

CITY OF CIBOLO, TEXAS
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2010

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ANNUAL FINANCIAL REPORT
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CITY OF CIBOLO, TEXAS
ELECTED OFFICIALS
SEPTEMBER 30, 2010

ELECTED OFFICIALS

MAYOR

JENNIFER HARTMAN

COUNCILMEMBER – PLACE 1

RON PEDDE

COUNCILMEMBER – PLACE 2

TONY KRASNAI

COUNCILMEMBER – PLACE 3

JASON WIEDERSTEIN

COUNCILMEMBER – PLACE 4

MARK WINN

COUNCILMEMBER – PLACE 5

LARRY CARLTON

COUNCILMEMBER – PLACE 6

STEVE LIPAROTO

COUNCILMEMBER – PLACE 7

RICHARD HETZEL

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FINANCIAL SECTION

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Thompson,
Williams,
Biediger,
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, 2010, 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, 2010, 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 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 taken 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, Budge, Threlkeld & Young, L.C.

Certified Public Accountants

San Antonio, Texas

March 22, 2011

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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, 2010. Please read it in conjunction with the City's financial statements, which follow this section.

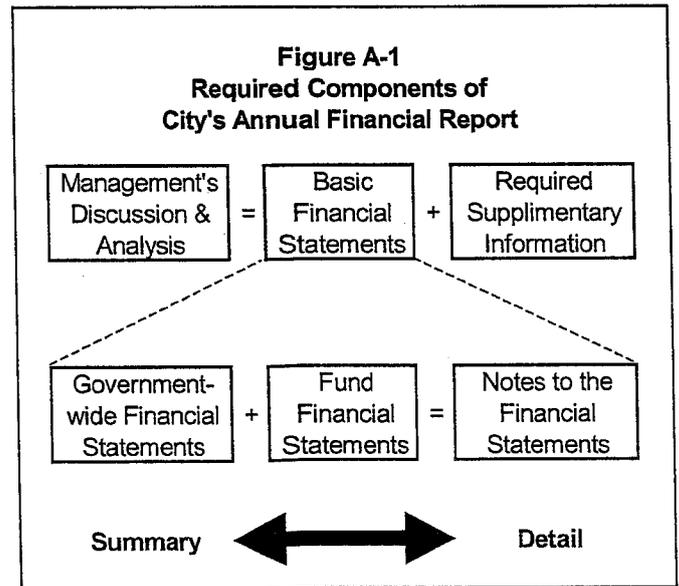
FINANCIAL HIGHLIGHTS

- The City's total combined net assets were \$29,636,374 at September 30, 2010.
- During the year, the City's governmental expenses were \$7,795,132, \$2,361,614 less than the \$10,156,746 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 \$6,124,514, \$1,873,502 less than the \$7,998,016 generated in charges for service, contributions, and other revenues for business-type activities (water and wastewater services).
- The general fund reported a total fund balance this year of \$4,180,811, of which \$4,050,956 is unreserved. The 2008-09 fiscal year audit reported a total fund balance of \$4,362,247 of which \$4,232,393 was unreserved.

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2010	2009	2010	2009	2010	2009
ASSETS						
<u>Current Assets</u>						
Cash and Investments	\$ 6,835,795	\$ 6,217,720	\$ 1,911,664	\$ 1,610,428	\$ 8,747,459	\$ 7,828,148
Receivables	329,714	224,456	853,959	995,494	1,183,673	1,219,950
Inventories and Prepaid Expenses	14,868	19,138	38,771	44,211	53,639	63,349
Bond Issuance Costs (Net)	<u>325,495</u>	<u>345,015</u>	<u>74,009</u>	<u>87,207</u>	<u>399,504</u>	<u>432,222</u>
Total Current Assets	<u>7,505,872</u>	<u>6,806,329</u>	<u>2,878,403</u>	<u>2,737,340</u>	<u>10,384,275</u>	<u>9,543,669</u>
<u>Non-Current Assets</u>						
Capital Assets (Net)	27,169,813	18,817,705	13,533,635	12,457,064	40,703,448	31,274,769
Restricted Cash and Investments	<u>5,155,375</u>	<u>11,719,940</u>	<u>2,661,417</u>	<u>2,146,919</u>	<u>7,816,792</u>	<u>13,866,859</u>
Total Non-Current Assets	<u>32,325,188</u>	<u>30,537,645</u>	<u>16,195,052</u>	<u>14,603,983</u>	<u>48,520,240</u>	<u>45,141,628</u>
TOTAL ASSETS	<u>39,831,060</u>	<u>37,343,974</u>	<u>19,073,455</u>	<u>17,341,323</u>	<u>58,904,515</u>	<u>54,685,297</u>
<u>Current Liabilities</u>						
Accounts Payable and Accrued Liabilities	1,425,674	747,343	400,834	343,833	1,826,508	1,091,176
Accrued Leave and Comp Time	111,722	99,772	21,562	23,488	133,284	123,260
Accrued Interest Payable	185,878	246,693	37,627	19,580	223,505	266,273
Deposits/Bonds Payable	<u>15,709</u>	<u>25,633</u>	<u>175,613</u>	<u>170,105</u>	<u>191,322</u>	<u>195,738</u>
Total Current Liabilities	<u>1,738,983</u>	<u>1,119,441</u>	<u>635,636</u>	<u>557,006</u>	<u>2,374,619</u>	<u>1,676,447</u>
<u>Non-Current Liabilities</u>						
Due within One Year	994,070	494,070	265,000	220,000	1,259,070	714,070
Due in More than One Year	<u>20,524,452</u>	<u>21,518,522</u>	<u>5,110,000</u>	<u>5,375,000</u>	<u>25,634,452</u>	<u>26,893,522</u>
Total Non-Current Liabilities	<u>21,518,522</u>	<u>22,012,592</u>	<u>5,375,000</u>	<u>5,595,000</u>	<u>26,893,522</u>	<u>27,607,592</u>
TOTAL LIABILITIES	<u>23,257,505</u>	<u>23,132,033</u>	<u>6,010,636</u>	<u>6,152,006</u>	<u>29,268,141</u>	<u>29,284,039</u>
<u>Net Assets</u>						
Invested in Capital Assets, Net	9,995,081	7,732,616	8,158,635	6,862,064	18,153,716	14,594,680
Unrestricted	4,259,658	4,449,553	3,187,936	3,085,787	7,447,594	7,535,340
Restricted	<u>2,318,816</u>	<u>2,029,772</u>	<u>1,716,248</u>	<u>1,241,466</u>	<u>4,035,064</u>	<u>3,271,238</u>
TOTAL NET ASSETS	<u>\$16,573,555</u>	<u>\$14,211,941</u>	<u>\$13,062,819</u>	<u>\$11,189,317</u>	<u>\$29,636,374</u>	<u>\$25,401,258</u>

Net Assets

The City's combined net assets were \$29,636,374 at September 30, 2010. 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 \$4,259,658 from a balance of \$4,449,553 for the prior year (a decrease of \$189,895 or 4.3%).

Primary Sources of Operating Revenues

The City's governmental and business-type revenues were \$18,154,762. Approximately 79.7% of the revenues came from the following three sources - utility charges (34.4%), taxes (inclusive of property taxes, sales taxes, and franchise fees) (32.1%), and capital contributions (13.2%). New home residential construction experienced a significant slowdown in 2010 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, sales and use taxes, and franchise fee revenues.

Table A-2 below shows the distribution of revenues for the 2009-10 fiscal year.

TABLE A-2
REVENUES
2009-2010 FISCAL YEAR

<u>SOURCE</u>	<u>REVENUE</u>	<u>PERCENT</u>
Capital Contributions	\$ 2,389,071	13.16%
Utility Charges	6,250,437	34.43
Taxes	5,827,799	32.10
Construction Permits	1,839,543	10.13
Interest	51,639	0.28
Fines/Forfeitures	207,146	1.14
Impact Fees	953,280	5.52
Other Charges for Services	412,078	2.27
Operating Grants	36,949	0.20
Miscellaneous	<u>186,820</u>	<u>1.03</u>
TOTALS	<u>\$18,154,762</u>	<u>100.00%</u>

The total cost of all programs and services was \$13,919,646; 56% (\$7,795,132) of these costs are for general government services and 44% (\$6,124,514) was for utility services.

Governmental Activities

- Property tax rates had a small increase this year. The rate was \$0.4100 for 2009 (revenue for the 2010 fiscal year). Increased property values and tax rates resulted in the collection of \$4,477,319 in property tax revenues, an increase of \$1,272,451 from the previous fiscal year. Historical property taxes rates are presented in the statistical section.
- Sales and use tax revenues for the year were \$690,045, an increase of \$101,774 from the \$588,271 from the previous fiscal year.
- Construction permits generated \$1,839,543 in revenues for the year, a decrease of \$91,303 from the \$1,930,846 collected for the previous fiscal year. Also, impact fees collected for the year were \$27,305, a decrease of \$77,822 from the \$105,127 collected for the previous fiscal year. These decreases were from a reduction in new home construction and especially platting of new subdivisions.

- The cost of all *governmental* activities this year was \$7,795,132.
- The amount that our taxpayers paid for these activities through property taxes was \$4,477,319 (or 57.4% of the cost of governmental activities, compared to 48.9% in the prior period).

TABLE A-3
CHANGES IN CITY'S NET ASSETS

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2010	2009	2010	2009	2010	2009
PROGRAM REVENUES						
Charges for Services	\$2,458,767	\$2,642,628	\$6,250,437	\$6,035,693	\$8,709,204	\$8,678,321
Operating Grants and Contributions	36,949	39,122	-	-	36,949	39,122
Capital Grants and Contributions	1,580,261	-	808,810	-	2,389,071	-
GENERAL REVENUES						
Taxes	5,827,799	4,340,929	-	-	5,827,799	4,340,929
Impact Fees	27,305	105,127	925,975	255,488	953,280	360,615
Interest/Investment	38,845	97,271	12,794	26,739	51,639	124,010
Gain (Loss) on Sale of Assets	5,461	6,375	-	-	5,461	6,375
Miscellaneous	181,359	207,806	-	-	181,359	207,806
Total Revenues	10,156,746	7,439,258	7,998,016	6,317,920	18,154,762	13,757,178
PROGRAM EXPENSES						
City Council	3,565	5,342	-	-	3,565	5,342
Administration	1,143,541	892,292	-	-	1,143,541	892,292
Public Safety	1,882,397	1,787,604	-	-	1,882,397	1,787,604
Code Enforcement	632,734	340,638	-	-	632,734	340,638
Public Works	1,365,227	1,539,794	-	-	1,365,227	1,539,794
Parks	544,494	452,996	-	-	544,494	452,996
Animal Control	61,324	67,054	-	-	61,324	67,054
Community Development	92,968	195,060	-	-	92,968	195,060
Fire	813,127	646,546	-	-	813,127	646,546
Water/Sewer	-	-	5,871,009	5,219,757	5,871,009	5,219,757
Interest on Long-Term Debt	1,255,755	613,629	253,505	224,305	1,509,260	837,934
Total Expenses	7,795,132	6,540,955	6,124,514	5,444,062	13,919,646	11,985,017
Increase in Net Assets before Transfers	2,361,614	898,303	1,873,502	873,858	4,235,116	1,772,161
TRANSFERS IN (OUT)	-	(203,000)	-	203,000	-	-
CHANGE IN NET ASSETS	\$2,361,614	\$ 695,303	\$1,873,502	\$1,076,858	\$4,235,116	\$1,772,161

Business-Type Activities

Revenues of the City's business-type activities increased \$1,680,096 (26.6%) to a total of \$7,998,016 while expenses increased \$680,452 (12.5%) to \$6,124,514.

