

CITY OF CIBOLO, TEXAS
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2009

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CITY OF CIBOLO, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED SEPTEMBER 30, 2009

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CITY OF CIBOLO, TEXAS
ELECTED OFFICIALS
SEPTEMBER 30, 2009

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	DIANE DAVIS
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, 2009, 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, 2009, and the respective changes in financial position and where applicable, cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 7 through 15 and 48 through 52, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Cibolo, Texas' basic financial statements. The introductory section, nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Thompson, Williams, Budget, Pasta & Young, L.C.

Certified Public Accountants

San Antonio, Texas

March 23, 2010

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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, 2009. Please read it in conjunction with the City's financial statements, which follow this section.

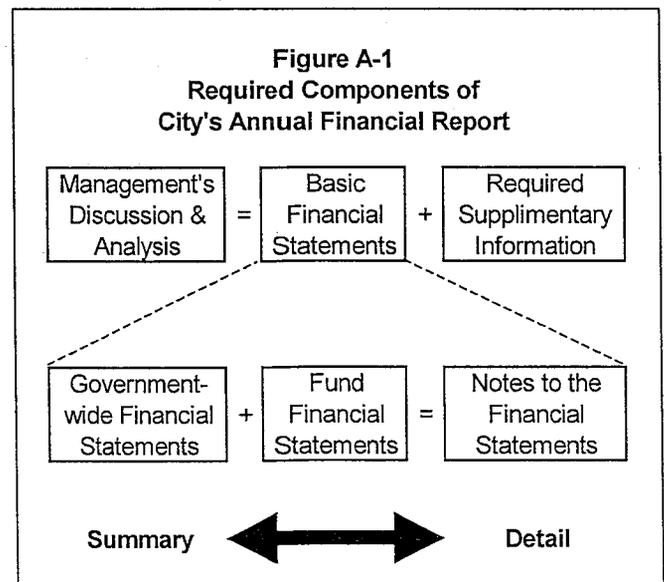
FINANCIAL HIGHLIGHTS

- The City's total combined net assets were \$25,401,258 at September 30, 2009.
- During the year, the City's governmental expenses were \$6,540,955, \$898,303 less than the \$7,439,258 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 \$5,444,062, \$873,858 less than the \$6,317,920 generated in charges for service and other revenues for business-type activities (water and wastewater services).
- The general fund reported a total fund balance this year of \$4,362,247, of which \$4,232,393 is unreserved. The 2007-08 fiscal year audit reported a total fund balance of \$3,497,156, of which \$3,337,301 was unreserved.
- Two new bonds were issued in the 2009 fiscal period; Certificates of Obligation, Series 2008, in the amount of \$1,600,000 and General Obligation Bonds, Series 2009 in the amount of \$10,750,000. In addition, the City has numerous projects in progress from previous bond issues.

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 related 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	
	2009	2008	2009	2008	2009	2008
ASSETS						
<u>Current Assets</u>						
Cash and Investments	\$ 6,217,720	\$ 3,946,089	\$ 1,610,428	\$ 1,017,915	\$ 7,828,148	\$ 4,964,004
Due from Other Governments		27,830				27,830
Receivables	224,456	229,440	995,494	627,587	1,219,950	857,027
Inventories and Prepaid Expenses	19,138	18,090	44,211	74,428	63,349	92,518
Bond Issuance Costs (Net)	345,015	122,072	87,207	86,207	432,222	208,279
Total Current Assets	<u>6,806,329</u>	<u>4,343,521</u>	<u>2,737,340</u>	<u>1,806,137</u>	<u>9,543,669</u>	<u>6,149,658</u>
<u>Non-Current Assets</u>						
Capital Assets (Net)	18,817,705	13,263,986	12,457,064	12,333,526	31,274,769	25,597,512
Restricted Cash and Investments	11,719,940	7,032,777	2,146,919	2,865,473	13,866,859	9,898,250
Total Non-Current Assets	<u>30,537,645</u>	<u>20,296,763</u>	<u>14,603,983</u>	<u>15,198,999</u>	<u>45,141,628</u>	<u>35,495,762</u>
TOTAL ASSETS	<u>37,343,974</u>	<u>24,640,284</u>	<u>17,341,323</u>	<u>17,005,136</u>	<u>54,685,297</u>	<u>41,645,420</u>
<u>Current Liabilities</u>						
Accounts Payable and Accrued Liabilities	747,343	1,168,712	343,833	666,545	1,091,176	1,835,257
Accrued Leave and Comp Time	99,772	117,603	23,488	39,362	123,260	156,965
Accrued Interest Payable	246,693	73,202	19,580	42,340	266,273	115,542
Deposits/Bonds Payable	25,633	39,708	170,105	164,430	195,738	204,138
Total Current Liabilities	<u>1,119,441</u>	<u>1,399,225</u>	<u>557,006</u>	<u>912,677</u>	<u>1,676,447</u>	<u>2,311,902</u>
<u>Non-Current Liabilities</u>						
Due within One Year	494,070	222,845	220,000	385,000	714,070	607,845
Due in More than One Year	21,518,522	9,501,576	5,375,000	5,595,000	26,893,522	15,096,576
Total Non-Current Liabilities	<u>22,012,592</u>	<u>9,724,421</u>	<u>5,595,000</u>	<u>5,980,000</u>	<u>27,607,592</u>	<u>15,704,421</u>
TOTAL LIABILITIES	<u>23,132,033</u>	<u>11,123,646</u>	<u>6,152,006</u>	<u>6,892,677</u>	<u>29,284,039</u>	<u>18,016,323</u>
<u>Net Assets</u>						
Invested in Capital Assets, Net	7,732,616	8,164,016	6,862,064	7,339,992	14,594,680	15,504,008
Unrestricted	4,449,553	3,488,774	3,085,787	1,540,011	7,535,340	5,028,785
Restricted	<u>2,029,772</u>	<u>1,863,848</u>	<u>1,241,466</u>	<u>1,232,456</u>	<u>3,271,238</u>	<u>3,096,304</u>
TOTAL NET ASSETS	<u>\$14,211,941</u>	<u>\$13,516,638</u>	<u>\$11,189,317</u>	<u>\$10,112,459</u>	<u>\$25,401,258</u>	<u>\$23,629,097</u>

Net Assets

The City's combined net assets were \$25,401,258 at September 30, 2009. 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 increased to \$4,449,553 from a balance of \$3,488,774 for the prior year (an increase of \$960,779 or 27.5%).

Primary Sources of Operating Revenues

The City's governmental and business-type revenues were \$13,757,178. Approximately 89.5% of the revenues came from the following three sources - utility charges (43.9%), taxes (inclusive of property taxes, sales taxes, and franchise fees) (31.6%), and construction permits (14%). New home residential construction experienced a significant slowdown in 2009 and, as a result, the City experienced a significant 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 2008-09 fiscal year.

TABLE A-2
REVENUES
2008-09 FISCAL YEAR

<u>SOURCE</u>	<u>REVENUE</u>	<u>PERCENT</u>
Utility Charges	\$ 6,035,693	43.87%
Taxes	4,340,929	31.55
Construction Permits	1,930,846	14.04
Interest	124,010	0.90
Fines/Forfeitures	334,962	2.43
Impact Fees	360,615	2.62
Other Charges for Services	376,820	2.74
Operating Grants	39,122	0.28
Miscellaneous	<u>214,181</u>	<u>1.56</u>
TOTALS	<u>\$13,757,178</u>	<u>100.00%</u>

The total cost of all programs and services was \$11,985,017; 55% (\$6,540,955) of these costs are for general government services and 45% (\$5,444,062) was for utility services.

Governmental Activities

- Property tax rates were not increased this year. The rate remained \$0.3186 for 2008 (revenue for the 2009 fiscal year). Increased property values resulted in the collection of \$3,204,868 in property tax revenues, an increase of \$517,851 from the previous fiscal year. Historical property tax rates are presented in the statistical section.
- Sales and use tax revenues for the year were \$588,271, a decrease of \$6,143 from the \$594,414 from the previous fiscal year.
- Construction permits generated \$1,930,846 in revenues for the year, a decrease of \$630,087 from the \$2,560,933 collected for the previous fiscal year. Also, impact fees collected for the year were \$360,615, an increase of \$75,492 from the \$284,673 collected for the previous fiscal year. This decrease was from a reduction in new home construction and especially platting of new subdivisions.
- The cost of all *governmental* activities this year was \$6,540,955.
- However, the amount that our taxpayers paid for these activities through property taxes was \$3,195,807 (or 48.9% of the cost of governmental activities, compared to 41.1% in the prior period).

**TABLE A-3
CHANGES IN CITY'S NET ASSETS**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2009	2008	2009	2008	2009	2008
PROGRAM REVENUES						
Charges for Services	\$2,642,628	\$3,270,998	\$6,035,693	\$4,899,034	\$8,678,321	\$8,170,032
Operating Grants and Contributions	39,122	26,911	-	-	39,122	26,911
Capital Grants and Contributions	-	2,777,059	-	2,977,794	-	5,754,853
GENERAL REVENUES						
Taxes	4,340,929	3,691,192	-	-	4,340,929	3,691,192
Impact Fees	105,127	107,475	255,488	177,198	360,615	284,673
Interest/Investment	97,271	395,770	26,739	178,825	124,010	574,595
Gain (Loss) on Sale of Assets	6,375	1,781	-	-	6,375	1,781
Miscellaneous	207,806	100,487	-	-	207,806	100,487
Total Revenues	<u>7,439,258</u>	<u>10,371,673</u>	<u>6,317,920</u>	<u>8,232,851</u>	<u>13,757,178</u>	<u>18,604,524</u>
PROGRAM EXPENDITURES						
City Council	5,342	3,162	-	-	5,342	3,162
Administration	892,292	1,026,194	-	-	892,292	1,026,194
Public Safety	1,787,604	1,789,584	-	-	1,787,604	1,789,584
Code Enforcement	340,638	493,852	-	-	340,638	493,852
Public Works	1,539,794	1,394,360	-	-	1,539,794	1,394,360
Parks	452,996	356,268	-	-	452,996	356,268
Animal Control	67,054	71,226	-	-	67,054	71,226
Community Development	195,060	428,246	-	-	195,060	428,246
Fire	646,546	491,880	-	-	646,546	491,880
Water/Sewer	-	-	5,219,757	4,246,673	5,219,757	4,246,673
Interest on Long-Term Debt	613,629	462,715	224,305	264,140	837,934	726,855
Total Expenses	<u>6,540,955</u>	<u>6,517,487</u>	<u>5,444,062</u>	<u>4,510,813</u>	<u>11,985,017</u>	<u>11,028,300</u>
Excess (Deficiency) before Other Resources, Uses, and Transfers	898,303	3,854,186	873,858	3,722,038	1,772,161	7,576,224
TRANSFERS IN (OUT)	<u>(203,000)</u>	<u>(198,612)</u>	<u>203,000</u>	<u>198,612</u>	<u>-</u>	<u>-</u>
INCREASE IN NET ASSETS	<u>\$ 695,303</u>	<u>\$3,655,574</u>	<u>\$1,076,858</u>	<u>\$3,920,650</u>	<u>\$1,772,161</u>	<u>\$7,576,224</u>

Business-Type Activities

Revenues of the City’s business-type activities decreased \$1,914,931 (23.3%) to a total of \$6,317,920 while expenses increased \$933,249 (20.7%) to \$5,444,062.

