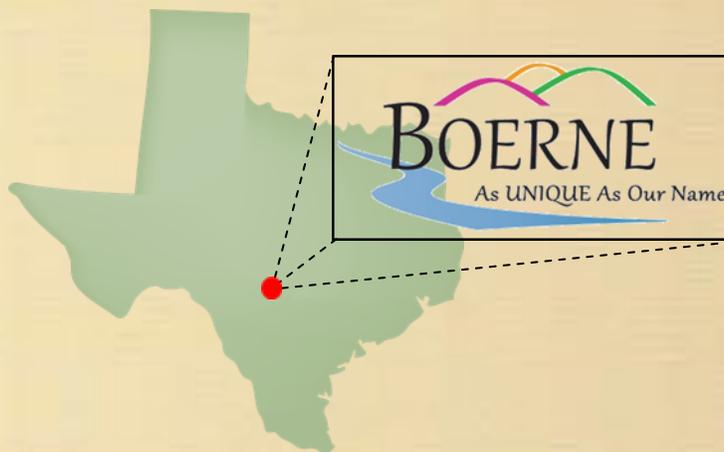




2014  
COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2014

CITY OF BOERNE, TEXAS





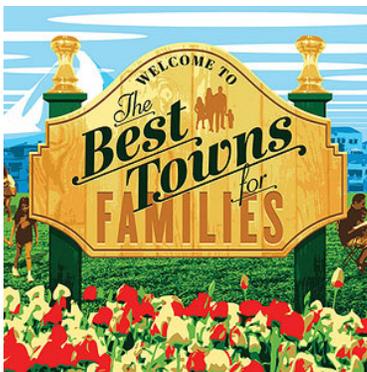
The Finance department of the City of Boerne has been honored by the Government Finance Officers Association of the United States and Canada for the past 27 consecutive years with a Certificate of Achievement for Excellence in Financial Reporting that represents the highest standards in government accounting and financial reporting.



The Comptroller of Public Accounts launched the Texas Comptroller Leadership Circle program in December 2009 to recognize local governments across Texas that are striving to meet a high standard for financial transparency online. The City of Boerne has received the highest award for the past 4 years.

Texas Comptroller  
Leadership Circle  
Platinum Member

### **FAMILY CIRCLE MAGAZINE NAMES BOERNE, TEXAS TO ANNUAL “10 BEST TOWNS FOR FAMILIES” LIST**



**NEW YORK, NY (July 8, 2014)** – [Family Circle](http://FamilyCircle.com), the leading lifestyle brand that celebrates the health and well-being of family, announces the results of its exclusive survey to identify America’s **10 Best Towns for Families**. The brand’s eighth annual list reveals the country’s top towns that provide affordable housing options, strong sense of community and exemplary school systems. **Boerne**, known for its top-ranked schools and friendly demeanor, makes this year’s **10 Best Towns for Families list** and is featured in the August 2014 issue of *Family Circle*, on newsstands July 8 and online at [FamilyCircle.com/besttowns](http://FamilyCircle.com/besttowns).

City of Boerne, Texas

Comprehensive Annual Financial Report  
Fiscal Year Ended  
September 30, 2014

Prepared by the Finance Department

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**City of Boerne, Texas  
Comprehensive Annual Financial Report  
September 30, 2014**

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# INTRODUCTORY SECTION

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*P.O. Box 1677 • 402 E. Blanco  
Boerne, Texas 78006*

March 10, 2015

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Boerne, Texas:

State law requires that all municipalities be audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby include the auditors' report in this comprehensive annual financial report of the City of Boerne (The City) for the fiscal year ended September 30, 2014.

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

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

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

### **Profile of the Government**

The City of Boerne, Texas, incorporated in 1909, is located in the south central part of the state just west of the San Antonio metroplex, the Nation's seventh largest city and recognized internationally as the top tourist destination in Texas. The City acts as the service center for the surrounding community, providing retail, recreation, and food service to a population of 35,000 people. Similarly, the City serves as the County Seat for Kendall County. The City of Boerne currently occupies a land area of 11.48 square miles with a population of 13,239. The City of Boerne is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when requested by property owners in the areas adjacent to the City, and approved by City Council. The City has operated under the council-manager form of government since 1995. Policy-making and legislative authority are vested in a governing council consisting of the mayor and five other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for the hiring and firing of employees. The council is elected on a non-partisan basis. Council members serve two-year staggered terms, with three council members elected every year.

The City of Boerne provides a full range of services, including:

Animal Control	Library
Cemetery	Municipal court
Code Enforcement	Parks and Recreation
Convention/Community Center	Planning and community Development
Dispatch/communications	Police protection
Emergency Operations	Street construction and maintenance
Fire protection	Visitor Information Center

In addition, the City provides electric, water, wastewater, gas and solid waste collection and recycling services to its citizens.

The annual budget serves as the foundation for the City of Boerne's financial planning and control. All departments of the City of Boerne are required to submit requests for appropriation to the Budget Officer early in the budget process each year. The Budget Officer uses these requests as the starting point for developing a proposed budget. The proposed budget is presented to the council for review prior to September 20. The council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than September 30, the close of the City of Boerne's fiscal year. The appropriated budget is prepared by fund, function, and department. The City Manager

and Budget Officer may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of the governing council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the required supplementary information section of this report. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the other supplementary information section of this report.

### **Local economy**

The City of Boerne currently enjoys a favorable economic environment partially due to the fact that Boerne is located in close proximity to the San Antonio metropolitan area. To an extent, Boerne's economy aligns with that of San Antonio, benefitting from an influx of tourists to the area. Boerne does not have any major manufacturers or industries within city boundaries but does enjoy a very favorable position of being strategically located between San Antonio and the very popular and beautiful Texas Hill Country along Interstate Highway (IH10). Boerne is a favorite destination for visiting tourists from all parts of Texas, from all over the country, and from the residents of San Antonio.

The City's population has seen a healthy growth rate of almost 48% over the last ten years compared to the US growth rate of 6.9% for that same period. Of the total City population 57% are between the ages of 18 and 65 and an additional 17% are over the age of 65. The median household income for the area surrounding Boerne, Kendall County, of \$75,860 fared well above the State median of \$53,046. The unemployment for the Boerne and Kendall County area at September 30, 2014 was 3.9%. During this fiscal year, the region stood about 1.1% under the State unemployment rate and 2.0 % under the U.S. rate at September 30, 2014. The outlook is expected to mirror that of the past decade and Boerne should continue to experience a healthy sales tax and property tax climate. In fact, over the last ten years property tax values have increased 145% in amount, while property tax rates have increased by three cents over the rate in effect ten years ago.