Overall, the City experienced an increase in the overall change of net assets from \$1,772,161 for the 2008-09 fiscal year to \$4,235,116 for the 2009-10 fiscal year. This is an increase of \$2,462,955.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenues from governmental fund types totaled \$8,556,448, an increase of 15.3% 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 \$257,687, and actual expenditures were less than budgeted expenditures by \$691,135 for the General Fund. Resources available were \$825,492 more than the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009-10 fiscal year, the City had invested (less accumulated depreciation) \$40,703,448 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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
ASSETS						
Land	\$ 1,341,881	\$ 1,103,507	\$ 391,248	\$ 391,248	\$ 1,733,129	\$ 1,494,755
Water Rights	-	-	475,000	-	475,000	-
Construction in Progress	7,341,186	564,583	-	-	7,341,186	564,583
Buildings and Improvements	20,189,551	18,102,566	-	-	20,189,551	18,102,566
Water and Sewer Systems	-	-	14,429,997	13,621,187	14,429,997	13,621,187
Transportation and Equipment	<u>1,986,971</u>	<u>1,814,546</u>	<u>391,175</u>	<u>391,175</u>	<u>2,378,146</u>	<u>2,205,721</u>
Totals at Historical Cost	30,859,589	21,585,202	15,687,420	14,403,610	46,547,009	35,988,812
Accumulated Depreciation	<u>(3,689,776)</u>	<u>(2,767,497)</u>	<u>(2,153,785)</u>	<u>(1,946,546)</u>	<u>(5,843,561)</u>	<u>(4,714,043)</u>
NET CAPITAL ASSETS	<u>\$ 27,169,813</u>	<u>\$ 18,817,705</u>	<u>\$ 13,533,635</u>	<u>\$ 12,457,064</u>	<u>\$ 40,703,448</u>	<u>\$ 31,274,769</u>

Long-Term Debt

At year end the City had \$26,760,000 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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
ASSETS						
Bonds Payable	<u>\$21,385,000</u>	<u>\$21,860,000</u>	<u>\$5,375,000</u>	<u>\$5,595,000</u>	<u>\$26,760,000</u>	<u>\$27,455,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

2009 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. These bonds are scheduled for issuance over multiple years - 2009, 2011, and 2013. The first phase of projects, was funded in 2009, and construction began in August 2009. These projects account for approximately \$11 million of the total bond program and are:

- **Police Station** - Construction began in August 2009 and was substantially complete in September 2010. It is estimated that this project will cost \$3.5 million. The building is designed to meet projected needs over the next 10 years. The facility includes 12,000 square feet of gross floor area and will house administrative offices, training/meeting space, holding cells, and dispatch facilities.
- **Fire Station** - Construction began in August 2009 and was substantially complete in September 2010. The cost estimate for this facility is \$2.9 million. This is a fire substation that is designed to meet the public safety needs of the population in the northern portion of the City. The facility includes equipment bays, administrative space, training/meeting space, living quarters, and equipment storage.
- **Cibolo Valley Drive North** - Design for this project is complete and construction began in August 2009, and is to be completed in 2011. It is projected to cost \$2.3 million and is the widening of the existing two-lane portion of Cibolo Valley Drive from Springtree Hollow North to Old Weiderstein Road. Construction will include curbs and gutters, sidewalks, additional asphalt pavement, and lateral drainage improvements.
- **Cibolo Valley Drive South** - Design for this project is complete and construction began in August 2009, and is to be completed in 2011. It is projected to cost \$1.9 million and is the extension of Cibolo Valley Drive from Borgfeld Road south to FM 1103. Construction will include a four-lane section with curbs and gutters and sidewalks on both sides.
- **Remaining Projects** - The remaining projects authorized by the 2009 General Obligation Bond program have a total combined estimated cost of approximately \$16.9 million and are:

- **Town Creek Regional Detention** - \$5.5 million, funding in 2011;
- **Completion of Ball field Complex** - \$3.3 million, funding in 2011;
- **Town Creed West Drainage Phase II** - \$3.7 million, funding in 2013; and
- **Community Center** - \$4.8 million, funding in 2013.

Economic Outlook

Since 2000, Cibolo's appraised value has increased on average 26% annually. Its appraised value increased by 18.5% the 2009-10 fiscal year. The rate of increase in the City's taxable value is projected to slow down in the short term and stabilize in the medium to long range. Projected growth in the taxable value for 2011 is expected to increase by approximately 10%. Residential construction has driven the increase in appraised value since 2000 and if the City experiences significant non-residential growth, it would see its appraised values increasing at a higher rate than what is projected.

Residential construction activity in the City declined for the 2009-10 fiscal year, with approximately 384 new homes permitted as opposed to the nearly 410 permitted the prior year. This slow-down in growth has occurred as forecasted by staff over the past several years. A further slow-down is also being experienced for the 2010-2011 fiscal year with new home permits projected to be 250. With the current economic climate, it is difficult to predict with any certainty the strength of the residential housing market over the short term. There are a number of regional factors that indicate that Cibolo's housing market is likely to maintain a moderate rate of growth in the short term. One of the primary factors driving this growth will be addition of troops to Randolph Air Force Base, which is projected to bring 5,000 new families to the immediate area over the next couple of years. Cibolo has worked hard to reduce its financial dependence on new home permit revenues over the past two budget cycles and prepare for this slow down in residential growth. The City is now in a financial position to offer a consistent level of service over the short term. It is imperative that the City continues to see significant growth in its non-residential sectors in order to continue to meet its service requirements without having to significantly increase property taxes.

Several new retailers and service companies also opened up during the last fiscal year. The continued growth of these sectors will be key to Cibolo expanding its operational functions to meet growing service demands.

The City is in a very sound financial position with the fund balance equating to eight (8) months of operating expenses that is triple the 90 days of operating capital established in the City's investment policy. With a growing community, the City must insure that vitality of our community by protecting our citizens and their property; by developing infrastructure to support growth; by developing water resources and secure water supplies for the long term; by taking measures whereby the City becomes dependent upon itself; and by maintaining the quality of life for the citizens of Cibolo.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact 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, 2010

	<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	\$ 6,835,795	\$ 1,911,664	\$ 8,747,459	\$ 117,556
Receivables (Net of Allowances for Uncollectibles)				
Taxes	76,763	-	76,763	25,811
Other	-	5,464	5,464	-
Accounts	234,271	867,175	1,101,446	-
Internal Balances	18,680	(18,680)	-	-
Inventories and Prepaid Expenses	14,868	38,771	53,639	-
Restricted Assets				
Cash and Investments	5,155,375	2,661,417	7,816,792	-
Bond Issuance Costs (Net)	325,495	74,009	399,504	-
Capital Assets				
Land	1,341,881	391,248	1,733,129	-
Water Rights	-	475,000	475,000	-
Buildings	2,025,008	-	2,025,008	-
Construction in Progress	7,341,186	-	7,341,186	-
Improvements Other than Buildings/Infrastructure	18,164,543	-	18,164,543	-
Water and Sewer Systems	-	14,429,997	14,429,997	-
Transportation and Equipment	1,986,971	391,175	2,378,146	-
Accumulated Depreciation	<u>(3,689,776)</u>	<u>(2,153,785)</u>	<u>(5,843,561)</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 39,831,060</u>	 <u>\$19,073,455</u>	 <u>\$58,904,515</u>	 <u>\$ 143,367</u>

CITY OF CIBOLO, TEXAS
STATEMENT OF NET ASSETS (CONTINUED)
SEPTEMBER 30, 2010

	<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	\$ 1,318,922	\$ 388,218	\$ 1,707,140	\$ 2,014
Accrued Liabilities	106,752	12,616	119,368	-
Accrued Compensated Absences	111,722	21,562	133,284	-
Accrued Interest Payable	185,878	37,627	223,505	-
Deposits/Bonds Payable	15,709	175,613	191,322	-
<u>Noncurrent Liabilities</u>				
Due Within One Year	994,070	265,000	1,259,070	-
Due in More than One Year	<u>20,524,452</u>	<u>5,110,000</u>	<u>25,634,452</u>	-
Total Liabilities	<u>23,257,505</u>	<u>6,010,636</u>	<u>29,268,141</u>	<u>2,014</u>
<u>NET ASSETS</u>				
<u>Restricted Net Assets</u>				
Debt Service	86,224	-	86,224	-
Public Safety, Court Security, and Technology	67,921	-	67,921	-
Impact Fees	1,950,713	1,716,248	3,666,961	-
Street Maintenance	213,958	-	213,958	-
<u>Unrestricted Net Assets</u>				
Invested in Capital Assets, Net of Related Debt	9,995,081	8,158,635	18,153,716	-
Unrestricted	<u>4,259,658</u>	<u>3,187,936</u>	<u>7,447,594</u>	<u>141,353</u>
Total Net Assets	<u>16,573,555</u>	<u>13,062,819</u>	<u>29,636,374</u>	<u>141,353</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 39,831,060</u>	 <u>\$19,073,455</u>	 <u>\$58,904,515</u>	 <u>\$143,367</u>

CITY OF CIBOLO, TEXAS
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2010

<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	\$ 3,565	\$ -	\$ -	\$ -
General Government Administration	1,143,541	24,886	-	-
Law Enforcement and Municipal Court	1,882,397	207,146	36,949	-
Code Enforcement	632,734	1,839,543	-	-
Public Works	1,365,227	190,573	-	1,580,261
Parks	544,494	196,619	-	-
Animal Control	61,324	-	-	-
Community Development	92,968	-	-	-
Fire	813,127	-	-	-
Interest and Fiscal Charges on Long-Term Debt	<u>1,255,755</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>7,795,132</u>	<u>2,458,767</u>	<u>36,949</u>	<u>1,580,261</u>
<u>Business-Type Activities</u>				
Water/Sewer	5,871,009	6,250,437	-	808,810
Interest and Fiscal Charges on Long-Term Debt	<u>253,505</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>6,124,514</u>	<u>6,250,437</u>	<u>-</u>	<u>808,810</u>
Total Primary Government	<u>\$ 13,919,646</u>	<u>\$ 8,709,204</u>	<u>\$ 36,949</u>	<u>\$ 2,389,071</u>
<u>Component Unit</u>				
Cibolo Economic Development Corporation	<u>\$ 136,193</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

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	
\$ (3,565)	\$ -	\$ (3,565)	\$ -
(1,118,655)	-	(1,118,655)	-
(1,638,302)	-	(1,638,302)	-
1,206,809	-	1,206,809	-
405,607	-	405,607	-
(347,875)	-	(347,875)	-
(61,324)	-	(61,324)	-
(92,968)	-	(92,968)	-
(813,127)	-	(813,127)	-
<u>(1,255,755)</u>	<u>-</u>	<u>(1,255,755)</u>	<u>-</u>
<u>(3,719,155)</u>	<u>-</u>	<u>(3,719,155)</u>	<u>-</u>
-	1,188,238	1,188,238	-
-	(253,505)	(253,505)	-
<u>-</u>	<u>934,733</u>	<u>934,733</u>	<u>-</u>
<u>(3,719,155)</u>	<u>934,733</u>	<u>(2,784,422)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(136,193)</u>
4,477,319	-	4,477,319	-
690,045	-	690,045	138,009
660,435	-	660,435	-
27,305	925,975	953,280	-
38,845	12,794	51,639	232
5,461	-	5,461	-
<u>181,359</u>	<u>-</u>	<u>181,359</u>	<u>-</u>
<u>6,080,769</u>	<u>938,769</u>	<u>7,019,538</u>	<u>138,241</u>
2,361,614	1,873,502	4,235,116	2,048
<u>14,211,941</u>	<u>11,189,317</u>	<u>25,401,258</u>	<u>139,305</u>
<u>\$ 16,573,555</u>	<u>\$13,062,819</u>	<u>\$29,636,374</u>	<u>\$ 141,353</u>

