,269	264,668	60,477	130,118	1,574,644
Capital Contributions	311,543	-	-	51,215	-	362,758
Insurance Proceeds	1,715	-	-	-	-	1,715
Transfers In	795,373	-	-	444,376	-	1,239,749
Transfers Out	(117,526)	(575,300)	(220,074)	(8,011)	(180,696)	(1,101,607)
Change in Net Assets	1,671,217	(136,031)	44,594	548,057	(50,578)	2,077,259
<u>BEGINNING NET ASSETS</u>	<u>13,278,419</u>	<u>990,704</u>	<u>1,348,396</u>	<u>1,648,192</u>	<u>629,743</u>	<u>17,895,454</u>
ENDING NET ASSETS	<u>\$14,949,636</u>	<u>\$ 854,673</u>	<u>\$ 1,392,990</u>	<u>\$ 2,196,249</u>	<u>\$ 579,165</u>	<u>\$19,972,713</u>

(The Accompanying Notes are an Integral Part of these Financial Statements)

**CITY OF CIBOLO, TEXAS**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2012**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					TOTAL
	MAJOR FUND WATER/SEWER FUND	WATER IMPACT FUND	SEWER IMPACT FUND	NON-MAJOR FUNDS DRAINAGE FUND	DRAINAGE IMPACT FUND	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash Received from Customers	\$ 7,627,653	\$ -	\$ -	\$ 384,642	\$ -	\$ 8,012,295
Cash Paid for Personnel Costs	(501,254)	-	-	(185,324)	-	(686,578)
Cash Paid to Suppliers	(5,578,163)	76,801	6,000	(114,695)	-	(5,610,057)
Net Cash Provided by Operating Activities	1,548,236	76,801	6,000	84,623	-	1,715,660
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers from (to) Other Funds	796,310	(563,474)	(217,053)	412,237	(180,527)	247,493
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>						
Purchase of Capital Assets	(1,432,419)	-	-	(582,462)	-	(2,014,881)
Principal Payments on Debt	(336,066)	-	-	(29,800)	-	(365,866)
Proceeds from Capital Lease	165,127	-	-	86,870	-	251,997
Interest and Fiscal Charges Paid	(213,573)	-	-	(200)	-	(213,773)
Capital Contribution	313,258	-	-	51,215	-	364,473
Impact Fees	-	438,395	263,412	-	129,473	831,280
Net Cash Provided by (Used in) Capital Financing Activities	(1,503,673)	438,395	263,412	(474,377)	129,473	(1,146,770)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Investment Interest Received	3,193	874	1,256	73	645	6,041
Net Increase (Decrease) in Cash	844,066	(47,404)	53,615	22,556	(50,409)	822,424
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>						
Cash and Cash Equivalents	2,448,111	-	-	-	-	2,448,111
Restricted Cash and Cash Equivalents	899,474	979,319	1,342,963	168,824	629,444	4,020,024
	3,347,585	979,319	1,342,963	168,824	629,444	6,468,135
<b>ENDING CASH AND CASH EQUIVALENTS</b>						
Cash and Cash Equivalents	3,279,061	-	-	-	-	3,279,061
Restricted Cash and Cash Equivalents	912,590	931,915	1,396,578	191,380	579,035	4,011,498
	\$ 4,191,651	\$ 931,915	\$ 1,396,578	\$ 191,380	\$ 579,035	\$ 7,290,559
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>						
Operating Income	\$ 888,528	\$ -	\$ -	\$ 60,604	\$ -	\$ 949,132
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities						
Depreciation	357,262	-	-	50,808	-	408,070
Amortization	4,658	-	-	-	-	4,658
(Increase) Decrease in Operating Assets						
Accounts Receivable	182,993	-	-	(15,804)	-	167,189
Inventory of Supplies and Prepaids	22,208	-	-	-	-	22,208
Increase (Decrease) in Operating Liabilities						
Accounts Payable	61,866	76,801	6,000	(15,498)	-	129,169
Accrued Liabilities	2,527	-	-	3,885	-	6,412
Accrued Leave and Compensatory Time	(3,165)	-	-	628	-	(2,537)
Customer Deposits	31,359	-	-	-	-	31,359
Total Adjustments	659,708	76,801	6,000	24,019	-	766,528
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,548,236	\$ 76,801	\$ 6,000	\$ 84,623	\$ -	\$ 1,715,660

(The Accompanying Notes are an Integral Part of these Financial Statements)

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cibolo operates under a council-manager form of government and provides the following services as authorized by its charter: police and fire protection, maintenance of streets, planning and zoning, parks and recreation, general administrative services, water, and sewer services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Proprietary type funds apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and ARB pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the government, for financial purposes, management has considered all potential component units and associated component units. The decision to include a potential component unit or associated component unit in the reporting entity was made by applying the criteria set forth in GASB Statement 14, "The Financial Reporting Entity" and GASB Statement 39 "Determining Whether Certain Organizations are Component Units". The definition of the reporting entity is based primarily on the concept of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government.

Based on the criteria of GASB Statements Nos. 14 and 39, the following is a description of the reporting entity discretely presented in this report:

The Cibolo Economic Development Corporation (EDC) was incorporated on April 11, 2007 in accordance with The Development Corporation Act of 1979 and governed by Section 4B to promote commercial, industrial, and manufacturing enterprises in the City of Cibolo. Separate financial statements for the EDC are not issued for the year ended September 30, 2012.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government. The effect of interfund activity has been removed from the government-wide statements but continues to be reflected on the fund 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.

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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

Separate fund financial statements are provided for governmental funds and proprietary funds. The general fund, capital projects fund, and debt service fund meet the criteria of major governmental funds. The City's only other governmental funds are nonmajor special revenue funds, which are reflected in a single column in the fund balance sheet and statement of revenues, expenditures, and changes in fund balances.

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

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

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

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

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the City and is always classified as a major fund. The general fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues, and investment of idle funds. Primary expenditures are for general administration, law enforcement, code enforcement, public works, parks, and capital acquisition.

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

Debt Service Fund - The debt service fund is used to account for ad valorem taxes assessed and collected for the purpose of servicing long-term debt of the governmental funds.

Nonmajor funds include the following special revenue funds: capital replacement fund, grant fund, cibolo fest fund, traffic impact fund, street impact fund, park fee fund, court technology fund, court security fund, police seizure fund, police special fund, police education fund, child safety fund, and street maintenance fund.

Proprietary fund level financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and cash flows. The City's proprietary funds are the water/sewer fund (used to account for the provision of water and sewer services to residents), water impact fund, sewer impact fund, drainage fund, and the drainage impact fund. The impact funds are used to support the water/sewer system through charging impact fees to new customers to help spread the cost of the entire system over all users.

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

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

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

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the enterprise funds consider all highly liquid investments including cash in banks, cash on hand, money market accounts, deposits in local government investment pools, certificates of deposit (regardless of maturity), and restricted cash and temporary investments to be cash equivalents.

E. Investments

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

Investments are stated at fair value (plus accrued interest) except for money market investments and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less. Those investments are stated at amortized cost. Likewise, certificates of deposit are stated at amortized cost.

F. Accounts Receivable

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1 and past due after January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.

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

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

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Short-Term Interfund Receivables/Payables

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

H. Inventories

The City accounts for inventories using the consumption method. Inventories consist primarily of supplies and are valued at cost determined by the average cost method.

I. Budget

An operating budget is adopted each fiscal year for all City funds. The budget is adopted on the GAAP basis of accounting.

J. Restricted Assets

Certain receipts of impact fees are classified as restricted assets on the balance sheet because their use is limited by applicable ordinances.

K. Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$10,000 or more. Infrastructure assets include City-owned streets, sidewalks, curbs, and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

General infrastructure assets acquired prior to October 1, 2003, are not reported in the basic financial statements. General infrastructure assets include all streets and other infrastructure assets acquired subsequent to October 1, 2003.



CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets (Continued)

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

<u>CAPITAL ASSET TYPE</u>	<u>USEFUL LIVES (YEARS)</u>
Buildings	50 Years
Improvements Other than Buildings	50 Years
Infrastructure	50 Years
Utility System in Service	50 Years
Equipment, Furniture, and Fixtures	3-10 Years

L. Compensated Absences

Vested or accumulated vacation leave and compensatory time that is expected to be liquidated with expendable available resources is reported as an expenditure and fund liability of the governmental fund that will pay for it. Amounts of vested or accumulated vacation leave and compensatory time that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statements. Vested or accumulated vacation leave and compensatory time of the enterprise fund is recorded as an expense and liability of that fund as the benefits accrue to employees. Accumulated vacation pay and compensatory time at September 30, 2012, of \$171,433 and \$15,438 has been recorded in accrued liabilities of the governmental activities and enterprise funds, respectively.

No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

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

M. Deferred/Unearned Revenue

Property tax revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property tax revenues not expected to be available for the current period are reflected as deferred revenue.

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities or business-type statement of net assets. On new bond issues, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bond.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources 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.

O. Fund Equity

In the fund financial statements governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Fund restrictions include impact fees, capital projects, public education grant funds, public safety funds, debt service, and street maintenance.

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Q. Fund Balances

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

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

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Committed fund balance – amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally;
- Assigned fund balance – amounts intended to be used by the government for specific purposes; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority; in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed; this indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund;
- Unassigned fund balance – amounts in the residual classification of the general fund and includes all amounts not contained in other classifications; unassigned amounts are technically available for any purpose.

The City Council establishes, modifies, or rescinds fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is delegated by the City Council to the city manager.

R. Interfund Transactions

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

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the City, those revenues are charges for water, sewer, drainage, and garbage services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as non-operating.

T. Use of Estimates

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

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 2: CASH AND INVESTMENTS

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledge securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

A. Cash

At September 30, 2012, the carrying amount of the City's cash on hand was \$1,600. The carrying amount of the City's bank deposits on the books was \$9,004,592 and the bank balance was \$9,066,484. All of the City's cash was fully collateralized.

At September 30, 2012, the component unit's deposits were all in investment accounts.

B. Investments

The City is required by Government Code Chapter 2256, the Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, (1) obligations of the U.S. Treasury, U.S. Agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

The City's investments at September 30, 2012 are shown below:

	<u>PRIMARY GOVERNMENT</u>		<u>COMPONENT UNIT</u>	
	<u>REPORTED VALUE</u>	<u>FAIR VALUE</u>	<u>REPORTED VALUE</u>	<u>FAIR VALUE</u>
TexPool	\$ 12,161,563	\$12,161,563	\$ 186,029	\$ 186,029
TexStar	<u>1,802,514</u>	<u>1,802,514</u>	<u>-</u>	<u>-</u>
TOTAL INVESTMENTS	<u>\$ 13,964,077</u>	<u>\$13,964,077</u>	<u>\$ 186,029</u>	<u>\$ 186,029</u>

C. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 required a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

1. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the City was not significantly exposed to credit risk. As of September 30, 2012, the City's investments were in TexPool, TexStar, and certificates of deposits and all securities held maintained a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service.

2. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name. At year end, the City was not exposed to custodial risk.

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

C. Analysis of Specific Deposit and Investment Risks (Continued)

3. Concentration of Credit Risk

The risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City was not exposed to concentrations of credit risk.

4. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the City was not exposed to interest rate risk.

NOTE 3: PROPERTY TAX CALENDAR

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2011, upon which the fiscal 2012 levy was based, was \$1,288,030,747 (i.e., market value less exemptions). The estimated market value was \$1,415,817,367 making the taxable value 91.0% of the estimated market value.

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. 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, 2012, was \$0.4327 per \$100 of assessed value. The City may not adopt a tax rate that exceeds the tax rate calculated in accordance with the Texas Property Tax Code by more than three percent (3%) 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 deferred 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.

