

CITY OF CIBOLO, TEXAS
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2011

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ANNUAL FINANCIAL REPORT
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CITY OF CIBOLO, TEXAS
ELECTED OFFICIALS
SEPTEMBER 30, 2011

ELECTED OFFICIALS

MAYOR

JENNIFER HARTMAN

COUNCILMEMBER – PLACE 1

RON PEDDE

COUNCILMEMBER – PLACE 2

MIGUEL TRONCOSO

COUNCILMEMBER – PLACE 3

GABRIEL CASTRO

COUNCILMEMBER – PLACE 4

KARIN 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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Williams,
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Kastor
&
Young,
L.C.

CERTIFIED PUBLIC ACCOUNTANTS
MEMBERS AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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, 2011, 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, 2011, 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.

Thompson, Williams, Biediger, Kaster & Young, P.C.

Certified Public Accountants

San Antonio, Texas

March 27, 2012

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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, 2011. Please read it in conjunction with the City's financial statements, which follow this section.

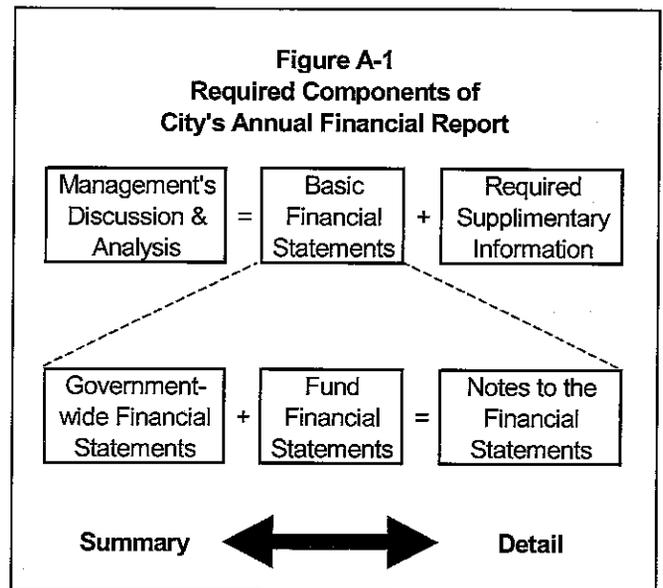
FINANCIAL HIGHLIGHTS

- The City's total combined net assets were \$35,266,035 at September 30, 2011.
- During the year, the City's governmental expenses were \$8,947,468, \$1,986,140 less than the \$10,933,608 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 \$6,966,444, \$3,643,521 less than the \$10,609,965 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 \$3,531,339, of which \$3,519,621 is unassigned. The 2009-10 fiscal year audit reported a total fund balance of \$4,180,811 of which \$4,050,956 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. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

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 at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

- **Proprietary Funds** – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>						
<u>Current Assets</u>						
Cash and Investments	\$ 6,735,355	\$ 6,835,795	\$ 2,448,111	\$ 1,911,664	\$ 9,183,466	\$ 8,747,459
Receivables	426,828	329,714	1,244,918	853,959	1,671,746	1,183,673
Inventories and Prepaid Expenses	22,195	14,868	88,557	38,771	110,752	53,639
Bond Issuance Costs (Net)	<u>480,292</u>	<u>325,495</u>	<u>69,350</u>	<u>74,009</u>	<u>549,642</u>	<u>399,504</u>
Total Current Assets	<u>7,664,670</u>	<u>7,505,872</u>	<u>3,850,936</u>	<u>2,878,403</u>	<u>11,515,606</u>	<u>10,384,275</u>
<u>Non-Current Assets</u>						
Capital Assets (Net)	31,441,247	27,169,813	15,917,052	13,533,635	47,358,299	40,703,448
Restricted Cash and Investments	<u>10,041,331</u>	<u>5,155,375</u>	<u>3,390,580</u>	<u>2,661,417</u>	<u>13,431,911</u>	<u>7,816,792</u>
Total Non-Current Assets	<u>41,482,578</u>	<u>32,325,188</u>	<u>19,307,632</u>	<u>16,195,052</u>	<u>60,790,210</u>	<u>48,520,240</u>
TOTAL ASSETS	<u>49,147,248</u>	<u>39,831,060</u>	<u>23,158,568</u>	<u>19,073,455</u>	<u>72,305,816</u>	<u>58,904,515</u>
<u>Current Liabilities</u>						
Accounts Payable and Accrued Liabilities	1,467,492	1,425,674	548,260	400,834	2,015,752	1,826,508
Accrued Leave and Comp Time	148,177	111,722	17,975	21,562	166,152	133,284
Accrued Interest Payable	184,941	185,878	35,771	37,627	220,712	223,505
Deposits/Bonds Payable	<u>19,580</u>	<u>15,709</u>	<u>180,851</u>	<u>175,613</u>	<u>200,431</u>	<u>191,322</u>
Total Current Liabilities	<u>1,820,190</u>	<u>1,738,983</u>	<u>782,857</u>	<u>635,636</u>	<u>2,603,047</u>	<u>2,374,619</u>
<u>Non-Current Liabilities</u>						
Due within One Year	1,169,628	994,070	280,000	265,000	1,449,628	1,259,070
Due in More than One Year	<u>28,157,106</u>	<u>20,524,452</u>	<u>4,830,000</u>	<u>5,110,000</u>	<u>32,987,106</u>	<u>25,634,452</u>
Total Non-Current Liabilities	<u>29,326,734</u>	<u>21,518,522</u>	<u>5,110,000</u>	<u>5,375,000</u>	<u>34,436,734</u>	<u>26,893,522</u>
TOTAL LIABILITIES	<u>31,146,924</u>	<u>23,257,505</u>	<u>5,892,857</u>	<u>6,010,636</u>	<u>37,039,781</u>	<u>29,268,141</u>
<u>Net Assets</u>						
Invested in Capital Assets, Net Unrestricted	11,394,731	9,995,081	9,303,769	8,158,635	20,698,500	18,153,716
Restricted	<u>3,959,402</u>	<u>4,259,658</u>	<u>5,622,842</u>	<u>3,187,936</u>	<u>9,582,244</u>	<u>7,447,594</u>
Restricted	<u>2,646,191</u>	<u>2,318,816</u>	<u>2,339,100</u>	<u>1,716,248</u>	<u>4,985,291</u>	<u>4,035,064</u>
TOTAL NET ASSETS	<u>\$18,000,324</u>	<u>\$16,573,555</u>	<u>\$17,265,711</u>	<u>\$13,062,819</u>	<u>\$35,266,035</u>	<u>\$29,636,374</u>

Net Assets

The City's combined net assets were \$35,266,035 at September 30, 2011. 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

assets in the governmental activities decreased to \$3,959,402 from a balance of \$4,259,658 in the prior year (a decrease of \$300,256 or 7%).

Primary Sources of Operating Revenues

The City’s governmental and business-type revenues were \$21,543,573. Approximately 85% of the revenues came from the following three sources – utility charges (36.5%), taxes (inclusive of property taxes, sales taxes, and franchise fees) (29.3%), and capital contributions (19.2%). New home residential construction experienced a significant slowdown in 2011 and, as a result, the City experienced a reduction in its construction permit revenue. This loss was partially offset with increased revenues in property taxes and franchise fee revenues.

Table A-2 below shows the distribution of revenues for the 2010-11 fiscal year.

TABLE A-2
REVENUES
2010-2011 FISCAL YEAR

<u>SOURCE</u>	<u>REVENUE</u>	<u>PERCENT</u>
Capital Contributions	\$ 4,139,659	19.21%
Utility Charges	7,851,850	36.45
Taxes	6,320,295	29.34
Construction Permits	1,430,875	6.64
Interest	35,660	0.17
Fines/Forfeitures	199,257	0.92
Impact Fees	759,784	3.53
Other Charges for Services	523,871	2.43
Operating Grants	85,679	0.40
Miscellaneous	<u>196,643</u>	<u>.91</u>
TOTALS	<u>\$21,543,573</u>	<u>100.00%</u>

The total cost of all programs and services was \$15,913,912; 56% (\$8,947,468) of these costs are for general government services and 44% (\$6,966,444) was for utility services.

Governmental Activities

- Property tax rates had a small increase this year. The rate was \$0.4139 for 2010 (revenue for the 2011 fiscal year). Increased property values and tax rates resulted in the collection of \$4,978,614 in property tax revenues, an increase of \$501,295 from the previous fiscal year. Historical property taxes rates are presented in the statistical section.
- Sales and use tax revenues for the year were \$679,651, a decrease of \$10,394 from the \$690,045 from the previous fiscal year.
- Construction permits generated \$1,430,875 in revenues for the year, a decrease of \$408,668 from the \$1,839,543 collected for the previous fiscal year. Also, impact fees collected for the year were \$139,504, an increase of \$112,199 from the \$27,305 collected for the previous fiscal year.

- The cost of all *governmental* activities this year was \$8,947,468.
- The amount that our taxpayers paid for these activities through property taxes was \$4,978,614 (or 55.6% of the cost of governmental activities, compared to 57.4% 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>PROGRAM REVENUES</u>						
Charges for Services	\$2,154,003	\$2,458,767	\$7,851,850	\$6,250,437	\$10,005,853	\$8,709,204
Operating Grants and Contributions	85,679	36,949	-	-	85,679	36,949
Capital Grants and Contributions	2,008,349	1,580,261	2,131,310	808,810	4,139,659	2,389,071
<u>GENERAL REVENUES</u>						
Taxes	6,320,295	5,827,799	-	-	6,320,295	5,827,799
Impact Fees	139,504	27,305	620,280	925,975	759,784	953,280
Interest/Investment	29,135	38,845	6,525	12,794	35,660	51,639
Gain (Loss) on Sale of Assets	6,319	5,461	-	-	6,319	5,461
Miscellaneous	<u>190,324</u>	<u>181,359</u>	<u>-</u>	<u>-</u>	<u>190,324</u>	<u>181,359</u>
Total Revenues	<u>10,933,608</u>	<u>10,156,746</u>	<u>10,609,965</u>	<u>7,998,016</u>	<u>21,543,573</u>	<u>18,154,762</u>
<u>PROGRAM EXPENSES</u>						
City Council	6,007	3,565	-	-	6,007	3,565
Administration	1,188,225	1,143,541	-	-	1,188,225	1,143,541
Public Safety	2,164,651	1,882,397	-	-	2,164,651	1,882,397
Community Development Services	643,292	632,734	-	-	643,292	632,734
Public Works	1,917,432	1,365,227	-	-	1,917,432	1,365,227
Parks	583,388	544,494	-	-	583,388	544,494
Animal Control	92,271	61,324	-	-	92,271	61,324
Economic Development	101,299	92,968	-	-	101,299	92,968
Fire	1,126,990	813,127	-	-	1,126,990	813,127
Finance	283,494	-	-	-	283,494	-
Water/Sewer	-	-	6,743,329	5,871,009	6,743,329	5,871,009
Interest on Long-Term Debt	<u>840,419</u>	<u>1,255,755</u>	<u>223,115</u>	<u>253,505</u>	<u>1,063,534</u>	<u>1,509,260</u>
Total Expenses	<u>8,947,468</u>	<u>7,795,132</u>	<u>6,966,444</u>	<u>6,124,514</u>	<u>15,913,912</u>	<u>13,919,646</u>
Increase in Net Assets before Transfers	1,986,140	2,361,614	3,643,521	1,873,502	5,629,661	4,235,116
<u>TRANSFERS IN (OUT)</u>	<u>(559,371)</u>	<u>-</u>	<u>559,371</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>\$1,426,769</u>	<u>\$2,361,614</u>	<u>\$4,202,892</u>	<u>\$1,873,502</u>	<u>\$ 5,629,661</u>	<u>\$4,235,116</u>

Business-Type Activities

Revenues of the City's business-type activities increased \$2,611,949 (32.7%) to a total of \$10,609,965 while expenses increased \$841,930 (13.8%) to \$6,966,444.

Overall, the City experienced an increase in the overall change of net assets from \$4,235,116 for the 2009-10 fiscal year to \$5,629,661 for the 2010-11 fiscal year. This is an increase of \$1,394,545.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenues from governmental fund types totaled \$8,907,865, an increase of 4.1% 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 \$68,348, and actual expenditures were less than budgeted expenditures by \$60,719 for the General Fund. Resources available were \$135,386 more than the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2010-11 fiscal year, the City had invested (less accumulated depreciation) \$47,358,299 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**

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land	\$ 1,341,881	\$ 1,341,881	\$ 485,123	\$ 391,248	\$ 1,827,004	\$ 1,733,129
Water Rights	-	-	475,000	475,000	475,000	475,000
Construction in Progress	235,801	7,341,186	585,561	-	821,362	7,341,186
Buildings and Improvements Water, Sewer and Drainage Systems	32,457,843	20,189,551	-	-	32,457,843	20,189,551
Transportation and Equipment	<u>2,422,698</u>	<u>1,986,971</u>	<u>16,359,896</u>	<u>14,429,997</u>	<u>16,359,896</u>	<u>14,429,997</u>
Totals at Historical Cost	36,458,223	30,859,589	18,484,288	15,687,420	54,942,511	46,547,009
Accumulated Depreciation	<u>(5,016,976)</u>	<u>(3,689,776)</u>	<u>(2,567,236)</u>	<u>(2,153,785)</u>	<u>(7,584,212)</u>	<u>(5,843,561)</u>
NET CAPITAL ASSETS	<u>\$ 31,441,247</u>	<u>\$ 27,169,813</u>	<u>\$ 15,917,052</u>	<u>\$ 13,533,635</u>	<u>\$ 47,358,299</u>	<u>\$ 40,703,448</u>

Long-Term Debt

At year end the City had \$34,195,000 in bonds outstanding as shown in Table A-5 below. More detailed information about the City's debt is presented in the notes to the financial statements.