Overall, the City experienced a decrease in the overall change of net assets from \$7,576,224 for the 2007-08 fiscal year to \$1,772,161 for the 2008-09 fiscal year. This is a decrease of \$5,804,063.

FINANCIAL ANALYSIS OF THE CITY’S FUNDS

Revenues from governmental fund types totaled \$7,423,821, a decrease of 2.2% percent over the preceding year. The decrease in total revenues is primarily a result of decreased residential construction; however, increases in the ad-valorem tax base offset a large portion of this decrease. The single largest decrease in total revenues was in construction permits (\$630,087 less in revenue). Taxes provided the largest increase in local revenues (an additional \$517,851 of revenue).

General Fund Budgetary Highlights

The City amended the budget over the course of the year. Actual revenues exceeded budgeted revenues by \$338,139, and actual expenditures were less than budgeted expenditures by \$782,867 for the General Fund. Resources available were \$933,824 above the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2008-09 fiscal year, the City had invested (less accumulated depreciation) \$31,274,769 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-5 below).

**TABLE A-4
CITY’S CAPITAL ASSETS**

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
ASSETS						
Land	\$ 1,103,507	\$ 1,103,507	\$ 391,248	\$ 391,248	\$ 1,494,755	\$ 1,494,755
Construction in Progress	564,583	3,522,816	-	2,989,271	564,583	6,512,087
Buildings and Improvements	18,102,566	8,910,100	-	-	18,102,566	19,120,975
Water and Sewer Systems	-	-	13,621,187	10,210,875	13,621,187	
Transportation and Equipment	<u>1,814,546</u>	<u>1,665,552</u>	<u>391,175</u>	<u>391,175</u>	<u>2,205,721</u>	<u>2,056,727</u>
Totals at Historical Cost	21,585,202	15,201,975	14,403,610	13,982,569	35,988,812	29,184,544
Accumulated Depreciation	<u>(2,767,497)</u>	<u>(1,937,989)</u>	<u>(1,946,546)</u>	<u>(1,649,043)</u>	<u>(4,714,043)</u>	<u>(3,587,032)</u>
NET CAPITAL ASSETS	<u>\$ 18,817,705</u>	<u>\$ 13,263,986</u>	<u>\$ 12,457,064</u>	<u>\$ 12,333,526</u>	<u>\$ 31,274,769</u>	<u>\$ 25,597,512</u>

Long-Term Debt

At year end the City had \$27,455,000 in bonds outstanding as shown in Table A-6 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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2009	2008	2009	2008	2009	2008
ASSETS						
Bonds Payable	<u>\$21,860,000</u>	<u>\$9,765,000</u>	<u>\$5,595,000</u>	<u>\$5,980,000</u>	<u>\$27,455,000</u>	<u>\$15,745,000</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 is to be substantially complete by June 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 is to be substantially complete by June 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 March 2010, and is to be substantially completed by October 2010. 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 is anticipated to begin May 2010, and is to be substantially completed by December 2010. 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 from about 20% to 35% annually. Its appraised value increased by 20% the 2008-09 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 2010 is expected to increase by approximately 15%. 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 significantly for the 2008-09 fiscal year, with approximately 410 new homes permitted as opposed to the nearly 500 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 2009-2010 fiscal year with new home permits projected to be in the 275 to 325 range. 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 and Fort Sam Houston Army 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.

Cibolo has seen significant non-residential activity over the past year. Kalmar is anticipating a plant expansion that will bring new jobs to the City and Robles began construction on a new facility due to its substantial growth. 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.

Water supply will be another major factor that determines the City's growth. A recent financial analysis of Cibolo's utility system shows that it can support the issuance of \$13.5 million in bond funding. The ability to support these bonds is extremely important since it shows that Cibolo can fund major projects that will grow its permanent water supply. It is estimated that the City would need approximately \$30 million to increase its water supply to meet long-term growth needs.

The City is in a very sound financial position with the fund balance equating to nine (9) 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 the 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 Cibola.

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, 2009

	<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	\$ 6,217,720	\$ 1,610,428	\$ 7,828,148	\$ 113,280
Receivables (Net of Allowances for Uncollectibles)				
Taxes	58,967	-	58,967	20,900
Other	-	4,137	4,137	5,125
Accounts	153,161	1,003,685	1,156,846	-
Internal Balances	12,328	(12,328)	-	-
Inventories and Prepaid Expenses	19,138	44,211	63,349	-
Restricted Assets				
Cash and Investments	11,719,940	2,146,919	13,866,859	-
Bond Issuance Costs (Net)	345,015	87,207	432,222	-
Capital Assets				
Land	1,103,507	391,248	1,494,755	-
Buildings	2,025,008	-	2,025,008	-
Construction in Progress	564,583	-	564,583	-
Improvements Other than Buildings/Infrastructure	16,077,558	-	16,077,558	-
Water and Sewer Systems	-	13,621,187	13,621,187	-
Transportation and Equipment	1,814,546	391,175	2,205,721	-
Accumulated Depreciation	<u>(2,767,497)</u>	<u>(1,946,546)</u>	<u>(4,714,043)</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 37,343,974</u>	<u>\$ 17,341,323</u>	<u>\$ 54,685,297</u>	<u>\$ 139,305</u>

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

CITY OF CIBOLO, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

	<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	\$ 682,433	\$ 335,861	\$ 1,018,294	\$ -
Accrued Liabilities	64,910	7,972	72,882	-
Accrued Compensated Absences	99,772	23,488	123,260	-
Accrued Interest Payable	246,693	19,580	266,273	-
Deposits/Bonds Payable	25,633	170,105	195,738	-
<u>Noncurrent Liabilities</u>				
Due Within One Year	494,070	220,000	714,070	-
Due in More than One Year	<u>21,518,522</u>	<u>5,375,000</u>	<u>26,893,522</u>	-
Total Liabilities	<u>23,132,033</u>	<u>6,152,006</u>	<u>29,284,039</u>	-
<u>NET ASSETS</u>				
<u>Restricted Net Assets</u>				
Debt Service	32,016	-	32,016	-
Public Safety, Court Security, and Technology	106,057	-	106,057	-
Impact Fees	1,748,762	1,241,466	2,990,228	-
Street Maintenance	142,937	-	142,937	-
<u>Unrestricted Net Assets</u>				
Invested in Capital Assets, Net of Related Debt	7,732,616	6,862,064	14,594,680	-
Unrestricted	<u>4,449,553</u>	<u>3,085,787</u>	<u>7,535,340</u>	<u>139,305</u>
Total Net Assets	<u>14,211,941</u>	<u>11,189,317</u>	<u>25,401,258</u>	<u>139,305</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 37,343,974</u>	 <u>\$17,341,323</u>	 <u>\$54,685,297</u>	 <u>\$ 139,305</u>

CITY OF CIBOLO, TEXAS
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2009

<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>				
Governmental Activities				
City Council	\$ 5,342	\$ -	\$ -	\$ -
General Government Administration	892,292	37,530	-	-
Law Enforcement and Municipal Court	1,787,604	334,962	39,122	-
Code Enforcement	340,638	1,930,846	-	-
Public Works	1,539,794	168,950	-	-
Parks	452,996	170,340	-	-
Animal Control	67,054	-	-	-
Community Development	195,060	-	-	-
Fire	646,546	-	-	-
Interest and Fiscal Charges on Long-Term Debt	<u>613,629</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>6,540,955</u>	<u>2,642,628</u>	<u>39,122</u>	<u>-</u>
<u>Business-Type Activities</u>				
Water/Sewer	5,219,757	6,035,693	-	-
Interest and Fiscal Charges on Long-Term Debt	<u>224,305</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>5,444,062</u>	<u>6,035,693</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 11,985,017</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Component Unit</u>				
Cibolo Economic Development Corporation	<u>\$ 125,473</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>General Revenues</u>				
Taxes				
General Property Taxes				
Sales Taxes				
Franchise Taxes				
Impact Fees				
Interest and Investment Earnings				
Gain (Loss) on Sale of Capital Assets				
Miscellaneous				
Total General Revenues				
Transfers In (Out)				
Change in Net Assets				
<u>NET ASSETS AT BEGINING OF YEAR</u>				
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	
\$ (5,342)	\$ -	\$ (5,342)	\$ -
(854,762)	-	(854,762)	-
(1,413,520)	-	(1,413,520)	-
1,590,208	-	1,590,208	-
(1,370,844)	-	(1,370,844)	-
(282,656)	-	(282,656)	-
(67,054)	-	(67,054)	-
(195,060)	-	(195,060)	-
(646,546)	-	(646,546)	-
<u>(613,629)</u>	<u>-</u>	<u>(613,629)</u>	<u>-</u>
<u>(3,859,205)</u>	<u>-</u>	<u>(3,859,205)</u>	<u>-</u>
-	815,936	815,936	-
-	<u>(224,305)</u>	<u>(224,305)</u>	<u>-</u>
-	<u>591,631</u>	<u>591,631</u>	<u>-</u>
<u>(3,859,205)</u>	<u>591,631</u>	<u>(3,267,574)</u>	<u>-</u>
-	-	-	<u>(125,473)</u>
3,204,868	-	3,204,868	-
588,271	-	588,271	118,030
547,790	-	547,790	-
105,127	255,488	360,615	-
97,271	26,739	124,010	1,179
6,375	-	6,375	-
<u>207,806</u>	<u>-</u>	<u>207,806</u>	<u>-</u>
<u>4,757,508</u>	<u>282,227</u>	<u>5,039,735</u>	<u>119,209</u>
<u>(203,000)</u>	<u>203,000</u>	<u>-</u>	<u>-</u>
695,303	1,076,858	1,772,161	(6,264)
<u>13,516,638</u>	<u>10,112,459</u>	<u>23,629,097</u>	<u>145,569</u>
<u>\$ 14,211,941</u>	<u>\$11,189,317</u>	<u>\$25,401,258</u>	<u>\$ 139,305</u>