### **Long-term financial planning**

The City of Boerne had unassigned fund balance in the general fund of \$5,636,863 or 44.2% of total general fund revenues. Total fund balance for all governmental funds (\$11,959,429) equaled 65.3% of total governmental revenues and other financing sources. Of that total, 33.7% (\$4,025,636) is either restricted or non-spendable and constrained only to be used for specific purposes such as debt service, perpetual care of the Cemetery, tourism promotion and for General Obligation bond construction projects. The remaining balance that is not restricted 66.3% (\$7,933,793) is more than the unrestricted balance that was budgeted to be available at the end of the fiscal year of \$6,438,308 by 23.2 %.

### **Relevant financial policies**

For this fiscal year, the City of Boerne had no new policies or changes in existing financial policies that would have made a significant impact on the current period's financial statements.

## **Major projects planned**

Anticipating future growth and additional plant or system capacity needs coupled with system redundancy, the Electric, Water, Wastewater, and Natural Gas Utilities have projects in different stages of progress for significant upgrades or additions to existing facilities. The Electric Utility is now serving load from two substations, including a recently completed substation at the south end of the City which was built in cooperation with the Lower Colorado River Authority (LCRA) and Bandera Electric Cooperative. All four feeder lines from the new substation are operational and three of the four have had load transferred to them.

Construction is now complete on the new Wastewater Treatment and Recycling Center. The new plant will serve the southern half of the City as well as the high growth area in the northeastern sector of the City. The new plant was designed for and is producing Type I recycled wastewater for use as another source of water for irrigation in the northeast area of the City where much of the new home growth (4,000 homes in various stages of development) is occurring. The Water system continues to prepare for expansion of the water treatment plant to meet future peaking needs that will more than double the treatment capacity to three million gallons per day. It is anticipated that this expansion will occur between 2020 and 2035. This plant improvement will be performed when the system peaks, usually associated with irrigation, exceed our current ability to meet high demand usage. The potential for new customers for the recycled water system will allow this project to be deferred from its original projected construction timing. The City is embarking on a new water capacity, resource, and planning effort in FY 2015. The project, titled Boerne Water Plan – 2035, is intended to examine all elements of meeting the growing needs of the Boerne community including supply, demand and conservation.

Projects to increase service capacity and redundancy in the Natural Gas utility have been recently completed. These improvements included constructing a second gate station south of the City and extending mains to that station. The City also extended a new main along IH-10 to help balance system pressure during high demand periods and open new territory to service from that utility. A majority of the new home sites planned will be gas utility customers and accelerated growth of that utility is anticipated. This growth, again primarily located in the northeast sector, will bring with it the need for new mains to meet supply requirements and to loop the gas system for redundancy and reliability. These improvements are planned based on the velocity of home sales and indicate a need for additional mains once again in the 2020-2025 time frame.

There are several other projects planned for the upcoming year. The City has completed an environmental study and design on an IH-10 frontage road extension. Texas Department of Transportation (TxDOT) has agreed to fund this project with the city and it was bid in the fall of 2014. The bid was awarded by TxDOT, and construction is expected to begin in March 2015 and completed by the end of 2015. The projected total expenditure by the City is estimated at between \$700-900,000 with TxDOT accounting for \$3,100,000. The City has funded this project.

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Boerne for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2013. This was the twenty-seventh consecutive year that the City of Boerne has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We wish to express our appreciation to the entire staff of the finance and administration departments who assisted and contributed to the preparation of this report. In addition, we would like to thank the members of our City Council and the Mayor for the ongoing support to maintain the highest professional standards in the management of the City of Boerne's finances.