Bond Ratings

The City's bonds presently carry "A" ratings.

**TABLE A-5
CITY'S LONG-TERM DEBT**

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Bonds Payable	<u>\$29,085,000</u>	<u>\$21,385,000</u>	<u>\$5,110,000</u>	<u>\$5,375,000</u>	<u>\$34,195,000</u>	<u>\$26,760,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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. During fiscal year 2011, the following projects were substantially completed:

- **Cibolo Valley Drive** - The project including widening of the north part of the roadway and extension of the roadway to the south. Construction included curbs and gutters, sidewalks, additional asphalt pavement, and lateral drainage improvements.
- **Town Creek Regional Detention** - An engineering study was completed to outline the scope of work and estimate costs associated with the drainage improvements.

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 as of the end of fiscal year 2011. Property acquisition is currently pending. The project approved by voters includes the construction of a large scale detention facility designed to lessen the storm water runoff impacts of upstream developments. Located south of FM 1103, the project includes excavating a large detention basin, 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 will 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**

Economic Outlook

From 2005 to 2008, Cibolo's taxable assessed value increased on average by approximately 37% annually. Although that growth rate has slowed in the last 3 years, Cibolo's assessed value increased by more than 10% in 2011. Residential construction has driven the increase over the last 10 years and continues to remain steady. Although 2011 saw a decrease in new home permits, it was expected and planned for. Year to date new home permits in fiscal year 2012, is following very closely with 2011 figures. One of the primary factors driving the City's growth is the addition of troops to Randolph Air Force Base, which is projected to bring 5,000 new families to the area over the next couple of years. With Cibolo being ranked as the 77th best place to live in America for cities with populations less than 50,000, we expect families to continue to choose Cibolo as their home. In fact, in early fiscal year 2012, a recent 800-home development was started and we expect residential construction to remain steady over the next few years. Additionally, Cibolo has experienced a number of commercial developments in the past year. We expect to see increases in taxable values related to these developments in the 2012-2013 fiscal year. We expect that as Cibolo continues to grow in residential population, and as the needed infrastructure is constructed, our commercial and retail base will develop as well, resulting in alternative sources of revenue to provide funding to maintain city services at a level expected by its citizens.

As the City grows in population, our aggressive annexation policy has extended our geographic boundaries as well. Geographically, this growth adds 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 equipment and technology replacement and we are facing issues of aging and declining infrastructure.

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 is currently updating our CIP program to prioritize our needs to encourage and promote economic development. Additionally, to address our water resource issues, in fiscal year 2011, the City of Cibolo formed Cibolo Valley Local Government Corporation with 4 other member cities to move towards acquisition of water rights; thereby alleviating our dependence on others for our water resources.

As of the end of the 2011 fiscal year, the City is in a sound financial position with the fund balance equating to approximately 6 months of operating expenses, or 50% 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 2011, 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. 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, 2011

	<u>PRIMARY GOVERNMENT</u>			<u>COMPONENT UNIT</u>
	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>	<u>CIBOLO ECONOMIC DEVELOPMENT CORPORATION</u>
<u>ASSETS</u>				
Cash and Investments	\$ 6,735,355	\$ 2,448,111	\$ 9,183,466	\$ 181,875
Receivables (Net of Allowances for Uncollectibles)				
Taxes	234,235	-	234,235	26,073
Other	-	8,496	8,496	-
Accounts	290,225	1,138,790	1,429,015	-
Internal Balances	(97,632)	97,632	-	-
Inventories and Prepaid Expenses	22,195	88,557	110,752	-
Restricted Assets				
Cash and Investments	10,041,331	3,390,580	13,431,911	-
Bond Issuance Costs (Net)	480,292	69,350	549,642	-
Capital Assets				
Land	1,341,881	485,123	1,827,004	-
Water Rights	-	475,000	475,000	-
Buildings	8,563,504	-	8,563,504	-
Construction in Progress	235,801	585,561	821,362	-
Improvements Other than Buildings/Infrastructure	23,894,339	-	23,894,339	-
Water, Sewer and Drainage Systems	-	16,359,896	16,359,896	-
Transportation and Equipment	2,422,698	578,708	3,001,406	-
Accumulated Depreciation	(5,016,976)	(2,567,236)	(7,584,212)	-
 TOTAL ASSETS	 <u>\$ 49,147,248</u>	 <u>\$23,158,568</u>	 <u>\$72,305,816</u>	 <u>\$ 207,948</u>

CITY OF CIBOLO, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

	<u>PRIMARY GOVERNMENT</u>			<u>COMPONENT UNIT</u>
	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>	<u>CIBOLO ECONOMIC DEVELOPMENT CORPORATION</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 1,274,086	\$ 523,760	\$ 1,797,846	\$ 34,129
Accrued Liabilities	193,406	24,500	217,906	-
Accrued Compensated Absences	148,177	17,975	166,152	-
Accrued Interest Payable	184,941	35,771	220,712	-
Deposits/Bonds Payable	19,580	180,851	200,431	-
<u>Noncurrent Liabilities</u>				
Due Within One Year	1,169,628	280,000	1,449,628	-
Due in More than One Year	<u>28,157,106</u>	<u>4,830,000</u>	<u>32,987,106</u>	-
Total Liabilities	<u>31,146,924</u>	<u>5,892,857</u>	<u>37,039,781</u>	<u>34,129</u>
<u>NET ASSETS</u>				
<u>Restricted Net Assets</u>				
Debt Service	200,495	-	200,495	-
Public Safety, Court Security, and Technology	76,258	-	76,258	-
Impact Fees	2,136,399	2,339,100	4,475,499	-
Street Maintenance	233,039	-	233,039	-
<u>Unrestricted Net Assets</u>				
Invested in Capital Assets, Net of Related Debt	11,394,731	9,303,769	20,698,500	-
Unrestricted	<u>3,959,402</u>	<u>5,622,842</u>	<u>9,582,244</u>	<u>173,819</u>
Total Net Assets	<u>18,000,324</u>	<u>17,265,711</u>	<u>35,266,035</u>	<u>173,819</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 49,147,248</u>	<u>\$23,158,568</u>	<u>\$72,305,816</u>	<u>\$207,948</u>

CITY OF CIBOLO, TEXAS
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2011

<u>FUNCTIONS AND PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
<u>Primary Government</u>				
<u>Governmental Activities</u>				
City Council	\$ 6,007	\$ -	\$ -	\$ -
General Government Administration	1,188,225	184,274	-	-
Law Enforcement and Municipal Court	2,164,651	199,257	85,679	-
Community Development Services	643,292	1,430,875	-	-
Public Works	1,917,432	193,687	-	2,008,349
Parks	583,388	145,910	-	-
Animal Control	92,271	-	-	-
Economic Development	101,299	-	-	-
Fire	1,126,990	-	-	-
Finance	283,494	-	-	-
Interest and Fiscal Charges on Long-Term Debt	<u>840,419</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>8,947,468</u>	<u>2,154,003</u>	<u>85,679</u>	<u>2,008,349</u>
<u>Business-Type Activities</u>				
Water/Sewer/Drainage	6,743,329	7,851,850	-	2,131,310
Interest and Fiscal Charges on Long-Term Debt	<u>223,115</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>6,966,444</u>	<u>7,851,850</u>	<u>-</u>	<u>2,131,310</u>
Total Primary Government	<u>\$ 15,913,912</u>	<u>\$ 10,005,853</u>	<u>\$ 85,679</u>	<u>\$ 4,139,659</u>
<u>Component Unit</u>				
Cibolo Economic Development Corporation	<u>\$ 103,726</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues

Taxes

General Property Taxes

Sales Taxes

Franchise Taxes

Impact Fees

Interest and Investment Earnings

Gain (Loss) on Sale of Capital Assets

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 CIBOLO ECONOMIC DEVELOPMENT CORPORATION
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
\$ (6,007)	\$ -	\$ (6,007)	\$ -
(1,003,951)	-	(1,003,951)	-
(1,879,715)	-	(1,879,715)	-
787,583	-	787,583	-
284,604	-	284,604	-
(437,478)	-	(437,478)	-
(92,271)	-	(92,271)	-
(101,299)	-	(101,299)	-
(1,126,990)	-	(1,126,990)	-
(283,494)	-	(283,494)	-
<u>(840,419)</u>	<u>-</u>	<u>(840,419)</u>	<u>-</u>
<u>(4,699,437)</u>	<u>-</u>	<u>(4,699,437)</u>	<u>-</u>
-	3,239,831	3,239,831	-
-	<u>(223,115)</u>	<u>(223,115)</u>	<u>-</u>
-	<u>3,016,716</u>	<u>3,016,716</u>	<u>-</u>
<u>(4,699,437)</u>	<u>3,016,716</u>	<u>(1,682,721)</u>	<u>-</u>
-	-	-	<u>(103,726)</u>
4,978,614	-	4,978,614	-
679,651	-	679,651	136,003
662,030	-	662,030	-
139,504	620,280	759,784	-
29,135	6,525	35,660	189
6,319	-	6,319	-
190,324	-	190,324	-
<u>6,685,577</u>	<u>626,805</u>	<u>7,312,382</u>	<u>136,192</u>
<u>(559,371)</u>	<u>559,371</u>	<u>-</u>	<u>-</u>
1,426,769	4,202,892	5,629,661	32,466
<u>16,573,555</u>	<u>13,062,819</u>	<u>29,636,374</u>	<u>141,353</u>
<u>\$ 18,000,324</u>	<u>\$17,265,711</u>	<u>\$35,266,035</u>	<u>\$ 173,819</u>

CITY OF CIBOLO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011

	<u>GENERAL</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>OTHER</u> <u>NONMAJOR</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
<u>ASSETS</u>					
Cash and Investments	\$3,845,462	\$ -	\$203,330	\$ 2,686,563	\$ 6,735,355
Receivables (Net of Allowances for Uncollectibles)					
Taxes	33,345	-	18,375	182,515	234,235
Other	290,225	-	-	-	290,225
Due from Other Funds	120,298	101,515	33,556	14,872	270,241
Inventories and Prepays	11,718	-	-	10,477	22,195
Restricted Assets					
Cash and Investments	-	<u>10,041,331</u>	-	-	<u>10,041,331</u>
 TOTAL ASSETS	 <u>\$4,301,048</u>	 <u>\$ 10,142,846</u>	 <u>\$255,261</u>	 <u>\$ 2,894,427</u>	 <u>\$ 17,593,582</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 306,112	\$ 862,628	\$ -	\$ 105,346	\$ 1,274,086
Due to Other Funds	185,144	-	-	182,729	367,873
Accrued Liabilities	193,406	-	36,391	-	229,797
Court Bonds	19,580	-	-	-	19,580
Deferred Revenue	<u>65,467</u>	<u>-</u>	<u>18,375</u>	<u>3,185</u>	<u>87,027</u>
Total Liabilities	<u>769,709</u>	<u>862,628</u>	<u>54,766</u>	<u>291,260</u>	<u>1,978,363</u>
<u>Fund Balances</u>					
Nonspendable					
Inventory and Prepays	11,718	-	-	-	11,718
Restricted					
Capital Projects	-	9,280,218	-	-	9,280,218
Debt Service	-	-	200,495	-	200,495
Impact Fees	-	-	-	2,136,399	2,136,399
Street Maintenance	-	-	-	233,039	233,039
Public Safety, Court Technology, and Security	-	-	-	76,258	76,258
Committed					
Capital Replacement	-	-	-	157,471	157,471
Unassigned	<u>3,519,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,519,621</u>
Total Fund Balances	<u>3,531,339</u>	<u>9,280,218</u>	<u>200,495</u>	<u>2,603,167</u>	<u>15,615,219</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$4,301,048</u>	 <u>\$ 10,142,846</u>	 <u>\$255,261</u>	 <u>\$ 2,894,427</u>	 <u>\$ 17,593,582</u>

CITY OF CIBOLO, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$ 15,615,219
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.	31,441,247
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.	480,292
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	87,027
Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the funds.	(148,177)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.	
Bonds Payable	(29,326,734)
Accrued interest payable on long-term bonds is not due and payable in the current period and, therefore, not reported in the funds.	<u>(148,550)</u>
TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 18,000,324</u>