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012, was as follows:

	<u>BEGINNING BALANCES</u>	<u>ADDITIONS/ TRANSFERS IN</u>	<u>DISPOSALS/ TRANSFERS OUT</u>	<u>ENDING BALANCES</u>
<u>Governmental Activities</u>				
Land	\$ 1,341,881	\$ -	\$ -	\$ 1,341,881
Buildings	8,563,504	71,354	-	8,634,858
Improvements Other than Buildings	23,894,339	507,019	(122,000)	24,279,358
Transportation and Equipment	2,422,698	176,310	(154,184)	2,444,824
Construction in Progress	235,801	1,024,048	-	1,259,849
	<u>36,458,223</u>	<u>1,778,731</u>	<u>(276,184)</u>	<u>37,960,770</u>
Less: Accumulated Depreciation				
Buildings	(579,789)	(215,518)	-	(795,307)
Improvements Other than Buildings	(3,217,228)	(1,170,197)	-	(4,387,425)
Transportation and Equipment	<u>(1,219,959)</u>	<u>(231,733)</u>	<u>135,946</u>	<u>(1,315,746)</u>
	<u>(5,016,976)</u>	<u>(1,617,448)</u>	<u>135,946</u>	<u>(6,498,478)</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS - NET	<u>\$ 31,441,247</u>	<u>\$ 161,283</u>	<u>\$ (140,238)</u>	<u>\$ 31,462,292</u>
<u>Business-Type Activities</u>				
Land	\$ 485,123	\$ -	\$ -	\$ 485,123
Water Rights	475,000	-	-	475,000
Water System	10,533,962	166,250	-	10,700,212
Sewer System	5,078,875	342,447	-	5,421,322
Drainage System	747,059	231,912	601,508	1,580,479
Transportation and Equipment	578,708	251,998	(109,213)	721,493
Construction in Progress	585,561	1,022,274	(601,508)	1,006,327
	<u>18,484,288</u>	<u>2,014,881</u>	<u>(109,213)</u>	<u>20,389,956</u>
Less: Accumulated Depreciation				
Water System	(1,436,599)	(212,342)	-	(1,648,941)
Sewer System	(779,794)	(105,002)	-	(884,796)
Drainage System	(7,471)	(23,275)	-	(30,746)
Transportation and Equipment	<u>(343,372)</u>	<u>(67,452)</u>	<u>109,213</u>	<u>(301,611)</u>
	<u>(2,567,236)</u>	<u>(408,071)</u>	<u>109,213</u>	<u>(2,866,094)</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS - NET	<u>\$ 15,917,052</u>	<u>\$ 1,606,810</u>	<u>\$ -</u>	<u>\$ 17,523,862</u>

Land, water rights, and construction in progress are not depreciated.

Depreciation expense was charged to the governmental functions as follows:

General Government Administration	\$ 68,029
Law Enforcement and Municipal Court	138,821
Code Enforcement	3,138
Public Works	1,138,800
Animal Control	274
Parks	146,375
Fire	<u>122,011</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 1,617,448</u>

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 5: LONG-TERM DEBT

Primary Government

Long-term debt and obligations payable at September 30, 2012, comprise the following individual issues:

General Obligation Bonds

\$1,135,000 Certificate, Series 2003, Due in Annual Installments of \$55,000 to \$100,000 through 2017; Interest at 3.5% to 4.0%.	\$ 490,000
\$1,600,000 Certificate, Series 2008, Due in Annual Installments of \$30,000 to \$130,000 through 2028; Interest at 2.31% to 4.86%.	1,480,000
\$7,975,000 General Obligation Bond, Series 2007, Due in Annual Installments of \$94,250 to \$590,875 through 2027; Interest at 4.5%.	6,895,000
\$10,750,000 General Obligation Bond, Series 2009, Due in Annual Installments of \$25,000 to \$955,000 through 2029; Interest at 2.5% to 4.6%.	10,045,000
\$920,000 General Obligation Bond, Series 2010, Due in Annual Installments of \$25,000 to \$95,000 through 2021; Interest at 1.13% to 3.73%.	815,000
\$8,650,000 General Obligation Bond, Series 2011, Due in Annual Installments of \$435,000 to \$565,000 through 2031; Interest at 2.0% to 4.0%.	<u>8,215,000</u>
TOTAL GOVERNMENT LONG-TERM OBLIGATIONS	<u>\$ 27,940,000</u>

Utility Fund Bonds

\$3,000,000 Utility Revenue Bonds, Series 2006, Due in Installments of \$95,000 to \$205,000 through 2026; Interest at 4.07%.	\$ 2,325,000
\$3,025,000 General Obligation Bonds, Series 2007, Due in Installments of \$35,750 to \$224,125 through 2027; Interest at 4.5%.	<u>2,505,000</u>
TOTAL UTILITY FUND REVENUE BONDS	<u>\$ 4,830,000</u>



CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 5: LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

The annual requirements to amortize all long-term debt and obligations outstanding as of September 30, 2012, including interest payments, are as follows:

	BALANCE OCTOBER 1, 2011	ADDITIONS	REDUCTIONS	BALANCE SEPTEMBER 30, 2012	DUE WITHIN ONE YEAR
<u>GOVERNMENTAL ACTIVITIES</u>					
Certificates of Obligation	\$ 2,105,000	\$ -	\$ (135,000)	\$ 1,970,000	\$ 145,000
General Obligation	26,980,000	-	(1,010,000)	25,970,000	1,070,000
Premium	295,350	-	(28,950)	266,400	28,950
Deferred Loss on Refunding	(53,616)	-	4,322	(49,294)	(4,322)
Compensated Absences	148,177	171,433	(148,177)	171,433	171,433
Total Government Activities	<u>29,474,911</u>	<u>171,433</u>	<u>(1,317,805)</u>	<u>28,328,539</u>	<u>1,411,061</u>
<u>BUSINESS-TYPE ACTIVITIES</u>					
Revenue Bonds	2,455,000	-	(130,000)	2,325,000	135,000
General Obligation Bond	2,655,000	-	(150,000)	2,505,000	170,000
Capital Lease	-	250,731	(84,600)	166,131	81,931
Compensated Absences	17,975	15,438	(17,975)	15,438	15,438
Total Business-Type Activities	<u>5,127,975</u>	<u>266,169</u>	<u>(382,575)</u>	<u>5,011,569</u>	<u>402,369</u>
TOTAL GOVERNMENT	<u>\$ 34,602,886</u>	<u>\$ 437,602</u>	<u>\$ (1,700,380)</u>	<u>\$ 33,340,108</u>	<u>\$ 1,813,430</u>

YEAR ENDING SEPTEMBER 30,	GOVERNMENT ACTIVITIES		BUSINESS-TYPE ACTIVITIES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2013	\$ 1,215,000	\$ 1,068,624	\$ 305,000	\$ 200,780
2014	1,120,000	1,032,770	290,000	187,984
2015	1,145,000	996,067	310,000	175,108
2016	1,195,000	957,061	330,000	161,374
2017	1,235,000	915,971	280,000	148,305
2018-2022	8,270,000	3,725,922	1,585,000	548,049
2023-2027	9,630,000	1,948,332	1,730,000	175,391
2028-2031	<u>4,130,000</u>	<u>263,198</u>	<u>-</u>	<u>-</u>
	<u>\$ 27,940,000</u>	<u>\$ 10,907,945</u>	<u>\$ 4,830,000</u>	<u>\$ 1,596,991</u>
Average Annual Requirements		<u>\$ 2,044,629</u>		<u>\$ 428,466</u>

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 5: LONG-TERM DEBT (CONTINUED)

Future commitments on capital leases are as follows:

<u>GOVERNMENTAL ACTIVITIES</u> <u>YEAR ENDING SEPTEMBER 30</u>	
2013	\$ 86,533
2014	<u>86,532</u>
Total Minimum Payments	173,065
Less: Amount Representing Interest	<u>(6,934)</u>
 NET PRESENT VALUE	 <u>\$ 166,131</u>

NOTE 6: EMPLOYEE'S RETIREMENT SYSTEMS

Texas Municipal Retirement System

**Plan Description**

The City provides pension benefits for all of its eligible employees through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for TMRS. That report may be obtained by writing to Texas Municipal Retirement System, Post Office Box 149153, Austin, Texas 78714-9153.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the city-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages 60 and above with 5 or more years of service, or with 20 years of service regardless of age. An employee is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the governing state statutes of TMRS.

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 6: EMPLOYEE'S RETIREMENT SYSTEMS (Continued)

Texas Municipal Retirement System (Continued)

**Contributions**

The contribution rate for the employees is 7%, while the City's matching ratio is currently 2 to 1, both as adopted by the governing body of the City. Under the state law governing TMRS, the City's contribution rate is annually determined by the actuary. 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 currently accruing monetary credits due to the City's matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (over-funded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The projected unit credit actuarial cost method is used for determining the City's contribution rate. Contributions are made monthly by both the employees and the City. Since the City needs to know its contribution rate in advance to budget for it, 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 (i.e., December 31, 2010 valuation is effective for rates beginning January 2012.)

**Other Post-Employment Benefits**

The City also contributes to the Supplemental Death Benefits Fund (SDBF), a cost-sharing multiple employer defined benefit postemployment healthcare plan administered by TMRS. SDBF provides life insurance to active and retired employees of participating municipalities. SDBF is a separate trust administered by the TMRS board of trustees. TMRS issues a publicly available financial report that includes financial statements and required supplementary information for SDBF. That report may be obtained by writing to Texas Municipal Retirement System, Post Office Box 149153, Austin, Texas 78714-9153.

Participating municipalities are contractually required to contribute at a rate assessed each year by TMRS based upon annual covered payroll. The TMRS board of trustees sets the employer contribution rate based on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 6: EMPLOYEE'S RETIREMENT SYSTEMS (CONTINUED)

	<u>PENSION</u>	<u>SDBF</u>
Actuarial Valuation Date	December 31, 2011	December 31, 2011
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	22.8 Years - Closed Period	25 Years - Open Period
Asset Valuation Method	10-year Smoothed Market	Fund Value
Investment Rate of Return	7.0%	4.25%
Projected Salary Increases	Varies by Age and Service	NA
Inflation Rate	3.00%	3.00%
Cost-of-Living Adjustments	2.1%	None

<u>FISCAL YEAR</u>	<u>PENSION</u>			<u>SDBF</u>		
	<u>ANNUAL PENSION COST</u>	<u>PERCENTAGE OF APC CONTRIBUTION</u>	<u>NET PENSION OBLIGATION</u>	<u>ANNUAL BENEFITS COST</u>	<u>PERCENTAGE OF REQUIRED CONTRIBUTION</u>	<u>NET OPEB OBLIGATION</u>
2011	\$ 371,880	100%	-	\$ 5,368	100%	-

NOTE 7: INTERFUND BALANCES

During the course of normal operations, interfund payables, receivables and transfers are created to reimburse funds for contractual obligations or normal expenditures.

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

Transfers during the year ended September 30, 2012, were as follows:

	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
<u>PRIMARY GOVERNMENT</u>		
<u>General Fund</u>		
Special Revenue	\$ 185,197	\$ 34,946
Water Fund	117,526	-
Drainage Fund	8,011	-
Total	310,734	34,946
<u>Drainage Fund</u>		
General Fund	-	8,011
Capital Projects	263,679	-
Drainage Impact Fees	180,697	-
Total	444,376	8,011
<u>Water Fund</u>		
General	-	117,526
Water Impact Fees	575,300	-
Sewer Impact	220,073	-
Total	795,373	117,526
<u>Water Impact Fees</u>		
Water Fund	-	575,300
<u>Sewer Impact Fees</u>		
Water Fund	-	220,074
<u>Special Revenue</u>		
General Fund	34,946	185,196
<u>Drainage Impact Fees</u>		
Drainage Fund	-	180,697
<u>Capital Projects Fund</u>		
Drainage Fund	-	263,679
TOTALS	<u>\$1,585,429</u>	<u>\$1,585,429</u>

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 7: INTERFUND BALANCES (CONTINUED)

The City had the following interfund payables and receivables as of September 30, 2012:

	<u>DUE FROM</u>	<u>DUE TO</u>
<u>PRIMARY GOVERNMENT</u>		
<u>General Fund</u>		
Water Sewer Fund	\$ 11,757	\$ -
Special Revenue Fund	186,895	38,518
Capital Projects Fund	112,995	-
Sewer Impact Fund	-	1,494
Water Impact Fund	-	4,554
Drainage Impact Fund	5,479	1,057
Totals	<u>317,126</u>	<u>45,623</u>
<u>Water/Sewer Fund</u>		
General Fund	-	11,757
Water Impact Fund	4,995	-
Sewer Impact Fund	2,273	-
Totals	<u>7,268</u>	<u>11,757</u>
<u>Sewer Impact Fund</u>		
General Fund	1,494	-
Water/Sewer Fund	-	2,273
Totals	<u>1,494</u>	<u>2,273</u>
<u>Water Impact Fund</u>		
General Fund	4,554	-
Water/Sewer Fund	-	4,995
Totals	<u>4,554</u>	<u>4,995</u>
<u>Drainage Fund</u>		
Drainage Impact Fund	-	360
General Fund	-	5,479
Totals	<u>-</u>	<u>5,839</u>
<u>Drainage Impact Fund</u>		
General Fund	1,057	-
Drainage Fund	360	-
Totals	<u>1,417</u>	<u>-</u>
<u>Special Revenue Fund</u>		
General Fund	38,518	186,895
Other Special Revenue	3,201	5,654
Totals	<u>41,719</u>	<u>192,549</u>
<u>Capital Projects Fund</u>		
General Fund	-	112,995
Special Revenue Funds	2,453	-
Totals	<u>2,453</u>	<u>112,995</u>
TOTALS	<u>\$ 376,031</u>	<u>\$ 376,031</u>
<u>GOVERNMENT FUND/COMPONENT UNIT</u>		
General Fund:		
Component Unit	\$ 500	\$ -
Component Unit:		
General Fund	-	500
TOTALS	<u>\$ 500</u>	<u>\$ 500</u>

CITY OF CIBOLO, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2012

NOTE 8: COMMITMENTS AND CONTINGENCIES

Commitments

The City has entered into contracts for various construction and engineering projects. Estimated future commitments associated with these contracts as of September 30, 2012 are as follows:

<u>COMMITMENTS</u>	<u>ESTIMATED PROJECT COST TO CITY</u>	<u>EXPENDED TO DATE</u>	<u>ESTIMATED FUTURE COMMITMENT</u>
Water Line Extension Plant to Green Valley Road	\$ 578,935	\$ 537,594	\$ 41,340
Waste Water Improvement	<u>191,647</u>	<u>116,579</u>	<u>75,068</u>
TOTALS	<u>\$ 770,582</u>	<u>\$ 654,173</u>	<u>\$ 116,408</u>

Litigation

A summary judgment has been ruled against the City in a legal case with a citizen. The City was denied an appeal on the summary judgment and is now in the damages phase of the trial. The plaintiffs have alleged damages in the amount of \$548,747. While the Court had determined that the City is liable for damages, the City may appeal the determination and the amount of the liability once the damages phase of the trial is completed.