Respectfully submitted,



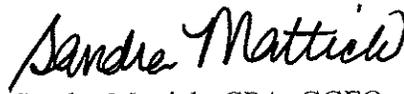
Ronald C. Bowman  
City Manager



Jeff Thompson  
Deputy City Manager



Linda S. Zartler  
Assistant City Manager



Sandra Mattick, CPA, CGFO  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

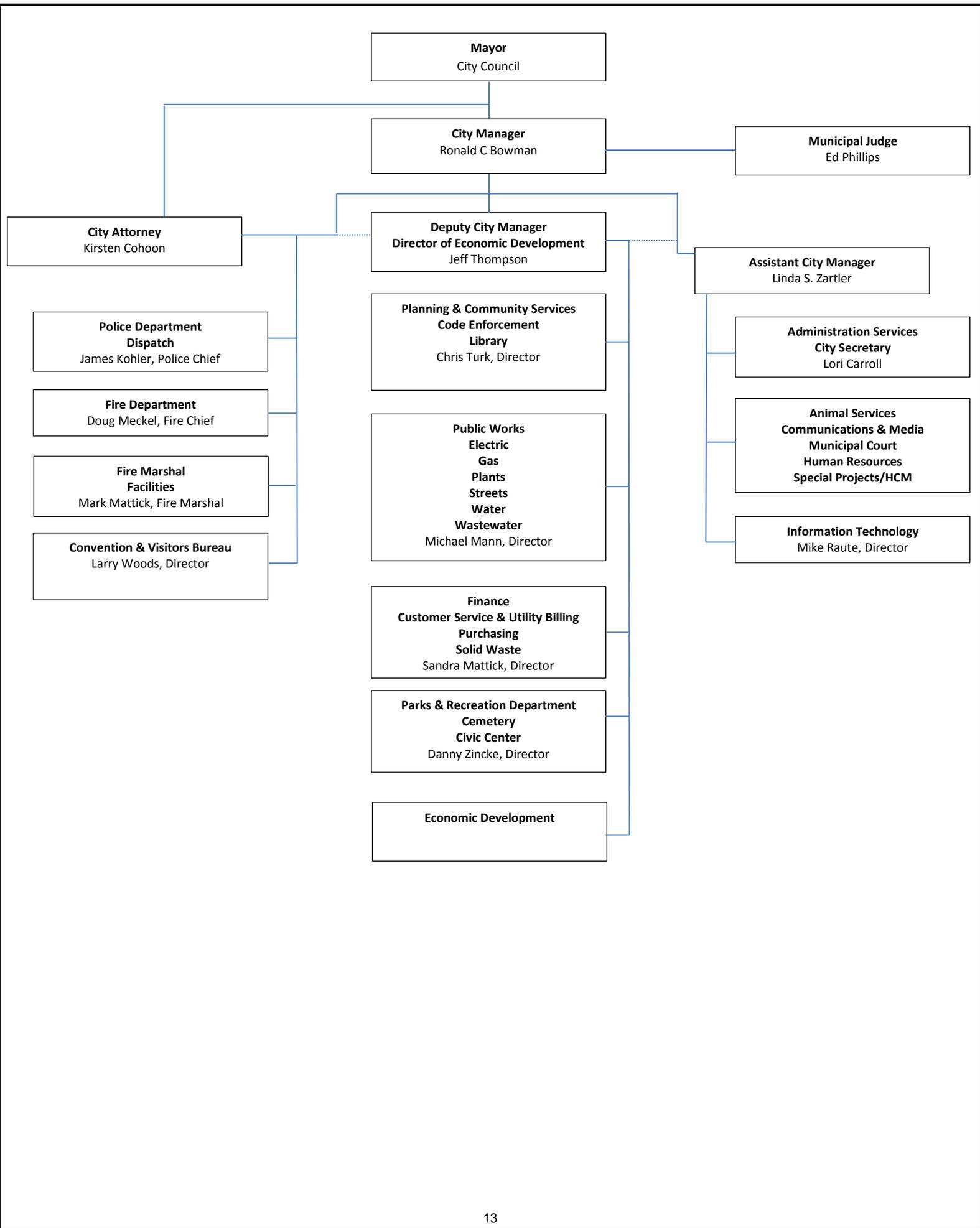
Presented to

**City of Boerne  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO



**City of Boerne, Texas  
List of Principal Officials  
September 30, 2014**

<u><b>Title</b></u>	<u><b>Name</b></u>
Mayor	Michael D. Schultz
Mayor Pro Tem – District 4	Ron Cisneros
City Council Members	
District 1	Jeff Haberstroh
District 2	Nina Woolard
District 3	Charlie Boyd
District 5	Christina Bergmann
City Manager	Ronald C. Bowman
Deputy City Manager	Jeff Thompson
Assistant City Manager	Linda S. Zartler
Chief of Police	Jim Kohler
City Attorney	Kirsten Cohoon
City Secretary	Lori Carroll
Convention and Visitors Bureau Director	Larry Woods
Finance Director	Sandra Mattick, CPA, CGFO
Assistant Finance Director	Angie Rios, CPA
Fire Chief	Doug Meckel
Fire Marshal/Emergency Operations Manager	Mark Mattick
Information Technology Director	Mike Raute
Library Director	Kelly Skovbjerg
Parks and Recreation Director	Danny Zincke
Planning & Community Development Director	Chris Turk
Public Relations Coordinator	Pam Bransford
Public Works Director	Michael Mann, PE

## FINANCIAL SECTION

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# Padgett Stratemann

## Independent Auditor's Report

To the Members of City Council  
City of Boerne, Texas

### ***Report on the Financial Statements***

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

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

#### **AUSTIN**

811 BARTON SPRINGS ROAD, SUITE 550  
AUSTIN, TEXAS 78704  
512 476 0717

#### **HOUSTON**

1980 POST OAK BOULEVARD, SUITE 1500  
HOUSTON, TEXAS 77056  
800 879 4966

#### **SAN ANTONIO**

100 N.E. LOOP 410, SUITE 1100  
SAN ANTONIO, TEXAS 78216  
210 828 6281

TOLL FREE: 800 879 4966  
WEB: PADGETT-CPA.COM

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

### ***Opinions***

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

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis*, the *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund*, and the *Schedule of Funding Progress*, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Other Supplementary Information and other information such as the introductory and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

*Padgett, Statemann + Co., LLP*

San Antonio, Texas

March 6, 2015

## **Management's Discussion and Analysis**

As management of the City of Boerne ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### **Financial Highlights**

- The assets and deferred outflows of the City exceeded its liabilities at the close of the most recent fiscal year by \$83,146,115 (*net position*). Of this amount, \$28,130,106 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$7,638,139 which can be attributed to an increase in capital assets and a decrease in liabilities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,959,429.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,636,863, or 46.0% of total general fund expenditures.
- The City's bonded debt decreased by \$1,235,000 during the current fiscal year. The decrease is due to principal retirements.

### **Overview of the Financial Statements**

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, special revenue, debt service, capital projects, and permanent funds. The business-type activities of the City include Electric, Water, Wastewater, Gas and Solid Waste operations.

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

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

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

The City maintains eight individual governmental funds: General Fund, Hotel-Motel/Convention/Visitors Bureau Fund, Park Fund, Library Fund, Economic Development Fund, Debt Service Fund, Capital Projects Fund, and the Cemetery Fund, a permanent fund. The City adopts an annual appropriated budget for all governmental funds. A budgetary comparison schedule has been provided as supplementary information to demonstrate compliance with the budget.

**Proprietary funds.** The City maintains five proprietary funds. These five funds are maintained as *Enterprise funds*. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, wastewater, gas and solid waste operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial

statements provide separate information for the electric, water, wastewater, gas and solid waste operations.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Boerne's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's General Fund operations compared to budget and progress in funding its obligation to provide pension benefits to its employees and other postemployment benefits to retirees. The City continues to apply the requirements of GASB - Statement No. 44, *Economic Condition Reporting: The Statistical Section* – an amendment to NCGA Statement No. 1, and has updated the Statistical Section of this CAFR accordingly. The requirements of GASB – Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* have also been incorporated into this report and further details may be found in the *notes to the financial reports* and in the *required supplementary information*. GASB – Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions* have been implemented and further details may also be found in the *notes to the financial statements*. GASB – Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB – Statement No. 65, *Items Previously Reported as Assets and Liabilities*, has been implemented in this report and further details may be found in the notes to the financial reports.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In fiscal year 2014, assets exceeded liabilities and deferred outflows by \$83,146,115.

A very large portion of the City's net position (58.0%) reflects its net investment in capital assets, \$48,253,276 (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens: consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## City of Boerne's Net Position information:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$12,901,279	\$ 12,292,234	\$ 29,094,188	\$ 28,250,588	\$ 41,995,467	\$ 40,542,822
Capital assets	45,228,032	43,395,801	70,150,962	68,724,046	115,378,994	112,119,847
Total assets	58,129,311	55,688,035	99,245,150	96,974,634	157,374,461	152,662,669
Deferred outflows of resources	151,451	176,693	374,938	394,098	526,389	570,791
Long-term liabilities	25,965,461	27,158,877	43,116,943	44,303,442	69,082,404	71,462,319
Other liabilities	2,062,759	1,837,290	3,609,572	4,425,875	5,672,331	6,263,165
Total liabilities	28,028,220	28,996,167	46,726,515	48,729,317	74,754,735	77,725,484
Net Position:						
Net investment in capital assets	19,046,817	18,157,123	29,206,459	26,963,246	48,253,276	45,120,369
Restricted-debt service	821,729	772,228	3,165,146	3,118,441	3,986,875	3,890,669
Restricted – hotel/motel	302,745	290,663			302,745	290,663
Restricted – police seizure	70,756	82,609			70,756	82,609
Restricted – court	110,938	151,348	-	-	110,938	151,348
Nonexpendable – Prepays	1,550,000				1,550,000	-
Nonexpendable-cemetery fund	741,419	675,859	-	-	741,419	675,859
Unrestricted	7,608,138	6,738,731	20,521,968	18,557,728	28,130,106	25,296,459
Total net position	\$30,252,542	\$ 26,868,561	\$ 52,893,573	\$ 48,639,415	\$ 83,146,115	\$ 75,507,976

An additional portion of the City of Boerne's net position, \$6,762,733; represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position*, \$28,130,106; may be used to meet the City's ongoing obligations to citizens and creditors.