CITY OF CIBOLO, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2009

	<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>ASSETS</u>					
Cash and Investments	\$ 3,982,908	\$ -	\$ 325,462	\$ 1,909,350	\$ 6,217,720
Receivables (Net of Allowances for Uncollectibles)					
Taxes	27,909	-	10,158	20,900	58,967
Other	153,161	-	-	-	153,161
Due from Other Funds	739,692	16,579	-	75,560	831,831
Inventories and Prepays	19,138	-	-	-	19,138
Restricted Assets					
Cash and Investments	-	<u>11,719,940</u>	-	-	<u>11,719,940</u>
TOTAL ASSETS	<u>\$ 4,922,808</u>	<u>\$ 11,736,519</u>	<u>\$ 335,620</u>	<u>\$ 2,005,810</u>	<u>\$ 19,000,757</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 351,598	\$ 322,781	\$ -	\$ 8,054	\$ 682,433
Other Payables	-	-	52,380	-	52,380
Due to Other Funds	92,139	486,235	241,129	-	819,503
Accrued Liabilities	64,910	-	-	-	64,910
Court Bonds	25,633	-	-	-	25,633
Deferred Revenue	<u>26,281</u>	<u>-</u>	<u>10,095</u>	<u>-</u>	<u>36,376</u>
Total Liabilities	<u>560,561</u>	<u>809,016</u>	<u>303,604</u>	<u>8,054</u>	<u>1,681,235</u>
<u>Fund Balances</u>					
Reserved for					
Debt Service	-	-	32,016	-	32,016
Impact Fees	-	-	-	1,748,762	1,748,762
Inventory and Prepays	19,138	-	-	-	19,138
Public Safety, Court Technology, and Security	-	-	-	106,057	106,057
Street Maintenance	-	-	-	142,937	142,937
Designated for Capital Replacement	110,716	-	-	-	110,716
Unreserved, Undesignated Reported in					
General Fund	4,232,393	-	-	-	4,232,393
Capital Projects Funds	<u>-</u>	<u>10,927,503</u>	<u>-</u>	<u>-</u>	<u>10,927,503</u>
Total Fund Balances	<u>4,362,247</u>	<u>10,927,503</u>	<u>32,016</u>	<u>1,997,756</u>	<u>17,319,522</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,922,808</u>	<u>\$ 11,736,519</u>	<u>\$ 335,620</u>	<u>\$ 2,005,810</u>	<u>\$ 19,000,757</u>

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

CITY OF CIBOLO, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2009

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$ 17,319,522
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	18,817,705
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.	345,015
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	36,376
Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the funds.	(99,772)
<hr/>	
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.	
Bonds Payable	(22,012,592)
Accrued interest payable on long-term bonds is not due and payable in the current period and, therefore, not reported in the funds.	<u>(194,313)</u>
TOTAL NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 14,211,941</u>

CITY OF CIBOLO, TEXAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2009

	GENERAL FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>					
Taxes	\$3,362,104	\$ -	\$ 852,149	\$ 118,031	\$ 4,332,284
Construction Permits	1,930,846	-	-	164,400	2,095,246
Charges for Services	11,164	-	-	23,582	34,746
Fines and Forfeitures	335,514	-	-	2,232	337,746
Grants	39,122	-	-	-	39,122
Impact Fees	-	-	-	104,710	104,710
Parks	5,940	-	-	-	5,940
Interest/Miscellaneous	323,404	47,025	87,637	15,961	474,027
Total Revenues	<u>6,008,094</u>	<u>47,025</u>	<u>939,786</u>	<u>428,916</u>	<u>7,423,821</u>
<u>EXPENDITURES</u>					
Current					
City Council	5,342	-	-	-	5,342
General Government					
Administration	863,179	-	-	-	863,179
Law Enforcement and					
Municipal Court	1,694,648	-	-	3,850	1,698,498
Code Enforcement	336,315	-	-	-	336,315
Public Works	935,159	-	-	-	935,159
Parks	318,041	-	-	-	318,041
Animal Control	62,117	-	-	-	62,117
Community Development	200,419	-	-	-	200,419
Fire	646,088	-	-	-	646,088
Capital Projects/Outlay	329,787	6,103,931	-	-	6,433,718
Debt Service:					
Principal	-	-	255,000	-	255,000
Interest and Fiscal Charges	-	400	491,668	-	492,068
Bond Issuance Cost	-	242,462	-	-	242,462
Total Expenditures	<u>5,391,095</u>	<u>6,346,793</u>	<u>746,668</u>	<u>3,850</u>	<u>12,488,406</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>616,999</u>	<u>(6,299,768)</u>	<u>193,118</u>	<u>425,066</u>	<u>(5,064,585)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from Sale of Capital Assets	6,375	-	-	-	6,375
Proceeds from Bonds		12,350,000	-	-	12,350,000
Premium on Bonds Issued		212,241	-	-	212,241
Transfers In	241,717	-	-	-	241,717
Transfers Out	-	-	(203,000)	(241,717)	(444,717)
Total Other Financing Sources (Uses)	<u>248,092</u>	<u>12,562,241</u>	<u>(203,000)</u>	<u>(241,717)</u>	<u>12,365,616</u>
Net Change in Fund Balances	865,091	6,262,473	(9,882)	183,349	7,301,031
<u>FUND BALANCES AT BEGINNING OF YEAR</u>					
	<u>3,497,156</u>	<u>4,665,030</u>	<u>41,898</u>	<u>1,814,407</u>	<u>10,018,491</u>
FUND BALANCES AT END OF YEAR	<u>\$4,362,247</u>	<u>\$10,927,503</u>	<u>\$ 32,016</u>	<u>\$ 1,997,756</u>	<u>\$ 17,319,522</u>

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

CITY OF CIBOLO, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED SEPTEMBER 30, 2009

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 7,301,031

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. 5,553,719

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

Property Taxes 9,062

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

Proceeds from Bonds Payable (12,350,000)

The repayment of principal of long-term debt consumes the current financial resources of governmental funds but has no effect on net assets. 255,000

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 17,831
Bond Issue Costs 222,942
Premium (191,016)
Loss on Debt Refunding (2,155)
Accrued Interest Expense (121,111)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 695,303

CITY OF CIBOLO, TEXAS
STATEMENT OF NET ASSETS – PROPRIETARY FUNDS
SEPTEMBER 30, 2009

	BUSINESS-TYPE ACTIVITIES			TOTAL
	WATER/SEWER FUND	WATER IMPACT FUND	SEWER IMPACT FUND	
<u>ASSETS</u>				
<u>Current Assets</u>				
Cash and Cash Equivalents	\$ 1,610,428	\$ -	\$ -	\$ 1,610,428
Receivables (Net of Allowances for Uncollectibles of \$127,597)				
Accounts	1,003,685	-	-	1,003,685
Other	946	-	3,191	4,137
Inventory of Supplies and Prepaids	<u>44,211</u>	<u>-</u>	<u>-</u>	<u>44,211</u>
Total Current Assets	<u>2,659,270</u>	<u>-</u>	<u>3,191</u>	<u>2,662,461</u>
<u>Restricted Assets</u>				
Cash and Investments	<u>908,644</u>	<u>391,430</u>	<u>846,845</u>	<u>2,146,919</u>
<u>Bond Issuance Costs (Net of Accumulated Amortization)</u>	<u>87,207</u>	<u>-</u>	<u>-</u>	<u>87,207</u>
<u>Capital Assets</u>				
Land	391,248	-	-	391,248
Water and Sewer Systems	13,621,187	-	-	13,621,187
Equipment	391,175	-	-	391,175
Accumulated Depreciation	<u>(1,946,546)</u>	<u>-</u>	<u>-</u>	<u>(1,946,546)</u>
Capital Assets, Net	<u>12,457,064</u>	<u>-</u>	<u>-</u>	<u>12,457,064</u>
 TOTAL ASSETS	 <u>\$ 16,112,185</u>	 <u>\$ 391,430</u>	 <u>\$ 850,036</u>	 <u>\$ 17,353,651</u>

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

CITY OF CIBOLO, TEXAS
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2009

	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	\$ 335,861	\$ -	\$ -	\$ 335,861
Accrued Expenses	7,972	-	-	7,972
Accrued Leave and Compensatory Time	23,488	-	-	23,488
Accrued Interest Payable	19,580	-	-	19,580
Current Portion of Bonds Payable	220,000	-	-	220,000
Due to Other Funds	12,328	-	-	12,328
Customer Deposits	170,105	-	-	170,105
Total Current Liabilities	<u>789,334</u>	<u>-</u>	<u>-</u>	<u>789,334</u>
<u>Noncurrent Liabilities</u>				
Bonds Payable	<u>5,375,000</u>	<u>-</u>	<u>-</u>	<u>5,375,000</u>
TOTAL LIABILITIES	<u>6,164,334</u>	<u>-</u>	<u>-</u>	<u>6,164,334</u>
<u>NET ASSETS</u>				
Restricted Net Assets				
Impact Fees		391,430	850,036	1,241,466
Unrestricted Net Assets				
Invested in Capital Assets, Net of Related Debt	6,862,064	-	-	6,862,064
Unrestricted	3,085,787	-	-	3,085,787
Total Net Assets	<u>9,947,851</u>	<u>391,430</u>	<u>850,036</u>	<u>11,189,317</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 16,112,185</u>	<u>\$ 391,430</u>	<u>\$ 850,036</u>	<u>\$ 17,353,651</u>

CITY OF CIBOLO, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2009

	BUSINESS-TYPE ACTIVITIES			TOTAL
	WATER/SEWER FUND	WATER IMPACT FUND	SEWER IMPACT FUND	
<u>OPERATING REVENUES</u>				
Water Sales	\$ 2,632,166	\$ -	\$ -	\$ 2,632,166
Sewer Sales	1,477,228	-	-	1,477,228
Garbage Service	1,177,676	-	-	1,177,676
Service Fees	711,608	-	-	711,608
Miscellaneous	37,015	-	-	37,015
Total Operating Revenues	<u>6,035,693</u>	<u>-</u>	<u>-</u>	<u>6,035,693</u>
<u>OPERATING EXPENSES</u>				
Water Purchased	158,355	-	-	158,355
Sewage Treatment	866,873	-	-	866,873
Garbage Service	1,289,253	-	-	1,289,253
Salaries and Benefits	549,426	-	-	549,426
Supplies	155,571	68	40	155,679
Equipment Operation	179,657	-	-	179,657
Contractual Services	1,614,465	-	-	1,614,465
Utilities	40,939	-	-	40,939
Insurance	22,047	-	-	22,047
Bad Debt Expense	45,561	-	-	45,561
Depreciation	297,502	-	-	297,502
Total Operating Expenses	<u>5,219,649</u>	<u>68</u>	<u>40</u>	<u>5,219,757</u>
Operating Income (Loss)	<u>816,044</u>	<u>(68)</u>	<u>(40)</u>	<u>815,936</u>
<u>NONOPERATING REVENUES</u>				
<u>(EXPENSES)</u>				
Interest Income	17,637	2,972	6,130	26,739
Impact Fees	-	174,855	80,633	255,488
Interest and Fiscal Charges	(224,305)	-	-	(224,305)
Total Nonoperating Revenues (Expenses)	<u>(206,668)</u>	<u>177,827</u>	<u>86,763</u>	<u>57,922</u>
Net Income before Transfers	609,376	177,759	86,723	873,858
Transfers In	458,472	-	-	458,472
Transfers Out	-	(255,472)	-	(255,472)
Change in Net Assets	1,067,848	(77,713)	86,723	1,076,858
<u>BEGINNING NET ASSETS</u>	<u>8,880,003</u>	<u>469,143</u>	<u>763,313</u>	<u>10,112,459</u>
ENDING NET ASSETS	<u>\$ 9,947,851</u>	<u>\$ 391,430</u>	<u>\$ 850,036</u>	<u>\$ 11,189,317</u>