CITY OF CIBOLO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

	<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	\$4,534,656	\$ -	\$ 18,983	\$ 2,282,156	\$ 6,835,795
Receivables (Net of Allowances for Uncollectibles)					
Taxes	34,161	-	16,791	25,811	76,763
Other	234,271	-	-	-	234,271
Due from Other Funds	257,347	-	67,241	1,173	325,761
Inventories and Prepaids	14,868	-	-	-	14,868
Restricted Assets					
Cash and Investments	-	5,155,375	-	-	5,155,375
TOTAL ASSETS	<u>\$5,075,303</u>	<u>\$5,155,375</u>	<u>\$103,015</u>	<u>\$ 2,309,140</u>	<u>\$12,642,833</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 669,456	\$ 645,262	\$ -	\$ 4,204	\$ 1,318,922
Due to Other Funds	68,414	166,323	-	72,344	307,081
Accrued Liabilities	106,752	-	-	-	106,752
Court Bonds	15,709	-	-	-	15,709
Deferred Revenue	34,161	-	16,791	-	50,952
Total Liabilities	<u>894,492</u>	<u>811,585</u>	<u>16,791</u>	<u>76,548</u>	<u>1,799,416</u>
<u>Fund Balances</u>					
Reserved for					
Debt Service	-	-	86,224	-	86,224
Impact Fees	-	-	-	1,950,713	1,950,713
Inventory and Prepaids	14,868	-	-	-	14,868
Public Safety, Court Technology, and Security	-	-	-	67,921	67,921
Street Maintenance	-	-	-	213,958	213,958
Designated for Capital Replacement	114,987	-	-	-	114,987
Unreserved, Undesignated Reported in					
General Fund	4,050,956	-	-	-	4,050,956
Capital Projects Funds	-	4,343,790	-	-	4,343,790
Total Fund Balances	<u>4,180,811</u>	<u>4,343,790</u>	<u>86,224</u>	<u>2,232,592</u>	<u>10,843,417</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$5,075,303</u>	<u>\$5,155,375</u>	<u>\$103,015</u>	<u>\$ 2,309,140</u>	<u>\$12,642,833</u>

CITY OF CIBOLO, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$ 10,843,417
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	27,169,813
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.	325,495
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	50,952
Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the funds.	(111,722)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.	
Bonds Payable	(21,518,522)
Accrued interest payable on long-term bonds is not due and payable in the current period and, therefore, not reported in the funds.	<u>(185,878)</u>
TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 16,573,555</u>

CITY OF CIBOLO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2010

	<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	\$4,038,412	\$ -	\$1,637,586	\$ 138,009	\$ 5,814,007
Construction Permits	1,839,543	-	-	171,000	2,010,543
Charges for Services	11,252	-	-	11,563	22,815
Fines and Forfeitures	207,146	-	-	2,071	209,217
Grants	36,949	-	-	-	36,949
Impact Fees	-	-	-	26,521	26,521
Parks	25,619	-	-	-	25,619
Interest/Miscellaneous	296,925	17,315	90,742	5,795	410,777
Total Revenues	<u>6,455,846</u>	<u>17,315</u>	<u>1,728,328</u>	<u>354,959</u>	<u>8,556,448</u>
<u>EXPENDITURES</u>					
Current					
City Council	3,565	-	-	-	3,565
General Government Administration	1,080,495	13,962	-	-	1,094,457
Law Enforcement and Municipal Court	1,748,107	12,328	-	52,706	1,813,141
Code Enforcement	626,622	-	-	-	626,622
Public Works	704,592	-	-	-	704,592
Parks	320,353	-	-	68	320,421
Animal Control	57,055	-	-	-	57,055
Community Development	88,534	-	-	-	88,534
Fire	784,925	23,096	-	-	808,021
Capital Projects/Outlay	683,391	7,099,475	-	-	7,782,866
Debt Service:					
Principal	-	-	475,000	-	475,000
Interest and Fiscal Charges	-	-	1,263,740	-	1,263,740
Total Expenditures	<u>6,097,639</u>	<u>7,148,861</u>	<u>1,738,740</u>	<u>52,774</u>	<u>15,038,014</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>358,207</u>	<u>(7,131,546)</u>	<u>(10,412)</u>	<u>302,185</u>	<u>(6,481,566)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from Sale of Capital Assets	5,461	-	-	-	5,461
Transfers In	67,349	547,833	64,620	-	679,802
Transfers Out	(612,453)	-	-	(67,349)	(679,802)
Total Other Financing Sources (Uses)	<u>(539,643)</u>	<u>547,833</u>	<u>64,620</u>	<u>(67,349)</u>	<u>5,461</u>
Net Change in Fund Balances	(181,436)	(6,583,713)	54,208	234,836	(6,476,105)
<u>FUND BALANCES AT BEGINNING OF YEAR</u>					
	<u>4,362,247</u>	<u>10,927,503</u>	<u>32,016</u>	<u>1,997,756</u>	<u>17,319,522</u>
FUND BALANCES AT END OF YEAR	<u>\$4,180,811</u>	<u>\$4,343,790</u>	<u>\$ 86,224</u>	<u>\$ 2,232,592</u>	<u>\$ 10,843,417</u>

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, 2010

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (6,476,105)

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.

6,846,847

Construction in progress written off.

(75,000)

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

Property Taxes

14,576

Capital Contributions

1,580,261

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, but has no effect on net assets.

The repayment of principal of long-term debt consumes the current financial resources of governmental funds but has no effect on net assets.

475,000

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

Compensated Absences

(11,950)

Bond Issue Costs

(19,520)

Premium

21,225

Loss on Debt Refunding

(2,155)

Accrued Interest Expense

8,435

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 2,361,614

CITY OF CIBOLO, TEXAS
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2010

	BUSINESS-TYPE ACTIVITIES			TOTAL
	WATER/SEWER FUND	WATER IMPACT FUND	SEWER IMPACT FUND	
<u>ASSETS</u>				
<u>Current Assets</u>				
Cash and Cash Equivalents	\$ 1,911,664	\$ -	\$ -	\$ 1,911,664
Receivables (Net of Allowances for Uncollectibles of \$95,150)				
Accounts	867,175	-	-	867,175
Other	2,273	-	3,191	5,464
Due From Other Funds	37,957	-	-	37,957
Inventory of Supplies and Prepaids	38,771	-	-	38,771
Total Current Assets	<u>2,857,840</u>	<u>-</u>	<u>3,191</u>	<u>2,861,031</u>
<u>Restricted Assets</u>				
Cash and Investments	<u>910,403</u>	<u>610,166</u>	<u>1,140,848</u>	<u>2,661,417</u>
<u>Bond Issuance Costs (Net of Accumulated Amortization)</u>	<u>74,009</u>	<u>-</u>	<u>-</u>	<u>74,009</u>
<u>Capital Assets</u>				
Land	391,248	-	-	391,248
Water Rights	475,000	-	-	475,000
Water and Sewer Systems	14,429,997	-	-	14,429,997
Equipment	391,175	-	-	391,175
Accumulated Depreciation	<u>(2,153,785)</u>	<u>-</u>	<u>-</u>	<u>(2,153,785)</u>
Capital Assets, Net	<u>13,533,635</u>	<u>-</u>	<u>-</u>	<u>13,533,635</u>
 TOTAL ASSETS	 <u>\$17,375,887</u>	 <u>\$ 610,166</u>	 <u>\$1,144,039</u>	 <u>\$19,130,092</u>

CITY OF CIBOLO, TEXAS
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2010

	BUSINESS-TYPE ACTIVITIES			TOTAL
	WATER/SEWER FUND	WATER IMPACT FUND	SEWER IMPACT FUND	
<u>LIABILITIES AND NET ASSETS</u>				
<u>Current Liabilities</u>				
Accounts Payable	\$ 388,218	\$ -	\$ -	\$ 388,218
Accrued Expenses	12,616	-	-	12,616
Accrued Leave and Compensatory Time	21,562	-	-	21,562
Accrued Interest Payable	37,627	-	-	37,627
Current Portion of Bonds Payable	265,000	-	-	265,000
Due to Other Funds	18,680	37,957	-	56,637
Customer Deposits	<u>175,613</u>	<u>-</u>	<u>-</u>	<u>175,613</u>
Total Current Liabilities	919,316	37,957	-	957,273
<u>Noncurrent Liabilities</u>				
Bonds Payable	<u>5,110,000</u>	<u>-</u>	<u>-</u>	<u>5,110,000</u>
TOTAL LIABILITIES	<u>6,029,316</u>	<u>37,957</u>	<u>-</u>	<u>6,067,273</u>
<u>NET ASSETS</u>				
<u>Restricted Net Assets</u>				
Impact Fees	-	572,209	1,144,039	1,716,248
<u>Unrestricted Net Assets</u>				
Invested in Capital Assets, Net of Related Debt	8,158,635	-	-	8,158,635
Unrestricted	<u>3,187,936</u>	<u>-</u>	<u>-</u>	<u>3,187,936</u>
Total Net Assets	<u>11,346,571</u>	<u>572,209</u>	<u>1,144,039</u>	<u>13,062,819</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$17,375,887</u>	<u>\$ 610,166</u>	<u>\$ 1,144,039</u>	<u>\$19,130,092</u>

CITY OF CIBOLO, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2010

	BUSINESS-TYPE ACTIVITIES			TOTAL
	WATER/SEWER FUND	WATER IMPACT FUND	SEWER IMPACT FUND	
<u>OPERATING REVENUES</u>				
Water Sales	\$ 2,496,650	\$ -	\$ -	\$ 2,496,650
Sewer Sales	1,695,459	-	-	1,695,459
Garbage Service	1,359,169	-	-	1,359,169
Service Fees	650,890	-	-	650,890
Miscellaneous	48,269	-	-	48,269
Total Operating Revenues	<u>6,250,437</u>	<u>-</u>	<u>-</u>	<u>6,250,437</u>
<u>OPERATING EXPENSES</u>				
Water Purchased	141,744	-	-	141,744
Sewage Treatment	1,089,766	-	-	1,089,766
Garbage Service	1,502,081	-	-	1,502,081
Salaries and Benefits	489,516	-	-	489,516
Supplies	74,819	-	-	74,819
Equipment Operation	189,320	-	-	189,320
Contractual Services	2,017,528	-	-	2,017,528
Utilities	41,059	-	-	41,059
Insurance	20,648	-	-	20,648
Bad Debt Expense	84,091	-	-	84,091
Amortization	13,198	-	-	13,198
Depreciation	207,239	-	-	207,239
Total Operating Expenses	<u>5,871,009</u>	<u>-</u>	<u>-</u>	<u>5,871,009</u>
Operating Income	<u>379,428</u>	<u>-</u>	<u>-</u>	<u>379,428</u>
<u>NONOPERATING REVENUES</u>				
<u>(EXPENSES)</u>				
Interest Income	8,503	1,798	2,493	12,794
Impact Fees	-	634,465	291,510	925,975
Interest and Fiscal Charges	(253,505)	-	-	(253,505)
Total Nonoperating Revenues (Expenses)	<u>(245,002)</u>	<u>636,263</u>	<u>294,003</u>	<u>685,264</u>
Net Income before Contributions and Transfers	134,426	636,263	294,003	1,064,692
Capital Contributions	808,810	-	-	808,810
Transfers In	455,484	-	-	455,484
Transfers Out	-	(455,484)	-	(455,484)
Change in Net Assets	1,398,720	180,779	294,003	1,873,502
<u>BEGINNING NET ASSETS</u>	<u>9,947,851</u>	<u>391,430</u>	<u>850,036</u>	<u>11,189,317</u>
<u>ENDING NET ASSETS</u>	<u>\$11,346,571</u>	<u>\$ 572,209</u>	<u>\$ 1,144,039</u>	<u>\$13,062,819</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, 2010