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

There was a 32.8% increase, \$1,671,585, in total restricted net position reported: an increase of \$1,624,880 in governmental activities and an increase of \$46,705 in the City's business-type activities. The major components of these above noted changes are explained in more detail on pages 24 - 26.

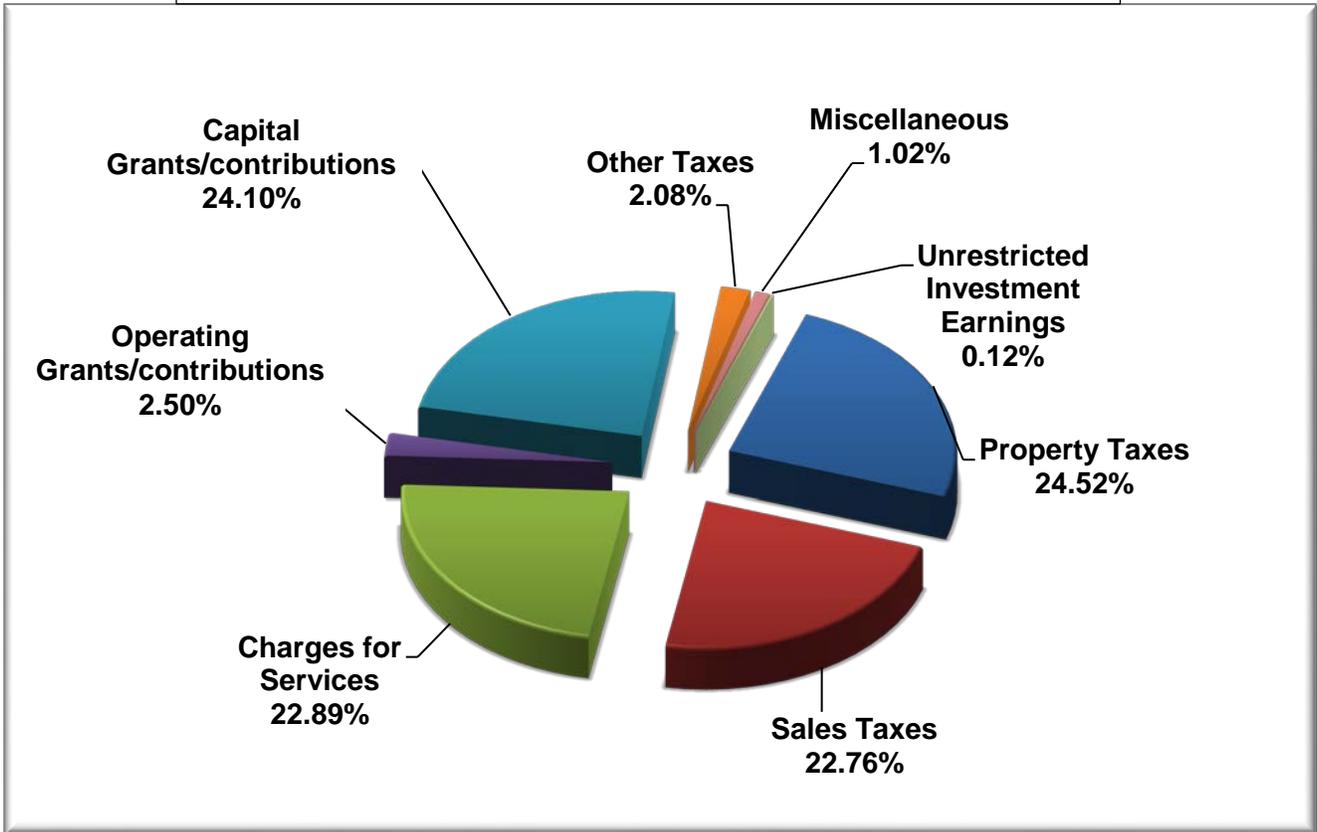
## City of Boerne's Revenues, Expense, Changes in Net Position information:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 5,491,240	\$ 4,784,643	\$26,291,735	\$23,730,379	\$31,782,975	\$28,515,022
Operating Grants and Contributions	599,513	579,134	28,959	23,537	628,472	602,671
Capital contributions	5,781,669	534,403	5,780,513	1,380,320	11,562,182	1,914,723
General revenues:						
Property taxes	5,883,300	5,546,182	-	-	5,883,300	5,546,182
Sales taxes	5,460,798	5,313,433	-	-	5,460,798	5,313,433
Other taxes	498,886	468,556	-	-	498,886	468,556
Other	273,934	175,414	52,210	67,160	326,144	242,574
<b>Total revenues</b>	<b>23,989,340</b>	<b>17,401,765</b>	<b>32,153,417</b>	<b>25,201,396</b>	<b>56,142,757</b>	<b>42,603,161</b>
<b>Expenses:</b>						
General government	3,007,864	2,510,530	-	-	3,007,864	2,510,530
Public safety	8,835,090	7,869,498	-	-	8,835,090	7,869,498
Highways/streets	2,357,844	2,266,961	-	-	2,357,844	2,266,961
Economic development	761,734	436,306	-	-	761,734	436,306
Culture and recreation	5,091,619	4,340,210	-	-	5,091,619	4,340,210
Interest on long-term debt	1,104,084	1,131,656	-	-	1,104,084	1,131,656
Electric	-	-	14,159,182	12,262,199	14,159,182	12,262,199
Water	-	-	4,418,399	4,572,830	4,418,399	4,572,830
Wastewater	-	-	6,178,373	4,262,799	6,178,373	5,182,105
Gas	-	-	1,992,137	1,659,027	1,992,137	1,659,027
Garbage	-	-	598,292	586,371	598,292	586,31
<b>Total expenses</b>	<b>21,158,235</b>	<b>18,555,161</b>	<b>27,346,383</b>	<b>24,262,532</b>	<b>48,504,618</b>	<b>42,817,693</b>
Increase (Decrease) in net position before transfers	2,831,105	(1,153,396)	4,807,034	938,864	7,638,139	(214,532)
Transfers	552,876	450,816	(552,876)	(450,816)	-	-
Increase (Decrease) in net position	3,383,981	(702,580)	4,254,158	488,048	7,638,139	(214,532)
Beginning net position	26,868,561	27,571,141	48,639,415	45,151,367	75,507,976	75,722,508
Ending net position	\$30,252,542	\$26,868,561	\$52,893,573	\$48,639,415	\$83,146,115	\$75,507,976