CITY OF CIBOLO, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2009

	BUSINESS-TYPE ACTIVITIES			TOTAL
	WATER/SEWER FUND	WATER IMPACT FUND	SEWER IMPACT FUND	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash Received from Customers	\$ 5,675,867	\$ -	\$ -	\$ 5,675,867
Cash Paid for Personnel Costs	(565,300)	-	-	(565,300)
Cash Paid to Suppliers	(4,665,216)	(68)	(40)	(4,665,324)
Net Cash Provided by (Used in) Operating Activities	<u>445,351</u>	<u>(68)</u>	<u>(40)</u>	<u>445,243</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Transfers In (Out)	<u>456,067</u>	<u>(255,472)</u>	<u>-</u>	<u>200,595</u>
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>				
Purchase of Capital Assets	(421,040)	-	-	(421,040)
Principal Payments on Debt	(385,000)	-	-	(385,000)
Interest and Fiscal Charges Paid	(248,065)	-	-	(248,065)
Impact Fees	-	174,855	80,632	255,487
Net Cash Provided by (Used in) Capital Financing Activities	<u>(1,054,105)</u>	<u>174,855</u>	<u>80,632</u>	<u>(798,618)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Investment Interest Received	<u>17,637</u>	<u>2,972</u>	<u>6,130</u>	<u>26,739</u>
Net Increase (Decrease) in Cash	<u>(135,050)</u>	<u>(77,713)</u>	<u>86,722</u>	<u>(126,041)</u>
<u>BEGINNING CASH AND CASH EQUIVALENTS</u>				
Cash and Cash Equivalents	1,017,915	-	-	1,017,915
Restricted Cash and Cash Equivalents	<u>1,636,207</u>	<u>469,143</u>	<u>760,123</u>	<u>2,865,473</u>
	<u>2,654,122</u>	<u>469,143</u>	<u>760,123</u>	<u>3,883,388</u>
<u>ENDING 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>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>				
Operating Income	\$ 816,044	\$ (68)	\$ (40)	\$ 815,936
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities				
Depreciation	297,502	-	-	297,502
(Increase) Decrease in Operating Assets				
Accounts Receivable	(365,501)	-	-	(365,501)
Inventory of Supplies and Prepaids	30,217	-	-	30,217
Increase (Decrease) in Operating Liabilities				
Accounts Payable	(317,227)	-	-	(317,227)
Accrued Liabilities	(5,485)	-	-	(5,485)
Accrued Leave and Compensatory Time	(15,874)	-	-	(15,874)
Customer Deposits	5,675	-	-	5,675
Total Adjustments	<u>(370,693)</u>	<u>-</u>	<u>-</u>	<u>(370,693)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 445,351</u>	<u>\$ (68)</u>	<u>\$ (40)</u>	<u>\$ 445,243</u>

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

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, 2009.

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, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2009

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. In prior years, the impact funds were included as part of the water/sewer fund. Management has separated the funds beginning in the 2008 fiscal year.

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, 2009

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, 2009

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, 2009

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, 2009, of \$99,772 and \$23,488 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, 2009

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, 2009

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, 2009, the carrying amount of the City's cash on hand was \$1,000. The carrying amount of the City's deposits in the bank was \$2,123,996 and the bank balance was \$2,252,758. 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 \$3,709,382 and market value of \$3,868,586 as collateral for the City's deposits. All of the City's cash was fully collateralized.

At September 30, 2009, 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, 2009

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, 2009 are shown below:

	<u>PRIMARY GOVERNMENT</u>		<u>COMPONENT UNIT</u>	
	<u>REPORTED VALUE</u>	<u>FAIR VALUE</u>	<u>REPORTED VALUE</u>	<u>FAIR VALUE</u>
TexPool	\$ 16,526,533	\$ 16,526,533	\$ 113,280	\$ 113,280
TexStar	<u>3,043,478</u>	<u>3,043,478</u>	<u>-</u>	<u>-</u>
TOTAL INVESTMENTS	<u>\$ 19,570,011</u>	<u>\$ 19,570,011</u>	<u>\$ 113,280</u>	<u>\$ 113,280</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, 2009, 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, 2009

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, 2008, upon which the fiscal 2009 levy was based, was \$989,033,057 (i.e., market value less exemptions). The estimated market value was \$1,046,479,706 making the taxable value 94.5% 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, 2009, was \$0.3186 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, 2009

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2009, 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	\$ -	\$ -	\$ 1,103,507
Buildings	2,025,008	-	-	2,025,008
Improvements Other than Buildings	6,885,092	9,192,466	-	16,077,558
Transportation and Equipment	1,665,552	199,485	(50,491)	1,814,546
Construction in Progress	<u>3,522,816</u>	<u>6,103,931</u>	<u>(9,062,164)</u>	<u>564,583</u>
	<u>15,201,975</u>	<u>15,495,882</u>	<u>(9,112,655)</u>	<u>21,585,202</u>
Less: Accumulated Depreciation				
Buildings	(347,244)	(50,270)	-	(397,514)
Improvements Other than Buildings	(916,536)	(608,029)	-	(1,524,565)
Transportation and Equipment	<u>(674,209)</u>	<u>(221,700)</u>	<u>50,491</u>	<u>(845,418)</u>
	<u>(1,937,989)</u>	<u>(879,999)</u>	<u>50,491</u>	<u>(2,767,497)</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS - NET	<u>\$ 13,263,986</u>	<u>\$ 14,615,883</u>	<u>\$ (9,062,164)</u>	<u>\$ 18,817,705</u>
<u>Business-Type Activities</u>				
Land	\$ 391,248	\$ -	\$ -	\$ 391,248
Water System	6,688,930	3,410,312	-	10,099,242
Sewer System	3,521,945	-	-	3,521,945
Transportation and Equipment	391,175	-	-	391,175
Construction in Progress	<u>2,989,271</u>	<u>421,041</u>	<u>(3,410,312)</u>	<u>-</u>
	<u>13,982,569</u>	<u>3,831,353</u>	<u>(3,410,312)</u>	<u>14,403,610</u>
Less: Accumulated Depreciation				
Water System	(900,098)	(191,021)	-	(1,091,119)
Sewer System	(583,210)	(70,440)	-	(653,650)
Transportation and Equipment	<u>(165,735)</u>	<u>(36,042)</u>	<u>-</u>	<u>(201,777)</u>
	<u>(1,649,043)</u>	<u>(297,503)</u>	<u>-</u>	<u>(1,946,546)</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS - NET	<u>\$ 12,333,526</u>	<u>\$ 3,533,850</u>	<u>\$ (3,410,312)</u>	<u>\$ 12,457,064</u>

Land and construction in progress are not depreciated.

Depreciation expense was charged to the governmental functions as follows:

General Government Administration	\$ 42,668
Law Enforcement and Municipal Court	81,715
Code Enforcement	11,006
Public Works	605,133
Animal Control	5,107
Parks	<u>134,370</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$879,999</u>

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2009

NOTE 5: LONG-TERM DEBT

Primary Government

Long-term debt and obligations payable at September 30, 2009, 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%.	\$ 1,000,000
\$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%.	735,000
\$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%.	1,570,000
\$7,975,000 General Obligation Bond, Series 2007, Due in Annual Installments of \$94,250 to \$590,875 through 2027; Interest at 4.5%.	7,805,000
\$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>10,750,000</u>
TOTAL GOVERNMENT LONG-TERM OBLIGATIONS	<u>\$ 21,860,000</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%.	\$ 2,695,000
\$3,025,000 General Obligation Bonds, Series 2007, Due in Installments of \$35,750 to \$224,125 through 2027; Interest at 4.5%.	<u>2,900,000</u>
TOTAL UTILITY FUND REVENUE BONDS	<u>\$ 5,595,000</u>

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CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2009

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, 2009, including interest payments, are as follows:

	BALANCE OCTOBER 1, 2008	ADDITIONS	REDUCTIONS	BALANCE SEPTEMBER 30, 2009	DUE WITHIN ONE YEAR
<u>GOVERNMENTAL ACTIVITIES</u>					
Certificates of Obligation	\$ 1,870,000	\$ 1,600,000	\$(165,000)	\$ 3,305,000	\$ 185,000
General Obligation	7,895,000	10,750,000	(90,000)	18,555,000	290,000
Premium	-	212,241	(21,225)	191,016	21,225
Deferred Loss on Refunding	(40,579)	-	2,155	(38,424)	(2,155)
Compensated Absences	117,603	99,772	(117,603)	99,772	99,772
Total Government Activities	<u>\$ 9,842,024</u>	<u>\$12,662,013</u>	<u>\$(391,673)</u>	<u>\$ 22,112,364</u>	<u>\$593,842</u>
<u>BUSINESS-TYPE ACTIVITIES</u>					
Tax Anticipation Notes	200,000	-	(200,000)	-	-
Revenue Bonds	2,805,000	-	(110,000)	2,695,000	115,000
General Obligation Bond	2,975,000	-	(75,000)	2,900,000	105,000
Compensated Absences	39,362	23,488	(39,362)	23,488	23,488
Total Business-Type Activities	<u>6,019,362</u>	<u>23,488</u>	<u>(424,362)</u>	<u>5,618,488</u>	<u>243,488</u>
TOTAL GOVERNMENT	<u>\$ 15,861,386</u>	<u>\$12,685,501</u>	<u>\$(816,035)</u>	<u>\$ 27,730,852</u>	<u>\$ 837,330</u>

YEAR ENDING SEPTEMBER 30,	GOVERNMENT ACTIVITIES		BUSINESS-TYPE ACTIVITIES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2010	\$ 475,000	\$ 1,314,321	\$ 220,000	\$ 235,484
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
2015-2019	4,915,000	3,516,331	1,510,000	744,395
2020-2024	6,690,000	2,232,237	1,725,000	406,412
2025-2029	6,605,000	679,740	1,000,000	57,423
	<u>\$ 21,860,000</u>	<u>\$ 11,165,581</u>	<u>\$ 5,595,000</u>	<u>\$ 2,270,938</u>
Average Annual Requirements		<u>\$ 1,651,279</u>		<u>\$ 436,997</u>

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2009

NOTE 6: EMPLOYEE'S RETIREMENT SYSTEMS

Texas Municipal Retirement System

Plan Description

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), one of over 833 administered by TMRS, an agent multiple-employer public employee retirement system. TMRS issues a publicly available 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 state statutes governing TMRS and within the actuarial constraints also in the statutes.