	BUSINESS-TYPE ACTIVITIES			TOTAL
	WATER/SEWER FUND	WATER IMPACT FUND	SEWER IMPACT FUND	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash Received from Customers	\$ 6,391,128	\$ -	\$ -	\$ 6,391,128
Cash Paid for Personnel Costs	(491,442)	-	-	(491,442)
Cash Paid to Suppliers	(5,098,615)	-	-	(5,098,615)
Net Cash Provided by Operating Activities	<u>801,071</u>	<u>-</u>	<u>-</u>	<u>801,071</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfers In (Out)	<u>423,879</u>	<u>(417,527)</u>	<u>-</u>	<u>6,352</u>
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>				
Purchase of Water Rights	(475,000)	-	-	(475,000)
Principal Payments on Debt	(220,000)	-	-	(220,000)
Interest and Fiscal Charges Paid	(235,458)	-	-	(235,458)
Impact Fees	-	634,465	291,510	925,975
Net Cash Provided by (Used in) Capital Financing Activities	<u>(930,458)</u>	<u>634,465</u>	<u>291,510</u>	<u>(4,483)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Investment Interest Received	<u>8,503</u>	<u>1,798</u>	<u>2,493</u>	<u>12,794</u>
Net Increase in Cash	<u>302,995</u>	<u>218,736</u>	<u>294,003</u>	<u>815,734</u>
<u>BEGINNING CASH AND CASH EQUIVALENTS</u>				
Cash and Cash Equivalents	1,610,428	-	-	1,610,428
Restricted Cash and Cash Equivalents	<u>908,644</u>	<u>391,430</u>	<u>846,845</u>	<u>2,146,919</u>
	<u>2,519,072</u>	<u>391,430</u>	<u>846,845</u>	<u>3,757,347</u>
<u>ENDING CASH AND CASH EQUIVALENTS</u>				
Cash and Cash Equivalents	1,911,664	-	-	1,911,664
Restricted Cash and Cash Equivalents	<u>910,403</u>	<u>610,166</u>	<u>1,140,848</u>	<u>2,661,417</u>
	<u>\$ 2,822,067</u>	<u>\$ 610,166</u>	<u>\$ 1,140,848</u>	<u>\$ 4,573,081</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>				
Operating Income	\$ 379,428	\$ -	\$ -	\$ 379,428
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities				
Depreciation	207,239	-	-	207,239
Amortization	13,198	-	-	13,198
(Increase) Decrease in Operating Assets				
Accounts Receivable	135,183	-	-	135,183
Inventory of Supplies and Prepaids	5,440	-	-	5,440
Increase (Decrease) in Operating Liabilities				
Accounts Payable	52,357	-	-	52,357
Accrued Liabilities	4,644	-	-	4,644
Accrued Leave and Compensatory Time	(1,926)	-	-	(1,926)
Customer Deposits	5,508	-	-	5,508
Total Adjustments	<u>421,643</u>	<u>-</u>	<u>-</u>	<u>421,643</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 801,071</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 801,071</u>

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

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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, 2010.

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, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2010

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: street impact fund, drainage impact fund, park fee fund, court technology fund, court security fund, police seizure fund, police special fund, police education 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, and the sewer impact fund. The impact funds are used to support the water/sewer system through charging impact fees to new customers to help spread the cost of the entire system over all users.

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

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

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

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the enterprise funds (water/sewer fund, water impact fund, and sewer impact fund) 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, 2010

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. Revenues in special revenue funds are also restricted on the balance sheet because their use is restricted by ordinance or law.

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, 2010

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, 2010, of \$111,722 and \$21,562 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, 2010

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 reservations 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 reservations include impact fees, capital projects, public safety funds, inventories, and prepaid expenses.

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. Interfund Transactions

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

R. 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 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.

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Use of Estimates

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

NOTE 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, 2010, 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 \$2,824,451 and the bank balance was \$3,031,645. 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 \$4,616,540 and market value of \$4,747,900 as collateral for the City's deposits. All of the City's cash was fully collateralized.

At September 30, 2010, 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.

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2010

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

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.

The City's investments at September 30, 2010 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	\$ 11,940,422	\$11,940,422	\$ 117,556	\$117,556
TexStar	1,798,128	1,798,128	-	-
 TOTAL INVESTMENTS	 <u>\$ 13,738,550</u>	 <u>\$13,738,550</u>	 <u>\$ 117,556</u>	 <u>\$117,556</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, 2010, 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, 2010

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 established by the Guadalupe County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2009, upon which the fiscal 2010 levy was based, was \$1,172,006,781 (i.e., market value less exemptions). The estimated market value was \$1,187,529,624 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, 2010, was \$0.4100 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, 2010

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2010, was as follows:

	<u>BEGINNING BALANCES</u>	<u>ADDITIONS</u>	<u>DISPOSALS/ TRANSFERS</u>	<u>ENDING BALANCES</u>
<u>Governmental Activities</u>				
Land	\$ 1,103,507	\$ 238,374	\$ -	\$ 1,341,881
Buildings	2,025,008	-	-	2,025,008
Improvements Other than Buildings	16,077,558	2,086,985	-	18,164,543
Transportaion and Equipment	1,814,546	186,165	(13,740)	1,986,971
Construction in Progress	<u>564,583</u>	<u>6,851,603</u>	<u>(75,000)</u>	<u>7,341,186</u>
	<u>21,585,202</u>	<u>9,363,127</u>	<u>(88,740)</u>	<u>30,859,589</u>
Less: Accumulated Depreciation				
Buildings	(397,514)	(50,272)	-	(447,786)
Improvements Other than Buildings	(1,524,565)	(674,480)	-	(2,199,045)
Transportaion and Equipment	<u>(845,418)</u>	<u>(211,267)</u>	<u>13,740</u>	<u>(1,042,945)</u>
	<u>(2,767,497)</u>	<u>(936,019)</u>	<u>13,740</u>	<u>(3,689,776)</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS - NET	<u>\$18,817,705</u>	<u>\$8,427,108</u>	<u>\$ (75,000)</u>	<u>\$27,169,813</u>
<u>Business-Type Activities</u>				
Land	\$ 391,248	\$ -	\$ -	\$ 391,248
Water Rights	-	475,000	-	475,000
Water System	10,099,242	191,025	-	10,290,267
Sewer System	3,521,945	617,785	-	4,139,730
Transportation and Equipment	<u>391,175</u>	<u>-</u>	<u>-</u>	<u>391,175</u>
	<u>14,403,610</u>	<u>1,283,810</u>	<u>-</u>	<u>15,687,420</u>
Less: Accumulated Depreciation				
Water System	(1,091,119)	(137,238)	-	(1,228,357)
Sewer System	(653,650)	(33,958)	-	(687,608)
Transportation and Equipment	<u>(201,777)</u>	<u>(36,043)</u>	<u>-</u>	<u>(237,820)</u>
	<u>(1,946,546)</u>	<u>(207,239)</u>	<u>-</u>	<u>(2,153,785)</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS - NET	<u>\$12,457,064</u>	<u>\$1,076,571</u>	<u>\$ -</u>	<u>\$13,533,635</u>

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

Depreciation expense was charged to the governmental functions as follows:

General Government Administration	\$ 43,361
Law Enforcement and Municipal Court	73,656
Code Enforcement	6,112
Public Works	660,482
Animal Control	5,107
Parks	146,904
Fire	<u>397</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$936,019</u>

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2010

NOTE 5: LONG-TERM DEBT

Primary Government

Long-term debt and obligations payable at September 30, 2010, comprise the following individual issues:

General Obligation Bonds

\$1,500,000 Certificate, Series 2001, Due in Annual Installments of \$60,000 to \$100,000 through 2021; Interest at 4.75% to 5.1%.	\$ 935,000
\$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%.	660,000
\$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%.	1,550,000
\$7,975,000 General Obligation Bond, Series 2007, Due in Annual Installments of \$94,250 to \$590,875 through 2027; Interest at 4.5%.	7,515,000
\$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%.	<u>10,725,000</u>
TOTAL GOVERNMENT LONG-TERM OBLIGATIONS	<u>\$ 21,385,000</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%.	\$ 2,580,000
\$3,025,000 General Obligation Bonds, Series 2007, Due in Installments of \$35,750 to \$224,125 through 2027; Interest at 4.5%.	<u>2,795,000</u>
TOTAL UTILITY FUND REVENUE BONDS	<u>\$ 5,375,000</u>

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CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2010

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, 2010, including interest payments, are as follows:

	BALANCE OCTOBER 1, 2009	ADDITIONS	REDUCTIONS	BALANCE SEPTEMBER 30, 2010	DUE WITHIN ONE YEAR
<u>GOVERNMENTAL ACTIVITIES</u>					
Certificates of Obligation	\$ 3,305,000	\$ -	\$ (160,000)	\$ 3,145,000	\$ 170,000
General Obligation	18,555,000	-	(315,000)	18,240,000	805,000
Premium	191,016	-	(21,225)	169,791	21,225
Deferred Loss on Refunding	(38,424)	-	2,155	(36,269)	(2,155)
Compensated Absences	99,772	111,722	(99,772)	111,722	111,722
Total Government Activities	<u>\$ 22,112,364</u>	<u>\$ 111,722</u>	<u>\$ (593,842)</u>	<u>\$ 21,630,244</u>	<u>\$ 1,105,792</u>
<u>BUSINESS-TYPE ACTIVITIES</u>					
Revenue Bonds	2,695,000	-	(115,000)	2,580,000	125,000
General Obligation Bond	2,900,000	-	(105,000)	2,795,000	140,000
Compensated Absences	23,488	21,562	(23,488)	21,562	21,562
Total Business-Type Activities	<u>5,618,488</u>	<u>21,562</u>	<u>(243,488)</u>	<u>5,396,562</u>	<u>286,562</u>
TOTAL GOVERNMENT	<u>\$ 27,730,852</u>	<u>\$ 133,284</u>	<u>\$ (837,330)</u>	<u>\$ 27,026,806</u>	<u>\$ 1,392,354</u>

YEAR ENDING SEPTEMBER 30,	GOVERNMENT ACTIVITIES		BUSINESS-TYPE ACTIVITIES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2011	\$ 975,000	\$ 899,802	\$ 265,000	\$ 225,087
2012	700,000	869,659	280,000	213,373
2013	730,000	841,695	305,000	200,780
2014	770,000	811,796	290,000	187,984
2015	790,000	779,818	310,000	175,108
2016-2020	5,415,000	3,296,959	1,520,000	679,520
2021-2025	6,865,000	1,937,869	1,795,000	331,093
2026-2029	5,140,000	413,662	610,000	22,509
	<u>\$ 21,385,000</u>	<u>\$ 9,851,260</u>	<u>\$ 5,375,000</u>	<u>\$ 2,035,454</u>
Average Annual Requirements		<u>\$ 1,644,014</u>		<u>\$ 435,909</u>

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2010

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% of the employee rate, 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, 2010

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, 2009 valuation is effective for rates beginning January 2011.)

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, 2009	December 31, 2009
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	24 Years - Closed Period	25 Years - Open Period
Asset Valuation Method	10-year Smoothed Market	Fund Value
Investment Rate of Return	7.5%	7.5%
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, 2010

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
2007	\$ 157,659	100%	-	\$ 4,130	100%	-
2008	230,060	100	-	5,510	100	-
2009	256,330	100	-	5,647	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, 2010, were as follows:

	TRANSFERS IN	TRANSFERS OUT
<u>General Fund</u>		
Debt Service	\$ -	\$ 64,620
Capital Projects Fund	-	547,833
Special Revenue Funds	67,349	-
	<u>67,349</u>	<u>612,453</u>
<u>Water/Sewer Fund</u>		
Water Impact Fund	-	455,484
<u>Debt Service Fund</u>		
General Fund	64,620	-
<u>Water Impact Fund</u>		
Water/Sewer Fund	455,484	-
<u>Capital Projects Fund</u>		
General Fund	547,833	-
<u>Special Revenue Funds</u>		
General Fund	-	67,349
TOTAL	<u>\$1,135,286</u>	<u>\$1,135,286</u>

The water and sewer impact funds release reserved funds by transferring capital outlay to the water/sewer fund as capital assets are reported in that fund. The special revenue funds released reserved funds to help cover debt service costs. The general fund transferred funds to the capital projects fund to cover capital outlay expenditures.