Grants

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

NOTE 9: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the City is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2012 were \$148,576 for property and casualty and workers compensation coverage.

NOTE 10: SUBSEQUENT EVENT

Subsequent to year end the City issued General Obligation Refunding Bonds, Series 2012 for \$1,465,000 to refund the Certificates of Obligations, Series 2008 in the amount of \$1,480,000. Also, subsequent to year end the City issued Utility System Revenue Bonds, Series 2012 for \$7,640,000.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board, but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of Funding Progress – Defined Benefit



CITY OF CIBOLO, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND  
FISCAL YEAR ENDED SEPTEMBER 30, 2012  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2011)

	ORIGINAL BUDGET	FINAL BUDGET	2012 ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2011 ACTUAL
<u>REVENUES</u>					
Taxes					
Ad Valorem	\$ 3,258,000	\$ 3,286,092	\$ 3,289,388	\$ 3,296	\$ 3,028,899
Tax Penalty	12,000	16,404	13,444	(2,960)	12,024
Sales Tax	532,800	621,500	633,227	11,727	543,648
Mixed Beverage Tax	4,000	3,136	3,507	371	3,554
Franchise Tax	669,000	680,631	692,803	12,172	662,030
Total Taxes	4,475,800	4,607,763	4,632,369	24,606	4,250,155
Construction Permits	1,439,200	1,555,779	1,699,931	144,152	1,430,875
Charges for Services	365,100	362,633	363,011	378	232,607
Fines and Forfeitures	230,900	252,432	257,565	5,133	199,257
Grant Income	77,500	77,500	77,138	(362)	85,679
Parks					
Rental Fees	17,200	15,146	21,656	6,510	18,330
Ballfield League Fees	5,800	9,731	11,281	1,550	3,980
Total Parks	23,000	24,877	32,937	8,060	22,310
Other Sources					
Miscellaneous	43,500	27,334	94,004	66,670	104,122
Settlement Proceeds	-	-	112,500	112,500	-
Interest	8,600	4,130	5,025	895	6,604
Total Other Sources	52,100	31,464	211,529	180,065	110,726
Total Revenues	6,663,600	6,912,448	7,274,480	362,032	6,331,609
<u>EXPENDITURES</u>					
City Council					
Mayor and Council Meeting					
Expense and Awards	800	800	1,104	(304)	136
Contingency	6,800	3,468	2,738	730	4,575
Utilities	1,300	1,400	1,935	(535)	1,296
Total City Council	8,900	5,668	5,777	(109)	6,007
General Government Administration					
Salaries and Fringe Benefits	396,258	371,786	351,445	20,341	375,481
Supplies	34,750	38,454	35,439	3,015	39,593
Maintenance	20,000	11,810	12,583	(773)	6,860
Contractual Services	432,850	464,526	389,915	74,611	528,734
Utilities	55,800	48,499	55,429	(6,930)	68,117
Capital Outlay	227,500	190,890	192,801	(1,911)	2,849
Total General Government Administration	1,167,158	1,125,965	1,037,612	88,353	1,021,634
Law Enforcement and Municipal Court					
Salaries and Fringe Benefits	1,834,427	1,823,428	1,789,080	34,348	1,523,484
Supplies	38,600	37,823	37,518	305	41,886
Maintenance	101,000	119,401	126,068	(6,667)	82,221
Contractual Services	240,590	234,805	249,585	(14,780)	296,709
Utilities	67,160	59,683	51,827	7,856	54,231
Capital Outlay	-	-	-	-	-
Total Law Enforcement and Municipal Court	2,281,777	2,275,140	2,254,078	21,062	1,998,531

CITY OF CIBOLO, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
FISCAL YEAR ENDED SEPTEMBER 30, 2012  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2011)

	ORIGINAL BUDGET	FINAL BUDGET	2012 ACTUAL	BUDGET POSITIVE (NEGATIVE)	2011 ACTUAL
<u>EXPENDITURES (CONTINUED)</u>					
Community Development Services					
Salaries and Fringe Benefits	\$ 559,707	\$ 534,882	\$ 514,952	\$ 19,930	\$ 518,003
Supplies	4,950	7,122	6,346	776	3,912
Maintenance	13,300	11,299	12,113	(814)	9,181
Contractual Services	143,750	131,638	126,559	5,079	96,818
Utilities	10,000	4,709	4,999	(290)	1,586
Total Community					
Development Services	<u>731,707</u>	<u>689,650</u>	<u>664,969</u>	<u>24,681</u>	<u>629,500</u>
Public Works					
Salaries and Fringe Benefits	458,599	463,594	423,496	40,098	453,522
Supplies	73,750	59,614	42,710	16,904	68,173
Maintenance	79,500	68,321	67,728	593	72,059
Contractual Services	256,750	212,006	188,860	23,146	123,306
Utilities	8,500	3,305	3,189	116	10,856
Capital Outlay	1,500	151	-	151	25,064
Total Public Works	<u>878,599</u>	<u>806,991</u>	<u>725,983</u>	<u>81,008</u>	<u>752,980</u>
Parks					
Salaries and Fringe Benefits	279,786	234,927	222,146	12,781	251,399
Supplies	44,500	32,500	41,953	(9,453)	65,842
Maintenance	36,700	36,602	30,537	6,065	36,039
Contractual Services	8,500	668	527	141	1,281
Utilities	61,500	79,286	84,526	(5,240)	79,625
Capital Outlay	-	-	-	-	22,749
Total Parks	<u>430,986</u>	<u>383,983</u>	<u>379,689</u>	<u>4,294</u>	<u>456,935</u>
Animal Control					
Salaries and Fringe Benefits	68,755	69,559	71,094	(1,535)	63,578
Supplies	4,500	7,043	19,461	(12,418)	14,418
Maintenance	4,250	3,829	3,394	435	2,437
Contractual Services	7,000	4,650	4,734	(84)	4,923
Utilities	2,750	3,554	3,301	253	2,201
Capital Outlay	23,500	22,475	10,978	11,497	-
Total Animal Control	<u>110,755</u>	<u>111,110</u>	<u>112,962</u>	<u>(1,852)</u>	<u>87,557</u>
Economic Development					
Salaries and Fringe Benefits	97,975	97,861	98,088	(227)	86,778
Supplies	8,200	1,453	1,220	233	1,266
Contractual Services	18,500	15,670	2,116	13,554	10,623
Total Economic					
Development	<u>124,675</u>	<u>114,984</u>	<u>101,424</u>	<u>13,560</u>	<u>98,667</u>
Fire					
Salaries and Fringe Benefits	703,141	670,998	678,288	(7,290)	561,867
Supplies	8,000	7,545	3,870	3,675	12,526
Maintenance	18,500	20,908	22,370	(1,462)	16,057
Contractual Services	471,400	465,405	428,437	36,968	437,149
Utilities	17,040	16,139	17,117	(978)	17,922
Capital Outlay	-	-	-	-	475,655
Total Fire	<u>1,218,081</u>	<u>1,180,995</u>	<u>1,150,082</u>	<u>30,913</u>	<u>1,521,176</u>

CITY OF CIBOLO, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
FISCAL YEAR ENDED SEPTEMBER 30, 2012  
(WITH COMPARATIVE ACTUAL TOTALS FOR 2011)

	ORIGINAL BUDGET	FINAL BUDGET	2012 ACTUAL	BUDGET POSITIVE (NEGATIVE)	2011 ACTUAL
Finance					
Salaries and Fringe Benefits	\$ 185,545	\$ 184,635	\$ 178,229	\$ 6,406	\$ 197,033
Supplies	3,000	2,906	3,011	(105)	3,111
Contractual Services	94,750	95,566	95,462	104	88,598
Total Finance	283,295	283,107	276,702	6,405	288,742
Total Expenditures	7,235,933	6,977,593	6,709,278	268,315	6,861,729
Excess (Deficiency) of Revenues Over (Under) Expenditures	(572,333)	(65,145)	565,202	630,347	(530,120)
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from Sale of Capital Assets	5,000	35,000	36,363	1,363	6,319
Transfers In	399,952	352,571	310,734	(41,837)	117,245
Transfers Out	-	(35,000)	(34,946)	54	(242,916)
Total Other Financing Sources (Uses)	404,952	352,571	312,151	(40,420)	(119,352)
Net Change in Fund Balances	(167,381)	287,426	877,353	589,927	(649,472)
<u>FUND BALANCES - OCTOBER 1</u>	<u>3,531,339</u>	<u>3,531,339</u>	<u>3,531,339</u>	<u>-</u>	<u>4,180,811</u>
FUND BALANCES - SEPTEMBER 30	<u>\$ 3,363,958</u>	<u>\$ 3,818,765</u>	<u>\$ 4,408,692</u>	<u>\$ 589,927</u>	<u>\$ 3,531,339</u>

CITY OF CIBOLO, TEXAS  
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES – BUDGET TO ACTUAL  
SEPTEMBER 30, 2012

NOTE 1: BUDGETARY INFORMATION

The budget is prepared on a modified accrual basis of accounting. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council and as such is a good management control device.

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

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. All budget appropriations lapse following the close of the budget year.

CITY OF CIBOLO, TEXAS  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
ANALYSIS OF FUNDING PROGRESS  
LAST THREE FISCAL YEARS

<u>YEAR</u>	<u>ACTUARIAL VALUE OF ASSETS**</u>	<u>ACTUARIAL ACCruED LIABILITY*</u>	<u>FUNDING RATIO (1)/(2)</u>	<u>UNFUNDED ACTUARIAL ACCruED LIABILITY</u>	<u>ANNUAL COVERED PAYROLL</u>	<u>UNFUNDED ACTUARIAL ACCruED LIABILITY AS A PERCENTAGE OF COVERED PAYROLL</u>
2009	\$2,225,512	\$3,509,834	63.4%	\$1,284,322	\$2,800,505	43.8%
2010	3,057,653	4,841,955	63.1	1,784,302	3,011,192	59.3
2011	3,678,308	5,125,573	71.8	1,447,265	3,551,443	40.8

\* 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.

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

- Combining Statements – Special Revenue Funds
- Comparative Balance Sheets – General Fund
- Comparative Statements – Capital Projects Fund
- Comparative Statements – Debt Service
- Comparative Statements – Enterprise Water/Sewer
- Comparative Statements – Enterprise Water Impact
- Comparative Statements – Enterprise Sewer Impact
- Comparative Statements – Enterprise Drainage Fund
- Comparative Statements – Cibolo Economic Development Corporation

CITY OF CIBOLO, TEXAS  
COMBINING FINANCIAL STATEMENTS  
NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for particular purposes.

Capital Replacement Fund – To account for and segregate money to cover the repair or replacement cost of capital assets already in existence.

Grant Fund – To account for grant monies received by various sources.

Cibolo Fest Fund – To account for monies used for Cibolo Fest event expenditures.

Traffic Impact Fund – To account for financial resources to be used to fund various transportation projects.

Street Impact Fund – To account for the fees charged for new development and the corresponding restricted expenditures for street maintenance.