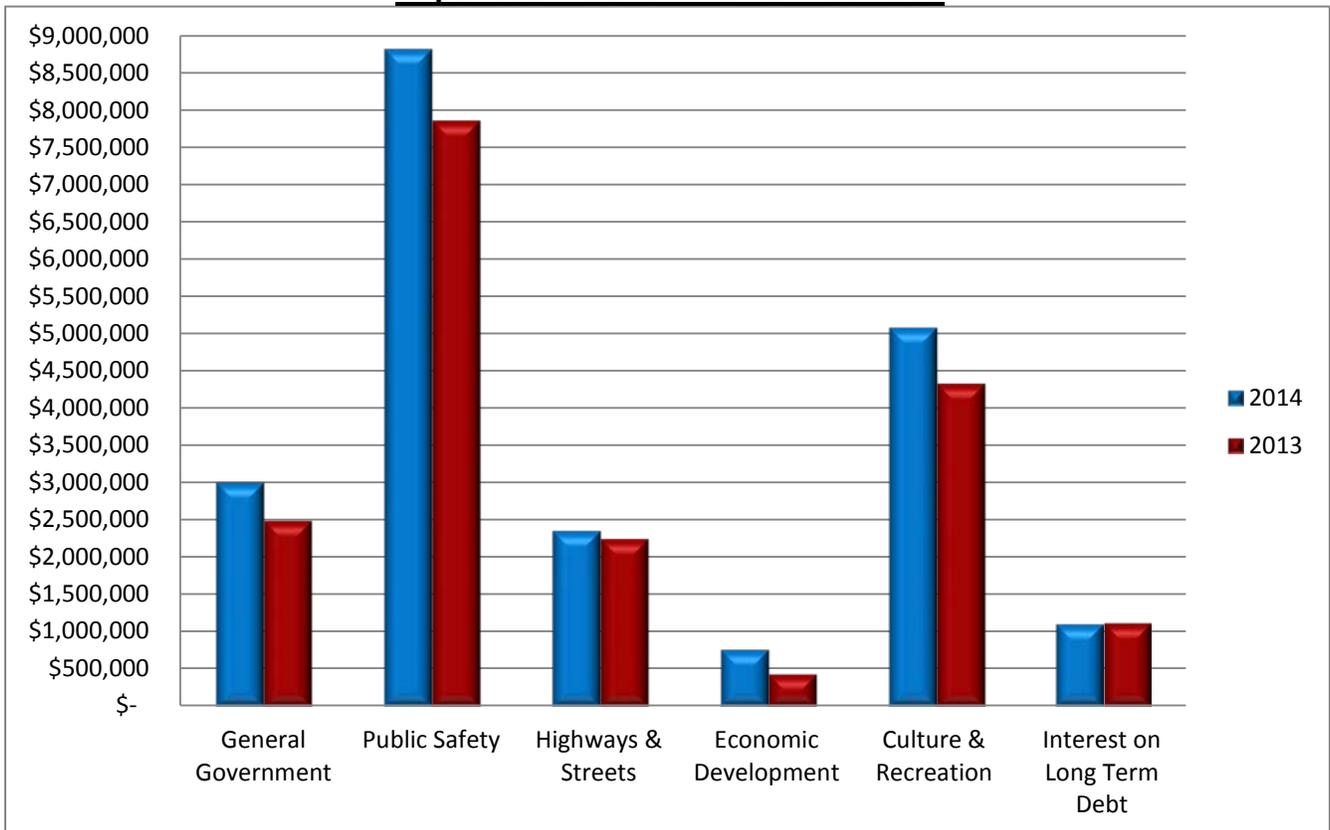
**Governmental activities.** Governmental activities increased the City of Boerne's net position by \$3,383,981. Key elements of this increase are as follows:

- Total governmental revenues increased by 37.9% or \$6,587,575 from the previous year. All revenue categories saw an increase in revenue over prior year due to continued growth in the City.
- Capital contribution revenues increased by 981% or \$5,247,266 from the previous year due to large capital contributions of completed streets from developers.