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2010

NOTE 7: INTERFUND BALANCES (CONTINUED)

The City had the following interfund payables and receivables as of September 30, 2010:

	<u>DUE FROM</u>	<u>DUE TO</u>
General Fund		
Water/Sewer Fund	\$ 18,680	\$ -
Debt Service Fund	-	67,241
Special Revenue Fund	72,344	1,173
Capital Projects Fund	<u>166,323</u>	-
	<u>257,347</u>	<u>68,414</u>
Water/Sewer Fund		
General Fund	-	18,680
Water Impact Fund	<u>37,957</u>	-
	<u>37,957</u>	<u>18,680</u>
Water Impact Fund		
Water/Sewer Fund	-	<u>37,957</u>
Debt Service Fund		
General Fund	<u>67,241</u>	-
Special Revenue Fund		
General Fund	<u>1,173</u>	<u>72,344</u>
Capital Projects Fund		
General Fund	-	<u>166,323</u>
TOTALS	<u>\$ 363,718</u>	<u>\$ 363,718</u>

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, 2010 are as follows:

<u>COMMITMENTS</u>	<u>ESTIMATED PROJECT COST TO CITY</u>	<u>EXPENDED TO DATE</u>	<u>ESTIMATED FUTURE COMMITMENT</u>
Police Station	\$2,898,048	\$2,869,293	\$ 28,755
Fire Sub-Station	2,310,471	2,291,101	19,370
Cibolo Valley Drive North Improvements	1,616,479	304,578	1,311,901
Cibolo Valley Drive South Improvements	1,469,621	451,842	1,017,779
Annual Street Maintenance Project	<u>167,871</u>	<u>51,349</u>	<u>116,522</u>
TOTALS	<u>\$8,462,490</u>	<u>\$5,968,163</u>	<u>\$2,494,327</u>

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2010

NOTE 8: COMMITMENTS AND CONTINGENCIES (CONTINUED)

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, 2010 were \$130,568 for property and casualty and workers compensation coverage.

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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

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CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR 2009)

	ORIGINAL BUDGET	FINAL BUDGET	2010 ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2009 ACTUAL
<u>REVENUES</u>					
Taxes					
Ad Valorem	\$2,850,531	\$2,850,531	\$2,808,022	\$ (42,509)	\$ 2,331,400
Tax Penalty	12,000	12,000	17,135	5,135	12,258
Sales Tax	520,000	520,000	552,036	32,036	470,240
Mixed Beverage Tax	800	800	784	(16)	416
Franchise Tax	555,300	555,300	660,435	105,135	547,790
Total Taxes	<u>3,938,631</u>	<u>3,938,631</u>	<u>4,038,412</u>	<u>99,781</u>	<u>3,362,104</u>
Construction Permits	<u>1,627,400</u>	<u>1,627,400</u>	<u>1,839,543</u>	<u>212,143</u>	<u>1,930,846</u>
Charges for Services	<u>11,250</u>	<u>11,250</u>	<u>11,252</u>	<u>2</u>	<u>11,164</u>
Fines and Forfeitures	<u>358,900</u>	<u>358,900</u>	<u>207,146</u>	<u>(151,754)</u>	<u>335,514</u>
Grant Income	<u>-</u>	<u>35,920</u>	<u>36,949</u>	<u>1,029</u>	<u>39,122</u>
Parks					
Rental Fees	3,500	3,500	21,354	17,854	4,601
Ballfield League Fees	2,000	2,000	4,265	2,265	1,339
Total Parks	<u>5,500</u>	<u>5,500</u>	<u>25,619</u>	<u>20,119</u>	<u>5,940</u>
Other Sources					
Garbage Collection	168,750	168,750	190,573	21,823	168,950
Miscellaneous	21,808	21,808	93,403	71,595	121,872
Interest	30,000	30,000	12,949	(17,051)	32,582
Total Other Sources	<u>220,558</u>	<u>220,558</u>	<u>296,925</u>	<u>76,367</u>	<u>323,404</u>
Total Revenues	<u>6,162,239</u>	<u>6,198,159</u>	<u>6,455,846</u>	<u>257,687</u>	<u>6,008,094</u>
<u>EXPENDITURES</u>					
City Council					
Mayor and Council Meeting					
Expense and Awards	825	825	702	123	766
Contingency	3,700	3,700	1,614	2,086	3,008
Utilities	1,500	1,500	1,249	251	1,568
Total City Council	<u>6,025</u>	<u>6,025</u>	<u>3,565</u>	<u>2,460</u>	<u>5,342</u>
General Government Administration					
Salaries and Fringe Benefits	505,219	505,219	503,764	1,455	435,628
Supplies	26,700	27,300	18,600	8,700	23,165
Maintenance	6,800	6,800	6,215	585	7,776
Contractual Services	374,500	507,085	490,363	16,722	328,151
Utilities	58,000	68,000	61,553	6,447	68,459
Capital Outlay	30,000	32,400	24,951	7,449	13,912
Total General Government Administration	<u>1,001,219</u>	<u>1,146,804</u>	<u>1,105,446</u>	<u>41,358</u>	<u>877,091</u>
Law Enforcement and Municipal Court					
Salaries and Fringe Benefits	1,565,894	1,435,894	1,367,232	68,662	1,335,568
Supplies	46,850	46,850	38,757	8,093	28,996
Maintenance	73,950	73,950	72,281	1,669	68,092
Contractual Services	220,955	228,442	225,028	3,414	214,500
Utilities	11,300	47,220	44,809	2,411	47,492
Capital Outlay	41,750	84,750	71,978	12,772	60,769
Total Law Enforcement and Municipal Court	<u>1,960,699</u>	<u>1,917,106</u>	<u>1,820,085</u>	<u>97,021</u>	<u>1,755,417</u>

CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR 2009)

	ORIGINAL BUDGET	FINAL BUDGET	2010 ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2009 ACTUAL
EXPENDITURES (CONTINUED)					
Code Enforcement					
Salaries and Fringe Benefits	\$ 338,603	\$ 493,415	\$ 431,556	\$ 61,859	\$ 296,167
Supplies	13,150	12,950	6,451	6,499	5,281
Maintenance	6,858	6,858	5,490	1,368	3,804
Contractual Services	49,500	171,000	182,412	(11,412)	28,868
Utilities	4,100	4,100	713	3,387	2,195
Capital Outlay	1,700	1,700	-	1,700	-
Total Code Enforcement	413,911	690,023	626,622	63,401	336,315
Public Works					
Salaries and Fringe Benefits	560,490	560,490	481,560	78,930	483,137
Supplies	102,500	102,500	80,487	22,013	121,264
Maintenance	74,500	74,500	63,318	11,182	50,824
Contractual Services	307,750	222,750	67,558	155,192	265,844
Utilities	7,540	7,540	11,669	(4,129)	14,090
Capital Outlay	5,000	5,000	-	5,000	112,654
Total Public Works	1,057,780	972,780	704,592	268,188	1,047,813
Parks					
Salaries and Fringe Benefits	229,030	229,030	208,765	20,265	182,765
Supplies	62,000	37,000	38,283	(1,283)	49,508
Maintenance	37,500	37,500	22,085	15,415	13,960
Contractual Services	12,000	12,000	7,249	4,751	31,758
Utilities	73,500	73,500	43,971	29,529	40,050
Capital Outlay	53,787	598,787	586,462	12,325	142,452
Total Parks	467,817	987,817	906,815	81,002	460,493
Animal Control					
Salaries and Fringe Benefits	46,526	46,526	41,212	5,314	44,332
Supplies	4,000	4,000	7,268	(3,268)	7,829
Maintenance	5,700	5,700	2,613	3,087	5,075
Contractual Services	7,000	7,000	3,674	3,326	4,830
Utilities	3,600	3,600	2,288	1,312	51
Capital Outlay	1,400	4,900	-	4,900	-
Total Animal Control	68,226	71,726	57,055	14,671	62,117
Community Development					
Salaries and Fringe Benefits	233,621	78,809	70,663	8,146	126,214
Supplies	11,200	9,300	325	8,975	3,583
Contractual Services	174,256	41,256	17,546	23,710	70,622
Capital Outlay	2,400	-	-	-	-
Total Community Development	421,477	129,365	88,534	40,831	200,419
Fire					
Salaries and Fringe Benefits	339,564	339,564	284,563	55,001	151,634
Supplies	7,750	7,750	5,726	2,024	9,453
Maintenance	23,974	23,974	14,072	9,902	12,200
Contractual Services	476,124	488,612	478,306	10,306	470,082
Utilities	4,428	4,428	2,258	2,170	2,719
Capital Outlay	2,800	2,800	-	2,800	-
Total Fire	854,640	867,128	784,925	82,203	646,088
Total Expenditures	6,208,908	6,788,774	6,097,639	691,135	5,391,095
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,669)	(590,615)	358,207	948,822	616,999

CITY OF CIBOLO, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2010
(WITH COMPARATIVE ACTUAL TOTALS FOR 2009)

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>2010 ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>	<u>2009 ACTUAL</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from Sale of Capital Assets	\$ -	\$ -	\$ 5,461	\$ 5,461	\$ 6,375
Transfers In	154,175	154,175	67,349	(86,826)	241,717
Transfers Out	<u>(570,488)</u>	<u>(570,488)</u>	<u>(612,453)</u>	<u>(41,965)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(416,313)</u>	<u>(416,313)</u>	<u>(539,643)</u>	<u>(123,330)</u>	<u>248,092</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(462,982)	(1,006,928)	(181,436)	825,492	865,091
<u>FUND BALANCE - OCTOBER 1</u>	<u>4,362,247</u>	<u>4,362,247</u>	<u>4,362,247</u>	<u>-</u>	<u>3,497,156</u>
FUND BALANCE - SEPTEMBER 30	<u>\$3,899,265</u>	<u>\$3,355,319</u>	<u>\$4,180,811</u>	<u>\$825,492</u>	<u>\$ 4,362,247</u>

CITY OF CIBOLO, TEXAS
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SEPTEMBER 30, 2010

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
2007	\$ 1,540,552	\$ 2,162,891	71.2%	\$ 622,339	\$ 2,212,664	28.1%
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

* 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.

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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 – 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 to expenditures for particular purposes.

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.