Street Maintenance Fund – To account for sales taxes restricted for street maintenance.

Park Fee Fund – To account for the fees charged for new development and the corresponding restricted expenditures for capital improvements, maintenance, and land acquisition.

Court Technology Fund – To account for the fees charged in conjunction with municipal fines and the corresponding restricted expenditures for improving and maintaining court technology.

Court Security Fund – To account for the fees charged in conjunction with municipal fines and the corresponding restricted expenditures for the security of the court.

Police Seizure Fund – To account for state and federal forfeiture proceeds and the corresponding restricted expenditures.

Police Special Fund – To account for other restricted police proceeds and the corresponding restricted expenditures.

Police Education Fund – To account for education grants and the corresponding restricted expenditures.

Child Safety Fund – To account for monies to be used to provide child passenger restraint systems.

CITY OF CIBOLO, TEXAS  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2012 AND 2011

	CAPITAL REPLACEMENT FUND	GRANT FUND	CIBOLO FEST FUND	TRAFFIC IMPACT FUND	STREET IMPACT FUND	STREET MAINTENANCE FUND
<u>ASSETS</u>						
Cash and Investments - Restricted	\$ 125,753	\$ -	\$ 15,078	\$ 332,659	\$ 476,195	\$ 361,391
Taxes Receivable	-	25,000	-	-	-	30,195
Prepaid Expenses	-	-	2,846	-	-	-
Due From Other Funds	<u>34,946</u>	<u>-</u>	<u>-</u>	<u>2,927</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 160,699</u>	<u>\$ 25,000</u>	<u>\$ 17,924</u>	<u>\$ 335,586</u>	<u>\$ 476,195</u>	<u>\$ 391,586</u>
<u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable	\$ 66,245	\$ -	\$ 1,236	\$ -	\$ 5,392	\$ -
Deferred Revenue	-	-	8,690	-	-	-
Due To Other Funds	<u>-</u>	<u>25,000</u>	<u>8</u>	<u>-</u>	<u>2,452</u>	<u>160,197</u>
Total Liabilities	<u>66,245</u>	<u>25,000</u>	<u>9,934</u>	<u>-</u>	<u>7,844</u>	<u>160,197</u>
<u>FUND BALANCES</u>						
Restricted for Impact Fees	-	-	-	335,586	468,351	-
Restricted for Capital Improvements	-	-	-	-	-	-
Restricted for Special Events	-	-	7,990	-	-	-
Restricted for Street Maintenance	-	-	-	-	-	231,389
Restricted for Police Special	-	-	-	-	-	-
Restricted for Court Special	-	-	-	-	-	-
Committed for Capital Replacement	<u>94,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>94,454</u>	<u>-</u>	<u>7,990</u>	<u>335,586</u>	<u>468,351</u>	<u>231,389</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 160,699</u>	<u>\$ 25,000</u>	<u>\$ 17,924</u>	<u>\$ 335,586</u>	<u>\$ 476,195</u>	<u>\$ 391,586</u>



PARK FEE FUND	COURT TECHNOLOGY FUND	COURT SECURITY FUND	POLICE SEIZURE FUND	POLICE SPECIAL FUND	POLICE EDUCATION FUND	CHILD SAFETY FUND	TOTALS 2012	TOTALS 2011
\$ 322,822	\$ 2,501	\$ 38,619	\$ 3,774	\$ 5,657	\$ 17,052	\$ 31,201	\$ 1,732,702	\$ 2,057,119
-	-	-	-	-	-	-	55,195	182,515
-	-	-	-	-	-	-	2,846	10,477
<u>3,202</u>	<u>644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,719</u>	<u>13,286</u>
<u>\$ 326,024</u>	<u>\$ 3,145</u>	<u>\$ 38,619</u>	<u>\$ 3,774</u>	<u>\$ 5,657</u>	<u>\$ 17,052</u>	<u>\$ 31,201</u>	<u>\$ 1,832,462</u>	<u>\$ 2,263,397</u>
\$ 52,927	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,800	\$ 104,059
-	-	-	-	-	-	-	8,690	3,185
-	-	4,892	-	-	-	-	192,549	182,729
<u>52,927</u>	<u>-</u>	<u>4,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>327,039</u>	<u>289,973</u>
-	-	-	-	-	-	-	803,937	568,602
273,097	-	-	-	-	-	-	273,097	938,054
-	-	-	-	-	-	-	7,990	-
-	-	-	-	-	-	-	231,389	233,039
-	-	-	3,774	5,657	17,052	31,201	57,684	40,555
-	3,145	33,727	-	-	-	-	36,872	35,703
-	-	-	-	-	-	-	94,454	157,471
<u>273,097</u>	<u>3,145</u>	<u>33,727</u>	<u>3,774</u>	<u>5,657</u>	<u>17,052</u>	<u>31,201</u>	<u>1,505,423</u>	<u>1,973,424</u>
<u>\$ 326,024</u>	<u>\$ 3,145</u>	<u>\$ 38,619</u>	<u>\$ 3,774</u>	<u>\$ 5,657</u>	<u>\$ 17,052</u>	<u>\$ 31,201</u>	<u>\$ 1,832,462</u>	<u>\$ 2,263,397</u>

CITY OF CIBOLO, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - SPECIAL REVENUE FUNDS  
YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	CAPITAL REPLACEMENT FUND	GRANT FUND	CIBOLO FEST FUND	TRAFFIC IMPACT FUND	STREET IMPACT FUND	STREET MAINTENANCE FUND
<u>REVENUES</u>						
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,216
Construction Permits	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants	-	243,558	-	-	-	-
Impact Fees	-	-	-	239,569	-	-
Other Revenue	174	25,000	17,765	139	554	331
Total Revenues	174	268,558	17,765	239,708	554	158,547
<u>EXPENDITURES</u>						
General Government						
Administration	9,675	-	-	-	-	-
Law Enforcement and						
Municipal Court	10,910	-	-	-	-	-
Community Development Services	7,833	-	-	-	-	-
Public Works	3,475	-	-	-	-	-
Parks	-	-	9,775	-	-	-
Capital Outlay	66,244	268,558	-	-	4,927	-
Total Expenditures	98,137	268,558	9,775	-	4,927	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(97,963)	-	7,990	239,708	(4,373)	158,547
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers In	34,946	-	-	-	-	-
Transfers Out	-	-	-	-	-	(160,197)
Total Other Financing Sources (Uses)	34,946	-	-	-	-	(160,197)
Changes in Fund Balances	(63,017)	-	7,990	239,708	(4,373)	(1,650)
<u>FUND BALANCES - BEGINNING</u>	157,471	-	-	95,878	472,724	233,039
FUND BALANCES - ENDING	\$ 94,454	\$ -	\$ 7,990	\$ 335,586	\$ 468,351	\$ 231,389

PARK FEE FUND	COURT TECHNOLOGY FUND	COURT SECURITY FUND	POLICE SEIZURE FUND	POLICE SPECIAL FUND	POLICE EDUCATION FUND	CHILD SAFETY FUND	TOTALS 2012	TOTALS 2011
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,216	\$ 136,003
79,800	-	-	-	-	-	-	79,800	123,600
-	8,027	6,020	-	-	-	-	14,047	11,966
-	-	-	-	-	-	-	243,558	158,388
-	-	-	-	-	-	-	239,569	95,856
551	-	18	2	3	9	18,832	63,378	15,555
<u>80,351</u>	<u>8,027</u>	<u>6,038</u>	<u>2</u>	<u>3</u>	<u>9</u>	<u>18,832</u>	<u>798,568</u>	<u>541,368</u>
-	-	-	-	-	-	-	9,675	-
-	6,265	6,631	-	-	1,717	-	25,523	24,302
-	-	-	-	-	-	-	7,833	-
-	-	-	-	-	-	-	3,475	-
-	-	-	-	-	-	-	9,775	-
<u>720,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,060,037</u>	<u>313,026</u>
<u>720,308</u>	<u>6,265</u>	<u>6,631</u>	<u>-</u>	<u>-</u>	<u>1,717</u>	<u>-</u>	<u>1,116,318</u>	<u>337,328</u>
<u>(639,957)</u>	<u>1,762</u>	<u>(593)</u>	<u>2</u>	<u>3</u>	<u>(1,708)</u>	<u>18,832</u>	<u>(317,750)</u>	<u>204,040</u>
-	-	-	-	-	-	-	34,946	242,916
<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(185,197)</u>	<u>(117,245)</u>
<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,251)</u>	<u>125,671</u>
<u>(664,957)</u>	<u>1,762</u>	<u>(593)</u>	<u>2</u>	<u>3</u>	<u>(1,708)</u>	<u>18,832</u>	<u>(468,001)</u>	<u>329,711</u>
<u>938,054</u>	<u>1,383</u>	<u>34,320</u>	<u>3,772</u>	<u>5,654</u>	<u>18,760</u>	<u>12,369</u>	<u>1,973,424</u>	<u>1,643,713</u>
<u>\$ 273,097</u>	<u>\$ 3,145</u>	<u>\$ 33,727</u>	<u>\$ 3,774</u>	<u>\$ 5,657</u>	<u>\$ 17,052</u>	<u>\$ 31,201</u>	<u>\$ 1,505,423</u>	<u>\$ 1,973,424</u>

CITY OF CIBOLO, TEXAS  
COMPARATIVE BALANCE SHEETS  
GENERAL FUND

	<u>SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Cash and Investments	\$ 4,511,455	\$ 3,845,462
Receivables (Net of Allowances for Uncollectibles)		
Property Taxes	161,655	140,431
Other	136,788	183,139
Due from Other Funds	317,126	120,298
Inventories and Prepaids	<u>34,703</u>	<u>11,718</u>
TOTAL ASSETS	<u>\$ 5,161,727</u>	<u>\$ 4,301,048</u>
<u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 446,303	\$ 306,112
Accrued Liabilities	198,161	193,406
Court Bonds	2,027	19,580
Due to Other Funds	45,623	185,144
Deferred/Unearned Revenues	<u>60,921</u>	<u>65,467</u>
Total Liabilities	<u>753,035</u>	<u>769,709</u>
<u>FUND BALANCES</u>		
Nonspendable		
Inventory and Prepaids	34,703	11,718
Restricted		
Public Education Grant	49,991	2,987
Unassigned	<u>4,323,998</u>	<u>3,516,634</u>
Total Fund Balances	<u>4,408,692</u>	<u>3,531,339</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,161,727</u>	<u>\$ 4,301,048</u>

CITY OF CIBOLO, TEXAS  
COMPARATIVE BALANCE SHEETS  
CAPITAL PROJECTS FUND

	<u>SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Cash and Investments - Restricted	\$ 9,200,415	\$10,041,331
Accrued Interest	11,222	-
Due From Other Funds	<u>2,453</u>	<u>101,515</u>
 TOTAL ASSETS	 <u>\$ 9,214,090</u>	 <u>\$10,142,846</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 41,595	\$ 862,628
Due to Other Funds	<u>112,995</u>	<u>-</u>
Total Liabilities	154,590	862,628
 <u>FUND BALANCES</u>		
Restricted for Capital Projects	<u>9,059,500</u>	<u>9,280,218</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 9,214,090</u>	 <u>\$10,142,846</u>

CITY OF CIBOLO, TEXAS  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - CAPITAL PROJECTS FUND

	<u>YEAR ENDED SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>REVENUES</u>		
Interest/Miscellaneous	<u>\$ 17,495</u>	<u>\$ 5,421</u>
<u>EXPENDITURES</u>		
Capital Outlay	73,153	3,041,072
Supplies	23,381	118,550
Contract Services	-	-
Bond Issuance Costs	<u>-</u>	<u>154,509</u>
Total Expenditures	<u>96,534</u>	<u>3,314,131</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(79,039)</u>	<u>(3,308,710)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Proceeds from Bonds Payable	-	8,650,000
Premium on Bonds Issued	-	154,509
Forgiveness of Debt	122,000	-
Transfers Out	<u>(263,679)</u>	<u>(559,371)</u>
Total Other Financing Sources (Uses)	<u>(141,679)</u>	<u>8,245,138</u>
Changes in Fund Balances	(220,718)	4,936,428
<u>FUND BALANCES - BEGINNING</u>	<u>9,280,218</u>	<u>4,343,790</u>
FUND BALANCES - ENDING	<u>\$ 9,059,500</u>	<u>\$ 9,280,218</u>