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, 2009

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, 2008 valuation is effective for rates beginning January 2010.)

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, 2008	December 31, 2008
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	Amortized Cost	Fund Value
Investment Rate of Return	7.5%	4.25%
Projected Salary Increases	Varies by Age and Service	NA
Inflation Rate	3.00%	3.00%
Cost-of-Living Adjustments	2.1%	None

CITY OF CIBOLO, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2009

NOTE 6: EMPLOYEE'S RETIREMENT SYSTEMS (CONTINUED)

FISCAL YEAR	PENSION			SDBF		
	ANNUAL	PERCENTAGE	NET PENSION	ANNUAL	PERCENTAGE	NET OPEB
	PENSION	OF APC		BENEFITS	OF REQUIRED	
COST	CONTRIBUTION	OBLIGATION	COST	CONTRIBUTION	OBLIGATION	
2006	\$ 132,378	100%	\$ -	\$ 3,405	100%	\$ -
2007	157,659	100	-	4,130	100	-
2008	230,060	100	-	5,510	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, 2009, were as follows:

	TRANSFERS IN	TRANSFERS OUT
<u>General Fund</u>		
Special Revenue Funds	\$ 241,717	\$ -
<u>Water/Sewer Fund</u>		
Debt Service	203,000	-
Water Impact Fund	255,472	-
Total	458,472	-
<u>Debt Service Fund</u>		
Water/Sewer Fund	-	203,000
<u>Water Impact Fund</u>		
Water/Sewer Fund	-	255,472
<u>Special Revenue Funds</u>		
General Fund	-	241,717
TOTAL	\$ 700,189	\$ 700,189

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 debt service fund transferred funds to the water/sewer fund to cover debt service requirements of business-type tax notes.

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2009

NOTE 7: INTERFUND BALANCES (CONTINUED)

The City had the following interfund payables and receivables as of September 30, 2009:

	DUE FROM	DUE TO
General Fund		
Water/Sewer Fund	\$ 12,328	\$ -
Debt Service Fund	241,129	-
Special Revenue Fund	-	75,560
Capital Projects Fund	486,235	16,579
TOTALS	739,692	92,139
Water/Sewer Fund		
General Fund	-	12,328
Debt Service Fund		
General Fund	-	241,129
Special Revenue Fund		
General Fund	75,560	-
Capital Projects Fund		
General Fund	16,579	486,235
TOTALS	\$ 831,831	\$ 831,831

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, 2009 are as follows:

COMMITMENTS	ESTIMATED PROJECT COST TO CITY	EXPENDED TO DATE	ESTIMATED FUTURE COMMITMENT
Police Station	\$2,761,317	\$ -	\$2,761,317
Fire Sub-Station	2,335,701	-	2,335,701
TOTALS	\$5,097,018	\$ -	\$5,097,018

CITY OF CIBOLO, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2009

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, 2009 were \$103,851 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, 2009
(WITH COMPARATIVE ACTUAL TOTALS FOR 2008)

	ORIGINAL BUDGET	FINAL BUDGET	2009 ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2008 ACTUAL (BUDGETARY BASIS)
<u>REVENUES</u>					
Taxes					
Ad Valorem	\$ 2,277,108	\$ 2,277,108	\$ 2,331,400	\$ 54,292	\$ 1,906,468
Tax Penalty	9,000	9,000	12,258	3,258	12,131
Sales Tax	505,000	505,000	470,240	(34,760)	474,842
Mixed Beverage Tax	1,500	1,500	416	(1,084)	862
Franchise Tax	440,170	507,070	547,790	40,720	417,035
Total Taxes	<u>3,232,778</u>	<u>3,299,678</u>	<u>3,362,104</u>	<u>62,426</u>	<u>2,811,338</u>
Construction Permits	1,713,500	1,589,290	1,930,846	341,556	2,560,933
Charges for Services	8,500	8,500	11,164	2,664	8,679
Fines and Forfeitures	358,700	358,700	335,514	(23,186)	491,468
Grant Income	41,346	41,346	39,122	(2,224)	25,087
Parks					
Rental Fees	3,700	3,700	4,601	901	6,524
Ballfield League Fees	8,500	8,500	1,339	(7,161)	1,340
Coke Machine	300	300	-	(300)	593
Total Parks	<u>12,500</u>	<u>12,500</u>	<u>5,940</u>	<u>(6,560)</u>	<u>8,457</u>
Other Sources					
Garbage Collection	200,700	200,700	168,950	(31,750)	169,282
Miscellaneous	25,861	27,241	121,872	94,631	100,487
Interest	132,000	132,000	32,582	(99,418)	139,293
Total Other Sources	<u>358,561</u>	<u>359,941</u>	<u>323,404</u>	<u>(36,537)</u>	<u>409,062</u>
Total Revenues	<u>5,725,885</u>	<u>5,669,955</u>	<u>6,008,094</u>	<u>338,139</u>	<u>6,315,024</u>
<u>EXPENDITURES</u>					
City Council					
Mayor and Council Meeting					
Expense and Awards	1,625	1,625	766	859	813
Contingency	3,500	3,500	3,008	492	1,544
Contractual Services			0	-	-
Utilities	1,140	1,140	1,568	(428)	805
Total City Council	<u>6,265</u>	<u>6,265</u>	<u>5,342</u>	<u>923</u>	<u>3,162</u>
General Government Administration					
Salaries and Fringe Benefits	467,014	467,014	435,628	31,386	378,288
Supplies	25,713	27,639	23,165	4,474	16,222
Maintenance	4,800	9,500	7,776	1,724	5,778
Contractual Services	316,072	313,169	328,151	(14,982)	383,812
Utilities	52,040	52,040	68,459	(16,419)	46,843
Capital Outlay	25,145	25,145	13,912	11,233	145,708
Total General Government	<u>890,784</u>	<u>894,507</u>	<u>877,091</u>	<u>17,416</u>	<u>976,651</u>
Law Enforcement and Municipal Court					
Salaries and Fringe Benefits	1,459,488	1,459,488	1,335,568	123,920	1,324,545
Supplies	26,100	26,100	28,996	(2,896)	24,363
Maintenance	141,000	116,250	68,092	48,158	93,809
Contractual Services	173,999	178,396	214,500	(36,104)	177,722
Utilities	49,726	49,726	47,492	2,234	33,284
Capital Outlay	67,500	67,500	60,769	6,731	180,955
Total Law Enforcement and Municipal Court	<u>1,917,813</u>	<u>1,897,460</u>	<u>1,755,417</u>	<u>142,043</u>	<u>1,834,678</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, 2009
(WITH COMPARATIVE ACTUAL TOTALS FOR 2008)

<u>EXPENDITURES (CONTINUED)</u>	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>2009 ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>	<u>2008 ACTUAL (BUDGETARY BASIS)</u>
Code Enforcement					
Salaries and Fringe Benefits	\$ 319,990	\$ 309,190	\$ 296,167	\$ 13,023	\$ 315,789
Supplies	18,550	17,500	5,281	12,219	16,091
Maintenance	10,300	7,858	3,804	4,054	1,485
Contractual Services	134,700	92,700	28,868	63,832	114,483
Utilities	3,456	3,456	2,195	1,261	2,464
Capital Outlay	-	-	-	-	23,597
Total Code Enforcement	<u>486,996</u>	<u>430,704</u>	<u>336,315</u>	<u>94,389</u>	<u>473,909</u>
Public Works					
Salaries and Fringe Benefits	528,338	528,338	483,137	45,201	456,571
Supplies	124,700	140,247	121,264	18,983	64,392
Maintenance	91,500	52,630	50,824	1,806	97,736
Contractual Services	462,617	462,617	265,844	196,773	631,806
Utilities	6,040	6,040	14,090	(8,050)	5,265
Capital Outlay	88,974	157,693	112,654	45,039	550,804
Total Public Works	<u>1,302,169</u>	<u>1,347,565</u>	<u>1,047,813</u>	<u>299,752</u>	<u>1,806,574</u>
Parks					
Salaries and Fringe Benefits	191,043	191,043	182,765	8,278	186,028
Supplies	30,000	39,020	49,508	(10,488)	22,072
Maintenance	30,125	23,786	13,960	9,826	15,557
Contractual Services	4,500	20,853	31,758	(10,905)	55,351
Utilities	13,500	13,500	40,050	(26,550)	10,061
Capital Outlay	49,539	168,983	142,452	26,531	162,588
Total Parks	<u>318,707</u>	<u>457,185</u>	<u>460,493</u>	<u>(3,308)</u>	<u>451,657</u>
Animal Control					
Salaries and Fringe Benefits	45,995	45,995	44,332	1,663	43,500
Supplies	3,625	8,295	7,829	466	8,137
Maintenance	10,600	6,050	5,075	975	1,358
Contractual Services	11,290	10,178	4,830	5,348	9,099
Utilities	-	-	51	(51)	-
Capital Outlay	1,400	1,400	-	1,400	4,222
Total Animal Control	<u>72,910</u>	<u>71,918</u>	<u>62,117</u>	<u>9,801</u>	<u>66,316</u>
Community Development					
Salaries and Fringe Benefits	145,361	145,361	126,214	19,147	141,466
Supplies	11,200	11,200	3,583	7,617	16,920
Contractual Services	190,206	225,206	70,622	154,584	266,904
Capital Outlay	-	-	-	-	471
Total Community Development	<u>346,767</u>	<u>381,767</u>	<u>200,419</u>	<u>181,348</u>	<u>425,761</u>
Fire					
Salaries and Fringe Benefits	154,123	154,123	151,634	2,489	82,968
Supplies	7,975	14,975	9,453	5,522	4,253
Maintenance	31,000	24,000	12,200	11,800	950
Contractual Service	469,120	469,120	470,082	(962)	375,485
Utilities	3,220	3,220	2,719	501	-
Capital Outlay	800	800	-	800	23,070
Total Fire	<u>666,238</u>	<u>666,238</u>	<u>646,088</u>	<u>20,150</u>	<u>486,726</u>
Total Expenditures	<u>6,008,649</u>	<u>6,153,609</u>	<u>5,391,095</u>	<u>782,867</u>	<u>6,724,953</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(282,764)</u>	<u>(483,654)</u>	<u>616,999</u>	<u>1,100,653</u>	<u>(409,929)</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, 2009
(WITH COMPARATIVE ACTUAL TOTALS FOR 2008)