**Revenues by Source – Governmental Activities**



**Expenses – Governmental Activities**



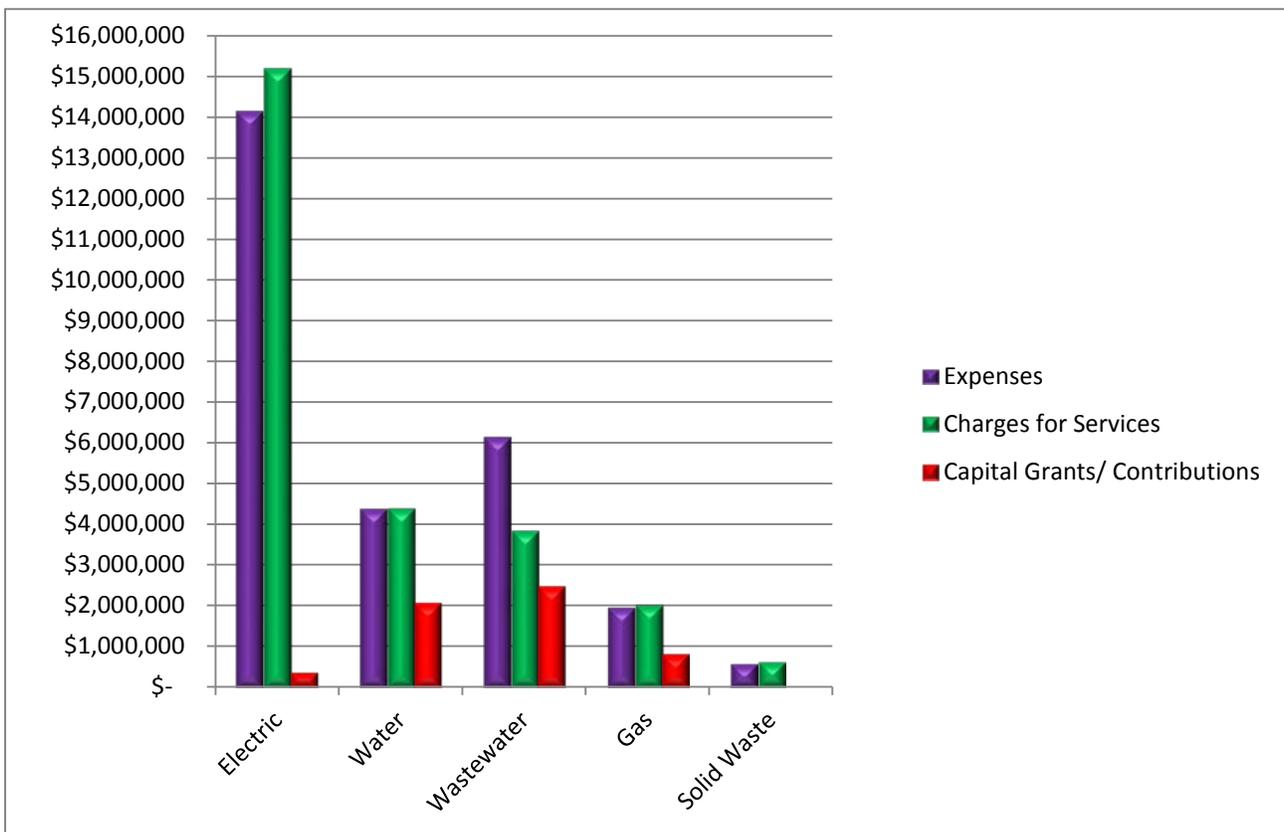
An increase in expenses reduced some of the gains seen in revenues but still allowed for an increase in net position for the year. Some of the reasons for the increase in expenses are:

- (1) Total Governmental Activities expenses increased by \$2,603,074 or 14.0% from the previous year with an increase occurring in all areas.
- (2) Public safety expenses increased by \$965,592 or 12.3%. This is mainly due to an increase in personnel costs as both the police and fire department added additional personnel during the year.
- (3) Culture and recreation expenses increased by \$751,409 or 17.3%. The increase can be attributed to rising maintenance and operational costs and larger capital projects than in the prior year.

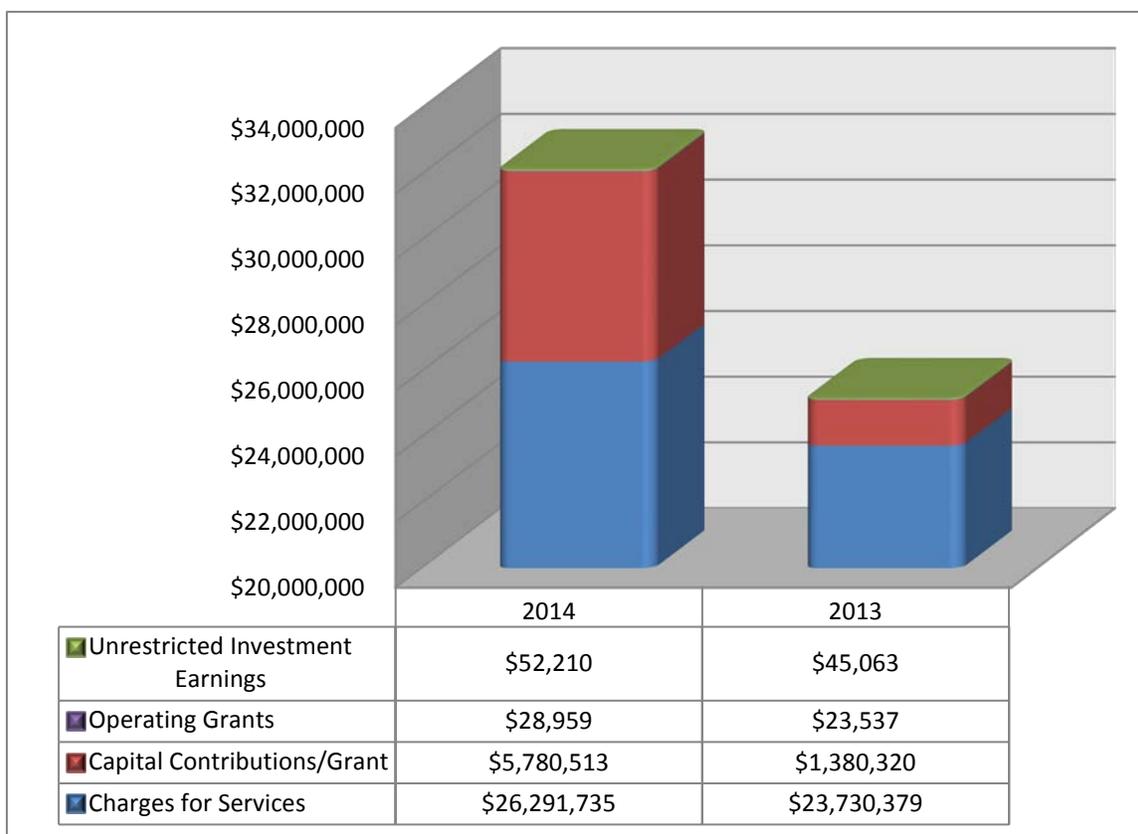
**Business-type activities.** Business-type activities increased the City of Boerne’s net position by \$4,254,158. Key elements of this increase are as follows:

- A colder than expected winter helped to generate increases in charges for services revenue for electric and gas. The additional sales also brought increases in the cost of power and fuel.
- Capital contribution revenue increased \$4,400,193 or 319%. This increase is due to large infrastructure contributions from developers during the year.

**Expenses and Program Revenues – Business-type Activities**



## Revenues by Source – Business-type Activities



### **Financial Analysis of the Government's Funds**

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

**Government funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,959,429, an increase of \$416,543 in comparison with the prior year as a result of an increase in revenues and a decrease in capital outlay due to bond projects being completed in the prior year. Approximately 47% of this total amount (\$5,636,863) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. Of the remaining fund balance, \$1,734,217 is *restricted* to indicate that there are constraints on the use of the funds. These *restricted* fund balances can only be used to pay debt service, promote tourism in the City, to pay for Capital projects currently underway from General Obligation bond issues, and to pay for certain Police and Court expenditures. An additional \$2,291,419 is nonspendable in that the funds are required to be maintained intact as in the case of the permanent Cemetery fund. The other \$2,296,930 is reported as *assigned* fund balance. This *assigned* fund balance is constrained by the City's intent to use these funds for

maintenance of the City's Park programs, to maintain the Public Library, and for Economic Development projects within the City.