CITY OF CIBOLO, TEXAS  
COMPARATIVE BALANCE SHEETS  
DEBT SERVICE FUND

	SEPTEMBER 30,	
	2012	2011
<u>ASSETS</u>		
Cash and Investments	\$ 235,138	\$ 203,330
Receivables (Net of Allowances for Uncollectibles)		
Property Taxes	23,184	18,375
Due From Other Funds	-	33,556
TOTAL ASSETS	<u>\$ 258,322</u>	<u>\$ 255,261</u>
<u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Other Payables	\$ 36,391	\$ 36,391
Deferred Revenue	23,184	18,375
Total Liabilities	59,575	54,766
<u>FUND BALANCES</u>		
Restricted for Debt Service	<u>198,747</u>	<u>200,495</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 258,322</u>	<u>\$ 255,261</u>

CITY OF CIBOLO, TEXAS  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - DEBT SERVICE FUND

	<u>YEAR ENDED SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>REVENUES</u>		
Taxes	\$2,131,103	\$1,901,616
Interest/Miscellaneous	<u>116,671</u>	<u>88,187</u>
Total Revenues	<u>2,247,774</u>	<u>1,989,803</u>
 <u>EXPENDITURES</u>		
Debt Service		
Principal	1,145,000	1,000,000
Interest and Fiscal Charges	1,104,522	873,271
Bond Issuance Costs	<u>-</u>	<u>30,592</u>
Total Expenditures	<u>2,249,522</u>	<u>1,903,863</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,748)</u>	<u>85,940</u>
 <u>OTHER FINANCING SOURCES (USES)</u>		
Proceeds from Bonds	-	920,000
Payment to Escrow Agent	-	(891,669)
Transfers In	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>28,331</u>
Changes in Fund Balances	(1,748)	114,271
 <u>FUND BALANCES - BEGINNING</u>	<u>200,495</u>	<u>86,224</u>
 FUND BALANCES - ENDING	<u>\$ 198,747</u>	<u>\$ 200,495</u>



CITY OF CIBOLO, TEXAS  
COMPARATIVE STATEMENTS OF NET ASSETS  
WATER/SEWER FUND

	<u>SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and Investments	\$ 3,279,061	\$ 2,448,111
Receivables (Net of Allowances for Uncollectibles)		
Accounts	920,547	1,101,800
Other	3,564	5,305
Due From Other Funds	7,268	132,313
Inventory of Supplies and Prepaids	66,349	88,557
Total Current Assets	<u>4,276,789</u>	<u>3,776,086</u>
<u>RESTRICTED ASSETS</u>		
Cash and Cash Investments	<u>912,590</u>	<u>899,474</u>
<u>BOND ISSUANCE COSTS</u>		
(Net of Accumulated Amortization)	<u>64,692</u>	<u>69,350</u>
<u>CAPITAL ASSETS</u>		
Land and Water Rights	866,248	866,248
Construction in Progress	758,595	-
Water and Sewer Systems	16,121,534	15,612,837
Equipment	478,453	422,539
Accumulated Depreciation	<u>(2,735,904)</u>	<u>(2,487,855)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>15,488,926</u>	<u>14,413,769</u>
 TOTAL ASSETS	 <u>\$20,742,997</u>	 <u>\$19,158,679</u>

CITY OF CIBOLO, TEXAS  
COMPARATIVE STATEMENTS OF NET ASSETS  
WATER/SEWER FUND

	<u>SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 561,125	\$ 499,259
Accrued Expenses	22,686	20,159
Accrued Leave and Compensatory Time	12,715	15,879
Accrued Interest Payable	33,807	35,771
Current Portion of Bonds Payable	305,000	280,000
Due to Other Funds	11,757	18,341
Customer Deposits	<u>212,210</u>	<u>180,851</u>
Total Current Liabilities	<u>1,159,300</u>	<u>1,050,260</u>
<u>NONCURRENT LIABILITIES</u>		
Capital Lease Payable	109,061	-
Bonds Payable	<u>4,525,000</u>	<u>4,830,000</u>
Total Noncurrent Liabilities	<u>4,634,061</u>	<u>4,830,000</u>
Total Liabilities	<u>5,793,361</u>	<u>5,880,260</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	10,549,865	9,303,769
Unrestricted	<u>4,399,771</u>	<u>3,974,650</u>
Total Net Assets	<u>14,949,636</u>	<u>13,278,419</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$20,742,997</u>	<u>\$19,158,679</u>

CITY OF CIBOLO, TEXAS  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
WATER/SEWER FUND

	<u>YEAR ENDED SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>OPERATING REVENUES</u>		
Water Sales	\$ 3,319,267	\$ 3,586,018
Sewer Sales	2,002,516	1,882,027
Garbage Service	1,365,176	1,382,432
Service Fees	657,718	688,007
Miscellaneous	<u>41,758</u>	<u>47,453</u>
Total Operating Revenues	<u>7,386,435</u>	<u>7,585,937</u>
<u>OPERATING EXPENSES</u>		
Water Purchased	2,279,785	2,637,627
Sewage Treatment	1,190,009	1,124,675
Garbage Service	1,524,877	1,536,873
Salaries and Benefits	495,729	496,621
Supplies	89,369	79,680
Equipment Operation	103,752	62,826
Contractual Services	399,661	158,668
Utilities	30,303	36,797
Insurance	22,381	31,226
Bad Debt Expense	121	113,982
Amortization	4,658	4,658
Depreciation	<u>357,262</u>	<u>334,070</u>
Total Operating Expenses	<u>6,497,907</u>	<u>6,617,703</u>
Operating Income	<u>888,528</u>	<u>968,234</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Income	3,193	3,890
Interest and Fiscal Charges	<u>(211,609)</u>	<u>(223,115)</u>
Total Nonoperating Revenues (Expenses)	<u>(208,416)</u>	<u>(219,225)</u>
Net Income before Contributions and Transfers	680,112	749,009
<u>CAPITAL CONTRIBUTIONS</u>	311,543	1,182,839
<u>INSURANCE PROCEEDS</u>	1,715	-
<u>TRANSFER IN</u>	795,373	-
<u>TRANSFER OUT</u>	<u>(117,526)</u>	<u>-</u>
Change in Net Assets	1,671,217	1,931,848
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>13,278,419</u>	<u>11,346,571</u>
NET ASSETS AT END OF YEAR	<u>\$14,949,636</u>	<u>\$13,278,419</u>

CITY OF CIBOLO, TEXAS  
COMPARATIVE STATEMENTS OF NET ASSETS  
WATER IMPACT FUND

	<u>SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Due From Other Funds	\$ 4,554	\$ 11,385
<u>RESTRICTED ASSETS</u>		
Cash and Cash Investments	<u>931,915</u>	<u>979,319</u>
TOTAL ASSETS	<u>\$ 936,469</u>	<u>\$ 990,704</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 76,801	\$ -
Due To Other Funds	<u>4,995</u>	<u>-</u>
Total Current Liabilities	81,796	-
<u>NET ASSETS</u>		
Restricted	<u>854,673</u>	<u>990,704</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 936,469</u>	<u>\$ 990,704</u>

CITY OF CIBOLO, TEXAS  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
WATER IMPACT FUND

	<u>YEAR ENDED SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>NONOPERATING REVENUES</u>		
Interest Income	\$ 874	\$ 978
Impact Fees	<u>438,395</u>	<u>417,517</u>
Total Nonoperating Revenues	<u>439,269</u>	<u>418,495</u>
Net Income before Transfers	439,269	418,495
<u>TRANSFER IN (OUT)</u>	<u>(575,300)</u>	<u>-</u>
Change in Net Assets	(136,031)	418,495
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>990,704</u>	<u>572,209</u>
NET ASSETS AT END OF YEAR	<u>\$ 854,673</u>	<u>\$ 990,704</u>

CITY OF CIBOLO, TEXAS  
COMPARATIVE STATEMENTS OF NET ASSETS  
SEWER IMPACT FUND

	<u>SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Accounts Receivable - Other	\$ 3,191	\$ 3,191
Due from General Fund	<u>1,494</u>	<u>2,242</u>
Total Current Assets	4,685	5,433
<u>RESTRICTED ASSETS</u>		
Cash and Cash Investments	<u>1,396,578</u>	<u>1,342,963</u>
 TOTAL ASSETS	 <u>\$1,401,263</u>	 <u>\$1,348,396</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 6,000	\$ -
Due To Other Funds	<u>2,273</u>	<u>-</u>
Total Current Liabilities	8,273	-
<u>NET ASSETS</u>		
Restricted	<u>1,392,990</u>	<u>1,348,396</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$1,401,263</u>	 <u>\$1,348,396</u>

CITY OF CIBOLO, TEXAS  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
SEWER IMPACT FUND

	<u>YEAR ENDED SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>NONOPERATING REVENUES</u>		
Interest Income	\$ 1,256	\$ 1,594
Impact Fees	<u>263,412</u>	<u>202,763</u>
Total Nonoperating Revenues	<u>264,668</u>	<u>204,357</u>
Net Income before Transfers	264,668	204,357
<u>TRANSFER OUT</u>	<u>(220,074)</u>	<u>-</u>
Change in Net Assets	44,594	204,357
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>1,348,396</u>	<u>1,144,039</u>
NET ASSETS AT END OF YEAR	<u>\$1,392,990</u>	<u>\$ 1,348,396</u>

CITY OF CIBOLO, TEXAS  
COMPARATIVE STATEMENTS OF NET ASSETS  
DRAINAGE FUND

	<u>SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and Cash Investments	\$ 191,380	\$ 168,824
Accounts Receivable - Other	<u>52,794</u>	<u>36,990</u>
Total Current Assets	<u>244,174</u>	<u>205,814</u>
<u>CAPITAL ASSETS</u>		
Land	93,875	93,875
Construction in Process	247,732	585,561
Drainage System	1,580,479	747,059
Drainage Equipment	243,040	156,169
Accumulated Depreciation	<u>(130,190)</u>	<u>(79,381)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>2,034,936</u>	<u>1,503,283</u>
 TOTAL ASSETS	 <u>\$2,279,110</u>	 <u>\$1,709,097</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 9,003	\$ 24,501
Accrued Expenses	8,226	4,342
Accrued Leave and Compensatory Time	2,723	2,095
Due to Other Funds	<u>5,839</u>	<u>29,967</u>
Total Current Liabilities	<u>25,791</u>	<u>60,905</u>
<u>Noncurrent Liabilities</u>		
Capital Lease Payable	<u>57,070</u>	<u>-</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	1,977,866	1,503,283
Restricted	<u>218,383</u>	<u>144,909</u>
Total Net Assets	<u>2,196,249</u>	<u>1,648,192</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$2,279,110</u>	 <u>\$1,709,097</u>



CITY OF CIBOLO, TEXAS  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
DRAINAGE FUND

	<u>YEAR ENDED SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>OPERATING REVENUES</u>		
Drainage Fees	\$ 400,446	\$ 265,913
<u>OPERATING EXPENSES</u>		
Salaries and Benefits	189,836	63,466
Contractual Services	51,696	6,518
Supplies	19,455	2,354
Repairs and Maintenance	21,711	24,063
Utilities	6,336	1,329
Depreciation	50,808	27,896
Total Operating Expenses	339,842	125,626
Operating Income	60,604	140,287
<u>NONOPERATING REVENUES</u>		
Interest Income	73	63
Interest Expense	(200)	-
Total Nonoperating Revenues (Expense)	(127)	63
Net Income before Contributions and Transfers	60,477	140,350
<u>CAPITAL CONTRIBUTIONS</u>	51,215	948,471
<u>TRANSFER IN</u>	444,376	559,371
<u>TRANSFER OUT</u>	(8,011)	-
Change in Net Assets	548,057	1,648,192
<u>NET ASSETS AT BEGINNING OF YEAR</u>	1,648,192	-
NET ASSETS AT END OF YEAR	\$2,196,249	\$ 1,648,192

CITY OF CIBOLO, TEXAS  
COMPARATIVE STATEMENTS OF NET ASSETS  
DRAINAGE IMPACT FUND

	<u>SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Due From Other Funds	\$ <u>1,417</u>	\$ <u>1,586</u>
<u>RESTRICTED ASSETS</u>		
Cash and Cash Investments	<u>579,035</u>	<u>629,444</u>
TOTAL ASSETS	<u>\$ 580,452</u>	<u>\$ 631,030</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ <u>1,287</u>	\$ <u>1,287</u>
<u>NET ASSETS</u>		
Restricted	<u>579,165</u>	<u>629,743</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 580,452</u>	<u>\$ 631,030</u>

CITY OF CIBOLO, TEXAS  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
DRAINAGE IMPACT FUND