	ORIGINAL BUDGET	FINAL BUDGET	2009 ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2008 ACTUAL (BUDGETARY BASIS)
<u>OTHER FINANCING SOURCES AND USES</u>					
Proceeds from Notes Payable	\$ -	\$ -	\$ -	\$ -	\$ 182,124
Proceeds from Sale of Capital Assets	10,000	10,000	6,375	(3,625)	39,450
Transfer of Reserved Fund Balances	-	-	-	-	(64,652)
Transfers In	272,764	404,921	241,717	(163,204)	341,078
Transfers Out	-	-	-	-	-
Total Other Financing Sources and Uses	<u>282,764</u>	<u>414,921</u>	<u>248,092</u>	<u>(166,829)</u>	<u>498,000</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	-	(68,733)	865,091	933,824	88,071
<u>FUND BALANCE - OCTOBER 1</u>	<u>3,497,156</u>	<u>3,497,156</u>	<u>3,497,156</u>	<u>-</u>	<u>3,409,085</u>
FUND BALANCE - SEPTEMBER 30	<u>\$ 3,497,156</u>	<u>\$ 3,428,423</u>	<u>\$ 4,362,247</u>	<u>\$ 933,824</u>	<u>\$ 3,497,156</u>

CITY OF CIBOLO, TEXAS
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
SEPTEMBER 30, 2009

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
2006	\$ 1,213,145	\$ 1,378,619	88.0%	\$165,474	\$ 1,748,714	9.5%
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

* 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
- Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Special Revenue Funds
- Comparative Balance Sheets – General Fund
- Comparative Statements – Capital Projects Fund
- Comparative Statements – Debt Service
- Combining Statements – Special Revenue Funds
- 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, 2009 AND 2008

	<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	\$ 505,206	\$ 574,639	\$ 617,459	\$ 24,475
Taxes Receivable	-	-	-	-
Due From Other Funds	<u>22,456</u>	<u>10,406</u>	<u>22,800</u>	<u>4,947</u>
TOTAL ASSETS	<u>\$ 527,662</u>	<u>\$ 585,045</u>	<u>\$ 640,259</u>	<u>\$ 29,422</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable - Developers	<u>\$ 2,917</u>	<u>\$ 1,287</u>	<u>\$ -</u>	<u>\$ 3,850</u>
<u>FUND BALANCES</u>				
Reserved for Capital Improvement (Impact Fees)	524,745	583,758	640,259	-
Reserved for Street Maintenance	-	-	-	-
Reserved for Police Special	-	-	-	-
Reserved for Court Special	-	-	-	<u>25,572</u>
Total Fund Balances	<u>524,745</u>	<u>583,758</u>	<u>640,259</u>	<u>25,572</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 527,662</u>	<u>\$ 585,045</u>	<u>\$ 640,259</u>	<u>\$ 29,422</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 2009</u>	<u>TOTALS 2008</u>
\$ 31,474	\$ 19,387	\$ 6,812	\$ 17,723	\$ 112,175	\$ 1,909,350	\$ 1,793,550
-	-	-	-	20,900	20,900	25,062
<u>3,709</u>	<u>-</u>	<u>1,380</u>	<u>-</u>	<u>9,862</u>	<u>75,560</u>	<u>-</u>
<u>\$ 35,183</u>	<u>\$ 19,387</u>	<u>\$ 8,192</u>	<u>\$ 17,723</u>	<u>\$ 142,937</u>	<u>\$ 2,005,810</u>	<u>\$ 1,818,612</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,054	\$ 4,205
-	-	-	-	-	1,748,762	1,548,822
-	-	-	-	142,937	142,937	183,362
-	19,387	8,192	17,723	-	45,302	36,997
<u>35,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,755</u>	<u>45,226</u>
<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>\$ 35,183</u>	<u>\$ 19,387</u>	<u>\$ 8,192</u>	<u>\$ 17,723</u>	<u>\$ 142,937</u>	<u>\$ 2,005,810</u>	<u>\$ 1,818,612</u>

CITY OF CIBOLO, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - SPECIAL REVENUE FUNDS
YEARS ENDED SEPTEMBER 30, 2009 AND 2008

	<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	-	-	164,400	-
Fines and Forfeitures	-	-	-	10,927
Grants	-	-	-	-
Impact Fees	71,577	33,133	-	-
Other Revenue	<u>3,761</u>	<u>4,482</u>	<u>4,304</u>	<u>110</u>
Total Revenues	<u>75,338</u>	<u>37,615</u>	<u>168,704</u>	<u>11,037</u>
<u>EXPENDITURES</u>				
Law Enforcement and Municipal Court	-	-	-	3,850
Public Works	-	-	-	-
Parks	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,850</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>75,338</u>	<u>37,615</u>	<u>168,704</u>	<u>7,187</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer of Reserved Fund Balances	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>(81,717)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(81,717)</u>	<u>-</u>
Changes in Fund Balance	75,338	37,615	86,987	7,187
<u>FUND BALANCES - BEGINNING</u>	<u>449,407</u>	<u>546,143</u>	<u>553,272</u>	<u>18,385</u>
FUND BALANCES - ENDING	<u>\$ 524,745</u>	<u>\$ 583,758</u>	<u>\$ 640,259</u>	<u>\$ 25,572</u>

COURT SECURITY FUND	POLICE SEIZURE FUND	POLICE SPECIAL FUND	POLICE EDUCATION FUND	STREET MAINTENANCE FUND	TOTALS 2009	TOTALS 2008
\$ -	\$ -	\$ -	\$ -	\$ 118,031	\$ 118,031	\$ 118,710
-	-	-	-	-	164,400	107,475
8,192	4,463	-	-	-	23,582	32,179
-	-	-	2,232	-	2,232	1,824
-	-	-	-	-	104,710	-
<u>150</u>	<u>101</u>	<u>1,415</u>	<u>94</u>	<u>1,544</u>	<u>15,961</u>	<u>54,676</u>
<u>8,342</u>	<u>4,564</u>	<u>1,415</u>	<u>2,326</u>	<u>119,575</u>	<u>428,916</u>	<u>314,864</u>
-	-	-	-	-	3,850	57,328
-	-	-	-	-	-	75,000
-	-	-	-	-	-	1,820
-	-	-	-	-	-	211,751
-	-	-	-	-	<u>3,850</u>	<u>345,899</u>
<u>8,342</u>	<u>4,564</u>	<u>1,415</u>	<u>2,326</u>	<u>119,575</u>	<u>425,066</u>	<u>(31,035)</u>
-	-	-	-	-	-	64,652
-	-	-	-	(160,000)	(241,717)	(130,912)
-	-	-	-	(160,000)	(241,717)	(66,260)
8,342	4,564	1,415	2,326	(40,425)	183,349	(97,295)
<u>26,841</u>	<u>14,823</u>	<u>6,777</u>	<u>15,397</u>	<u>183,362</u>	<u>1,814,407</u>	<u>1,911,702</u>
<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>

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CITY OF CIBOLO, TEXAS
COMPARATIVE BALANCE SHEETS
GENERAL FUND

	SEPTEMBER 30,	
	2009	2008
<u>ASSETS</u>		
Cash and Investments	\$ 3,982,908	\$ 3,904,849
Receivables (Net of Allowances for Uncollectibles)		
Property Taxes	27,909	121,820
Other	153,161	59,623
Due from Other Funds	739,692	14,733
Due from Other Governments	-	27,830
Inventories and Prepaids	19,138	18,090
TOTAL ASSETS	\$ 4,922,808	\$ 4,146,945
<u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 351,598	\$ 563,904
Accrued Liabilities	64,910	26,407
Court Bonds	25,633	39,708
Due to Other Funds	92,139	-
Deferred/Unearned Revenues	26,281	19,770
Total Liabilities	560,561	649,789
<u>FUND BALANCES</u>		
Reserved for		
Encumbrances	-	30,000
Inventory and Prepaids	19,138	18,090
Designated for Capital Replacement	110,716	111,765
Unreserved, Undesignated	4,232,393	3,337,301
Total Fund Balances	4,362,247	3,497,156
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,922,808	\$ 4,146,945

CITY OF CIBOLO, TEXAS
COMPARATIVE BALANCE SHEETS
CAPITAL PROJECTS FUND

	SEPTEMBER 30,	
	2009	2008
<u>ASSETS</u>		
Cash and Investments - Restricted	\$ 11,719,940	\$ 5,239,227
Due From Other Funds	<u>16,579</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 11,736,519</u>	<u>\$ 5,239,227</u>
<u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 322,781	\$ 574,197
Due to Other Funds	<u>486,235</u>	<u>-</u>
Total Liabilities	809,016	574,197
<u>FUND BALANCES</u>		
Unreserved	<u>10,927,503</u>	<u>4,665,030</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,736,519</u>	<u>\$ 5,239,227</u>

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

	YEAR ENDED SEPTEMBER 30,	
	2009	2008
<u>REVENUES</u>		
Interest/Miscellaneous	\$ 47,025	\$ 197,611
<u>EXPENDITURES</u>		
Capital Outlay	6,103,931	2,198,468
Interest & Fiscal Charges	400	-
Bond Issuance Costs	242,462	-
Total Expenditures	6,346,793	2,198,468
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,299,768)	(2,000,857)
<u>OTHER FINANCING SOURCES (USES)</u>		
Proceeds from Bonds Payable	12,350,000	-
Premium on Bonds Issued	212,241	-
Total Other Financing Sources (Uses)	12,562,241	-
Changes in Fund Balances	6,262,473	(2,000,857)
<u>FUND BALANCES - BEGINNING</u>	4,665,030	6,665,887
FUND BALANCES - ENDING	\$ 10,927,503	\$ 4,665,030

CITY OF CIBOLO, TEXAS
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND

	SEPTEMBER 30,	
	2009	2008
<u>ASSETS</u>		
Cash and Investments	\$ 325,462	\$ 41,240
Receivables (Net of Allowances for Uncollectibles)		
Property Taxes	10,158	8,202
TOTAL ASSETS	\$ 335,620	\$ 49,442
<u>LIABILITIES AND FUND BALANCES</u>		
<u>LIABILITIES</u>		
Other Payables	\$ 52,380	\$ -
Due to Other Funds	241,129	-
Deferred Revenue	10,095	7,544
Total Liabilities	303,604	7,544
<u>FUND BALANCES</u>		
Unreserved	32,016	41,898
TOTAL LIABILITIES AND FUND BALANCES	\$ 335,620	\$ 49,442

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

	<u>YEAR ENDED SEPTEMBER 30,</u>	
	<u>2009</u>	<u>2008</u>
<u>REVENUES</u>		
Taxes	\$ 852,149	\$ 759,357
Interest/Miscellaneous	<u>87,637</u>	<u>4,194</u>
Total Revenues	<u>939,786</u>	<u>763,551</u>
<u>EXPENDITURES</u>		
Debt Service		
Principal	255,000	210,000
Interest and Fiscal Charges	<u>491,668</u>	<u>453,281</u>
Total Expenditures	<u>746,668</u>	<u>663,281</u>
Excess of Revenues Over Expenditures	193,118	100,270
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating Transfers In (Out)	<u>(203,000)</u>	<u>(67,700)</u>
Changes in Fund Balances	(9,882)	32,570
<u>FUND BALANCES - BEGINNING</u>	<u>41,898</u>	<u>9,328</u>
FUND BALANCES - ENDING	<u>\$ 32,016</u>	<u>\$ 41,898</u>