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

CITY OF CIBOLO, TEXAS
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2010 AND 2009

	<u>STREET IMPACT FUND</u>	<u>DRAINAGE IMPACT FUND</u>	<u>PARK FEE FUND</u>	<u>COURT TECHNOLOGY FUND</u>
<u>ASSETS</u>				
Cash and Investments - Restricted	\$ 551,436	\$ 590,166	\$ 813,315	\$ 6,114
Taxes Receivable	-	-	-	-
Due From Other Funds	-	-	-	521
 TOTAL ASSETS	 <u>\$ 551,436</u>	 <u>\$ 590,166</u>	 <u>\$ 813,315</u>	 <u>\$ 6,635</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable - Developers	\$ 2,917	\$ 1,287	\$ -	\$ -
Due To Other Funds	-	-	-	-
 TOTAL LIABILITIES	 <u>2,917</u>	 <u>1,287</u>	 <u>-</u>	 <u>-</u>
 <u>FUND BALANCES</u>				
Reserved for Capital				
Improvement (Impact Fees)	548,519	588,879	813,315	-
Reserved for Street Maintenance	-	-	-	-
Reserved for Police Special	-	-	-	-
Reserved for Court Special	-	-	-	6,635
 Total Fund Balances	 <u>548,519</u>	 <u>588,879</u>	 <u>813,315</u>	 <u>6,635</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 551,436</u>	 <u>\$ 590,166</u>	 <u>\$ 813,315</u>	 <u>\$ 6,635</u>

<u>COURT SECURITY FUND</u>	<u>POLICE SEIZURE FUND</u>	<u>POLICE SPECIAL FUND</u>	<u>POLICE EDUCATION FUND</u>	<u>STREET MAINTENANCE FUND</u>	<u>TOTALS 2010</u>	<u>TOTALS 2009</u>
\$39,745	\$3,767	\$4,503	\$ 17,614	\$ 255,496	\$2,282,156	\$ 1,909,350
-	-	-	-	25,811	25,811	20,900
-	-	652	-	-	1,173	75,560
<u>\$39,745</u>	<u>\$3,767</u>	<u>\$5,155</u>	<u>\$ 17,614</u>	<u>\$ 281,307</u>	<u>\$2,309,140</u>	<u>\$ 2,005,810</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,204	\$ 8,054
4,995	-	-	-	67,349	72,344	-
<u>4,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,349</u>	<u>76,548</u>	<u>8,054</u>
-	-	-	-	-	1,950,713	1,748,762
-	-	-	-	213,958	213,958	142,937
-	3,767	5,155	17,614	-	26,536	45,302
34,750	-	-	-	-	41,385	60,755
<u>34,750</u>	<u>3,767</u>	<u>5,155</u>	<u>17,614</u>	<u>213,958</u>	<u>2,232,592</u>	<u>1,997,756</u>
<u>\$39,745</u>	<u>\$3,767</u>	<u>\$5,155</u>	<u>\$ 17,614</u>	<u>\$ 281,307</u>	<u>\$2,309,140</u>	<u>\$ 2,005,810</u>

CITY OF CIBOLO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - SPECIAL REVENUE FUNDS
YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	<u>STREET IMPACT FUND</u>	<u>DRAINAGE IMPACT FUND</u>	<u>PARK FEE FUND</u>	<u>COURT TECHNOLOGY FUND</u>
<u>REVENUES</u>				
Sales Tax	\$ -	\$ -	\$ -	\$ -
Construction Permits	-	-	171,000	-
Fines and Forfeitures	-	-	-	6,607
Grants	-	-	-	-
Impact Fees	22,604	3,917	-	-
Other Revenue	<u>1,170</u>	<u>1,204</u>	<u>2,124</u>	<u>58</u>
Total Revenues	<u>23,774</u>	<u>5,121</u>	<u>173,124</u>	<u>6,665</u>
<u>EXPENDITURES</u>				
Law Enforcement and Municipal Court	-	-	-	25,602
Parks	-	-	<u>68</u>	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>68</u>	<u>25,602</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	23,774	5,121	173,056	(18,937)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Fund Balances	23,774	5,121	173,056	(18,937)
<u>FUND BALANCES - BEGINNING</u>	<u>524,745</u>	<u>583,758</u>	<u>640,259</u>	<u>25,572</u>
FUND BALANCES - ENDING	<u>\$ 548,519</u>	<u>\$ 588,879</u>	<u>\$ 813,315</u>	<u>\$ 6,635</u>

<u>COURT SECURITY FUND</u>	<u>POLICE SEIZURE FUND</u>	<u>POLICE SPECIAL FUND</u>	<u>POLICE EDUCATION FUND</u>	<u>STREET MAINTENANCE FUND</u>	<u>TOTALS 2010</u>	<u>TOTALS 2009</u>
\$ -	\$ -	\$ -	\$ -	\$ 138,009	\$ 138,009	\$ 118,031
-	-	-	-	-	171,000	164,400
4,956	-	-	-	-	11,563	23,582
-	-	-	2,071	-	2,071	2,232
-	-	-	-	-	26,521	104,710
<u>97</u>	<u>54</u>	<u>667</u>	<u>60</u>	<u>361</u>	<u>5,795</u>	<u>15,961</u>
<u>5,053</u>	<u>54</u>	<u>667</u>	<u>2,131</u>	<u>138,370</u>	<u>354,959</u>	<u>428,916</u>
5,486	15,674	3,704	2,240	-	52,706	3,850
-	-	-	-	-	68	-
<u>5,486</u>	<u>15,674</u>	<u>3,704</u>	<u>2,240</u>	<u>-</u>	<u>52,774</u>	<u>3,850</u>
(433)	(15,620)	(3,037)	(109)	138,370	302,185	425,066
-	-	-	-	(67,349)	(67,349)	(241,717)
(433)	(15,620)	(3,037)	(109)	71,021	234,836	183,349
<u>35,183</u>	<u>19,387</u>	<u>8,192</u>	<u>17,723</u>	<u>142,937</u>	<u>1,997,756</u>	<u>1,814,407</u>
<u>\$34,750</u>	<u>\$ 3,767</u>	<u>\$5,155</u>	<u>\$ 17,614</u>	<u>\$ 213,958</u>	<u>\$2,232,592</u>	<u>\$1,997,756</u>

CITY OF CIBOLO, TEXAS
COMPARATIVE BALANCE SHEETS
GENERAL FUND

	SEPTEMBER 30,	
	2010	2009
<u>ASSETS</u>		
Cash and Investments	\$ 4,534,656	\$ 3,982,908
Receivables (Net of Allowances for Uncollectibles)		
Property Taxes	34,161	27,909
Other	234,271	153,161
Due from Other Funds	257,347	739,692
Inventories and Prepaids	14,868	19,138
TOTAL ASSETS	\$ 5,075,303	\$ 4,922,808
<u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 669,456	\$ 351,598
Accrued Liabilities	106,752	64,910
Court Bonds	15,709	25,633
Due to Other Funds	68,414	92,139
Deferred/Unearned Revenues	34,161	26,281
Total Liabilities	894,492	560,561
<u>FUND BALANCES</u>		
Reserved for		
Inventory and Prepaids	14,868	19,138
Designated for Capital Replacement	114,987	110,716
Unreserved, Undesignated	4,050,956	4,232,393
Total Fund Balances	4,180,811	4,362,247
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,075,303	\$ 4,922,808

CITY OF CIBOLO, TEXAS
COMPARATIVE BALANCE SHEETS
CAPITAL PROJECTS FUND

	SEPTEMBER 30,	
	2010	2009
<u>ASSETS</u>		
Cash and Investments - Restricted	\$5,155,375	\$11,719,940
Due From Other Funds	-	16,579
TOTAL ASSETS	<u>\$5,155,375</u>	<u>\$11,736,519</u>
<u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 645,262	\$ 322,781
Due to Other Funds	166,323	486,235
Total Liabilities	811,585	809,016
<u>FUND BALANCES</u>		
Unreserved	4,343,790	10,927,503
TOTAL LIABILITIES AND FUND BALANCES	<u>\$5,155,375</u>	<u>\$11,736,519</u>

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

	<u>YEAR ENDED SEPTEMBER 30,</u>	
	<u>2010</u>	<u>2009</u>
<u>REVENUES</u>		
Interest/Miscellaneous	<u>\$ 17,315</u>	<u>\$ 47,025</u>
<u>EXPENDITURES</u>		
Capital Outlay	7,099,475	6,103,931
Interest and Fiscal Charges	-	400
Supplies	38,757	-
Contract Services	10,629	-
Bond Issuance Costs	-	242,462
Total Expenditures	<u>7,148,861</u>	<u>6,346,793</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,131,546)</u>	<u>(6,299,768)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Proceeds from Bonds Payable	-	12,350,000
Premium on Bonds Issued	-	212,241
Transfers In	<u>547,833</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>547,833</u>	<u>12,562,241</u>
Changes in Fund Balances	(6,583,713)	6,262,473
<u>FUND BALANCES - BEGINNING</u>	<u>10,927,503</u>	<u>4,665,030</u>
FUND BALANCES - ENDING	<u>\$4,343,790</u>	<u>\$10,927,503</u>

CITY OF CIBOLO, TEXAS
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND

	SEPTEMBER 30,	
	2010	2009
<u>ASSETS</u>		
Cash and Investments	\$ 18,983	\$ 325,462
Receivables (Net of Allowances for Uncollectibles)		
Property Taxes	16,791	10,158
Due From Other Funds	67,241	-
TOTAL ASSETS	\$ 103,015	\$ 335,620
<u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Other Payables	\$ -	\$ 52,380
Due to Other Funds	-	241,129
Deferred Revenue	16,791	10,095
Total Liabilities	16,791	303,604
<u>FUND BALANCES</u>		
Unreserved	86,224	32,016
TOTAL LIABILITIES AND FUND BALANCES	\$ 103,015	\$ 335,620

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

	<u>YEAR ENDED SEPTEMBER 30,</u>	
	<u>2010</u>	<u>2009</u>
<u>REVENUES</u>		
Taxes	\$1,637,586	\$ 852,149
Interest/Miscellaneous	<u>90,742</u>	<u>87,637</u>
Total Revenues	<u>1,728,328</u>	<u>939,786</u>
 <u>EXPENDITURES</u>		
Debt Service		
Principal	475,000	255,000
Interest and Fiscal Charges	<u>1,263,740</u>	<u>491,668</u>
Total Expenditures	<u>1,738,740</u>	<u>746,668</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,412)	193,118
 <u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In (Out)	<u>64,620</u>	<u>(203,000)</u>
Changes in Fund Balances	54,208	(9,882)
 <u>FUND BALANCES - BEGINNING</u>	<u>32,016</u>	<u>41,898</u>
 FUND BALANCES - ENDING	<u>\$ 86,224</u>	<u>\$ 32,016</u>

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

	SEPTEMBER 30,	
	2010	2009
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and Investments	\$ 1,911,664	\$ 1,610,428
Receivables (Net of Allowances for Uncollectibles)		
Accounts	867,175	1,003,685
Other	2,273	946
Due From Other Funds	37,957	-
Inventory of Supplies and Prepaids	38,771	44,211
Total Current Assets	2,857,840	2,659,270
<u>RESTRICTED ASSETS</u>		
Cash and Cash Investments	910,403	908,644
<u>BOND ISSUANCE COSTS</u>		
(Net of Accumulated Amortization)	74,009	87,207
<u>CAPITAL ASSETS</u>		
Land and Water Rights	866,248	391,248
Water and Sewer Systems	14,429,997	13,621,187
Equipment	391,175	391,175
Accumulated Depreciation	(2,153,785)	(1,946,546)
Total Capital Assets, Net of Accumulated Depreciation	13,533,635	12,457,064
TOTAL ASSETS	\$17,375,887	\$16,112,185

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

	SEPTEMBER 30,	
	2010	2009
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 388,218	\$ 335,861
Accrued Expenses	12,616	7,972
Accrued Leave and Compensatory Time	21,562	23,488
Accrued Interest Payable	37,627	19,580
Current Portion of Bonds Payable	265,000	220,000
Due to Other Funds	18,680	12,328
Customer Deposits	175,613	170,105
Total Current Liabilities	919,316	789,334
 <u>NONCURRENT LIABILITIES</u>		
Bonds Payable	5,110,000	5,375,000
Total Liabilities	6,029,316	6,164,334
 <u>NET ASSETS</u>		
Unrestricted		
Invested in Capital Assets, Net of Related Debt	8,158,635	6,862,064
Unrestricted	3,187,936	3,085,787
Total Net Assets	11,346,571	9,947,851
 TOTAL LIABILITIES AND NET ASSETS	\$17,375,887	\$16,112,185