The general fund is the chief operating fund of the City of Boerne. At the end of the current fiscal year, unassigned fund balance of the general fund was \$5,636,863. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 46.0 % of total general fund expenditures. The fund balance in the City's general fund increased by \$270,891 (3.8%) during the current fiscal year. This increase in fund balance can be mainly attributed to:

- An increase of \$773,910 in total revenues over the prior year.
- An increase in total expenditures, due to new personnel and an increase in operating costs, offset most of the revenue increase.

**Proprietary funds.** The City of Boerne's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the proprietary funds at the end of the year amounted to: Electric \$9,698,464, Water \$7,494,433, Wastewater \$2,626,999, Gas \$421,794, and Solid Waste \$280,278. The total change in net position for these funds, \$4,254,158; was \$1,129,640; \$1,557,738; \$512,813; \$1,004,426, and \$49,541 respectively.

All utilities except Wastewater had positive net income before capital contributions and transfers. Wastewater was at (\$2,266,760) due in part to a 30.9% increase in operating expenses with the majority of that increase coming from an increase in depreciation and amortization of 48.7% from the previous fiscal year. The increase in depreciation came from the completion of a new wastewater treatment and recycling plant in the prior year. Electric, Water, Gas and Solid Waste utilities were at \$1,093,455; \$66,848; \$83,437; and \$49,541 respectively. The positive net income in Electric can be attributed to an 11.8% increase in the charges for sales and service revenue due to a colder than expected winter. The positive net income in Water is due to a small increase (4.1%) in operating revenues and a slight decrease (2.9%) in operating expenses. The positive net income in Gas can be attributed to higher than anticipated gas sales with those sales revenues increasing 37.6% over the prior year. The positive net income in Solid Waste is due to higher than anticipated sales for the year (3.8%).

The combined utilities (not including Solid Waste) have a revenue bond coverage ratio of 1.98 times coverage which is a decrease from the previous year's 1.99 times coverage. This decrease in coverage ratio can be attributed to a slight decrease in revenue available over the prior year. The bond covenants require a minimum of 1.20 times debt service coverage.

### **General Fund Budgetary Highlights**

Differences between the original General Fund budget and the final amended budget amounted to \$1,953,407 (increase in appropriations) and can be summarized in part as follows:

- 1) Additional funds of \$355,000 were needed to prepare plans, specifications and estimates for the IH-10 frontage road project.
- 2) The information technology department budget was increased by \$4,000 in order to complete the website redesign.
- 3) The information technology department budget was increased by \$14,764 for a lease payment on the record retention financing.
- 4) Additional funds of \$1,550,000 were needed to fund an initial payment to TxDOT for the IH-10 frontage road project.

This increase in the budget is not expected to significantly affect either future services or liquidity of the General Fund.

There were also several variances between the final General Fund budget and the actual amounts of revenues and expenditures. Examples of these variances would be:

- Sales tax revenue was more than the final budget by \$150,578 due to a continued strengthening of the economy during the fiscal year;
- Franchise fees exceeded the final budget by \$119,468 due to higher than anticipated street rental fees and telephone fees;
- Licenses and permits revenue exceeded the final budget by \$409,541 due to some large one-time construction and remodel permit fees;
- Transfers from other funds were \$125,000 less than budget due to the construction projects not being completed at year end and therefore not allowing for the funds to be transferred;
- Capital expenditures for all General fund departments were \$1,787,283 less than budget due to various projects that were not completed but will be carried over and completed in the next fiscal year and a payment to TxDOT that was classified as a prepayment and not an expenditure;
- Administration expenditures were under budget by \$143,948 due to contractual expenditures, such as legal and professional fees, being lower than expected.

## **Capital Asset and Debt Administration**

**Capital Assets.** The City's investment in capital assets for its governmental and business type activities as of September 30, 2014, amounts to \$115,378,994 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, and construction in progress. The total increase in the City's investment in net capital assets for the current fiscal year was 2.9% (a 4.2% increase for governmental activities and a 2.1% increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Cibolo Bridge Enhancements - \$30,602;
- Infrastructure contributed by developers to streets - \$5,623,740;
- Downtown revitalization grant to improve mobility - \$33,869;

- Purchase of a new drum roller - \$46,750;
- Purchase of new vehicles in General Government - \$187,952;
- Improvements to the Electric Utility distribution system - \$321,394;
- Infrastructure contributed by developers for electric system - \$377,048;
- Infrastructure contributed by developers for water system – \$1,496,212;
- AMI/AMR metering improvements and additions - \$381,939;
- Infrastructure contributed by developers for wastewater system – \$1,703,659;
- Infrastructure contributed by developers for gas system - \$831,564;
- Improvements to the Gas Utility distribution system - \$127,273

### City of Boerne’s Capital Assets (Net of Depreciation)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2014	2013	2014	2013	2014	2013
Land	\$ 9,572,195	\$ 9,572,195	\$ 2,686,158	\$ 2,686,158	\$ 12,258,353	\$ 12,258,353
Buildings and Plant	15,513,489	16,562,102	33,118,005	35,060,979	48,631,494	51,623,081
Improvements Other Than Buildings	17,551,606	14,749,620	32,890,324	29,675,901	50,441,930	44,425,521
Machinery & Equipment	2,181,030	2,503,311	1,046,067	1,115,198	3,227,097	3,618,509
Construction In Progress	409,712	8,573	410,408	185,810	820,120	194,383
Total	\$ 45,228,032	\$ 43,395,801	\$ 70,150,962	\$ 68,724,046	\$ 115,378,994	\$ 112,119,847

For a more detailed presentation on capital assets, please refer to the Notes to Financial Statements on pages 61-62.

### Long-term Debt.

At the end of the current fiscal year, the City of Boerne had total debt outstanding of \$70,075,000. Of this amount, \$26,180,000 comprises debt backed by the full faith and credit of the government. The remainder of the City’s debt represents bonds secured solely by specified revenue sources (i.e., utility revenue bonds).

### City of Boerne’s Outstanding Debt

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2014	2013	2014	2013	2014	2013
General Obligation Revenue Bonds	\$ 26,180,000	\$27,415,000	\$ -	\$ -	\$26,180,000	\$27,415,000
	\$ -	\$ -	\$43,895,000	\$45,045,000	\$43,895,000	\$45,045,000
Total	\$ 26,180,000	\$27,415,000	\$43,895,000	\$45,045,000	\$70,075,000	\$72,460,000

The City's total debt decreased by \$2,385,000 during the current fiscal year. The net decrease was the result of principal payments on the debt

The City of Boerne currently has a rating from Moody's of "Aa3" on both its General Obligation bonded debt and also on its Utility System Revenue debt. At the same time, Fitch affirmed the City's rating on General Obligation debt at "AA-" with the rating outlook as "positive". The current Fitch rating on the City's Utility System Revenue debt is "A" with a "stable" outlook.