CITY OF CIBOLO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2011

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>DEBT SERVICE FUND</u>	<u>OTHER NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>REVENUES</u>					
Taxes	\$4,250,155	\$ -	\$1,901,616	\$ 136,003	\$ 6,287,774
Construction Permits	1,430,875	-	-	123,600	1,554,475
Charges for Services	13,920	-	-	11,966	25,886
Fines and Forfeitures	199,257	-	-	158,388	357,645
Grants	85,679	-	-	-	85,679
Impact Fees	-	-	-	135,949	135,949
Parks	22,310	-	-	-	22,310
Interest/Miscellaneous	329,413	5,421	86,987	16,326	438,147
Total Revenues	<u>6,331,609</u>	<u>5,421</u>	<u>1,988,603</u>	<u>582,232</u>	<u>8,907,865</u>
<u>EXPENDITURES</u>					
Current					
City Council	6,007	-	-	-	6,007
General Government Administration	1,018,785	118,550	-	-	1,137,335
Law Enforcement and Municipal Court	1,998,531	-	-	24,302	2,022,833
Community Development Services	629,500	-	-	-	629,500
Public Works	727,916	-	-	-	727,916
Parks	434,186	-	-	-	434,186
Animal Control	87,557	-	-	-	87,557
Economic Development	98,667	-	-	-	98,667
Fire	1,045,521	-	-	-	1,045,521
Finance	288,742	-	-	-	288,742
Capital Projects/Outlay	526,317	3,041,072	-	313,026	3,880,415
Debt Service:					
Principal	-	-	1,000,000	-	1,000,000
Interest and Fiscal Charges	-	-	872,071	-	872,071
Bond Issuance Costs	-	154,509	30,592	-	185,101
Total Expenditures	<u>6,861,729</u>	<u>3,314,131</u>	<u>1,902,663</u>	<u>337,328</u>	<u>12,415,851</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(530,120)</u>	<u>(3,308,710)</u>	<u>85,940</u>	<u>244,904</u>	<u>(3,507,986)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from Bonds	-	8,650,000	920,000	-	9,570,000
Payment to Escrow Agent	-	-	(891,669)	-	(891,669)
Bond Premium	-	154,509	-	-	154,509
Proceeds from Sale of Capital Assets	6,319	-	-	-	6,319
Transfers In	117,245	-	-	242,916	360,161
Transfers Out	(242,916)	(559,371)	-	(117,245)	(919,532)
Total Other Financing Sources (Uses)	<u>(119,352)</u>	<u>8,245,138</u>	<u>28,331</u>	<u>125,671</u>	<u>8,279,788</u>
Net Change in Fund Balances	(649,472)	4,936,428	114,271	370,575	4,771,802
<u>FUND BALANCES AT BEGINNING OF YEAR</u>					
	<u>4,180,811</u>	<u>4,343,790</u>	<u>86,224</u>	<u>2,232,592</u>	<u>10,843,417</u>
FUND BALANCES AT END OF YEAR	<u>\$3,531,339</u>	<u>\$ 9,280,218</u>	<u>\$ 200,495</u>	<u>\$ 2,603,167</u>	<u>\$ 15,615,219</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, 2011

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 4,771,802

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation.	2,489,496
Construction in progress and transportation and equipment transferred to a business type activity fund.	(201,411)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property Taxes	36,075
Capital Contributions	1,983,349
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, but has no effect on net assets.	(9,570,000)
The repayment of principal of long-term debt consumes the current financial resources of governmental funds but has no effect on net assets.	1,891,669
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Cost of New Debt	185,101
Compensated Absences	(36,455)
Amortization of Bond Issue Costs	(30,304)
Premium	(125,559)
Loss on Debt Refunding	(4,322)
Accrued Interest Expense	37,328
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 1,426,769

CITY OF CIBOLO, TEXAS
STATEMENT OF NET ASSETS – PROPRIETARY FUNDS
SEPTEMBER 30, 2011

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				
	MAJOR FUND	NON-MAJOR FUNDS			TOTAL
	WATER/SEWER FUND	WATER IMPACT FUND	SEWER IMPACT FUND	DRAINAGE FUND	
<u>ASSETS</u>					
<u>Current Assets</u>					
Cash and Cash Equivalents	\$ 2,448,111	\$ -	\$ -	\$ -	\$ 2,448,111
Receivables (Net of Allowances for Uncollectibles of \$209,132)					
Accounts	1,101,800	-	-	36,990	1,138,790
Other	5,305	-	3,191	-	8,496
Due From Other Funds	132,313	11,385	2,242	-	145,940
Inventory of Supplies and Prepays	88,557	-	-	-	88,557
Total Current Assets	<u>3,776,086</u>	<u>11,385</u>	<u>5,433</u>	<u>36,990</u>	<u>3,829,894</u>
<u>Restricted Assets</u>					
Cash and Investments	<u>899,474</u>	<u>979,319</u>	<u>1,342,963</u>	<u>168,824</u>	<u>3,390,580</u>
<u>Bond Issuance Costs (Net of Accumulated Amortization)</u>	<u>69,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,350</u>
<u>Capital Assets</u>					
Land	391,248	-	-	93,875	485,123
Construction in Progress	-	-	-	585,561	585,561
Water Rights	475,000	-	-	-	475,000
Water, Sewer and Drainage Systems	15,612,837	-	-	747,059	16,359,896
Equipment	422,539	-	-	156,169	578,708
Accumulated Depreciation	<u>(2,487,855)</u>	<u>-</u>	<u>-</u>	<u>(79,381)</u>	<u>(2,567,236)</u>
Capital Assets, Net	<u>14,413,769</u>	<u>-</u>	<u>-</u>	<u>1,503,283</u>	<u>15,917,052</u>
TOTAL ASSETS	<u>\$19,158,679</u>	<u>\$ 990,704</u>	<u>\$1,348,396</u>	<u>\$1,709,097</u>	<u>\$23,206,876</u>

CITY OF CIBOLO, TEXAS
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2011

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTAL
	MAJOR FUND	NON-MAJOR FUNDS			
	WATER/SEWER FUND	WATER IMPACT FUND	SEWER IMPACT FUND	DRAINAGE FUND	
<u>LIABILITIES AND NET ASSETS</u>					
<u>Current Liabilities</u>					
Accounts Payable	\$ 499,259	\$ -	\$ -	\$ 24,501	\$ 523,760
Accrued Expenses	20,159	-	-	4,341	24,500
Accrued Leave and Compensatory Time	15,879	-	-	2,096	17,975
Accrued Interest Payable	35,771	-	-	-	35,771
Current Portion of Bonds Payable	280,000	-	-	-	280,000
Due to Other Funds	18,341	-	-	29,967	48,308
Customer Deposits	<u>180,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,851</u>
Total Current Liabilities	1,050,260	-	-	60,905	1,111,165
<u>Noncurrent Liabilities</u>					
Bonds Payable	<u>4,830,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,830,000</u>
TOTAL LIABILITIES	<u>5,880,260</u>	<u>-</u>	<u>-</u>	<u>60,905</u>	<u>5,941,165</u>
<u>NET ASSETS</u>					
<u>Restricted Net Assets</u>					
Impact Fees	-	990,704	1,348,396	-	2,339,100
<u>Unrestricted Net Assets</u>					
Invested in Capital Assets, Net of Related Debt	9,303,769	-	-	-	9,303,769
Unrestricted	<u>3,974,650</u>	<u>-</u>	<u>-</u>	<u>1,648,192</u>	<u>5,622,842</u>
Total Net Assets	<u>13,278,419</u>	<u>990,704</u>	<u>1,348,396</u>	<u>1,648,192</u>	<u>17,265,711</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$19,158,679</u>	<u>\$ 990,704</u>	<u>\$ 1,348,396</u>	<u>\$ 1,709,097</u>	<u>\$23,206,876</u>

CITY OF CIBOLO, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2011

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTAL
	MAJOR FUND	NON-MAJOR FUNDS			
	WATER/SEWER FUND	WATER IMPACT FUND	SEWER IMPACT FUND	DRAINAGE FUND	
<u>OPERATING REVENUES</u>					
Water Sales	\$ 3,586,018	\$ -	\$ -	\$ -	\$ 3,586,018
Sewer Sales	1,882,027	-	-	-	1,882,027
Garbage Service	1,382,432	-	-	-	1,382,432
Service Fees	688,007	-	-	-	688,007
Drainage Fees	-	-	-	265,913	265,913
Miscellaneous	47,453	-	-	-	47,453
Total Operating Revenues	<u>7,585,937</u>	<u>-</u>	<u>-</u>	<u>265,913</u>	<u>7,851,850</u>
<u>OPERATING EXPENSES</u>					
Water Purchased	148,494	-	-	-	148,494
Sewage Treatment	1,124,675	-	-	-	1,124,675
Garbage Service	1,536,873	-	-	-	1,536,873
Salaries and Benefits	501,073	-	-	63,466	564,539
Supplies	79,680	-	-	2,354	82,034
Repairs and Maintenance	-	-	-	24,063	24,063
Equipment Operation	62,826	-	-	-	62,826
Contractual Services	2,643,349	-	-	6,518	2,649,867
Utilities	36,797	-	-	1,329	38,126
Insurance	31,226	-	-	-	31,226
Bad Debt Expense	113,982	-	-	-	113,982
Amortization	4,658	-	-	-	4,658
Depreciation	334,070	-	-	27,896	361,966
Total Operating Expenses	<u>6,617,703</u>	<u>-</u>	<u>-</u>	<u>125,626</u>	<u>6,743,329</u>
Operating Income	<u>968,234</u>	<u>-</u>	<u>-</u>	<u>140,287</u>	<u>1,108,521</u>
<u>NONOPERATING REVENUES</u>					
<u>(EXPENSES)</u>					
Interest Income	3,890	978	1,594	63	6,525
Impact Fees	-	417,517	202,763	-	620,280
Interest and Fiscal Charges	(223,115)	-	-	-	(223,115)
Total Nonoperating Revenues (Expenses)	<u>(219,225)</u>	<u>418,495</u>	<u>204,357</u>	<u>63</u>	<u>403,690</u>
Net Income before Contributions and Transfers	749,009	418,495	204,357	140,350	1,512,211
Capital Contributions	1,182,839	-	-	948,471	2,131,310
Transfers In	-	-	-	559,371	559,371
Change in Net Assets	1,931,848	418,495	204,357	1,648,192	4,202,892
<u>BEGINNING NET ASSETS</u>	<u>11,346,571</u>	<u>572,209</u>	<u>1,144,039</u>	<u>-</u>	<u>13,062,819</u>
<u>ENDING NET ASSETS</u>	<u>\$13,278,419</u>	<u>\$ 990,704</u>	<u>\$ 1,348,396</u>	<u>\$ 1,648,192</u>	<u>\$17,265,711</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, 2011

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTAL
	MAJOR FUND	NON-MAJOR FUNDS			
	WATER/SEWER FUND	WATER IMPACT FUND	SEWER IMPACT FUND	DRAINAGE FUND	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash Received from Customers	\$ 7,353,518	\$ -	\$ -	\$ 228,923	\$ 7,582,441
Cash Paid for Personnel Costs	(506,756)	-	-	(61,370)	(568,126)
Cash Paid to Suppliers	(5,709,104)	-	-	(5,422)	(5,714,526)
Net Cash Provided by Operating Activities	<u>1,137,658</u>	<u>-</u>	<u>-</u>	<u>162,131</u>	<u>1,299,789</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Cash Advances from (to) Other Funds	<u>(94,695)</u>	<u>(49,342)</u>	<u>(2,242)</u>	<u>29,967</u>	<u>(116,312)</u>
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>					
Purchase of Capital Assets	(31,364)	-	-	(23,337)	(54,701)
Principal Payments on Debt	(265,000)	-	-	-	(265,000)
Interest and Fiscal Charges Paid	(224,971)	-	-	-	(224,971)
Impact Fees	-	417,517	202,763	-	620,280
Net Cash Provided by (Used in) Capital Financing Activities	<u>(521,335)</u>	<u>417,517</u>	<u>202,763</u>	<u>(23,337)</u>	<u>75,608</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Investment Interest Received	<u>3,890</u>	<u>978</u>	<u>1,594</u>	<u>63</u>	<u>6,525</u>
Net Increase in Cash	<u>525,518</u>	<u>369,153</u>	<u>202,115</u>	<u>168,824</u>	<u>1,265,610</u>
<u>BEGINNING CASH AND CASH EQUIVALENTS</u>					
Cash and Cash Equivalents	1,911,664	-	-	-	1,911,664
Restricted Cash and Cash Equivalents	910,403	610,166	1,140,848	-	2,661,417
	<u>2,822,067</u>	<u>610,166</u>	<u>1,140,848</u>	<u>-</u>	<u>4,573,081</u>
<u>ENDING CASH AND CASH EQUIVALENTS</u>					
Cash and Cash Equivalents	2,448,111	-	-	-	2,448,111
Restricted Cash and Cash Equivalents	899,474	979,319	1,342,963	168,824	3,390,580
	<u>\$ 3,347,585</u>	<u>\$ 979,319</u>	<u>\$ 1,342,963</u>	<u>\$ 168,824</u>	<u>\$ 5,838,691</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>					
Operating Income	\$ 968,234	\$ -	\$ -	\$ 140,287	\$ 1,108,521
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation	334,070	-	-	27,896	361,966
Amortization	4,658	-	-	-	4,658
(Increase) Decrease in Operating Assets					
Accounts Receivable	(237,657)	-	-	(36,990)	(274,647)
Inventory of Supplies and Prepays	(49,786)	-	-	-	(49,786)
Increase (Decrease) in Operating Liabilities					
Accounts Payable	111,041	-	-	24,501	135,542
Accrued Liabilities	7,543	-	-	4,341	11,884
Accrued Leave and Compensatory Time	(5,683)	-	-	2,096	(3,587)
Customer Deposits	5,238	-	-	-	5,238
Total Adjustments	<u>169,424</u>	<u>-</u>	<u>-</u>	<u>21,844</u>	<u>191,268</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,137,658</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,131</u>	<u>\$ 1,299,789</u>

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

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

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, 2011.