	<u>YEAR ENDED SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>NONOPERATING REVENUES</u>		
Impact Fees	\$ 129,473	\$ 40,093
Interest Income	<u>645</u>	<u>771</u>
Total Nonoperating Revenues	<u>130,118</u>	<u>40,864</u>
Net Income before Transfers	130,118	40,864
<u>TRANSFER OUT</u>	<u>(180,696)</u>	<u>-</u>
Change in Net Assets	(50,578)	40,864
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>629,743</u>	<u>588,879</u>
NET ASSETS AT END OF YEAR	<u>\$ 579,165</u>	<u>\$ 629,743</u>

CITY OF CIBOLO, TEXAS  
COMPARATIVE BALANCE SHEETS  
CIBOLO ECONOMIC DEVELOPMENT CORPORATION

	SEPTEMBER 30,	
	2012	2011
<u>ASSETS</u>		
Cash and Investments	\$ 186,029	\$ 181,875
Sales Tax Receivable	<u>30,195</u>	<u>26,073</u>
TOTAL ASSETS	<u>\$ 216,224</u>	<u>\$ 207,948</u>
<u>LIABILITIES AND FUND BALANCES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 217	\$ 574
Due To Primary Government	<u>500</u>	<u>33,556</u>
Total Current Liabilities	717	34,130
<u>FUND BALANCES</u>		
Unreserved	<u>215,507</u>	<u>173,818</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 216,224</u>	<u>\$ 207,948</u>

CITY OF CIBOLO, TEXAS  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
CIBOLO ECONOMIC DEVELOPMENT CORPORATION

	<u>YEAR ENDED SEPTEMBER 30,</u>	
	<u>2012</u>	<u>2011</u>
<u>REVENUES</u>		
Taxes	\$ 158,216	\$ 136,003
Intergovernmental	12,727	-
Interest Income	225	189
Total Revenues	<u>171,168</u>	<u>136,192</u>
<u>EXPENDITURES</u>		
Economic Development	<u>129,480</u>	<u>103,726</u>
Changes in Fund Balances	41,688	32,466
<u>FUND BALANCES - BEGINNING</u>	<u>173,819</u>	<u>141,353</u>
FUND BALANCES - ENDING	<u>\$ 215,507</u>	<u>\$ 173,819</u>

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## STATISTICAL SECTION

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

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

### CONTENTS

#### Financial Trends – Tables 1 Through 5

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

#### Revenue Capacity – Tables 6 Through 9

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

#### Debt Capacity – Tables 10 Through 12

These schedules present information to help the reader assess the affordability of Cibolo's current levels of outstanding debt, and our ability to issue additional debt.

#### Demographic and Economic Information – Tables 13 and 14

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

CITY OF CIBOLO, TEXAS  
NET ASSETS BY COMPONENT  
LAST NINE FISCAL YEARS

	<u>FISCAL</u>			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
Invested in Capital Assets				
Net of Related Debt	\$ 1,659,150	\$ 2,949,433	\$ 1,106,927	\$ 4,494,034
Restricted	1,008,780	776,107	4,007,735	2,234,750
Unrestricted	<u>2,254,124</u>	<u>1,411,858</u>	<u>1,927,214</u>	<u>3,132,280</u>
Total Governmental Activities				
Net Assets	<u>4,922,054</u>	<u>5,137,398</u>	<u>7,041,876</u>	<u>9,861,064</u>
<u>BUSINESS-TYPE ACTIVITIES</u>				
Invested in Capital Assets				
Net of Related Debt	3,050,647	2,894,401	2,494,073	3,883,385
Restricted	1,563,011	1,883,413	1,715,262	1,388,815
Unrestricted	<u>260,965</u>	<u>387,620</u>	<u>828,506</u>	<u>919,609</u>
Total Business-Type Activities				
Net Assets	<u>4,874,623</u>	<u>5,165,434</u>	<u>5,037,841</u>	<u>6,191,809</u>
<u>TOTAL PRIMARY GOVERNMENT</u>				
Invested in Capital Assets				
Net of Related Debt	4,709,797	5,843,834	3,601,000	8,377,419
Restricted	2,571,791	2,659,520	5,722,997	3,623,565
Unrestricted	<u>2,515,089</u>	<u>1,799,478</u>	<u>2,755,720</u>	<u>4,051,889</u>
 TOTAL PRIMARY GOVERNMENT				
NET ASSETS	<u>\$ 9,796,677</u>	<u>\$ 10,302,832</u>	<u>\$ 12,079,717</u>	<u>\$ 16,052,873</u>



TABLE 1

YEAR ENDED SEPTEMBER 30,				
2008	2009	2010	2011	2012
\$ 8,164,016	\$ 11,394,731	\$ 9,995,081	\$ 11,394,731	\$ 12,505,601
1,863,848	2,646,191	2,318,816	2,646,191	1,659,707
<u>3,488,774</u>	<u>3,959,402</u>	<u>4,259,658</u>	<u>3,959,402</u>	<u>4,476,747</u>
<u>13,516,638</u>	<u>18,000,324</u>	<u>16,573,555</u>	<u>18,000,324</u>	<u>18,642,055</u>
7,339,992	9,303,769	8,158,635	9,303,769	12,527,731
1,232,456	2,339,100	1,716,248	2,339,100	2,826,828
<u>1,540,011</u>	<u>3,974,650</u>	<u>3,187,936</u>	<u>5,622,842</u>	<u>4,618,154</u>
<u>10,112,459</u>	<u>15,617,519</u>	<u>13,062,819</u>	<u>17,265,711</u>	<u>19,972,713</u>
15,504,008	20,698,500	18,153,716	20,698,500	25,033,332
3,096,304	4,985,291	4,035,064	4,985,291	4,486,535
<u>5,028,785</u>	<u>7,934,052</u>	<u>7,447,594</u>	<u>9,582,244</u>	<u>9,094,901</u>
<u>\$ 23,629,097</u>	<u>\$ 33,617,843</u>	<u>\$ 29,636,374</u>	<u>\$ 35,266,035</u>	<u>\$ 38,614,768</u>

CITY OF CIBOLO, TEXAS  
CHANGE IN NET ASSETS  
LAST NINE FISCAL YEARS

	FISCAL			
	2004	2005	2006	2007
<u>EXPENSES</u>				
<u>Governmental Activities</u>				
City Council	\$ 4,133	\$ 3,248	\$ 3,657	\$ 5,740
General Government Administration	349,185	399,835	540,279	633,996
Law Enforcement and Municipal Court	879,834	1,114,574	1,525,518	1,708,004
Community Development Services	153,185	307,672	523,760	615,390
Public Works	193,732	583,299	577,651	694,566
Parks	75,902	108,884	132,608	245,021
Animal Control	28,836	38,511	36,698	57,585
Economic Development	-	-	-	379,805
Fire	-	-	-	-
Finance	-	-	-	-
Fundraising	-	-	-	-
Capital Outlay	39,745	162,435	446,608	141,494
Interest on Long-Term Debt	<u>103,681</u>	<u>105,774</u>	<u>164,417</u>	<u>274,394</u>
Total Governmental Activities	<u>1,828,233</u>	<u>2,824,232</u>	<u>3,951,196</u>	<u>4,755,995</u>
<u>Business-Type Activities</u>				
Water and Sewer	2,126,950	2,817,400	4,129,780	3,711,259
Interest on Long-Term Debt	<u>40,100</u>	<u>29,165</u>	<u>119,050</u>	<u>172,053</u>
Total Business-Type Activities	<u>2,167,050</u>	<u>2,846,565</u>	<u>4,248,830</u>	<u>3,883,312</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>\$ 3,995,283</u>	<u>\$ 5,670,797</u>	<u>\$ 8,200,026</u>	<u>\$ 8,639,307</u>
<u>PROGRAM REVENUES</u>				
<u>Governmental Activities</u>				
Charges for Service				
General Government Administration	\$ 127,626	\$ 166,943	\$ 133,130	\$ 157,971
Law Enforcement	259,935	212,070	376,060	443,489
Community Development Services	855,710	1,104,892	1,786,710	3,498,323
Public Works	-	-	-	-
Parks	145,620	114,061	174,977	5,962
Animal Control	3,771	5,267	6,590	8,773
Operating Grants and Contributions	37,972	47,901	54,178	75,368
Capital Grants and Contributions	<u>-</u>	<u>13,740</u>	<u>487,378</u>	<u>-</u>
Total Governmental Activities Program Revenues	<u>1,430,634</u>	<u>1,664,874</u>	<u>3,019,023</u>	<u>4,189,886</u>
<u>Business-Type Activities</u>				
Charges for Services				
Water and Sewer	2,171,068	2,817,448	3,753,568	3,975,771
Capital Grants and Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities Program Revenues	<u>2,171,068</u>	<u>2,817,448</u>	<u>3,753,568</u>	<u>3,975,771</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>\$ 3,601,702</u>	<u>\$ 4,482,322</u>	<u>\$ 6,772,591</u>	<u>\$ 8,165,657</u>

TABLE 2

YEAR ENDED SEPTEMBER 30,

2008	2009	2010	2011	2012
\$ 3,162	\$ 5,342	\$ 3,565	\$ 6,007	\$ 5,777
1,026,194	892,292	1,143,541	1,188,225	934,939
1,789,584	1,787,604	1,882,397	2,164,651	2,453,387
493,852	340,638	632,734	643,292	670,872
1,394,360	1,539,794	1,365,227	1,917,432	1,865,501
356,268	452,996	544,494	583,388	526,153
71,226	67,054	61,324	92,271	102,581
428,246	195,060	92,968	101,299	103,013
491,880	646,546	813,127	1,126,990	1,273,984
-	-	-	283,494	279,883
-	-	-	-	9,775
-	-	-	-	-
<u>462,715</u>	<u>613,629</u>	<u>1,255,755</u>	<u>840,419</u>	<u>1,138,827</u>
<u>6,517,487</u>	<u>6,540,955</u>	<u>7,795,132</u>	<u>8,947,468</u>	<u>9,364,692</u>
4,246,673	5,219,757	5,871,009	6,743,329	6,837,749
264,140	224,305	253,505	223,115	211,809
<u>4,510,813</u>	<u>5,444,062</u>	<u>6,124,514</u>	<u>6,966,444</u>	<u>7,049,558</u>
<u>\$ 11,028,300</u>	<u>\$ 11,985,017</u>	<u>\$ 13,919,646</u>	<u>\$ 15,913,912</u>	<u>\$ 16,414,250</u>
\$ 169,282	\$ 37,530	\$ 24,886	\$ 184,274	\$ -
523,647	334,962	207,146	199,257	271,612
2,560,933	2,099,796	2,030,116	1,624,562	1,779,731
-	-	-	-	191,866
8,457	170,340	196,619	145,910	32,937
8,679	-	-	-	16,226
26,911	39,122	36,949	85,679	622,933
<u>2,777,059</u>	<u>-</u>	<u>1,580,261</u>	<u>2,008,349</u>	<u>441,762</u>
<u>6,074,968</u>	<u>2,681,750</u>	<u>4,075,977</u>	<u>4,248,031</u>	<u>3,357,067</u>
4,899,034	6,035,693	6,250,437	7,851,850	7,786,881
<u>2,977,794</u>	<u>-</u>	<u>808,810</u>	<u>2,131,310</u>	<u>362,758</u>
<u>7,876,828</u>	<u>6,035,693</u>	<u>7,059,247</u>	<u>9,983,160</u>	<u>8,149,639</u>
<u>\$ 13,951,796</u>	<u>\$ 8,717,443</u>	<u>\$ 11,135,224</u>	<u>\$ 14,231,191</u>	<u>\$ 11,506,706</u>