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

	SEPTEMBER 30,	
	2009	2008
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and Investments	\$ 1,610,428	\$ 1,017,915
Receivables (Net of Allowances for Uncollectibles)		
Accounts	1,003,685	638,655
Other	946	475
Inventory of Supplies and Prepaids	44,211	74,428
Total Current Assets	2,659,270	1,731,473
<u>RESTRICTED ASSETS</u>		
Cash and Cash Investments	908,644	1,636,207
<u>BOND ISSUANCE COSTS</u>		
(Net of Accumulated Amortization)	87,207	86,207
<u>CAPITAL ASSETS</u>		
Land	391,248	391,248
Construction in Progress	-	2,989,271
Water and Sewer Systems	13,621,187	10,210,875
Equipment	391,175	391,175
Accumulated Depreciation	(1,946,546)	(1,649,043)
Total Capital Assets, Net of Accumulated Depreciation	12,457,064	12,333,526

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

	SEPTEMBER 30,	
	2009	2008
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 335,861	\$ 653,088
Accrued Expenses	7,972	13,457
Accrued Leave and Compensatory Time	23,488	39,362
Accrued Interest Payable	19,580	42,340
Current Portion of Bonds Payable	220,000	385,000
Due to Other Funds	12,328	14,733
Customer Deposits	170,105	164,430
Total Current Liabilities	789,334	1,312,410
 <u>NONCURRENT LIABILITIES</u>		
Tax Notes/Bonds Payable	5,375,000	5,595,000
Total Liabilities	6,164,334	6,907,410
 <u>NET ASSETS</u>		
Unrestricted		
Invested in Capital Assets, Net of Related Debt	6,862,064	7,339,992
Unrestricted	3,085,787	1,540,011
Total Net Assets	9,947,851	8,880,003
TOTAL LIABILITIES AND NET ASSETS	\$ 16,112,185	\$ 15,787,413

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>2009</u>	<u>2008</u>
<u>OPERATING REVENUES</u>		
Water Sales	\$ 2,632,166	\$ 2,093,301
Sewer Sales	1,477,228	1,080,427
Garbage Service	1,177,676	1,135,765
Service Fees	711,608	577,217
Miscellaneous	<u>37,015</u>	<u>12,324</u>
Total Operating Revenues	<u>6,035,693</u>	<u>4,899,034</u>
<u>OPERATING EXPENSES</u>		
Water Purchased	158,355	134,995
Sewage Treatment	866,873	713,041
Garbage Service	1,289,253	1,233,891
Salaries and Benefits	549,426	442,660
Supplies	155,571	102,702
Equipment Operation	179,657	8,005
Contractual Services	1,614,465	1,333,645
Utilities	40,939	37,199
Insurance	22,047	21,310
Bad Debt Expense	45,561	-
Capital Outlay	-	27,107
Depreciation	<u>297,502</u>	<u>192,118</u>
Total Operating Expenses	<u>5,219,649</u>	<u>4,246,673</u>
Operating Income	<u>816,044</u>	<u>652,361</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Income	17,637	136,491
Interest and Fiscal Charges	<u>(224,305)</u>	<u>(264,140)</u>
Total Nonoperating Revenues (Expenses)	<u>(206,668)</u>	<u>(127,649)</u>
Net Income before Contributions and Transfers	609,376	524,712
<u>CAPITAL CONTRIBUTIONS</u>	-	2,977,794
<u>TRANSFER IN (OUT)</u>	<u>458,472</u>	<u>574,503</u>
Change in Net Assets	1,067,848	4,077,009
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>8,880,003</u>	<u>4,802,994</u>
NET ASSETS AT END OF YEAR	<u>\$ 9,947,851</u>	<u>\$ 8,880,003</u>

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

	<u>SEPTEMBER 30,</u>	
	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
<u>RESTRICTED ASSETS</u>		
Cash and Cash Investments	<u>\$ 391,430</u>	<u>\$ 469,143</u>
<u>NET ASSETS</u>		
<u>NET ASSETS</u>		
Restricted	<u>\$ 391,430</u>	<u>\$ 469,143</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>2009</u>	<u>2008</u>
<u>OPERATING EXPENSES</u>		
Office Supplies	\$ <u>68</u>	\$ <u>-</u>
 <u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Income	2,972	19,491
Impact Fees	<u>174,855</u>	<u>120,991</u>
Total Nonoperating Revenues (Expenses)	<u>177,827</u>	<u>140,482</u>
Net Income before Transfers	177,759	140,482
 <u>TRANSFER IN (OUT)</u>	<u>(255,472)</u>	<u>(361,663)</u>
Change in Net Assets	(77,713)	(221,181)
 <u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>469,143</u>	<u>690,324</u>
NET ASSETS AT END OF YEAR	<u>\$ 391,430</u>	<u>\$ 469,143</u>

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

	<u>SEPTEMBER 30,</u>	
	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Accounts Receivable - Other	\$ 3,191	\$ 3,190
<u>RESTRICTED ASSETS</u>		
Cash and Cash Investments	<u>846,845</u>	<u>760,123</u>
TOTAL ASSETS	<u>\$ 850,036</u>	<u>\$ 763,313</u>
<u>NET ASSETS</u>		
<u>NET ASSETS</u>		
Restricted	<u>\$ 850,036</u>	<u>\$ 763,313</u>

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

	<u>YEAR ENDED SEPTEMBER 30,</u>	
	<u>2009</u>	<u>2008</u>
<u>OPERATING EXPENSES</u>		
Office Supplies	\$ 40	\$ -
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest Income	6,130	22,843
Impact Fees	<u>80,633</u>	<u>56,207</u>
Total Nonoperating Revenues (Expenses)	<u>86,763</u>	<u>79,050</u>
Net Income before Transfers	86,723	79,050
<u>TRANSFERS IN (OUT)</u>	<u>-</u>	<u>(14,228)</u>
Change in Net Assets	86,723	64,822
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>763,313</u>	<u>698,491</u>
NET ASSETS AT END OF YEAR	<u>\$ 850,036</u>	<u>\$ 763,313</u>

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

	SEPTEMBER 30,	
	2009	2008
<u>ASSETS</u>		
Cash and Investments	\$ 113,280	\$ 133,124
Sales Tax Receivable	20,900	25,062
Due from Primary Government	5,125	-
TOTAL ASSETS	<u>\$ 139,305</u>	<u>\$ 158,186</u>
<u>LIABILITIES AND FUND BALANCES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ -	\$ 12,617
<u>FUND BALANCES</u>		
Unreserved	139,305	145,569
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 139,305</u>	<u>\$ 158,186</u>

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

	<u>YEAR ENDED SEPTEMBER 30,</u>	
	<u>2009</u>	<u>2008</u>
<u>REVENUES</u>		
Taxes	\$ 118,030	\$ 118,710
Interest Income	1,179	2,027
Total Revenues	119,209	120,737
 <u>EXPENDITURES</u>		
Economic Development	125,473	23,589
Changes in Fund Balances	(6,264)	97,148
 <u>FUND BALANCES - BEGINNING</u>	<u>145,569</u>	<u>48,421</u>
FUND BALANCES - ENDING	<u>\$ 139,305</u>	<u>\$ 145,569</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 comprehensive 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.

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

TABLE 1

	FISCAL YEAR ENDED SEPTEMBER 30					
	2004	2005	2006	2007	2008	2009
<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
Restricted	1,008,780	776,107	4,007,735	2,234,750	1,863,848	2,029,772
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>
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>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
Restricted	1,563,011	1,883,413	1,715,262	1,388,815	1,232,456	1,241,466
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>
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>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
Restricted	2,571,791	2,659,520	5,722,997	3,623,565	3,096,304	3,271,238
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>
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>

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

TABLE 2

	FISCAL YEAR ENDED SEPTEMBER 30					
	2004	2005	2006	2007	2008	2009
EXPENSES						
<u>Governmental Activities</u>						
City Council	\$ 4,133	\$ 3,248	\$ 3,657	\$ 5,740	\$ 3,162	\$ 5,342
General Government Administration	349,185	399,835	540,279	633,996	1,026,194	892,292
Public Safety	879,834	1,114,574	1,525,518	1,708,004	1,789,584	1,787,604
Code Enforcement	153,185	307,672	523,760	615,390	493,852	340,638
Public Works	193,732	583,299	577,651	694,566	1,394,360	1,539,794
Parks	75,902	108,884	132,608	245,021	356,268	452,996
Animal Control	28,836	38,511	36,698	57,585	71,226	67,054
Community Development	-	-	-	379,805	428,246	195,060
Fire	-	-	-	-	491,880	646,546
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
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>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
Interest on Long-Term Debt	40,100	29,165	119,050	172,053	264,140	224,305
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>
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>
PROGRAM REVENUES						
<u>Governmental Activities</u>						
Charges for Service						
General Government						
Administration	\$ 127,626	\$ 166,943	\$ 133,130	\$ 157,971	\$ 169,282	\$ 37,530
Law Enforcement	259,935	212,070	376,060	443,489	523,647	334,962
Code Enforcement	855,710	1,104,892	1,786,710	3,498,323	2,560,933	2,099,796
Parks	145,620	114,061	174,977	5,962	8,457	170,340
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
Capital Grants and Contributions	-	13,740	487,378	-	2,777,059	-
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>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
Capital Grants and Contributions	-	-	-	-	2,977,794	-
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>
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>

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

TABLE 2

	FISCAL YEAR ENDED SEPTEMBER 30					
	2004	2005	2006	2007	2008	2009
<u>NET (EXPENSE) REVENUE</u>						
Governmental Activities	\$ (397,599)	\$(1,159,358)	\$ (932,173)	\$ (566,109)	\$ (442,519)	\$ (3,859,205)
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>
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>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
Sales Taxes	278,564	390,977	330,234	425,339	594,414	588,271
Franchise Taxes	119,560	169,790	220,161	301,298	417,035	547,790
Impact Fees	662,832	457,111	601,232	650,736	107,475	105,127
Interest and Investment Earnings	53,047	33,452	230,008	453,725	395,770	97,271
Gain (Loss) on Sale of Capital Assets	-	2,100	(4,900)	-	1,781	6,375
Miscellaneous	32,407	85,418	60,817	50,013	100,487	207,806
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>
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>Business-Type Activities</u>						
Impact Fees	667,976	462,943	388,212	279,630	177,198	255,488
Interest and Investment Earnings	28,454	55,550	200,932	308,452	178,825	26,739
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>
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>
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>CHANGES IN NET ASSETS</u>						
Government Activities	\$1,509,042	\$ 866,069	\$ 1,755,488	\$2,819,188	\$ 3,655,574	\$ 695,303
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>
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>