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, 2011

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 good, 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, 2011

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, drainage 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, and the drainage 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, 2011

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, 2011

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, 2011

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, 2011, of \$148,177 and \$17,975 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, 2011

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 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

Beginning with fiscal year 2011, 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, 2011

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, 2011

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, 2011, the carrying amount of the City's cash on hand was \$1,250. The carrying amount of the City's deposits in the bank was \$4,681,806 and the bank balance was \$4,913,538. Of the bank balance \$250,000 was covered by federal deposit insurance and the City's depository had pledged securities having a face value of \$4,844,574 and market value of \$5,033,474 as collateral for the City's deposits. All of the City's cash was fully collateralized.

At September 30, 2011, 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, 2011

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

The City's investments at September 30, 2011 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	\$ 16,131,860	\$16,131,860	\$ 181,875	\$181,875
TexStar	<u>1,800,761</u>	<u>1,800,461</u>	<u>-</u>	<u>-</u>
TOTAL INVESTMENTS	<u>\$ 17,932,621</u>	<u>\$17,932,321</u>	<u>\$ 181,875</u>	<u>\$181,875</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 September 30, 2011, the City's investments were all in TexPool and TexStar, public funds investment pools where all securities held maintain 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, 2011

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, 2009, upon which the fiscal 2010 levy was based, was \$1,212,866,771 (i.e., market value less exemptions). The estimated market value was \$1,326,028,710 making the taxable value 98.7% 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, 2011, was \$0.4139 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, 2011

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011, 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	2,025,008	6,538,496	-	8,563,504
Improvements Other than Buildings	18,164,543	5,729,796	-	23,894,339
Transportation and Equipment	1,986,971	580,793	(145,066)	2,422,698
Construction in Progress	<u>7,341,186</u>	<u>3,277,122</u>	<u>(10,382,507)</u>	<u>235,801</u>
	<u>30,859,589</u>	<u>16,126,207</u>	<u>(10,527,573)</u>	<u>36,458,223</u>
Less: Accumulated Depreciation				
Buildings	(447,786)	(132,003)	-	(579,789)
Improvements Other than Buildings	(2,199,045)	(1,018,183)	-	(3,217,228)
Transportation and Equipment	<u>(1,042,945)</u>	<u>(240,733)</u>	<u>63,719</u>	<u>(1,219,959)</u>
	<u>(3,689,776)</u>	<u>(1,390,919)</u>	<u>63,719</u>	<u>(5,016,976)</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS - NET	<u>\$27,169,813</u>	<u>\$14,735,288</u>	<u>\$ (10,463,854)</u>	<u>\$31,441,247</u>
<u>Business-Type Activities</u>				
Land	\$ 391,248	\$ 93,875	\$ -	\$ 485,123
Water Rights	475,000	-	-	475,000
Water System	10,290,267	243,695	-	10,533,962
Sewer System	4,139,730	939,145	-	5,078,875
Drainage System	-	747,059	-	747,059
Transportation and Equipment	391,175	187,533	-	578,708
Construction in Progress	<u>-</u>	<u>585,561</u>	<u>-</u>	<u>585,561</u>
	<u>15,687,420</u>	<u>2,796,868</u>	<u>-</u>	<u>18,484,288</u>
Less: Accumulated Depreciation				
Water System	(1,228,357)	(208,242)	-	(1,436,599)
Sewer System	(687,608)	(92,186)	-	(779,794)
Drainage System	-	(7,471)	-	(7,471)
Transportation and Equipment	<u>(237,820)</u>	<u>(105,552)</u>	<u>-</u>	<u>(343,372)</u>
	<u>(2,153,785)</u>	<u>(413,451)</u>	<u>-</u>	<u>(2,567,236)</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS - NET	<u>\$13,533,635</u>	<u>\$ 2,383,417</u>	<u>\$ -</u>	<u>\$15,917,052</u>

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

Depreciation expense was charged to the governmental functions as follows:

General Government Administration	\$ 57,829
Law Enforcement and Municipal Court	118,985
Code Enforcement	9,352
Public Works	992,177
Animal Control	5,107
Parks	144,563
Fire	<u>62,906</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 1,390,919</u>

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2011

NOTE 5: LONG-TERM DEBT

Primary Government

Long-term debt and obligations payable at September 30, 2011, 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%.	\$ 575,000
\$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%.	1,530,000
\$7,975,000 General Obligation Bond, Series 2007, Due in Annual Installments of \$94,250 to \$590,875 through 2027; Interest at 4.5%.	7,215,000
\$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%.	10,220,000
\$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%.	895,000
\$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>8,650,000</u>
TOTAL GOVERNMENT LONG-TERM OBLIGATIONS	<u>\$ 29,085,000</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%.	\$ 2,455,000
\$3,025,000 General Obligation Bonds, Series 2007, Due in Installments of \$35,750 to \$224,125 through 2027; Interest at 4.5%.	<u>2,655,000</u>
TOTAL UTILITY FUND REVENUE BONDS	<u>\$ 5,110,000</u>

During the year, the City issued General Obligation Bonds, Series 2010 for \$920,000 to refund the General Obligation Bonds, Series 2001 in the amount of \$870,000 by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$21,669. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. As a result of the advanced refunding, the City reduced its total debt service requirements by \$68,182 and resulted in an economic gain of \$57,095. At September 30, 2011, the outstanding balance of the defeased bonds is \$-0-

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2011

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, 2011, including interest payments, are as follows:

	BALANCE OCTOBER 1, 2010	ADDITIONS	REDUCTIONS	BALANCE SEPTEMBER 30, 2011	DUE WITHIN ONE YEAR
<u>GOVERNMENTAL ACTIVITIES</u>					
Certificates of Obligation	\$ 3,145,000	\$ -	\$(1,040,000)	\$ 2,105,000	\$ 135,000
General Obligation	18,240,000	9,570,000	(830,000)	26,980,000	1,010,000
Premium	169,791	154,509	(28,950)	295,350	28,950
Deferred Loss on Refunding	(36,269)	(21,669)	4,322	(53,616)	(4,322)
Compensated Absences	111,722	148,177	(111,722)	148,177	148,177
Total Government Activities	<u>21,630,244</u>	<u>9,851,017</u>	<u>(2,006,350)</u>	<u>29,474,911</u>	<u>1,317,805</u>
<u>BUSINESS-TYPE ACTIVITIES</u>					
Revenue Bonds	2,580,000	-	(125,000)	2,455,000	130,000
General Obligation Bond	2,795,000	-	(140,000)	2,655,000	150,000
Compensated Absences	21,562	17,975	(21,562)	17,975	17,975
Total Business-Type Activities	<u>5,396,562</u>	<u>17,975</u>	<u>(286,562)</u>	<u>5,127,975</u>	<u>297,975</u>
TOTAL GOVERNMENT	<u>\$ 27,026,806</u>	<u>\$ 9,868,992</u>	<u>\$(2,292,912)</u>	<u>\$ 34,602,886</u>	<u>\$1,615,780</u>

YEAR ENDING SEPTEMBER 30,	GOVERNMENT ACTIVITIES		BUSINESS-TYPE ACTIVITIES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2012	\$ 1,145,000	\$ 1,103,465	\$ 280,000	\$ 213,373
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
2017-2021	7,800,000	4,025,707	1,520,000	614,472
2022-2026	9,245,000	2,342,423	1,870,000	252,660
2027-2031	<u>6,220,000</u>	<u>485,293</u>	<u>205,000</u>	<u>4,613</u>
	<u>\$ 29,085,000</u>	<u>\$ 12,011,410</u>	<u>\$ 5,110,000</u>	<u>\$ 1,810,364</u>
Average Annual Requirements		<u>\$ 2,054,821</u>		<u>\$ 432,523</u>

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2011

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.

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

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2011

NOTE 6: EMPLOYEE'S RETIREMENT SYSTEMS (CONTINUED)

Texas Municipal Retirement System (Continued)

Contributions (Continued)

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.

	<u>PENSION</u>	<u>SDBF</u>
Actuarial Valuation Date	December 31, 2010	December 31, 2010
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

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2011

NOTE 6: EMPLOYEE'S RETIREMENT SYSTEMS (CONTINUED)

FISCAL YEAR	PENSION			SDBF		
	ANNUAL PENSION COST	PERCENTAGE OF APC CONTRIBUTION	NET PENSION OBLIGATION	ANNUAL BENEFITS COST	PERCENTAGE OF REQUIRED CONTRIBUTION	NET OPEB OBLIGATION
2009	\$ 230,060	100%	-	\$ 5,510	100%	-
2010	256,330	100	-	5,647	100	-
2011	351,379	100	-	6,789	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.

Transfers during the year ended September 30, 2011, were as follows:

	TRANSFERS IN	TRANSFERS OUT
<u>General Fund</u>		
Special Revenue Funds	\$ 117,245	\$ 242,916
<u>Drainage Fund</u>		
Capital Projects Fund	559,371	-
<u>Capital Projects Fund</u>		
Drainage Fund	-	559,371
<u>Special Revenue Funds</u>		
General Fund	<u>242,916</u>	<u>117,245</u>
TOTALS	<u>\$ 919,532</u>	<u>\$ 919,532</u>

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2011

NOTE 7: INTERFUND BALANCES (CONTINUED)

The City had the following interfund payables and receivables as of September 30, 2011:

	<u>DUE FROM</u>	<u>DUE TO</u>
Primary Government		
General Fund		
Water/Sewer Fund	\$ -	\$ 116,625
Debt Service Fund	-	33,556
Special Revenue Fund	90,531	14,672
Capital Projects Fund	-	6,664
Sewer Impact Fund	-	2,242
Water Impact Fund	-	11,385
Drainage Fund	<u>29,767</u>	<u>-</u>
	<u>120,298</u>	<u>185,144</u>
Water/Sewer Fund		
General Fund	116,625	-
Capital Projects Fund	-	18,341
Special Revenue Fund	<u>15,688</u>	<u>-</u>
	<u>132,313</u>	<u>18,341</u>
Sewer Impact Fund		
General Fund	<u>2,242</u>	<u>-</u>
Water Impact Fund		
General Fund	<u>11,385</u>	<u>-</u>
Drainage Fund		
General Fund	-	29,767
Special Revenue Fund	<u>-</u>	<u>200</u>
	<u>-</u>	<u>29,967</u>
Debt Service Fund		
General Fund	<u>33,556</u>	<u>-</u>
Special Revenue Fund		
General Fund	14,672	90,531
Water/Sewer Fund	-	15,688
Drainage Fund	200	-
Capital Projects	<u>-</u>	<u>76,510</u>
	<u>14,872</u>	<u>182,729</u>
Capital Projects Fund		
General Fund	6,664	-
Water/Sewer Fund	18,341	-
Special Revenue Fund	<u>76,510</u>	<u>-</u>
	<u>101,515</u>	<u>-</u>
TOTALS	<u>\$ 416,181</u>	<u>\$ 416,181</u>

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2011

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, 2011 are as follows:

<u>COMMITMENTS</u>	<u>ESTIMATED PROJECT COST TO CITY</u>	<u>EXPENDED TO DATE</u>	<u>ESTIMATED FUTURE COMMITMENT</u>
Schlather Park	\$1,109,438	\$ 156,440	\$ 952,998
Borgfeld Road Reconstruction	132,560	76,510	56,050
Towncreek West Channel Improvement	582,706	406,193	176,513
Regional Detention Drainage Project	<u>162,000</u>	<u>161,953</u>	<u>47</u>
TOTALS	<u>\$1,986,704</u>	<u>\$ 801,096</u>	<u>\$1,185,608</u>

Litigation

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

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, 2011 were \$157,755 for property and casualty and workers compensation coverage.