CITY OF CIBOLO, TEXAS  
CHANGE IN NET ASSETS (CONTINUED)  
LAST NINE YEARS

	FISCAL			
	2004	2005	2006	2007
<u>NET (EXPENSE) REVENUE</u>				
Governmental Activities	\$ (397,599)	\$ (1,159,358)	\$ (932,173)	\$ (566,109)
Business-Type Activities	<u>4,018</u>	<u>(29,117)</u>	<u>(495,262)</u>	<u>92,459</u>
TOTAL GOVERNMENTAL NET EXPENSES	<u>\$ (393,581)</u>	<u>\$ (1,188,475)</u>	<u>\$ (1,427,435)</u>	<u>\$ (473,650)</u>
<u>GOVERNMENTAL REVENUES AND OTHER</u>				
<u>CHANGES IN NET ASSETS</u>				
<u>Governmental Activities</u>				
Taxes				
Property Taxes	\$ 736,950	\$ 898,579	\$ 1,443,842	\$ 1,977,613
Sales Taxes	278,564	390,977	330,234	425,339
Franchise Taxes	119,560	169,790	220,161	301,298
Impact Fees	662,832	457,111	601,232	650,736
Interest and Investment Earnings	53,047	33,452	230,008	453,725
Gain (Loss) on Sale of Capital Assets	-	2,100	(4,900)	-
Legal Judgement	-	-	-	-
Miscellaneous	32,407	85,418	60,817	50,013
Transfers	<u>23,281</u>	<u>(12,000)</u>	<u>(193,733)</u>	<u>(473,427)</u>
Total Government Activities	<u>1,906,641</u>	<u>2,025,427</u>	<u>2,687,661</u>	<u>3,385,297</u>
<u>Business-Type Activities</u>				
Impact Fees	667,976	462,943	388,212	279,630
Interest and Investment Earnings	28,454	55,550	200,932	308,452
Gain (Loss) on Sale of Capital Assets	-	(1,567)	-	-
Miscellaneous	-	-	-	-
Transfers	<u>(23,281)</u>	<u>12,000</u>	<u>193,733</u>	<u>473,427</u>
Total Business-Type Activities	<u>673,149</u>	<u>528,926</u>	<u>782,877</u>	<u>1,061,509</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,579,790</u>	<u>\$ 2,554,353</u>	<u>\$ 3,470,538</u>	<u>\$ 4,446,806</u>
<u>CHANGES IN NET ASSETS</u>				
Government Activities	\$ 1,509,042	\$ 866,069	\$ 1,755,488	\$ 2,819,188
Business-Type Activities	<u>677,167</u>	<u>499,809</u>	<u>287,615</u>	<u>1,153,968</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,186,209</u>	<u>\$ 1,365,878</u>	<u>\$ 2,043,103</u>	<u>\$ 3,973,156</u>

TABLE 2

YEAR ENDED SEPTEMBER 30,				
2008	2009	2010	2011	2012
\$ (442,519)	\$ (3,859,205)	\$ (3,719,155)	\$ (4,699,437)	\$ (6,007,625)
<u>3,366,015</u>	<u>591,631</u>	<u>934,733</u>	<u>3,016,716</u>	<u>1,100,081</u>
<u>\$ 2,923,496</u>	<u>\$ (3,267,574)</u>	<u>\$ (2,784,422)</u>	<u>\$ (1,682,721)</u>	<u>\$ (4,907,544)</u>
\$ 2,679,743	\$ 3,204,868	\$ 4,477,319	\$ 4,978,614	\$ 5,410,039
594,414	588,271	690,045	679,651	794,950
417,035	547,790	660,435	662,030	692,803
107,475	105,127	27,305	139,504	240,123
395,770	97,271	38,845	29,135	22,874
1,781	6,375	5,461	6,319	18,125
-	-	-	-	112,500
100,487	207,806	181,359	190,324	125,827
<u>(198,612)</u>	<u>(203,000)</u>	<u>-</u>	<u>(559,371)</u>	<u>(138,142)</u>
<u>4,098,093</u>	<u>4,554,508</u>	<u>6,080,769</u>	<u>6,126,206</u>	<u>7,279,099</u>
177,198	255,488	925,975	620,280	831,280
178,825	26,739	12,794	6,525	6,041
-	-	-	-	-
-	-	-	-	1,715
<u>198,612</u>	<u>203,000</u>	<u>-</u>	<u>559,371</u>	<u>138,142</u>
<u>554,635</u>	<u>485,227</u>	<u>938,769</u>	<u>1,186,176</u>	<u>977,178</u>
<u>\$ 4,652,728</u>	<u>\$ 5,039,735</u>	<u>\$ 7,019,538</u>	<u>\$ 7,312,382</u>	<u>\$ 7,103,384</u>
\$ 3,655,574	\$ 695,303	\$ 2,361,614	\$ 1,426,769	\$ 1,271,474
<u>3,920,650</u>	<u>1,076,858</u>	<u>1,873,502</u>	<u>4,202,892</u>	<u>2,077,259</u>
<u>\$ 7,576,224</u>	<u>\$ 1,772,161</u>	<u>\$ 4,235,116</u>	<u>\$ 5,629,661</u>	<u>\$ 3,348,733</u>

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

	F I S C A L Y E A R			
	2003	2004	2005	2006
<u>GENERAL FUND</u>				
Reserved	\$ 923,481	\$1,612,652	\$1,477,083	\$1,731,830
Designated	-	-	-	-
Unreserved	1,747,902	1,484,446	549,344	1,304,188
Nonspendable				
Inventory and Prepaids	-	-	-	-
Restricted				
Public Education Grant	-	-	-	-
Unassigned	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL GENERAL FUND	<u>\$ 2,671,383</u>	<u>\$3,097,098</u>	<u>\$2,026,427</u>	<u>\$3,036,018</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>				
Unreserved, Reported in				
Capital Project Fund	\$ 675,260	\$ 94,612	\$ 97,802	\$2,920,682
Debt Service Fund	23,488	33,810	32,091	(17,888)
Special Revenue Funds	-	-	-	-
Restricted				
Capital Projects	-	-	-	-
Debt Service	-	-	-	-
Impact Fees	-	-	-	-
Capital Improvements	-	-	-	-
Special Events	-	-	-	-
Street Maintenance	-	-	-	-
Public Safety, Court				
Technology, and Security	-	-	-	-
Committed				
Capital Replacement	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 698,748</u>	<u>\$ 128,422</u>	<u>\$ 129,893</u>	<u>\$2,902,794</u>

TABLE 3

ENDED SEPTEMBER 30,					
2007	2008	2009	2010	2011	2012
\$ 325,872	\$ 48,090	\$ 19,138	\$ 14,868	\$ -	\$ -
-	111,765	110,716	114,987	-	-
3,083,213	3,337,301	4,232,393	4,050,956	-	-
-	-	-	-	11,718	34,703
-	-	-	-	-	49,991
-	-	-	-	3,519,621	4,323,998
<u>\$3,409,085</u>	<u>\$3,497,156</u>	<u>\$ 4,362,247</u>	<u>\$ 4,180,811</u>	<u>\$ 3,531,339</u>	<u>\$ 4,408,692</u>
\$6,665,887	\$4,665,030	\$10,927,503	\$ 4,343,790	\$ -	\$ -
9,328	41,898	32,016	86,224	-	-
1,911,702	1,814,407	1,997,756	2,232,592	-	-
-	-	-	-	9,280,218	9,059,500
-	-	-	-	200,495	198,747
-	-	-	-	2,136,399	803,937
-	-	-	-	233,039	273,097
-	-	-	-	-	7,990
-	-	-	-	76,258	231,389
-	-	-	-	-	94,556
-	-	-	-	157,471	94,454
<u>\$8,586,917</u>	<u>\$6,521,335</u>	<u>\$12,957,275</u>	<u>\$ 6,662,606</u>	<u>\$12,083,880</u>	<u>\$10,763,670</u>

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

	F I S C A L Y E A R			
	2003	2004	2005	2006
<u>REVENUES</u>				
Taxes	\$ 874,184	\$ 1,115,460	\$ 1,450,511	\$ 1,998,334
Construction Permits	1,045,233	855,710	1,104,892	1,786,710
Charges for Services	2,362	3,771	5,729	6,590
Fines and Forfeitures	221,321	259,935	212,070	376,060
Grants	48,739	37,972	61,641	75,334
Impact Fees	-	-	-	-
Parks	27,323	145,620	114,061	140,975
Interest/Miscellaneous	394,424	875,912	744,562	1,038,033
Total Revenues	<u>2,613,586</u>	<u>3,294,380</u>	<u>3,693,466</u>	<u>5,422,036</u>
<u>EXPENDITURES</u>				
Current				
City Council	2,624	4,133	3,248	3,657
General Government Administration	236,498	307,027	351,218	483,773
Law Enforcement and				
Municipal Court	686,192	847,045	1,085,595	1,463,978
Community Development Services	102,262	143,275	271,377	513,207
Public Works	123,698	138,286	435,153	854,803
Parks	32,346	47,100	45,527	99,787
Animal Control	14,371	28,787	38,102	36,447
Economic Development	-	-	-	-
Fire	-	-	-	-
Finance	-	-	-	-
Capital Projects/Outlay	2,126,444	2,867,973	1,621,802	844,101
Bond Issuance Costs	29,846	31,038	-	56,000
Debt Service				
Principal	230,000	130,000	145,000	192,695
Interest and Fiscal Charges	57,845	94,170	102,919	93,915
Total Expenditures	<u>3,680,949</u>	<u>4,638,834</u>	<u>4,099,941</u>	<u>4,642,363</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(1,067,363)</u>	<u>(1,344,454)</u>	<u>(406,475)</u>	<u>779,673</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from Bonds Payable	1,250,000	1,135,000	-	3,000,000
Proceeds from Notes Payable	-	-	-	47,562
Payment to Escrow Agent	-	-	-	-
Bond Premium	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Gain on Judgement	-	-	-	-
Transfers in (Out)	298,425	23,281	(12,000)	(193,733)
Total Other Financing				
Sources (Uses)	<u>1,548,425</u>	<u>1,158,281</u>	<u>(12,000)</u>	<u>2,853,829</u>
CHANGES IN FUND BALANCES	<u>\$ 481,062</u>	<u>\$ (186,173)</u>	<u>\$ (418,475)</u>	<u>\$ 3,633,502</u>



TABLE 4

ENDED SEPTEMBER 30,					
2007	2008	2009	2010	2011	2012
\$ 2,703,074	\$ 3,689,405	\$ 4,332,284	\$ 5,814,007	\$ 6,287,774	\$ 6,921,688
4,149,059	2,668,408	2,095,246	2,010,543	1,554,475	1,779,731
8,773	8,679	34,746	22,815	25,886	377,058
443,489	523,647	337,746	209,217	357,645	501,123
75,368	26,911	39,122	36,949	85,679	77,138
-	-	104,710	26,521	135,949	239,569
5,962	8,457	5,940	25,619	22,310	32,937
<u>661,706</u>	<u>665,543</u>	<u>474,027</u>	<u>410,777</u>	<u>438,147</u>	<u>409,073</u>
<u>8,047,431</u>	<u>7,591,050</u>	<u>7,423,821</u>	<u>8,556,448</u>	<u>8,907,865</u>	<u>10,338,317</u>
5,740	3,162	5,342	3,565	6,007	5,777
649,543	830,943	863,179	1,094,457	1,137,335	877,867
1,634,651	1,682,308	1,698,498	1,813,141	2,022,833	2,279,601
586,752	450,312	336,315	626,622	629,500	672,802
476,904	1,255,770	935,159	704,592	727,916	729,458
205,232	255,672	318,041	320,421	434,186	389,464
51,836	62,094	62,117	57,055	87,557	101,984
374,040	425,290	200,419	88,534	98,667	101,424
-	-	646,088	808,021	1,045,521	1,150,082
-	-	-	-	288,742	276,702
2,160,749	463,656	6,433,718	7,782,866	3,880,415	1,336,969
85,071	3,299,516	242,462	-	185,101	-
3,136,224	405,767	255,000	475,000	1,000,000	1,145,000
<u>203,410</u>	<u>457,033</u>	<u>492,068</u>	<u>1,263,740</u>	<u>872,071</u>	<u>1,104,522</u>
<u>9,570,152</u>	<u>9,591,523</u>	<u>12,488,406</u>	<u>15,038,014</u>	<u>12,415,851</u>	<u>10,171,652</u>
<u>(1,522,721)</u>	<u>(2,000,473)</u>	<u>(5,064,585)</u>	<u>(6,481,566)</u>	<u>(3,507,986)</u>	<u>166,665</u>
7,975,000	-	12,562,241	-	9,570,000	-
-	182,124	-	-	-	-
-	-	-	-	(891,669)	-
-	-	-	-	154,509	-
-	39,450	6,375	5,461	6,319	36,363
-	-	-	-	-	122,000
<u>(395,089)</u>	<u>(198,612)</u>	<u>(203,000)</u>	<u>-</u>	<u>(559,371)</u>	<u>(138,142)</u>
<u>7,579,911</u>	<u>22,962</u>	<u>12,365,616</u>	<u>5,461</u>	<u>8,279,788</u>	<u>20,221</u>
<u>\$ 6,057,190</u>	<u>\$(1,977,511)</u>	<u>\$ 7,301,031</u>	<u>\$ (6,476,105)</u>	<u>\$ 4,771,802</u>	<u>\$ 186,886</u>