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

	FISCAL YEAR			
	2000	2001	2002	2003
<u>GENERAL FUND</u>				
Reserved	\$ 307,433	\$ 115,124	\$ 314,122	\$ 923,481
Designated	-	-	-	-
Unreserved	<u>460,246</u>	<u>722,045</u>	<u>1,049,539</u>	<u>1,747,902</u>
TOTAL GENERAL FUND	<u>\$ 767,679</u>	<u>\$ 837,169</u>	<u>\$ 1,363,661</u>	<u>\$ 2,671,383</u>
<u>ALL OTHER GOVERNMENTAL FUNDS</u>				
Unreserved, Reported in				
Capital Project Fund	\$ -	\$ -	\$ 1,495,023	\$ 675,260
Debt Service Fund	14,413	17,304	30,385	23,488
Special Revenue Funds	<u>(9,909)</u>	<u>(27,849)</u>	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 4,504</u>	<u>\$ (10,545)</u>	<u>\$ 1,525,408</u>	<u>\$ 698,748</u>

TABLE 3

ENDED SEPTEMBER 30,					
2004	2005	2006	2007	2008	2009
\$1,612,652	\$ 1,477,083	\$ 1,731,830	\$ 325,872	\$ 48,090	\$ 19,138
-	-	-	-	111,765	110,716
<u>1,484,446</u>	<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>\$3,097,098</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>
\$ 94,612	\$ 97,802	\$ 2,920,682	\$ 6,665,887	\$ 4,665,030	\$ 10,927,503
33,810	32,091	(17,888)	9,328	41,898	32,016
-	-	-	<u>1,911,702</u>	<u>1,814,407</u>	<u>1,997,756</u>
<u>\$ 128,422</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>

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

	FISCAL YEAR			
	2000	2001	2002	2003
<u>REVENUES</u>				
Taxes	\$ 685,168	\$ 780,653	\$ 857,916	\$ 874,184
Construction Permits	78,415	106,430	381,475	1,045,233
Charges for Services	10,424	11,768	2,234	2,362
Fines and Forfeitures	124,098	166,042	160,107	221,321
Grants	19,090	44,964	48,749	48,739
Impact Fees	-	-	-	-
Parks	-	-	137,470	27,323
Interest/Miscellaneous	<u>165,381</u>	<u>163,677</u>	<u>158,539</u>	<u>394,424</u>
Total Revenues	<u>1,082,576</u>	<u>1,273,534</u>	<u>1,746,490</u>	<u>2,613,586</u>
<u>EXPENDITURES</u>				
Current				
City Council	3,625	1,072	1,428	2,624
General Government Administration	167,784	177,510	179,933	236,498
Law Enforcement and Municipal Court	413,069	462,005	573,115	686,192
Code Enforcement	36,016	37,058	104,530	102,262
Public Works	87,142	209,064	167,198	123,698
Parks	34,514	30,358	20,272	32,346
Animal Control	2,626	2,243	938	14,371
Community Development	-	-	-	-
Fire	-	-	-	-
Capital Projects/Outlay	86,239	173,503	84,052	2,126,444
Bond Issuance Costs	-	-	32,628	29,846
Debt Service				
Principal	45,000	45,000	60,000	230,000
Interest and Fiscal Charges	<u>6,447</u>	<u>2,417</u>	<u>57,845</u>	<u>96,668</u>
Total Expenditures	<u>882,462</u>	<u>1,140,230</u>	<u>1,281,939</u>	<u>3,680,949</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>200,114</u>	<u>133,304</u>	<u>464,551</u>	<u>(1,067,363)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from Bonds Payable	-	-	1,500,000	1,250,000
Proceeds from Notes Payable	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-
Transfers in (Out)	<u>(83,984)</u>	<u>(78,863)</u>	<u>97,893</u>	<u>298,425</u>
Total Other Financing Sources (Uses)	<u>(83,984)</u>	<u>(78,863)</u>	<u>1,597,893</u>	<u>1,548,425</u>
CHANGES IN FUND BALANCES	<u>\$ 116,130</u>	<u>\$ 54,441</u>	<u>\$ 2,062,444</u>	<u>\$ 481,062</u>

TABLE 4

ENDED SEPTEMBER 30,					
2004	2005	2006	2007	2008	2009
\$1,115,460	\$ 1,450,511	\$ 1,998,334	\$ 2,703,074	\$ 3,689,405	\$ 4,332,284
855,710	1,104,892	1,786,710	4,149,059	2,668,408	2,095,246
3,771	5,729	6,590	8,773	8,679	34,746
259,935	212,070	376,060	443,489	523,647	337,746
37,972	61,641	75,334	75,368	26,911	39,122
-	-	-	-	-	104,710
145,620	114,061	140,975	5,962	8,457	5,940
<u>875,912</u>	<u>744,562</u>	<u>1,038,033</u>	<u>661,706</u>	<u>665,543</u>	<u>474,027</u>
<u>3,294,380</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>
4,133	3,248	3,657	5,740	3,162	5,342
307,027	351,218	483,773	649,543	830,943	863,179
847,045	1,085,595	1,463,978	1,634,651	1,682,308	1,698,498
143,275	271,377	513,207	586,752	450,312	336,315
138,286	435,153	854,803	476,904	1,255,770	935,159
47,100	45,527	99,787	205,232	255,672	318,041
28,787	38,102	36,447	51,836	62,094	62,117
-	-	-	374,040	425,290	200,419
-	-	-	-	-	646,088
2,867,973	1,621,802	844,101	2,160,749	463,656	6,433,718
31,038	-	56,000	85,071	3,299,516	242,462
130,000	145,000	192,695	3,136,224	405,767	255,000
94,170	102,919	93,915	203,410	457,033	492,068
<u>4,638,834</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>(1,344,454)</u>	<u>(406,475)</u>	<u>779,673</u>	<u>(1,522,721)</u>	<u>(2,000,473)</u>	<u>(5,064,585)</u>
1,135,000	-	3,000,000	7,975,000	-	12,562,241
-	-	47,562	-	182,124	-
-	-	-	-	39,450	6,375
<u>23,281</u>	<u>(12,000)</u>	<u>(193,733)</u>	<u>(395,089)</u>	<u>(198,612)</u>	<u>(203,000)</u>
<u>1,158,281</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>\$ (186,173)</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>

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

CITY OF CIBOLO, TEXAS
ASSESSED VALUE AND ACTUAL TAXABLE PROPERTY
LAST SIX 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

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>	
2000	0.3699	1.4945	0.3417	2.20610
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

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	2009			2000		
	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	.71%	\$ -	
Jungle Laboratories	2,701,781	2	.27	-		.00
Guadalupe Valley Electric	2,622,630	3	.26	-		.00
Kalmar RT Center LLC	2,202,876	4	.22	-		.00
North American BulletProof	2,132,023	5	.21	-		.00
RH of Texas LP	2,029,342	6	.20	-		.00
Wilshire Homes	2,010,680	7	.20	-		.00
Timber Tech Texas	1,903,457	8	.19	1,504,000	2	1.13
Aggreko, LLC	1,878,011	9	.19	-		.00
CVR Investors	1,807,356	10	.18	-		.00
Nabisco Brands	-		.00	1,793,957	1	1.35
Cibolo Deer Creek	-		.00	1,208,372	3	.91
Ari Automotive	-		.00	1,088,792	4	.82
AGE Industries	-		.00	986,200	5	.74
Wells Fargo	-		.00	829,150	6	.62
Trans Met	-		.00	827,885	7	.62
Brahama AVLTD	-		.00	777,013	8	.58
Suttton, Steele & Steele, Inc.	-		.00	769,093	9	.58
Southwestern Bell	-		.00	731,270	10	.55
TOTAL	<u>\$26,287,764</u>		<u>2.63%</u>	<u>\$10,515,732</u>		<u>7.90%</u>

Total taxable assessed value for 2009 was \$989,033,057.

Information for nine years ago not available. Information for eight years ago presented instead

Source: Guadalupe Appraisal District

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

TABLE 9

<u>FISCAL YEAR ENDED SEPTEMBER 30,</u>	<u>TAXIES LEVIED FOR THE FISCAL YEAR</u>	<u>COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY</u>		<u>COLLECTIONS IN SUBSEQUENT YEARS</u>	<u>TOTAL COLLECTIONS TO DATE</u>	
		<u>AMOUNT</u>	<u>PERCENTAGE OF LEVY</u>		<u>AMOUNT</u>	<u>PERCENTAGE OF LEVY</u>
2000	\$ 431,175	\$ 421,856	97.8%	\$ 9,219	\$ 431,075	99.9%
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	9,234	705,808	99.9
2005	938,261	919,683	98.0	17,072	936,755	99.8
2006	1,496,387	1,419,142	94.8	75,291	1,494,433	99.9
2007	1,959,999	1,947,226	99.3	9,470	1,956,696	99.8
2008	2,648,876	2,642,775	99.8	2,245	2,645,020	99.8
2009	3,183,790	3,156,026	99.1	-	3,156,026	99.1

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	
2000	\$ -	\$ 45,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 120,000
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	1,695,000	26,455,000

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 SIX 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

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, 2009

TABLE 12

<u>TAXABLE VALUE</u>	<u>\$989,033,057</u>
Debt Limit - 10% of Taxable Value (1)	\$ 98,903,306
Amount of Debt Applicable to Debt Limit	
Total Bonded Debt	\$ 24,760,000
Less: Assets Available in Debt Service Fund	<u>32,016</u>
Total Amount of Debt Applicable to Debt Limit	<u>24,727,984</u>
 ECONOMIC DEBT MARGIN	 <u>\$ 74,175,322</u>

	FISCAL YEAR			
	2006	2007	2008	2009
Debt Limit	\$ 47,085,806	\$ 61,519,128	\$ 83,141,117	\$ 98,903,306
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>
 ECONOMIC DEBT MARGIN	 <u>\$ 41,372,918</u>	 <u>\$ 48,138,456</u>	 <u>\$ 70,243,015</u>	 <u>\$ 74,175,322</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 SIX 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

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 TWO YEARS AGO

TABLE 14

EMPLOYER	2009		2007	
	EMPLOYEES	RANK	EMPLOYEES	RANK
Schertz-Cibolo-Universal City ISD	375	1	350	1
Jungle Laboratories	110	4	200	2
Robles	162	3	120	8
City of Cibolo	200	2	81	3
Timber Tech	90	5	80	4
Age Industries	25	8	70	5
Eagle Construction	45	6	60	6
Kalmar	27	7	60	7
Fiber Art	-	-	40	9
Burditt Tile & Stone	25	9	30	-
North American Bullet Proof	<u>15</u>	10	<u>-</u>	10
TOTALS	<u>1,074</u>	10	<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.