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, 2011
(WITH COMPARATIVE ACTUAL TOTALS FOR 2010)

	ORIGINAL BUDGET	FINAL BUDGET	2011 ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2010 ACTUAL
REVENUES					
Taxes					
Ad Valorem	\$3,075,100	\$3,053,296	\$ 3,028,899	\$ (24,397)	\$ 2,808,022
Tax Penalty	15,000	11,650	12,024	374	17,135
Sales Tax	525,000	525,600	543,648	18,048	552,036
Mixed Beverage Tax	1,000	3,423	3,554	131	784
Franchise Tax	618,000	655,391	662,030	6,639	660,435
Total Taxes	<u>4,234,100</u>	<u>4,249,360</u>	<u>4,250,155</u>	<u>795</u>	<u>4,038,412</u>
Construction Permits	<u>1,632,500</u>	<u>1,407,724</u>	<u>1,430,875</u>	<u>23,151</u>	<u>1,839,543</u>
Charges for Services	<u>8,000</u>	<u>12,314</u>	<u>13,920</u>	<u>1,606</u>	<u>11,252</u>
Fines and Forfeitures	<u>229,400</u>	<u>195,563</u>	<u>199,257</u>	<u>3,694</u>	<u>207,146</u>
Grant Income	<u>-</u>	<u>85,296</u>	<u>85,679</u>	<u>383</u>	<u>36,949</u>
Parks					
Rental Fees	16,500	17,217	18,330	1,113	21,354
Ballfield League Fees	3,500	5,800	3,980	(1,820)	4,265
Total Parks	<u>20,000</u>	<u>23,017</u>	<u>22,310</u>	<u>(707)</u>	<u>25,619</u>
Other Sources					
Garbage Collection	200,000	193,436	193,687	251	190,573
Miscellaneous	59,138	62,950	104,122	41,172	93,403
SCUCISD - Police Program	-	25,000	25,000	-	-
Interest	12,000	8,601	6,604	(1,997)	12,949
Total Other Sources	<u>271,138</u>	<u>289,987</u>	<u>329,413</u>	<u>39,426</u>	<u>296,925</u>
Total Revenues	<u>6,395,138</u>	<u>6,263,261</u>	<u>6,331,609</u>	<u>68,348</u>	<u>6,455,846</u>
EXPENDITURES					
City Council					
Mayor and Council Meeting Expense and Awards	800	693	136	557	702
Contingency	5,550	5,100	4,575	525	1,614
Utilities	1,300	1,300	1,296	4	1,249
Total City Council	<u>7,650</u>	<u>7,093</u>	<u>6,007</u>	<u>1,086</u>	<u>3,565</u>
General Government Administration					
Salaries and Fringe Benefits	404,958	435,523	375,481	60,042	503,764
Supplies	38,500	32,718	39,593	(6,875)	18,600
Maintenance	25,400	19,553	6,860	12,693	6,215
Contractual Services	347,050	469,676	528,734	(59,058)	490,363
Utilities	65,000	64,978	68,117	(3,139)	61,553
Capital Outlay	100,000	2,000	2,849	(849)	24,951
Total General Government Administration	<u>980,908</u>	<u>1,024,448</u>	<u>1,021,634</u>	<u>2,814</u>	<u>1,105,446</u>
Law Enforcement and Municipal Court					
Salaries and Fringe Benefits	1,653,423	1,516,492	1,523,484	(6,992)	1,367,232
Supplies	30,900	28,243	41,886	(13,643)	38,757
Maintenance	61,750	82,715	82,221	494	72,281
Contractual Services	235,985	293,579	296,709	(3,130)	225,028
Utilities	36,500	60,153	54,231	5,922	44,809
Capital Outlay	3,000	8,320	-	8,320	71,978
Total Law Enforcement and Municipal Court	<u>2,021,558</u>	<u>1,989,502</u>	<u>1,998,531</u>	<u>(9,029)</u>	<u>1,820,085</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, 2011
(WITH COMPARATIVE ACTUAL TOTALS FOR 2010)

	ORIGINAL BUDGET	FINAL BUDGET	2011 ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2010 ACTUAL
<u>EXPENDITURES (CONTINUED)</u>					
Community Development Services					
Salaries and Fringe Benefits	\$ 569,706	\$ 520,630	\$ 518,003	\$ 2,627	\$ 431,556
Supplies	8,200	5,432	3,912	1,520	6,451
Maintenance	10,650	10,000	9,181	819	5,490
Contractual Services	75,000	143,051	96,818	46,233	182,412
Utilities	9,000	1,564	1,586	(22)	713
Total Community Development Services	<u>672,556</u>	<u>680,677</u>	<u>629,500</u>	<u>51,177</u>	<u>626,622</u>
Public Works					
Salaries and Fringe Benefits	495,969	468,223	455,289	12,934	481,560
Supplies	68,550	68,633	66,406	2,227	80,487
Maintenance	61,500	79,571	72,059	7,512	63,318
Contractual Services	256,500	123,191	123,306	(115)	67,558
Utilities	12,800	9,822	10,856	(1,034)	11,669
Capital Outlay	26,500	26,500	25,064	1,436	-
Total Public Works	<u>921,819</u>	<u>775,940</u>	<u>752,980</u>	<u>22,960</u>	<u>704,592</u>
Parks					
Salaries and Fringe Benefits	308,034	257,296	251,399	5,897	208,765
Supplies	40,800	29,576	65,842	(36,266)	38,283
Maintenance	36,000	44,788	36,039	8,749	22,085
Contractual Services	12,000	2,417	1,281	1,136	7,249
Utilities	46,500	52,371	79,625	(27,254)	43,971
Capital Outlay	31,000	76,505	22,749	53,756	586,462
Total Parks	<u>474,334</u>	<u>462,953</u>	<u>456,935</u>	<u>6,018</u>	<u>906,815</u>
Animal Control					
Salaries and Fringe Benefits	64,094	60,979	63,578	(2,599)	41,212
Supplies	4,000	4,404	14,418	(10,014)	7,268
Maintenance	5,471	2,778	2,437	341	2,613
Contractual Services	7,000	5,300	4,923	377	3,674
Utilities	2,500	2,500	2,201	299	2,288
Capital Outlay	6,200	8,000	-	8,000	-
Total Animal Control	<u>89,265</u>	<u>83,961</u>	<u>87,557</u>	<u>(3,596)</u>	<u>57,055</u>
Economic Development					
Salaries and Fringe Benefits	94,365	82,144	86,778	(4,634)	70,663
Supplies	2,500	2,932	1,266	1,666	325
Contractual Services	32,000	11,573	10,623	950	17,546
Total Economic Development	<u>128,865</u>	<u>96,649</u>	<u>98,667</u>	<u>(2,018)</u>	<u>88,534</u>
Fire					
Salaries and Fringe Benefits	589,753	565,407	561,867	3,540	284,563
Supplies	9,110	7,369	12,526	(5,157)	5,726
Maintenance	15,500	14,290	16,057	(1,767)	14,072
Contractual Services	439,300	435,822	437,149	(1,327)	478,306
Utilities	17,100	18,717	17,922	795	2,258
Capital Outlay	490,600	475,000	475,655	(655)	-
Total Fire	<u>1,561,363</u>	<u>1,516,605</u>	<u>1,521,176</u>	<u>(4,571)</u>	<u>784,925</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, 2011
(WITH COMPARATIVE ACTUAL TOTALS FOR 2010)

	ORIGINAL BUDGET	FINAL BUDGET	2011 ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2010 ACTUAL
Finance					
Salaries and Fringe Benefits	\$ 197,092	\$ 191,043	\$ 197,033	\$ (5,990)	\$ -
Supplies	4,200	2,327	3,111	(784)	-
Maintenance	400	-	-	-	-
Contractual Services	91,255	91,250	88,598	2,652	-
Total Finance	<u>292,947</u>	<u>284,620</u>	<u>288,742</u>	<u>(4,122)</u>	<u>-</u>
Total Expenditures	<u>7,151,265</u>	<u>6,922,448</u>	<u>6,861,729</u>	<u>60,719</u>	<u>6,097,639</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(756,127)</u>	<u>(659,187)</u>	<u>(530,120)</u>	<u>129,067</u>	<u>358,207</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from Sale of Capital Assets	-	-	6,319	6,319	5,461
Transfers In	131,250	117,245	117,245	-	67,349
Transfers Out	<u>-</u>	<u>(242,916)</u>	<u>(242,916)</u>	<u>-</u>	<u>(612,453)</u>
Total Other Financing Sources (Uses)	<u>131,250</u>	<u>(125,671)</u>	<u>(119,352)</u>	<u>6,319</u>	<u>(539,643)</u>
Net Change in Fund Balances	(624,877)	(784,858)	(649,472)	135,386	(181,436)
<u>FUND BALANCES - OCTOBER 1</u>	<u>4,180,811</u>	<u>4,180,811</u>	<u>4,180,811</u>	<u>-</u>	<u>4,362,247</u>
FUND BALANCES - SEPTEMBER 30	<u>\$3,555,934</u>	<u>\$3,395,953</u>	<u>\$3,531,339</u>	<u>\$135,386</u>	<u>\$4,180,811</u>

CITY OF CIBOLO, TEXAS
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET TO ACTUAL
SEPTEMBER 30, 2011

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

YEAR	ACTUARIAL VALUE OF ASSETS**	ACTUARIAL ACCRUED LIABILITY*	FUNDING RATIO (1)/(2)	UNFUNDED ACTUARIAL ACCRUED LIABILITY	ANNUAL COVERED PAYROLL	UNFUNDED ACTUARIAL ACCRUED LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
2008	\$1,825,280	\$2,608,854	70.0%	\$ 783,574	\$2,712,684	28.9%
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

* 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

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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.

Drainage Impact Fund – To account for the fees charged to new development and the corresponding restricted expenditures for drainage improvements.

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.

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

CITY OF CIBOLO, TEXAS
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2011 AND 2010

	<u>CAPITAL REPLACEMENT FUND</u>	<u>GRANT FUND</u>	<u>CIBOLO FEST FUND</u>	<u>TRAFFIC IMPACT FUND</u>	<u>STREET IMPACT FUND</u>	<u>DRAINAGE IMPACT FUND</u>
<u>ASSETS</u>						
Cash and Investments - Restricted	\$ 191,123	\$ -	\$ -	\$ 83,409	\$ 553,206	\$ 629,444
Taxes Receivable	-	156,442	-	-	-	-
Prepaid Expenses	-	-	10,477	-	-	-
Due From Other Funds	-	-	-	12,469	-	1,586
 TOTAL ASSETS	 <u>\$ 191,123</u>	 <u>\$ 156,442</u>	 <u>\$ 10,477</u>	 <u>\$ 95,878</u>	 <u>\$ 553,206</u>	 <u>\$ 631,030</u>
 <u>LIABILITIES AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts Payable - Developers	\$ -	\$ 99,242	\$ -	\$ -	\$ 2,917	\$ 1,287
Deferred Revenue	-	-	3,185	-	-	-
Due To Other Funds	<u>33,652</u>	<u>57,200</u>	<u>7,292</u>	<u>-</u>	<u>77,565</u>	<u>-</u>
TOTAL LIABILITIES	<u>33,652</u>	<u>156,442</u>	<u>10,477</u>	<u>-</u>	<u>80,482</u>	<u>1,287</u>
 <u>FUND BALANCES</u>						
Restricted for Capital Improvement (Impact Fees)	-	-	-	95,878	472,724	629,743
Restricted for Street Maintenance	-	-	-	-	-	-
Restricted for Police Special	-	-	-	-	-	-
Restricted for Court Special	-	-	-	-	-	-
Committed for Capital Replacement	<u>157,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Fund Balances	 <u>157,471</u>	 <u>-</u>	 <u>-</u>	 <u>95,878</u>	 <u>472,724</u>	 <u>629,743</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 191,123</u>	 <u>\$ 156,442</u>	 <u>\$ 10,477</u>	 <u>\$ 95,878</u>	 <u>\$ 553,206</u>	 <u>\$ 631,030</u>

<u>PARK FEE FUND</u>	<u>COURT TECHNOLOGY FUND</u>	<u>COURT SECURITY FUND</u>	<u>POLICE SEIZURE FUND</u>	<u>POLICE SPECIAL FUND</u>	<u>POLICE EDUCATION FUND</u>	<u>CHILD SAFETY FUND</u>	<u>STREET MAINTENANCE FUND</u>	<u>TOTALS 2011</u>	<u>TOTALS 2010</u>
\$941,408	\$ 2,466	\$37,986	\$ 3,772	\$5,654	\$ 18,760	\$ 12,369	\$ 206,966	\$2,686,563	\$ 2,282,156
-	-	-	-	-	-	-	26,073	182,515	25,811
-	-	-	-	-	-	-	-	10,477	-
-	817	-	-	-	-	-	-	14,872	1,173
<u>\$941,408</u>	<u>\$ 3,283</u>	<u>\$37,986</u>	<u>\$ 3,772</u>	<u>\$5,654</u>	<u>\$ 18,760</u>	<u>\$ 12,369</u>	<u>\$ 233,039</u>	<u>\$2,894,427</u>	<u>\$ 2,309,140</u>
\$ -	\$ 1,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,346	\$ 4,204
-	-	-	-	-	-	-	-	3,185	-
<u>3,354</u>	<u>-</u>	<u>3,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,729</u>	<u>72,344</u>
<u>3,354</u>	<u>1,900</u>	<u>3,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>291,260</u>	<u>76,548</u>
938,054	-	-	-	-	-	-	-	2,136,399	1,950,713
-	-	-	-	-	-	-	233,039	233,039	213,958
-	-	-	3,772	5,654	18,760	12,369	-	40,555	26,536
-	1,383	34,320	-	-	-	-	-	35,703	41,385
-	-	-	-	-	-	-	-	157,471	-
<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>233,039</u>	<u>2,603,167</u>	<u>2,232,592</u>
<u>\$941,408</u>	<u>\$ 3,283</u>	<u>\$37,986</u>	<u>\$ 3,772</u>	<u>\$5,654</u>	<u>\$ 18,760</u>	<u>\$ 12,369</u>	<u>\$ 233,039</u>	<u>\$2,894,427</u>	<u>\$ 2,309,140</u>