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>2010</u>	<u>2009</u>
<u>OPERATING REVENUES</u>		
Water Sales	\$ 2,496,650	\$ 2,632,166
Sewer Sales	1,695,459	1,477,228
Garbage Service	1,359,169	1,177,676
Service Fees	650,890	711,608
Miscellaneous	<u>48,269</u>	<u>37,015</u>
Total Operating Revenues	<u>6,250,437</u>	<u>6,035,693</u>
<u>OPERATING EXPENSES</u>		
Water Purchased	141,744	158,355
Sewage Treatment	1,089,766	866,873
Garbage Service	1,502,081	1,289,253
Salaries and Benefits	489,516	549,426
Supplies	74,819	155,571
Equipment Operation	189,320	179,657
Contractual Services	2,017,528	1,614,465
Utilities	41,059	40,939
Insurance	20,648	22,047
Bad Debt Expense	84,091	45,561
Amortization	13,198	-
Depreciation	<u>207,239</u>	<u>297,502</u>
Total Operating Expenses	<u>5,871,009</u>	<u>5,219,649</u>
Operating Income	<u>379,428</u>	<u>816,044</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Income	8,503	17,637
Interest and Fiscal Charges	<u>(253,505)</u>	<u>(224,305)</u>
Total Nonoperating Revenues (Expenses)	<u>(245,002)</u>	<u>(206,668)</u>
Net Income before Contributions and Transfers	134,426	609,376
<u>CAPITAL CONTRIBUTIONS</u>	808,810	-
<u>TRANSFER IN (OUT)</u>	<u>455,484</u>	<u>458,472</u>
Change in Net Assets	1,398,720	1,067,848
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>9,947,851</u>	<u>8,880,003</u>
NET ASSETS AT END OF YEAR	<u>\$11,346,571</u>	<u>\$ 9,947,851</u>

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

	<u>SEPTEMBER 30,</u>	
	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
<u>RESTRICTED ASSETS</u>		
Cash and Cash Investments	<u>\$ 610,166</u>	<u>\$ 391,430</u>
<u>LIABILITIES AND FUND BALANCES</u>		
<u>CURRENT LIABILITIES</u>		
Due To Other Funds	\$ 37,957	\$ -
<u>NET ASSETS</u>		
Restricted	<u>572,209</u>	<u>391,430</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 610,166</u>	<u>\$ 391,430</u>

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

	<u>YEAR ENDED SEPTEMBER 30,</u>	
	<u>2010</u>	<u>2009</u>
<u>OPERATING EXPENSES</u>		
Office Supplies	\$ -	\$ 68
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Income	1,798	2,972
Impact Fees	<u>634,465</u>	<u>174,855</u>
Total Nonoperating Revenues (Expenses)	<u>636,263</u>	<u>177,827</u>
Net Income before Transfers	636,263	177,759
<u>TRANSFER IN (OUT)</u>	<u>(455,484)</u>	<u>(255,472)</u>
Change in Net Assets	180,779	(77,713)
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>391,430</u>	<u>469,143</u>
NET ASSETS AT END OF YEAR	<u>\$ 572,209</u>	<u>\$ 391,430</u>

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

	SEPTEMBER 30,	
	2010	2009
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Accounts Receivable - Other	\$ 3,191	\$ 3,191
<u>RESTRICTED ASSETS</u>		
Cash and Cash Investments	<u>1,140,848</u>	<u>846,845</u>
TOTAL ASSETS	<u>\$1,144,039</u>	<u>\$ 850,036</u>
<u>NET ASSETS</u>		
<u>NET ASSETS</u>		
Restricted	<u>\$1,144,039</u>	<u>\$ 850,036</u>

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

	YEAR ENDED SEPTEMBER 30,	
	2010	2009
<u>OPERATING EXPENSES</u>		
Office Supplies	\$ -	\$ 40
 <u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Income	2,493	6,130
Impact Fees	291,510	80,633
Total Nonoperating Revenues (Expenses)	294,003	86,763
Change in Net Assets	294,003	86,723
 <u>NET ASSETS AT BEGINNING OF YEAR</u>	 850,036	 763,313
NET ASSETS AT END OF YEAR	\$1,144,039	\$ 850,036

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

	SEPTEMBER 30,	
	2010	2009
<u>ASSETS</u>		
Cash and Investments	\$ 117,556	\$ 113,280
Sales Tax Receivable	25,811	20,900
Due from Primary Government	-	5,125
TOTAL ASSETS	\$ 143,367	\$ 139,305
<u>LIABILITIES AND FUND BALANCES</u>		
<u>CURRENT LIABILITIES</u>		
Due To Primary Government	\$ 2,014	\$ -
<u>FUND BALANCES</u>		
Unreserved	141,353	139,305
TOTAL LIABILITIES AND FUND BALANCES	\$ 143,367	\$ 139,305

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>2010</u>	<u>2009</u>
<u>REVENUES</u>		
Taxes	\$ 138,009	\$ 118,030
Interest Income	<u>232</u>	<u>1,179</u>
Total Revenues	138,241	119,209
 <u>EXPENDITURES</u>		
Economic Development	<u>136,193</u>	<u>125,473</u>
Changes in Fund Balances	2,048	(6,264)
 <u>FUND BALANCES - BEGINNING</u>	<u>139,305</u>	<u>145,569</u>
 FUND BALANCES - ENDING	<u>\$ 141,353</u>	<u>\$ 139,305</u>

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 SEVEN FISCAL YEARS

TABLE 1

	FISCAL YEAR ENDED SEPTEMBER 30						
	2004	2005	2006	2007	2008	2009	2010
<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	7,732,616	\$ 9,995,081
Restricted	1,008,780	776,107	4,007,735	2,234,750	1,863,848	2,029,772	2,318,816
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>4,449,553</u>	<u>4,259,658</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>14,211,941</u>	<u>16,573,555</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	6,862,064	8,158,635
Restricted	1,563,011	1,883,413	1,715,262	1,388,815	1,232,456	1,241,466	1,716,248
Unrestricted	<u>260,965</u>	<u>387,620</u>	<u>828,506</u>	<u>919,609</u>	<u>1,540,011</u>	<u>3,085,787</u>	<u>3,187,936</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>11,189,317</u>	<u>13,062,819</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	14,594,680	18,153,716
Restricted	2,571,791	2,659,520	5,722,997	3,623,565	3,096,304	3,271,238	4,035,064
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>7,535,340</u>	<u>7,447,594</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>\$25,401,258</u>	<u>\$29,636,374</u>

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

TABLE 2

	FISCAL YEAR ENDED SEPTEMBER 30						
	2004	2005	2006	2007	2008	2009	2010
EXPENSES							
<u>Governmental Activities</u>							
City Council	\$ 4,133	\$ 3,248	\$ 3,657	\$ 5,740	\$ 3,162	\$ 5,342	\$ 3,565
General Government Administration	349,185	399,835	540,279	633,996	1,026,194	892,292	1,143,541
Public Safety	879,834	1,114,574	1,525,518	1,708,004	1,789,584	1,787,604	1,882,397
Code Enforcement	153,185	307,672	523,760	615,390	493,852	340,638	632,734
Public Works	193,732	583,299	577,651	694,566	1,394,360	1,539,794	1,365,227
Parks	75,902	108,884	132,608	245,021	356,268	452,996	544,494
Animal Control	28,836	38,511	36,698	57,585	71,226	67,054	61,324
Community Development	-	-	-	379,805	428,246	195,060	92,968
Fire	-	-	-	-	491,880	646,546	813,127
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
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>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
Interest on Long-Term Debt	40,100	29,165	119,050	172,053	264,140	224,305	253,505
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>
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>
PROGRAM REVENUES							
<u>Governmental Activities</u>							
Charges for Service							
General Government Administration	\$ 127,626	\$ 166,943	\$ 133,130	\$ 157,971	\$ 169,282	\$ 37,530	\$ 24,886
Law Enforcement	259,935	212,070	376,060	443,489	523,647	334,962	207,146
Code Enforcement	855,710	1,104,892	1,786,710	3,498,323	2,560,933	2,099,796	2,030,116
Parks	145,620	114,061	174,977	5,962	8,457	170,340	196,619
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
Capital Grants and Contributions	-	13,740	487,378	-	2,777,059	-	1,580,261
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>Business-Type Activities</u>							
Charges for Services							
Water and Sewer	2,171,068	2,817,448	3,753,568	3,975,771	4,899,034	6,035,693	6,250,437
Capital Grants and Contributions	-	-	-	-	2,977,794	-	808,810
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>
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>

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

TABLE 2

	FISCAL YEAR ENDED SEPTEMBER 30						
	2004	2005	2006	2007	2008	2009	2010
<u>NET (EXPENSE) REVENUE</u>							
Governmental Activities	\$ (397,599)	\$(1,159,358)	\$ (932,173)	\$ (566,109)	\$ (442,519)	\$ (3,859,205)	\$ (3,719,155)
Business-Type Activities	<u>4,018</u>	<u>(29,117)</u>	<u>(495,262)</u>	<u>92,459</u>	<u>3,366,015</u>	<u>591,631</u>	<u>934,733</u>
TOTAL GOVERNMENTAL NET EXPENSES	<u>\$ (393,581)</u>	<u>\$ (1,188,475)</u>	<u>\$ (1,427,435)</u>	<u>\$ (473,650)</u>	<u>\$ 2,923,496</u>	<u>\$ (3,267,574)</u>	<u>\$ (2,784,422)</u>
<u>GOVERNMENTAL REVENUES AND OTHER</u>							
<u>CHANGES IN NET ASSETS</u>							
<u>Governmental Activities</u>							
<u>Taxes</u>							
Property Taxes	\$ 736,950	\$ 898,579	\$ 1,443,842	\$ 1,977,613	\$ 2,679,743	\$ 3,204,868	\$ 4,477,319
Sales Taxes	278,564	390,977	330,234	425,339	594,414	588,271	690,045
Franchise Taxes	119,560	169,790	220,161	301,298	417,035	547,790	660,435
Impact Fees	662,832	457,111	601,232	650,736	107,475	105,127	27,305
Interest and Investment Earnings	53,047	33,452	230,008	453,725	395,770	97,271	38,845
Gain (Loss) on Sale of Capital Assets	-	2,100	(4,900)	-	1,781	6,375	5,461
Miscellaneous	32,407	85,418	60,817	50,013	100,487	207,806	181,359
Transfers	<u>23,281</u>	<u>(12,000)</u>	<u>(193,733)</u>	<u>(473,427)</u>	<u>(198,612)</u>	<u>(203,000)</u>	<u>-</u>
Total Government Activities	<u>1,906,641</u>	<u>2,025,427</u>	<u>2,687,661</u>	<u>3,385,297</u>	<u>4,098,093</u>	<u>4,554,508</u>	<u>6,080,769</u>
<u>Business-Type Activities</u>							
Impact Fees	667,976	462,943	388,212	279,630	177,198	255,488	925,975
Interest and Investment Earnings	28,454	55,550	200,932	308,452	178,825	26,739	12,794
Gain (Loss) on Sale of Capital Assets	-	(1,567)	-	-	-	-	-
Transfers	<u>(23,281)</u>	<u>12,000</u>	<u>193,733</u>	<u>473,427</u>	<u>198,612</u>	<u>203,000</u>	<u>-</u>
Total Business-Type Activities	<u>673,149</u>	<u>528,926</u>	<u>782,877</u>	<u>1,061,509</u>	<u>554,635</u>	<u>485,227</u>	<u>938,769</u>
TOTAL PRIMARY GOVERNMENT	<u>\$2,579,790</u>	<u>\$ 2,554,353</u>	<u>\$ 3,470,538</u>	<u>\$4,446,806</u>	<u>\$ 4,652,728</u>	<u>\$ 5,039,735</u>	<u>\$ 7,019,538</u>
<u>CHANGES IN NET ASSETS</u>							
Government Activities	\$1,509,042	\$ 866,069	\$ 1,755,488	\$2,819,188	\$ 3,655,574	\$ 695,303	\$ 2,361,614
Business-Type Activities	<u>677,167</u>	<u>499,809</u>	<u>287,615</u>	<u>1,153,968</u>	<u>3,920,650</u>	<u>1,076,858</u>	<u>1,873,502</u>
TOTAL PRIMARY GOVERNMENT	<u>\$2,186,209</u>	<u>\$ 1,365,878</u>	<u>\$ 2,043,103</u>	<u>\$3,973,156</u>	<u>\$ 7,576,224</u>	<u>\$ 1,772,161</u>	<u>\$ 4,235,116</u>