CITY OF CIBOLO, TEXAS  
TAX REVENUE BY SOURCE - GOVERNMENTAL FUNDS  
LAST NINE FISCAL YEARS

TABLE 5

<u>FISCAL YEAR</u>	<u>PROPERTY TAX</u>	<u>SALES AND USE TAX</u>	<u>FRANCHISE TAX</u>	<u>TOTAL</u>
2004	\$ 717,336	\$ 278,564	\$ 119,560	\$ 1,115,460
2005	889,744	390,977	169,790	1,450,511
2006	1,447,940	330,234	220,160	1,998,334
2007	1,976,437	425,339	301,298	2,703,074
2008	2,677,956	594,414	417,035	3,689,405
2009	3,195,807	588,687	547,790	4,332,284
2010	4,462,743	690,829	660,435	5,814,007
2011	4,942,539	683,205	662,030	6,287,774
2012	5,433,935	794,950	692,803	6,921,688

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

TABLE 6

<u>FISCAL YEAR ENDED SEPTEMBER 30,</u>	<u>RESIDENTIAL PROPERTY</u>	<u>COMMERCIAL PROPERTY</u>	<u>INDUSTRIAL PROPERTY</u>	<u>ALL OTHER</u>	<u>ESTIMATED ACTUAL VALUE</u>	<u>LESS: TAX-EXEMPT PROPERTY</u>	<u>TOTAL TAXABLE ASSESSED VALUE*</u>
2004	\$ 203,914,044	\$ 18,460,354	\$ 8,109,808	\$ 24,312,093	\$ 254,796,299	\$ (15,189,439)	\$ 239,606,860
2005	295,417,809	20,417,634	6,858,970	25,309,641	348,004,054	(17,299,068)	330,704,986
2006	411,897,401	25,242,254	7,441,347	26,388,692	470,969,694	(20,146,774)	450,822,920
2007	561,892,286	30,573,618	8,922,799	42,982,286	644,370,989	(29,186,962)	615,184,027
2008	779,054,718	38,184,410	9,131,779	62,098,437	888,469,344	(52,880,998)	835,588,346
2009	942,930,117	43,833,295	10,039,430	71,956,570	1,068,759,412	(63,041,986)	1,005,717,426
2010	1,047,891,417	47,433,383	13,986,533	95,397,042	1,204,708,375	(103,047,503)	1,101,660,872
2011	1,153,466,284	50,644,730	26,663,018	95,254,678	1,326,028,710	(113,161,939)	1,212,866,771
2012	1,230,104,615	53,707,617	28,701,944	103,303,191	1,415,817,367	(127,786,620)	1,288,030,747

Source: Guadalupe Appraisal District

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

TABLE 7

<u>FISCAL PERIOD</u>	<u>DIRECT RATE CITY OF CIBOLO</u>	<u>OVERLAPPING RATES</u>		<u>TOTAL</u>
		<u>SCUCISD</u>	<u>GUADALUPE COUNTY</u>	
2003	\$ 0.3215	\$ 1.7300	\$ 0.3668	\$ 2.41830
2004	0.2895	1.7800	0.3654	2.43490
2005	0.2695	1.7400	0.3531	2.36260
2006	0.3178	1.7200	0.3531	2.39090
2007	0.3186	1.6100	0.3481	2.27670
2008	0.3186	1.3150	0.3295	1.96310
2009	0.3186	1.3850	0.3295	2.03310
2010	0.4100	1.3150	0.3295	2.05450
2011	0.4139	1.4350	0.3999	2.24880
2012	0.4327	1.4350	0.3456	2.21330

Rates are set the previous October 1 to fund the operations of the fiscal year as shown.  
Source: Guadalupe County Tax Collector

CITY OF CIBOLO, TEXAS  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT AND NINE YEARS AGO

TABLE 8

TAXPAYER	2012			2003		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE
Kalmar RT Center LLC	\$ 11,957,341	1	0.93%	\$ -		
Kalmar RT Center LLC	8,444,277	2	0.66%	-		
Compass Bank	4,250,019	3	0.33%	-		
Guadalupe Valley Electric Coop	3,972,435	4	0.31%	904,990	10	0.51%
United Pet Group	3,709,433	5	0.29%	-		
Robles Demolition	3,459,416	6	0.27%	-		
North American Bullet Proof Inc	1,901,937	7	0.15%	-		
Wolverine Enterprises	1,745,025	8	0.14%	-		
AGE Industries	1,504,082	9	0.12%	1,186,243	5	0.67%
Castlestone Properties LP	1,456,390	10	0.11%	-		
Timber Tech Texas	-			2,517,379	1	1.42%
Nabisco Brands	-			2,134,070	2	1.20%
Cibolo Deer Creek	-			1,250,676	3	0.70%
Sutton, Steele & Steele, Inc.	-			1,233,541	4	0.69%
Jungle Laboratories, Inc	-			1,179,483	6	0.66%
Continental Homes of Texas	-			961,600	7	0.54%
Southwestern Bell Telephone	-			933,690	8	0.53%
Pyka Properties, Inc.	-			916,077	9	0.52%
TOTAL	<u>\$ 42,400,355</u>		<u>3.29%</u>	<u>\$ 13,217,749</u>		<u>7.45%</u>

Total taxable assessed value for 2012 was \$1,288,030,747  
Source: Guadalupe Appraisal District

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

TABLE 9

<u>FISCAL YEAR ENDED SEPTEMBER 30,</u>	<u>TAXIES LEVIED FOR THE FISCAL YEAR</u>	<u>COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY</u>		<u>COLLECTIONS IN SUBSEQUENT YEARS</u>	<u>TOTAL COLLECTIONS TO DATE</u>	
		<u>AMOUNT</u>	<u>PERCENTAGE OF LEVY</u>		<u>AMOUNT</u>	<u>PERCENTAGE OF LEVY</u>
2003	\$ 570,694	\$ 558,515	97.9%	\$ 11,921	\$ 570,436	99.9%
2004	706,751	696,574	98.6	9,681	706,255	99.9
2005	938,261	919,683	98.0	17,379	937,062	99.9
2006	1,496,387	1,419,142	94.8	75,861	1,495,003	99.9
2007	1,959,999	1,947,226	99.3	10,734	1,957,960	99.9
2008	2,648,876	2,642,775	99.8	4,783	2,647,558	99.9
2009	3,183,790	3,156,026	99.1	24,514	3,180,540	99.9
2010	4,441,276	4,405,805	99.2	27,915	4,433,720	99.8
2011	4,924,577	4,893,457	99.4	11,434	4,904,891	99.6
2012	5,392,662	5,367,232	99.5	-	5,367,232	99.5

Source: Guadalupe County Tax Assessor Collector and City of Cibolo Finance Department.

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

TABLE 10

FISCAL YEAR	TAX NOTES	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITY				TOTAL PRIMARY GOVERNMENT
		CERTIFICATES OF OBLIGATION	GENERAL OBLIGATION	NOTES PAYABLE	TAX ANTICIPATION NOTES	CAPITAL LEASE	GENERAL OBLIGATION	REVENUE BONDS	
2003	\$ -	\$ 1,375,000	\$ -	\$ -	\$ 1,085,000	\$ -	\$ -	\$ -	\$ 2,460,000
2004	-	2,380,000	-	-	920,000	-	-	-	3,300,000
2005	-	2,235,000	-	-	750,000	-	-	-	2,985,000
2006	3,000,000	2,120,000	-	29,265	575,000	-	-	3,000,000	8,724,265
2007	-	2,000,000	7,975,000	13,643	390,000	-	3,025,000	2,905,000	16,308,643
2008	-	1,870,000	7,895,000	-	200,000	-	2,975,000	2,805,000	15,745,000
2009	-	3,305,000	18,555,000	-	-	-	2,900,000	2,695,000	27,455,000
2010	-	3,145,000	18,240,000	-	-	-	2,795,000	2,580,000	26,760,000
2011	-	2,105,000	26,980,000	-	-	-	2,655,000	2,455,000	34,195,000
2012	-	1,970,000	26,187,106	-	-	166,131	2,505,000	2,325,000	33,153,237

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

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

TABLE 11

GENERAL BONDED DEBT OUTSTANDING					PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY		
FISCAL YEAR	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION	TAX ANTICIPATION NOTES	TOTAL	ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA*	
2004	\$ -	\$ 2,380,000	\$ 920,000	\$ 3,300,000	\$ 239,606,860	1.38%	\$ 433
2005	-	2,235,000	750,000	2,985,000	330,704,986	0.90	318
2006	3,000,000	2,120,000	575,000	5,695,000	450,822,920	1.26	500
2007	11,000,000	2,000,000	390,000	13,390,000	615,184,027	2.18	921
2008	10,870,000	1,870,000	200,000	12,940,000	835,588,346	1.55	803
2009	21,455,000	3,305,000	-	24,760,000	1,005,717,426	2.46	1,338
2010	21,035,000	3,145,000	-	24,180,000	1,101,660,872	2.19	1,273
2011	29,635,000	2,105,000	-	31,740,000	1,212,866,771	2.62	1,587
2012	28,692,106	1,970,000	-	30,662,106	1,288,030,747	2.38	1,310

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

\*Per capita is derived by dividing the total debt by the population in Table 13.



CITY OF CIBOLO, TEXAS  
LEGAL DEBT MARGIN  
FISCAL YEAR ENDED SEPTEMBER 30, 2012

TABLE 12

<u>TAXABLE VALUE</u>	<u>\$1,288,030,747</u>
Debt Limit - 10% of Taxable Value (1)	\$ 128,803,075
Amount of Debt Applicable to Debt Limit	
Total Bonded Debt	\$30,662,106
Less: Assets Available in Debt Service Fund	<u>198,747</u>
Total Amount of Debt Applicable to Debt Limit	<u>30,463,359</u>
 ECONOMIC DEBT MARGIN	 <u>\$ 98,339,716</u>

	FISCAL YEAR					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 47,085,806	\$ 61,519,128	\$ 83,141,117	\$ 98,903,306	\$117,200,678	\$121,286,677
Total Net Debt Applicable to Limit	<u>(5,712,888)</u>	<u>(13,380,672)</u>	<u>(12,898,102)</u>	<u>(24,727,984)</u>	<u>(24,093,776)</u>	<u>(31,539,505)</u>
ECONOMIC DEBT MARGIN	<u>\$ 41,372,918</u>	<u>\$ 48,138,456</u>	<u>\$ 70,243,015</u>	<u>\$ 74,175,322</u>	<u>\$ 93,106,902</u>	<u>\$ 89,747,172</u>

(1) Texas municipalities are not bound by any direct constitutional or statutory maximums as to the amount of general obligation bonds which may be issued; however, all local bonds must be submitted to and approved by the State Attorney General. It is the established practice of the Attorney General not to approve a prospective bond issue if it will result in the levy of a tax for bonded debt of over \$1.00 for cities under a population of 5,000 or \$1.50 for the cities over 5,000 in population. The City's charter restricts tax levy to no more than \$1.25 per \$100 of Assessed Valuation for payment of debt.

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

TABLE 13

<u>YEAR</u>	<u>POPULATION</u>	<u>MEDIAN INCOME</u>	<u>MEDIAN AGE</u>	<u>SCHOOL ENROLLMENT</u>	<u>UNEMPLOYMENT RATE</u>
2004	7,623	\$ 65,545	35	7,257	4.7%
2005	9,400	68,822	35	7,636	4.4
2006	11,400	72,263	35	8,398	4.4
2007	14,545	74,678	35	10,347	4.1
2008	16,122	76,149	36	11,434	4.4
2009	18,500	76,500	36	11,700	5.8
2010	19,580	76,500	36	12,431	6.4
2011	21,490	85,350	33	13,014	6.1
2012	23,400	89,785	34	13,542	5.4

Sources: Population, Per Capita Income and median age information provided by the City of Cibolo. School enrollment information was provided by the Schertz-Cibolo-Universal City Independent School District. Unemployment rate is for the County of Guadalupe and was provided by the Texas Workforce Commission.

CITY OF CIBOLO, TEXAS  
PRINCIPAL EMPLOYERS  
CURRENT AND FIVE YEARS AGO

TABLE 14

<u>EMPLOYER</u>	<u>2012</u>		<u>2007</u>	
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>EMPLOYEES</u>	<u>RANK</u>
Schertz-Cibolo-Universal City ISD	540	1	350	1
Sanjel, USA	475	2	-	-
Kalmar	186	3	60	7
Robles	67	6	120	3
City of Cibolo	110	4	81	4
Age Industries	75	5	70	6
Signature Plating	28	10	-	-
La Cabana Restaurant	31	9	-	-
Timber Tech	46	7	80	5
Sonic Restaurant	32	8	-	-
Eagle Construction	-	-	60	8
Jungle Laboratories	-	-	200	2
Fiber Art	-	-	40	9
Burditt Tile & Stone	-	-	30	10
TOTALS	<u>1,590</u>		<u>1,091</u>	

Source: Information obtained by the City of Cibolo from local businesses.

Note: Comparative information of nine years ago was not available. Total city employment was also not available.

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