CITY OF CIBOLO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - SPECIAL REVENUE FUNDS
YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	<u>CAPITAL REPLACEMENT FUND</u>	<u>GRANT FUND</u>	<u>CIBOLO FEST FUND</u>	<u>TRAFFIC IMPACT FUND</u>	<u>STREET IMPACT FUND</u>	<u>DRAINAGE IMPACT FUND</u>
<u>REVENUES</u>						
Sales Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Permits	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Grants	-	156,442	-	-	-	-
Impact Fees	-	-	-	95,856	-	40,093
Other Revenue	293	-	-	22	715	771
Total Revenues	<u>293</u>	<u>156,442</u>	<u>-</u>	<u>95,878</u>	<u>715</u>	<u>40,864</u>
<u>EXPENDITURES</u>						
Law Enforcement and Municipal Court	5,664	-	-	-	-	-
Parks	-	-	-	-	-	-
Capital Outlay	80,074	156,442	-	-	76,510	-
Total Expenditures	<u>85,738</u>	<u>156,442</u>	<u>-</u>	<u>-</u>	<u>76,510</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(85,445)</u>	<u>-</u>	<u>-</u>	<u>95,878</u>	<u>(75,795)</u>	<u>40,864</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers In	242,916	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>242,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Fund Balances	157,471	-	-	95,878	(75,795)	40,864
<u>FUND BALANCES - BEGINNING</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>548,519</u>	<u>588,879</u>
FUND BALANCES - ENDING	<u>\$ 157,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,878</u>	<u>\$ 472,724</u>	<u>\$ 629,743</u>

PARK FEE FUND	COURT TECHNOLOGY FUND	COURT SECURITY FUND	POLICE SEIZURE FUND	POLICE SPECIAL FUND	POLICE EDUCATION FUND	CHILD SAFETY FUND	STREET MAINTENANCE FUND	TOTALS 2011	TOTALS 2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,003	\$ 136,003	\$ 138,009
123,600	-	-	-	-	-	-	-	123,600	171,000
-	6,838	5,128	-	-	-	-	-	11,966	11,563
-	-	-	-	-	1,946	-	-	158,388	2,071
-	-	-	-	-	-	-	-	135,949	26,521
<u>1,139</u>	<u>3</u>	<u>51</u>	<u>5</u>	<u>610</u>	<u>25</u>	<u>12,369</u>	<u>323</u>	<u>16,326</u>	<u>5,795</u>
<u>124,739</u>	<u>6,841</u>	<u>5,179</u>	<u>5</u>	<u>610</u>	<u>1,971</u>	<u>12,369</u>	<u>136,326</u>	<u>582,232</u>	<u>354,959</u>
-	12,093	5,609	-	111	825	-	-	24,302	52,706
-	-	-	-	-	-	-	-	-	68
-	-	-	-	-	-	-	-	313,026	-
-	<u>12,093</u>	<u>5,609</u>	-	<u>111</u>	<u>825</u>	-	-	<u>337,328</u>	<u>52,774</u>
<u>124,739</u>	<u>(5,252)</u>	<u>(430)</u>	<u>5</u>	<u>499</u>	<u>1,146</u>	<u>12,369</u>	<u>136,326</u>	<u>244,904</u>	<u>302,185</u>
-	-	-	-	-	-	-	-	242,916	-
-	-	-	-	-	-	-	(117,245)	(117,245)	(67,349)
-	-	-	-	-	-	-	(117,245)	125,671	(67,349)
124,739	(5,252)	(430)	5	499	1,146	12,369	19,081	370,575	234,836
<u>813,315</u>	<u>6,635</u>	<u>34,750</u>	<u>3,767</u>	<u>5,155</u>	<u>17,614</u>	<u>-</u>	<u>213,958</u>	<u>2,232,592</u>	<u>1,997,756</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>\$ 233,039</u>	<u>\$2,603,167</u>	<u>\$2,232,592</u>

CITY OF CIBOLO, TEXAS
COMPARATIVE BALANCE SHEETS
GENERAL FUND

	SEPTEMBER 30,	
	2011	2010
<u>ASSETS</u>		
Cash and Investments	\$ 3,845,462	\$ 4,534,656
Receivables (Net of Allowances for Uncollectibles)		
Property Taxes	33,345	34,161
Other	290,225	234,271
Due from Other Funds	120,298	257,347
Inventories and Prepaids	11,718	14,868
TOTAL ASSETS	\$ 4,301,048	\$ 5,075,303
<u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 306,112	\$ 669,456
Accrued Liabilities	193,406	106,752
Court Bonds	19,580	15,709
Due to Other Funds	185,144	68,414
Deferred/Unearned Revenues	65,467	34,161
Total Liabilities	769,709	894,492
<u>FUND BALANCES</u>		
Nonspendable		
Inventory and Prepaids	11,718	14,868
Committed for Capital Replacement	-	114,987
Unassigned	3,519,621	4,050,956
Total Fund Balances	3,531,339	4,180,811
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,301,048	\$ 5,075,303

CITY OF CIBOLO, TEXAS
COMPARATIVE BALANCE SHEETS
CAPITAL PROJECTS FUND

	SEPTEMBER 30,	
	2011	2010
<u>ASSETS</u>		
Cash and Investments - Restricted	\$10,041,331	\$ 5,155,375
Due From Other Funds	<u>101,515</u>	<u>-</u>
TOTAL ASSETS	<u>\$10,142,846</u>	<u>\$ 5,155,375</u>
<u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 862,628	\$ 645,262
Due to Other Funds	<u>-</u>	<u>166,323</u>
Total Liabilities	862,628	811,585
<u>FUND BALANCES</u>		
Restricted for Capital Projects	<u>9,280,218</u>	<u>4,343,790</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$10,142,846</u>	<u>\$ 5,155,375</u>

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

	YEAR ENDED SEPTEMBER 30,	
	2011	2010
<u>REVENUES</u>		
Interest/Miscellaneous	\$ 5,421	\$ 17,315
 <u>EXPENDITURES</u>		
Capital Outlay	3,041,072	7,099,475
Supplies	118,550	38,757
Contract Services	-	10,629
Bond Issuance Costs	<u>154,509</u>	<u>-</u>
Total Expenditures	<u>3,314,131</u>	<u>7,148,861</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,308,710)</u>	<u>(7,131,546)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>		
Proceeds from Bonds Payable	8,650,000	-
Premium on Bonds Issued	154,509	-
Transfers In (Out)	<u>(559,371)</u>	<u>547,833</u>
Total Other Financing Sources (Uses)	<u>8,245,138</u>	<u>547,833</u>
Changes in Fund Balances	4,936,428	(6,583,713)
 <u>FUND BALANCES - BEGINNING</u>	<u>4,343,790</u>	<u>10,927,503</u>
 FUND BALANCES - ENDING	<u>\$ 9,280,218</u>	<u>\$ 4,343,790</u>

CITY OF CIBOLO, TEXAS
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND

	<u>SEPTEMBER 30,</u>	
	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash and Investments	\$ 203,330	\$ 18,983
Receivables (Net of Allowances for Uncollectibles)		
Property Taxes	18,375	16,791
Due From Other Funds	<u>33,556</u>	<u>67,241</u>
 TOTAL ASSETS	 <u>\$ 255,261</u>	 <u>\$ 103,015</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Other Payables	\$ 36,391	\$ -
Deferred Revenue	<u>18,375</u>	<u>16,791</u>
Total Liabilities	54,766	16,791
 <u>FUND BALANCES</u>		
Restricted for Debt Service	<u>200,495</u>	<u>86,224</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 255,261</u>	 <u>\$ 103,015</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>2011</u>	<u>2010</u>
<u>REVENUES</u>		
Taxes	\$1,901,616	\$1,637,586
Interest/Miscellaneous	<u>86,987</u>	<u>90,742</u>
Total Revenues	<u>1,988,603</u>	<u>1,728,328</u>
 <u>EXPENDITURES</u>		
Debt Service		
Principal	1,000,000	475,000
Interest and Fiscal Charges	872,071	1,263,740
Bond Issuance Costs	<u>30,592</u>	<u>-</u>
Total Expenditures	<u>1,902,663</u>	<u>1,738,740</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>85,940</u>	<u>(10,412)</u>
 <u>OTHER FINANCING SOURCES (USES)</u>		
Proceeds from Bonds	920,000	-
Payment to Escrow Agent	(891,669)	-
Transfers In	<u>-</u>	<u>64,620</u>
Total Other Financing Sources (Uses)	<u>28,331</u>	<u>64,620</u>
Changes in Fund Balances	114,271	54,208
 <u>FUND BALANCES - BEGINNING</u>	<u>86,224</u>	<u>32,016</u>
 FUND BALANCES - ENDING	<u>\$ 200,495</u>	<u>\$ 86,224</u>

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

	SEPTEMBER 30,	
<u>ASSETS</u>	2011	2010
<u>CURRENT ASSETS</u>		
Cash and Investments	\$ 2,448,111	\$ 1,911,664
Receivables (Net of Allowances for Uncollectibles)		
Accounts	1,101,800	867,175
Other	5,305	2,273
Due From Other Funds	132,313	37,957
Inventory of Supplies and Prepaids	88,557	38,771
Total Current Assets	3,776,086	2,857,840
<u>RESTRICTED ASSETS</u>		
Cash and Cash Investments	899,474	910,403
<u>BOND ISSUANCE COSTS</u>		
(Net of Accumulated Amortization)	69,350	74,009
<u>CAPITAL ASSETS</u>		
Land and Water Rights	866,248	866,248
Water and Sewer Systems	15,612,837	14,429,997
Equipment	422,539	391,175
Accumulated Depreciation	(2,487,855)	(2,153,785)
Total Capital Assets, Net of Accumulated Depreciation	14,413,769	13,533,635
TOTAL ASSETS	\$19,158,679	\$17,375,887

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

	SEPTEMBER 30,	
<u>LIABILITIES AND NET ASSETS</u>	2011	2010
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 499,259	\$ 388,218
Accrued Expenses	20,159	12,616
Accrued Leave and Compensatory Time	15,879	21,562
Accrued Interest Payable	35,771	37,627
Current Portion of Bonds Payable	280,000	265,000
Due to Other Funds	18,341	18,680
Customer Deposits	<u>180,851</u>	<u>175,613</u>
Total Current Liabilities	1,050,260	919,316
 <u>NONCURRENT LIABILITIES</u>		
Bonds Payable	<u>4,830,000</u>	<u>5,110,000</u>
Total Liabilities	<u>5,880,260</u>	<u>6,029,316</u>
 <u>NET ASSETS</u>		
Unrestricted		
Invested in Capital Assets, Net of Related Debt	9,303,769	8,158,635
Unrestricted	<u>3,974,650</u>	<u>3,187,936</u>
Total Net Assets	<u>13,278,419</u>	<u>11,346,571</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$19,158,679</u>	<u>\$17,375,887</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>2011</u>	<u>2010</u>
<u>OPERATING REVENUES</u>		
Water Sales	\$ 3,586,018	\$ 2,496,650
Sewer Sales	1,882,027	1,695,459
Garbage Service	1,382,432	1,359,169
Service Fees	688,007	650,890
Miscellaneous	<u>47,453</u>	<u>48,269</u>
Total Operating Revenues	<u>7,585,937</u>	<u>6,250,437</u>
<u>OPERATING EXPENSES</u>		
Water Purchased	148,494	141,744
Sewage Treatment	1,124,675	1,089,766
Garbage Service	1,536,873	1,502,081
Salaries and Benefits	501,073	489,516
Supplies	79,680	74,819
Equipment Operation	62,826	189,320
Contractual Services	2,643,349	2,017,528
Utilities	36,797	41,059
Insurance	31,226	20,648
Bad Debt Expense	113,982	84,091
Amortization	4,658	13,198
Depreciation	<u>334,070</u>	<u>207,239</u>
Total Operating Expenses	<u>6,617,703</u>	<u>5,871,009</u>
Operating Income	<u>968,234</u>	<u>379,428</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Income	3,890	8,503
Interest and Fiscal Charges	<u>(223,115)</u>	<u>(253,505)</u>
Total Nonoperating Revenues (Expenses)	<u>(219,225)</u>	<u>(245,002)</u>
Net Income before Contributions and Transfers	749,009	134,426
<u>CAPITAL CONTRIBUTIONS</u>	1,182,839	808,810
<u>TRANSFER IN</u>	<u>-</u>	<u>455,484</u>
Change in Net Assets	1,931,848	1,398,720
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>11,346,571</u>	<u>9,947,851</u>
NET ASSETS AT END OF YEAR	<u>\$13,278,419</u>	<u>\$11,346,571</u>

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

	SEPTEMBER 30,	
	2011	2010
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Due From Other Funds	\$ 11,385	\$ -
<u>RESTRICTED ASSETS</u>		
Cash and Cash Investments	<u>979,319</u>	<u>610,166</u>
TOTAL ASSETS	<u>\$ 990,704</u>	<u>\$ 610,166</u>
<u>LIABILITIES AND FUND BALANCES</u>		
<u>CURRENT LIABILITIES</u>		
Due To Other Funds	\$ -	\$ 37,957
<u>NET ASSETS</u>		
Restricted	<u>990,704</u>	<u>572,209</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 990,704</u>	<u>\$ 610,166</u>