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

	F I S C A L Y E A R			
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<u>GENERAL FUND</u>				
Reserved	\$ 115,124	\$ 314,122	\$ 923,481	\$ 1,612,652
Designated	-	-	-	-
Unreserved	<u>722,045</u>	<u>1,049,539</u>	<u>1,747,902</u>	<u>1,484,446</u>
 TOTAL GENERAL FUND	 <u>\$ 837,169</u>	 <u>\$ 1,363,661</u>	 <u>\$ 2,671,383</u>	 <u>\$ 3,097,098</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>				
Unreserved, Reported in				
Capital Project Fund	\$ -	\$ 1,495,023	\$ 675,260	\$ 94,612
Debt Service Fund	17,304	30,385	23,488	33,810
Special Revenue Funds	<u>(27,849)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 TOTAL ALL OTHER GOVERNMENTAL FUNDS	 <u>\$ (10,545)</u>	 <u>\$ 1,525,408</u>	 <u>\$ 698,748</u>	 <u>\$ 128,422</u>

TABLE 3

ENDED SEPTEMBER 30,					
2005	2006	2007	2008	2009	2010
\$1,477,083	\$1,731,830	\$ 325,872	\$ 48,090	\$ 19,138	\$ 14,868
-	-	-	111,765	110,716	114,987
<u>549,344</u>	<u>1,304,188</u>	<u>3,083,213</u>	<u>3,337,301</u>	<u>4,232,393</u>	<u>4,050,956</u>
<u>\$2,026,427</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>
\$ 97,802	\$2,920,682	\$6,665,887	\$4,665,030	\$10,927,503	\$4,343,790
32,091	(17,888)	9,328	41,898	32,016	86,224
<u>-</u>	<u>-</u>	<u>1,911,702</u>	<u>1,814,407</u>	<u>1,997,756</u>	<u>2,232,592</u>
<u>\$ 129,893</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>

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

	F I S C A L Y E A R			
	2001	2002	2003	2004
<u>REVENUES</u>				
Taxes	\$ 780,653	\$ 857,916	\$ 874,184	\$1,115,460
Construction Permits	106,430	381,475	1,045,233	855,710
Charges for Services	11,768	2,234	2,362	3,771
Fines and Forfeitures	166,042	160,107	221,321	259,935
Grants	44,964	48,749	48,739	37,972
Impact Fees	-	-	-	-
Parks	-	137,470	27,323	145,620
Interest/Miscellaneous	<u>163,677</u>	<u>158,539</u>	<u>394,424</u>	<u>875,912</u>
Total Revenues	<u>1,273,534</u>	<u>1,746,490</u>	<u>2,613,586</u>	<u>3,294,380</u>
<u>EXPENDITURES</u>				
Current				
City Council	1,072	1,428	2,624	4,133
General Government Administration	177,510	179,933	236,498	307,027
Law Enforcement and Municipal Court	462,005	573,115	686,192	847,045
Code Enforcement	37,058	104,530	102,262	143,275
Public Works	209,064	167,198	123,698	138,286
Parks	30,358	20,272	32,346	47,100
Animal Control	2,243	938	14,371	28,787
Community Development	-	-	-	-
Fire	-	-	-	-
Capital Projects/Outlay	173,503	84,052	2,126,444	2,867,973
Bond Issuance Costs	-	32,628	29,846	31,038
Debt Service				
Principal	45,000	60,000	230,000	130,000
Interest and Fiscal Charges	<u>2,417</u>	<u>57,845</u>	<u>96,668</u>	<u>94,170</u>
Total Expenditures	<u>1,140,230</u>	<u>1,281,939</u>	<u>3,680,949</u>	<u>4,638,834</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>133,304</u>	<u>464,551</u>	<u>(1,067,363)</u>	<u>(1,344,454)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from Bonds Payable	-	1,500,000	1,250,000	1,135,000
Proceeds from Notes Payable	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Transfers in (Out)	<u>(78,863)</u>	<u>97,893</u>	<u>298,425</u>	<u>23,281</u>
Total Other Financing Sources (Uses)	<u>(78,863)</u>	<u>1,597,893</u>	<u>1,548,425</u>	<u>1,158,281</u>
CHANGES IN FUND BALANCES	<u>\$ 54,441</u>	<u>\$ 2,062,444</u>	<u>\$ 481,062</u>	<u>\$ (186,173)</u>

TABLE 4

ENDED SEPTEMBER 30,					
2005	2006	2007	2008	2009	2010
\$ 1,450,511	\$ 1,998,334	\$ 2,703,074	\$ 3,689,405	\$ 4,332,284	\$ 5,814,007
1,104,892	1,786,710	4,149,059	2,668,408	2,095,246	2,010,543
5,729	6,590	8,773	8,679	34,746	22,815
212,070	376,060	443,489	523,647	337,746	209,217
61,641	75,334	75,368	26,911	39,122	36,949
-	-	-	-	104,710	26,521
114,061	140,975	5,962	8,457	5,940	25,619
<u>744,562</u>	<u>1,038,033</u>	<u>661,706</u>	<u>665,543</u>	<u>474,027</u>	<u>410,777</u>
<u>3,693,466</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>
3,248	3,657	5,740	3,162	5,342	3,565
351,218	483,773	649,543	830,943	863,179	1,094,457
1,085,595	1,463,978	1,634,651	1,682,308	1,698,498	1,813,141
271,377	513,207	586,752	450,312	336,315	626,622
435,153	854,803	476,904	1,255,770	935,159	704,592
45,527	99,787	205,232	255,672	318,041	320,421
38,102	36,447	51,836	62,094	62,117	57,055
-	-	374,040	425,290	200,419	88,534
-	-	-	-	646,088	808,021
1,621,802	844,101	2,160,749	463,656	6,433,718	7,782,866
-	56,000	85,071	3,299,516	242,462	-
145,000	192,695	3,136,224	405,767	255,000	475,000
<u>102,919</u>	<u>93,915</u>	<u>203,410</u>	<u>457,033</u>	<u>492,068</u>	<u>1,263,740</u>
<u>4,099,941</u>	<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>(406,475)</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>
-	3,000,000	7,975,000	-	12,562,241	-
-	47,562	-	182,124	-	-
-	-	-	39,450	6,375	5,461
<u>(12,000)</u>	<u>(193,733)</u>	<u>(395,089)</u>	<u>(198,612)</u>	<u>(203,000)</u>	<u>-</u>
<u>(12,000)</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>\$ (418,475)</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>

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

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

TABLE 6

FISCAL YEAR ENDED SEPTEMBER 30,	RESIDENTIAL PROPERTY	COMMERCIAL PROPERTY	INDUSTRIAL PROPERTY	ALL OTHER	LESS: TAX-EXEMPT PROPERTY	TOTAL TAXABLE ASSESSED VALUE*
2004	\$ 206,705,171	\$11,990,091	\$4,157,602	\$24,026,342	\$ (2,750,899)	\$ 244,128,307
2005	272,758,426	18,247,024	6,858,970	36,922,536	(4,013,713)	330,773,243
2006	403,029,800	22,613,507	7,448,227	41,997,230	(4,230,703)	470,858,061
2007	528,797,060	27,161,157	8,942,799	58,094,171	(7,803,905)	615,191,282
2008	749,013,331	32,265,109	9,137,779	87,336,701	(46,341,746)	831,411,174
2009	941,479,114	43,881,916	10,039,430	58,500,558	(78,300,615)	989,033,057
2010	1,045,810,531	47,807,904	13,986,533	79,924,706	(15,522,893)	1,172,006,781

Source: Guadalupe Appraisal District

* Total Taxable Assessed Value and Total Estimated Actual Value of taxable property is the same.

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>	
2001	\$ 0.3800	\$ 1.6267	\$ 0.3193	\$ 2.32600
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

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	2010			2001		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL CITY TAXABLE ASSESSED VALUE
Laredo I35 North Ltd	\$ 6,999,608	1	.60%	\$ -		.00%
Kalmar RT Center LLC	3,980,357	2	.34	-		.00
Kalmar RT Center LLC	3,457,653	3	.30	-		.00
Guadalupe Valley Electric	3,116,370	4	.27	701,790	9	.47
Triple S Dynamics, Inc.	2,184,075	5	.18	-		.00
North American BulletProof	2,183,127	6	.18	-		.00
Jungle Laboratories	2,101,492	7	.18	-		.00
Wolverine Enterprises, LTD	1,717,354	8	.15	-		.00
FCC San Antonio II, LLC	1,714,839	9	.15	-		.00
Timber Tech Texas	1,712,742	10	.15	2,000,400	2	1.34
Nabisco Brands	-		.00	2,291,215	1	1.53
AGE Industries	-		.00	1,112,139	3	.74
Trans Met	-		.00	1,022,251	4	.68
Cibolo Deer Creek	-		.00	977,210	5	.65
Suttton, Steele & Steele, Inc.	-		.00	769,093	6	.51
Southwestern Bell	-		.00	765,670	7	.51
Pyka Properties, Inc.	-		.00	709,458	8	.48
Ari Automotive	-		.00	654,684	10	.44
TOTAL	\$ 29,167,617		2.50%	\$11,003,910		7.35%

Total taxable assessed value for 2010 was \$1,172,006,781.
Source: Guadalupe Appraisal District

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

TABLE 9

FISCAL YEAR ENDED SEPTEMBER 30,	TAXIES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2001	\$ 502,892	\$ 487,797	97.0 %	14,986	\$ 502,783	99.9%
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	9,372	705,946	99.9
2005	938,261	919,683	98.0	17,101	936,784	99.8
2006	1,496,387	1,419,142	94.8	75,722	1,494,864	99.9
2007	1,959,999	1,947,226	99.3	10,033	1,957,259	99.9
2008	2,648,876	2,642,775	99.8	4,202	2,646,977	99.9
2009	3,183,790	3,156,026	99.1	18,869	3,174,895	99.7
2010	4,441,276	4,405,805	99.2	-	4,405,805	99.2

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	
2001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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

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 SEVEN 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	\$ 244,128,307	1.35%	433
2005	-	2,235,000	750,000	2,985,000	330,773,243	0.90	318
2006	3,000,000	2,120,000	575,000	5,695,000	470,858,061	1.21	500
2007	11,000,000	2,000,000	390,000	13,390,000	615,191,282	2.18	921
2008	10,870,000	1,870,000	200,000	12,940,000	831,411,174	1.56	803
2009	21,455,000	3,305,000	-	24,760,000	989,033,057	2.48	1,338
2010	21,035,000	3,145,000	-	24,180,000	1,172,006,781	2.06	1,575

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, 2010

TABLE 12

<u>TAXABLE VALUE</u>	<u>\$1,172,006,781</u>
Debt Limit - 10% of Taxable Value (1)	\$ 117,200,678
Amount of Debt Applicable to Debt Limit	
Total Bonded Debt	\$24,180,000
Less: Assets Available in Debt Service Fund	<u>86,224</u>
Total Amount of Debt Applicable to Debt Limit	<u>24,093,776</u>
 ECONOMIC DEBT MARGIN	 <u>\$ 93,106,902</u>

	FISCAL YEAR				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
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 SEVEN 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	15,349	76,500	36	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 THREE YEARS AGO

TABLE 14

<u>EMPLOYER</u>	<u>2010</u>		<u>2007</u>	
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>EMPLOYEES</u>	<u>RANK</u>
Schertz-Cibolo-Universal City ISD	589	1	350	1
Robles	168	2	120	8
Kalmar	155	3	60	7
City of Cibolo	91	4	81	3
Age Industries	64	5	70	5
Sonic	36	6	-	-
La Cabana Restaurant	32	7	-	-
Eagle Construction	30	8	60	6
Triple S Dynamics	27	9	-	-
Timber Tech	22	10	80	4
Jungle Laboratories	-	-	200	2
Fiber Art	-	-	40	9
Burditt Tile & Stone	-	-	30	10
North American Bullet Proof	-	-	-	-
TOTALS	<u>1,214</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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