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

	YEAR ENDED SEPTEMBER 30,	
	2011	2010
<u>NONOPERATING REVENUES</u>		
Interest Income	\$ 978	\$ 1,798
Impact Fees	<u>417,517</u>	<u>634,465</u>
Total Nonoperating Revenues	<u>418,495</u>	<u>636,263</u>
Net Income before Transfers	418,495	636,263
<u>TRANSFER IN (OUT)</u>	<u>-</u>	<u>(455,484)</u>
Change in Net Assets	418,495	180,779
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>572,209</u>	<u>391,430</u>
NET ASSETS AT END OF YEAR	<u>\$ 990,704</u>	<u>\$ 572,209</u>

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

	SEPTEMBER 30,	
	2011	2010
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Accounts Receivable - Other	\$ 3,191	\$ 3,191
Due from General Fund	2,242	-
Total Current Assets	5,433	3,191
<u>RESTRICTED ASSETS</u>		
Cash and Cash Investments	1,342,963	1,140,848
TOTAL ASSETS	\$1,348,396	\$1,144,039
<u>NET ASSETS</u>		
<u>NET ASSETS</u>		
Restricted	\$1,348,396	\$1,144,039

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

	YEAR ENDED SEPTEMBER 30,	
	2011	2010
<u>NONOPERATING REVENUES</u>		
Interest Income	\$ 1,594	\$ 2,493
Impact Fees	<u>202,763</u>	<u>291,510</u>
Total Nonoperating Revenues	204,357	294,003
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>1,144,039</u>	<u>850,036</u>
NET ASSETS AT END OF YEAR	<u>\$1,348,396</u>	<u>\$ 1,144,039</u>

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

	SEPTEMBER 30,	
	2011	2010
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Accounts Receivable - Other	\$ 36,990	\$ -
<u>RESTRICTED ASSETS</u>		
Cash and Cash Investments	168,824	-
<u>CAPITAL ASSETS</u>		
Land	93,875	-
Construction in Process	585,561	-
Drainage System	747,059	-
Drainage Equipment	156,169	-
Accumulated Depreciation	(79,381)	-
Total Capital Assets, Net of Accumulated Depreciation	1,503,283	-
TOTAL ASSETS	\$1,709,097	\$ -
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 24,501	\$ -
Accrued Expenses	6,437	-
Due to Other Funds	29,967	-
Total Current Liabilities	60,905	-
<u>NET ASSETS</u>		
<u>NET ASSETS</u>		
Restricted	1,648,192	-
TOTAL LIABILITIES AND NET ASSETS	\$1,709,097	\$ -

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

	YEAR ENDED SEPTEMBER 30,	
	2011	2010
<u>OPERATING REVENUES</u>		
Drainage Fees	\$ 265,913	\$ -
<u>OPERATING EXPENSES</u>		
Salaries and Benefits	63,466	-
Contractual Services	6,518	-
Supplies	2,354	-
Repairs and Maintenance	24,063	-
Utilities	1,329	-
Depreciation	27,896	-
Total Operating Expenses	125,626	-
Operating Income	140,287	-
<u>NONOPERATING REVENUES</u>		
Interest Income	63	-
Net Income before Contributions and Transfers	140,350	-
<u>CAPITAL CONTRIBUTIONS</u>	948,471	-
<u>TRANSFER IN</u>	559,371	-
Change in Net Assets	1,648,192	-
<u>NET ASSETS AT BEGINNING OF YEAR</u>	-	-
NET ASSETS AT END OF YEAR	\$1,648,192	\$ -

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

	SEPTEMBER 30,	
	2011	2010
<u>ASSETS</u>		
Cash and Investments	\$ 181,875	\$ 117,556
Sales Tax Receivable	<u>26,073</u>	<u>25,811</u>
TOTAL ASSETS	<u>\$ 207,948</u>	<u>\$ 143,367</u>
<u>LIABILITIES AND FUND BALANCES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 574	\$ -
Due To Primary Government	<u>33,555</u>	<u>2,014</u>
Total Current Liabilities	34,129	2,014
<u>FUND BALANCES</u>		
Unreserved	<u>173,819</u>	<u>141,353</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 207,948</u>	<u>\$ 143,367</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>2011</u>	<u>2010</u>
<u>REVENUES</u>		
Taxes	\$ 136,003	\$ 138,009
Interest Income	189	232
Total Revenues	136,192	138,241
 <u>EXPENDITURES</u>		
Economic Development	103,726	136,193
Changes in Fund Balances	32,466	2,048
 <u>FUND BALANCES - BEGINNING</u>	141,353	139,305
FUND BALANCES - ENDING	\$ 173,819	\$ 141,353

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 EIGHT FISCAL YEARS

TABLE 1

	FISCAL YEAR ENDED SEPTEMBER 30							
	2004	2005	2006	2007	2008	2009	2010	2011
<u>GOVERNMENTAL ACTIVITIES</u>								
Invested in Capital Assets								
Net of Related Debt	\$1,659,150	\$ 2,949,433	\$ 1,106,927	\$ 4,494,034	\$ 8,164,016	\$ 9,995,081	\$ 9,995,081	\$ 11,394,731
Restricted	1,008,780	776,107	4,007,735	2,234,750	1,863,848	2,318,816	2,318,816	2,646,191
Unrestricted	<u>2,254,124</u>	<u>1,411,858</u>	<u>1,927,214</u>	<u>3,132,280</u>	<u>3,488,774</u>	<u>4,259,658</u>	<u>4,259,658</u>	<u>3,959,402</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>13,516,638</u>	<u>16,573,555</u>	<u>16,573,555</u>	<u>18,000,324</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	7,339,992	8,158,635	8,158,635	9,303,769
Restricted	1,563,011	1,883,413	1,715,262	1,388,815	1,232,456	1,716,248	1,716,248	2,339,100
Unrestricted	<u>260,965</u>	<u>387,620</u>	<u>828,506</u>	<u>919,609</u>	<u>1,540,011</u>	<u>3,187,936</u>	<u>3,187,936</u>	<u>5,622,842</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>10,112,459</u>	<u>13,062,819</u>	<u>13,062,819</u>	<u>17,265,711</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	15,504,008	18,153,716	18,153,716	20,698,500
Restricted	2,571,791	2,659,520	5,722,997	3,623,565	3,096,304	4,035,064	4,035,064	4,985,291
Unrestricted	<u>2,515,089</u>	<u>1,799,478</u>	<u>2,755,720</u>	<u>4,051,889</u>	<u>5,028,785</u>	<u>7,447,594</u>	<u>7,447,594</u>	<u>9,582,244</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>	<u>\$23,629,097</u>	<u>\$29,636,374</u>	<u>\$29,636,374</u>	<u>\$ 35,266,035</u>

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

TABLE 2

	FISCAL YEAR ENDED SEPTEMBER 30							
	2004	2005	2006	2007	2008	2009	2010	2011
EXPENSES								
<u>Governmental Activities</u>								
City Council	\$ 4,133	\$ 3,248	\$ 3,657	\$ 5,740	\$ 3,162	\$ 5,342	\$ 3,565	\$ 6,007
General Government Administration	349,185	399,835	540,279	633,996	1,026,194	892,292	1,143,541	1,188,225
Public Safety	879,834	1,114,574	1,525,518	1,708,004	1,789,584	1,787,604	1,882,397	2,164,651
Community Development Services	153,185	307,672	523,760	615,390	493,852	340,638	632,734	643,292
Public Works	193,732	583,299	577,651	694,566	1,394,360	1,539,794	1,365,227	1,917,432
Parks	75,902	108,884	132,608	245,021	356,268	452,996	544,494	583,388
Animal Control	28,836	38,511	36,698	57,585	71,226	67,054	61,324	92,271
Economic Development	-	-	-	379,805	428,246	195,060	92,968	101,299
Fire	-	-	-	-	491,880	646,546	813,127	1,126,990
Finance	-	-	-	-	-	-	-	283,494
Capital Outlay	39,745	162,435	446,608	141,494	-	-	-	-
Interest on Long-Term Debt	103,681	105,774	164,417	274,394	462,715	613,629	1,255,755	840,419
Total Governmental Activities	<u>1,828,233</u>	<u>2,824,232</u>	<u>3,951,196</u>	<u>4,755,995</u>	<u>6,517,487</u>	<u>6,540,955</u>	<u>7,795,132</u>	<u>8,947,468</u>
<u>Business-Type Activities</u>								
Water and Sewer	2,126,950	2,817,400	4,129,780	3,711,259	4,246,673	5,219,757	5,871,009	6,743,329
Interest on Long-Term Debt	40,100	29,165	119,050	172,053	264,140	224,305	253,505	223,115
Total Business-Type Activities	<u>2,167,050</u>	<u>2,846,565</u>	<u>4,248,830</u>	<u>3,883,312</u>	<u>4,510,813</u>	<u>5,444,062</u>	<u>6,124,514</u>	<u>6,966,444</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>\$11,028,300</u>	<u>\$11,985,017</u>	<u>\$13,919,646</u>	<u>\$15,913,912</u>
PROGRAM REVENUES								
<u>Governmental Activities</u>								
<u>Charges for Service</u>								
<u>General Government</u>								
Administration	\$ 127,626	\$ 166,943	\$ 133,130	\$ 157,971	\$ 169,282	\$ 37,530	\$ 24,886	\$ 184,274
Law Enforcement	259,935	212,070	376,060	443,489	523,647	334,962	207,146	199,257
Code Enforcement	855,710	1,104,892	1,786,710	3,498,323	2,560,933	2,099,796	2,030,116	1,624,562
Parks	145,620	114,061	174,977	5,962	8,457	170,340	196,619	145,910
Animal Control	3,771	5,267	6,590	8,773	8,679	-	-	-
Operating Grants and Contributions	37,972	47,901	54,178	75,368	26,911	39,122	36,949	85,679
Capital Grants and Contributions	-	13,740	487,378	-	2,777,059	-	1,580,261	2,008,349
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>6,074,968</u>	<u>2,681,750</u>	<u>4,075,977</u>	<u>4,248,031</u>
<u>Business-Type Activities</u>								
<u>Charges for Services</u>								
Water and Sewer	2,171,068	2,817,448	3,753,568	3,975,771	4,899,034	6,035,693	6,250,437	7,851,850
Capital Grants and Contributions	-	-	-	-	2,977,794	-	808,810	2,131,310
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>	<u>7,876,828</u>	<u>6,035,693</u>	<u>7,059,247</u>	<u>9,983,160</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>	<u>\$13,951,796</u>	<u>\$ 8,717,443</u>	<u>\$11,135,224</u>	<u>\$14,231,191</u>

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

TABLE 2

	2004	2005	2006	2007	2008	2009	2010	2011
NET (EXPENSE) REVENUE								
Governmental Activities	\$ (397,599)	\$ (1,159,358)	\$ (932,173)	\$ (566,109)	\$ (442,519)	\$ (3,859,205)	\$ (3,719,155)	\$ (4,699,437)
Business-Type Activities	4,018	(29,117)	(495,262)	92,459	3,366,015	591,631	934,733	3,016,716
TOTAL GOVERNMENTAL NET EXPENSES	\$ (393,581)	\$ (1,188,475)	\$ (1,427,435)	\$ (473,650)	\$ 2,923,496	\$ (3,267,574)	\$ (2,784,422)	\$ (1,682,721)
GOVERNMENTAL REVENUES AND OTHER								
CHANGES IN NET ASSETS								
Governmental Activities								
Taxes								
Property Taxes	\$ 736,950	\$ 898,579	\$ 1,443,842	\$ 1,977,613	\$ 2,679,743	\$ 3,204,868	\$ 4,477,319	\$ 4,978,614
Sales Taxes	278,564	390,977	330,234	425,339	594,414	588,271	690,045	679,651
Franchise Taxes	119,560	169,790	220,161	301,298	417,035	547,790	660,435	662,030
Impact Fees	662,832	457,111	601,232	650,736	107,475	105,127	27,305	139,504
Interest and Investment Earnings	53,047	33,452	230,008	453,725	395,770	97,271	38,845	29,135
Gain (Loss) on Sale of Capital Assets	-	2,100	(4,900)	-	1,781	6,375	5,461	6,319
Miscellaneous	32,407	85,418	60,817	50,013	100,487	207,806	181,359	190,324
Transfers	23,281	(12,000)	(193,733)	(473,427)	(198,612)	(203,000)	-	(559,371)
Total Government Activities	1,906,641	2,025,427	2,687,661	3,385,297	4,098,093	4,554,508	6,080,769	6,126,206
Business-Type Activities								
Impact Fees	667,976	462,943	388,212	279,630	177,198	255,488	925,975	620,280
Interest and Investment Earnings	28,454	55,550	200,932	308,452	178,825	26,739	12,794	6,525
Gain (Loss) on Sale of Capital Assets	-	(1,567)	-	-	-	-	-	-
Transfers	(23,281)	12,000	193,733	473,427	198,612	203,000	-	559,371
Total Business-Type Activities	673,149	528,926	782,877	1,061,509	554,635	485,227	938,769	1,186,176
TOTAL PRIMARY GOVERNMENT	\$2,579,790	\$ 2,554,353	\$ 3,470,538	\$4,446,806	\$ 4,652,728	\$ 5,039,735	\$ 7,019,538	\$ 7,312,382
CHANGES IN NET ASSETS								
Government Activities	\$1,509,042	\$ 866,069	\$ 1,755,488	\$2,819,188	\$ 3,655,574	\$ 695,303	\$ 2,361,614	\$ 1,426,769
Business-Type Activities	677,167	499,809	287,615	1,153,968	3,920,650	1,076,858	1,873,502	4,202,892
TOTAL PRIMARY GOVERNMENT	\$2,186,209	\$ 1,365,878	\$ 2,043,103	\$3,973,156	\$ 7,576,224	\$ 1,772,161	\$ 4,235,116	\$ 5,629,661

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

	F I S C A L Y E A R			
	2002	2003	2004	2005
<u>GENERAL FUND</u>				
Reserved	\$ 314,122	\$ 923,481	\$1,612,652	\$1,477,083
Designated	-	-	-	-
Unreserved	1,049,539	1,747,902	1,484,446	549,344
Nonspendable				
Inventory and Prepaids	-	-	-	-
Unassigned	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL GENERAL FUND	<u>\$ 1,363,661</u>	<u>\$2,671,383</u>	<u>\$3,097,098</u>	<u>\$2,026,427</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>				
Unreserved, Reported in				
Capital Project Fund	\$ 1,495,023	\$ 675,260	\$ 94,612	\$ 97,802
Debt Service Fund	30,385	23,488	33,810	32,091
Special Revenue Funds	-	-	-	-
Restricted				
Capital Projects	-	-	-	-
Debt Service Fund	-	-	-	-
Impact Fees	-	-	-	-
Street Maintenance	-	-	-	-
Public Safety, Court				
Technology, and Security	-	-	-	-
Committed				
Capital Replacement	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 1,525,408</u>	<u>\$ 698,748</u>	<u>\$ 128,422</u>	<u>\$ 129,893</u>

TABLE 3

ENDED SEPTEMBER 30,					
2006	2007	2008	2009	2010	2011
\$1,731,830	\$ 325,872	\$ 48,090	\$ 19,138	\$ 14,868	\$ -
-	-	111,765	110,716	114,987	-
1,304,188	3,083,213	3,337,301	4,232,393	4,050,956	-
-	-	-	-	-	11,718
-	-	-	-	-	<u>3,519,621</u>
<u>\$3,036,018</u>	<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>
\$2,920,682	\$6,665,887	\$4,665,030	\$ 10,927,503	\$ 4,343,790	\$ -
(17,888)	9,328	41,898	32,016	86,224	-
-	1,911,702	1,814,407	1,997,756	2,232,592	-
-	-	-	-	-	9,280,218
-	-	-	-	-	200,495
-	-	-	-	-	2,136,399
-	-	-	-	-	233,039
-	-	-	-	-	76,258
-	-	-	-	-	<u>157,471</u>
<u>\$2,902,794</u>	<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>

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

	F I S C A L Y E A R			
	2002	2003	2004	2005
<u>REVENUES</u>				
Taxes	\$ 857,916	\$ 874,184	\$ 1,115,460	\$ 1,450,511
Construction Permits	381,475	1,045,233	855,710	1,104,892
Charges for Services	2,234	2,362	3,771	5,729
Fines and Forfeitures	160,107	221,321	259,935	212,070
Grants	48,749	48,739	37,972	61,641
Impact Fees	-	-	-	-
Parks	137,470	27,323	145,620	114,061
Interest/Miscellaneous	<u>158,539</u>	<u>394,424</u>	<u>875,912</u>	<u>744,562</u>
Total Revenues	<u>1,746,490</u>	<u>2,613,586</u>	<u>3,294,380</u>	<u>3,693,466</u>
<u>EXPENDITURES</u>				
Current				
City Council	1,428	2,624	4,133	3,248
General Government Administration	179,933	236,498	307,027	351,218
Law Enforcement and Municipal Court	573,115	686,192	847,045	1,085,595
Community Development Services	104,530	102,262	143,275	271,377
Public Works	167,198	123,698	138,286	435,153
Parks	20,272	32,346	47,100	45,527
Animal Control	938	14,371	28,787	38,102
Economic Development	-	-	-	-
Fire	-	-	-	-
Finance	-	-	-	-
Capital Projects/Outlay	84,052	2,126,444	2,867,973	1,621,802
Bond Issuance Costs	32,628	29,846	31,038	-
Debt Service				
Principal	60,000	230,000	130,000	145,000
Interest and Fiscal Charges	<u>57,845</u>	<u>57,845</u>	<u>94,170</u>	<u>102,919</u>
Total Expenditures	<u>1,140,230</u>	<u>3,680,949</u>	<u>4,638,834</u>	<u>4,099,941</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>464,551</u>	<u>(1,067,363)</u>	<u>(1,344,454)</u>	<u>(406,475)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from Bonds Payable	1,500,000	1,250,000	1,135,000	-
Proceeds from Notes Payable	-	-	-	-
Payment to Escrow Agent	-	-	-	-
Bond Premium	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Transfers in (Out)	<u>97,893</u>	<u>298,425</u>	<u>23,281</u>	<u>(12,000)</u>
Total Other Financing Sources (Uses)	<u>1,597,893</u>	<u>1,548,425</u>	<u>1,158,281</u>	<u>(12,000)</u>
CHANGES IN FUND BALANCES	<u>\$ 2,062,444</u>	<u>\$ 481,062</u>	<u>\$ (186,173)</u>	<u>\$ (418,475)</u>

TABLE 4

ENDED SEPTEMBER 30,					
2006	2007	2008	2009	2010	2011
\$ 1,998,334	\$ 2,703,074	\$ 3,689,405	\$ 4,332,284	\$ 5,814,007	\$ 6,287,774
1,786,710	4,149,059	2,668,408	2,095,246	2,010,543	1,554,475
6,590	8,773	8,679	34,746	22,815	25,886
376,060	443,489	523,647	337,746	209,217	357,645
75,334	75,368	26,911	39,122	36,949	85,679
-	-	-	104,710	26,521	135,949
140,975	5,962	8,457	5,940	25,619	22,310
<u>1,038,033</u>	<u>661,706</u>	<u>665,543</u>	<u>474,027</u>	<u>410,777</u>	<u>438,147</u>
<u>5,422,036</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>
3,657	5,740	3,162	5,342	3,565	6,007
483,773	649,543	830,943	863,179	1,094,457	1,137,335
1,463,978	1,634,651	1,682,308	1,698,498	1,813,141	2,022,833
513,207	586,752	450,312	336,315	626,622	629,500
854,803	476,904	1,255,770	935,159	704,592	727,916
99,787	205,232	255,672	318,041	320,421	434,186
36,447	51,836	62,094	62,117	57,055	87,557
-	374,040	425,290	200,419	88,534	98,667
-	-	-	646,088	808,021	1,045,521
-	-	-	-	-	288,742
844,101	2,160,749	463,656	6,433,718	7,782,866	3,880,415
56,000	85,071	3,299,516	242,462	-	185,101
192,695	3,136,224	405,767	255,000	475,000	1,000,000
93,915	203,410	457,033	492,068	1,263,740	872,071
<u>4,642,363</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>779,673</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>
3,000,000	7,975,000	-	12,562,241	-	9,570,000
47,562	-	182,124	-	-	-
-	-	-	-	-	(891,669)
-	-	-	-	-	154,509
-	-	39,450	6,375	5,461	6,319
<u>(193,733)</u>	<u>(395,089)</u>	<u>(198,612)</u>	<u>(203,000)</u>	<u>-</u>	<u>(559,371)</u>
<u>2,853,829</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>\$ 3,633,502</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>

CITY OF CIBOLO, TEXAS
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS
LAST EIGHT 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

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

TABLE 6

FISCAL YEAR ENDED SEPTEMBER 30,	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	INDUSTRIAL PROPERTY	ALL OTHER	ESTIMATED ACTUAL VALUE	LESS: TAX-EXEMPT PROPERTY	TOTAL TAXABLE ASSESSED VALUE*
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

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</u>	<u>OVERLAPPING RATES</u>		<u>TOTAL</u>
	<u>CITY OF CIBOLO</u>	<u>SCUCISD</u>	<u>GUADALUPE COUNTY</u>	
2002	\$ 0.3573	\$ 1.7100	\$ 0.3499	\$ 2.41720
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

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	2011			2002		
	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	\$ 8,983,720	1	.74%	\$ -		.00%
Kalmar RT Center LLC	7,584,358	2	.63	-		.00
Compass Bank	5,312,524	3	.44	-		.00
Jungle Laboratories, Inc	4,164,478	4	.34	1,158,788	5	.77
Robles Demolition	3,459,416	5	.29	-		.00
Guadalupe Valley Electric Coop	3,405,640	6	.28	821,790	9	.55
North American Bullet Proof Inc	2,183,127	7	.18	-		.00
Triple S Dynamics	1,916,269	8	.16	-		.00
Wolverine Enterprises	1,717,363	9	.14	-		.00
AGE Industries	1,504,082	10	.12	1,112,139	6	.74
Timber Tech Texas	-		.00	2,462,379	1	1.65
Nabisco Brands	-		.00	2,291,215	2	1.53
Trans Met	-		.00	1,478,806	3	.99
Cibolo Deer Creek	-		.00	977,210	7	.65
Sutton, Steele & Steele, Inc.	-		.00	1,226,403	4	.82
Ford Motor Credit Company	-		.00	868,052	8	.58
Pyka Properties, Inc.	-		.00	723,858	10	.48
TOTAL	\$ 40,230,977		3.32%	\$13,120,640		8.76%

Total taxable assessed value for 2011 was \$1,212,866,771.
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>
2002	\$ 534,707	\$ 518,598	97.0 %	\$ 15,988	\$ 534,586	99.9%
2003	570,694	558,515	97.9	11,921	570,436	99.9
2004	706,751	696,574	98.6	9,562	706,136	99.9
2005	938,261	919,683	98.0	17,177	936,860	99.9
2006	1,496,387	1,419,142	94.8	75,778	1,494,920	99.9
2007	1,959,999	1,947,226	99.3	10,608	1,957,834	99.9
2008	2,648,876	2,642,775	99.8	4,622	2,647,397	99.9
2009	3,183,790	3,156,026	99.1	24,358	3,180,384	99.9
2010	4,441,276	4,405,805	99.2	24,166	4,429,971	99.7
2011	4,924,577	4,893,457	99.4	-	4,893,457	99.4

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	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITY			TOTAL PRIMARY GOVERNMENT
	TAX NOTES	CERTIFICATES OF OBLIGATION	GENERAL OBLIGATION	NOTES PAYABLE	TAX ANTICIPATION NOTES	GENERAL OBLIGATION	REVENUE BONDS	
2002	\$ -	\$1,440,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,440,000
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

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 EIGHT FISCAL YEARS

TABLE 11

GENERAL BONDED DEBT OUTSTANDING							
FISCAL YEAR	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION	TAX ANTICIPATION NOTES	TOTAL	ACTUAL TAXABLE VALUE OF PROPERTY	PERCENTAGE OF 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

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, 2011

TABLE 12

<u>TAXABLE VALUE</u>	<u>\$1,212,866,771</u>
Debt Limit - 10% of Taxable Value (1)	\$ 121,286,677
Amount of Debt Applicable to Debt Limit	
Total Bonded Debt	\$31,740,000
Less: Assets Available in Debt Service Fund	<u>200,495</u>
Total Amount of Debt Applicable to Debt Limit	<u>31,539,505</u>
 ECONOMIC DEBT MARGIN	 <u>\$ 89,747,172</u>

	FISCAL YEAR				
	2006	2007	2008	2009	2010
Debt Limit	\$ 47,085,806	\$ 61,519,128	\$ 83,141,117	\$ 98,903,306	\$117,200,678
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>
 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>

(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 EIGHT FISCAL YEARS

TABLE 13

<u>YEAR</u>	<u>POPULATION</u>	<u>PER CAPITA PERSONAL 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	19,000	76,500	36	12,330	6.4
2011	20,000	85,350	33	12,330	6.4

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 FOUR YEARS AGO

TABLE 14

<u>EMPLOYER</u>	<u>2011</u>		<u>2007</u>	
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>EMPLOYEES</u>	<u>RANK</u>
Schertz-Cibolo-Universal City ISD	687	1	350	1
Sanjel, USA	300	2	-	-
Kalmar	157	3	60	7
Robles	120	4	120	3
City of Cibolo	95	5	81	4
Age Industries	64	6	70	6
Signature Plating	35	7	-	-
La Cabana Restaurant	32	8	-	-
Timber Tech	30	9	80	5
Sonic Restaurant	27	10	-	-
Eagle Construction	-	-	60	8
Jungle Laboratories	-	-	200	2
Fiber Art	-	-	40	9
Burditt Tile & Stone	-	-	30	10
TOTALS	<u>1,547</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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