State statutes limit the amount of general obligation debt a governmental entity may issue to ten percent of its total assessed valuation. The current debt limitation for the City of Boerne is \$126,721,382, which is significantly in excess of the City of Boerne's outstanding \$26,180,000 General Obligation debt. Additional detailed information on debt for the City may be found in the Notes to Financial Statements on pages 64-65.

### **Economic Factors and Next Year's Budgets**

- Sales Tax revenues are stable and have been escalating over the last several years.
- Appraisal values are expected to increase at modest levels while new additions to the tax rolls will be driven by the velocity of the new home construction and ancillary commercial projects related to that growth. The budget projects a 6% growth rate in ad valorem tax revenues which is up from previous years.
- New development and new home construction is projected to increase at a faster pace than the past fiscal year. Over 1,000 new home sites have become ready to build on in the last two fiscal years and another 4,000 are in some stage of development.
- No significant increase is expected for investment interest rates during this fiscal year.
- The City included significant funding in the fiscal year 2014 budget specifically for projects aimed at spurring economic development. Several Chapter 380 Economic Development Agreements were completed in FY 2014. The goal is to use a return on investment (ROI) approach to evaluate potential projects and infrastructure initiatives that are strategically aimed at being a catalyst for growth to increase City revenues. The increased revenues would come from taxes, fees and utility services. It is anticipated that funding for economic development initiatives will continue into fiscal year 2015 and beyond.
- City staff and the City Council are active in using incentives as allowed by Chapter 380 of the Texas Local Government Code for economic development. The 2013 budget established an economic development fund in order to set aside monies for the staff and council to use in economic development. For the third consecutive year, approximately \$500,000 was set aside and utilized in this manner, including the amount established for the 2015 fiscal year.

These factors were considered in preparing the City of Boerne's budget for the 2015 fiscal year:

- General Government Budget was balanced with no Ad Valorem Tax increase but a projected increase in Sales Tax.
- Permits and fees revenues were forecast with a slight increase over the past fiscal year budget.
- Several one-time projects will be completed during the year and will be financed by General Government revenues and excess fund balance:
  - a. Construction of two City Gateways - \$198,500;
  - b. Maintenance shop upgrade - \$500,000;
  - c. Old #9 trail improvements - \$150,000;
- Utility rate increases of 1.8% were included in the 2015 budget for the Electric, Water, Wastewater, and Gas funds. The rate increases were needed to off-set increasing operational costs.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Boerne's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Boerne, Office of the Finance Director, P. O. Box 1677, Boerne, Texas 78006.

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# BASIC FINANCIAL STATEMENTS

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**City of Boerne, Texas**  
**Statement of Net Position**  
**September 30, 2014**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,182,337	\$ 14,346,497	\$ 22,528,834
Receivables (net of allowance)	1,194,151	3,228,924	4,423,075
Intergovernmental receivable	2,505	-	2,505
Inventories	-	929,880	929,880
Prepays	1,550,000	905	1,550,905
Restricted assets:			
Cash, cash equivalents and investments	1,371,699	10,587,982	11,959,681
Permanently restricted assets:			
Cash and cash equivalents	600,587	-	600,587
Capital assets not being depreciated:			
Land	9,572,195	2,686,158	12,258,353
Construction in progress	409,712	410,408	820,120
Capital assets net of accumulated depreciation:			
Buildings and plant	15,513,489	33,118,005	48,631,494
Improvements other than buildings	17,551,606	32,890,324	50,441,930
Machinery and equipment	2,181,030	1,046,067	3,227,097
Total Capital assets	45,228,032	70,150,962	115,378,994
Total Assets	58,129,311	99,245,150	157,374,461
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	151,451	374,938	526,389
Total deferred outflows of resources	151,451	374,938	526,389
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	460,413	2,387,364	2,847,777
Non-current liabilities:			
Due within one year	1,602,346	1,222,208	2,824,554
Due beyond one year	25,965,461	43,116,943	69,082,404
Total Liabilities	28,028,220	46,726,515	74,754,735
<b>NET POSITION</b>			
Net investment in capital assets	19,046,817	29,206,459	48,253,276
Restricted for:			
Debt service	821,729	3,165,146	3,986,875
Hotel/Motel	302,745	-	302,745
Police Seizure	70,756	-	70,756
Court technology and security	110,938	-	110,938
Nonexpendable:			
Cemetery Fund	741,419	-	741,419
Prepays	1,550,000	-	1,550,000
Unrestricted	7,608,138	20,521,968	28,130,106
Total net position	\$ 30,252,542	\$ 52,893,573	\$ 83,146,115

The notes to the financial statements are an integral part of this statement.

**City of Boerne, Texas**  
**Statement of Activities**  
**Year Ended September 30, 2014**

<b>Functions/programs</b>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and contributions</u>	<u>Capital Grants and contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 3,007,864	\$ 591,838	\$ 382,013	\$ 22,129
Public safety	8,835,090	2,589,549	-	35,800
Highways and streets	2,357,844	1,767,766	-	5,623,740
Economic development & assistance	761,734	-	-	-
Culture and recreation	5,091,619	542,087	217,500	100,000
Interest on long-term debt	1,104,084	-	-	-
Total governmental activities	<u>21,158,235</u>	<u>5,491,240</u>	<u>599,513</u>	<u>5,781,669</u>
Business-type activities				
Electric	14,159,182	15,214,937	-	377,048
Water	4,418,399	4,447,030	28,959	2,081,753
Wastewater	6,178,373	3,906,546	-	2,490,148
Gas	1,992,137	2,075,464	-	831,564
Solid Waste	598,292	647,758	-	-
Total business-type activities	<u>27,346,383</u>	<u>26,291,735</u>	<u>28,959</u>	<u>5,780,513</u>
<b>Total Primary Government</b>	<u><u>\$ 48,504,618</u></u>	<u><u>\$ 31,782,975</u></u>	<u><u>\$ 628,472</u></u>	<u><u>\$ 11,562,182</u></u>
General revenues:				
Taxes:				
Property taxes				
Sales taxes				
Other taxes				
Investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

(Continued)

**City of Boerne, Texas**  
**Statement of Activities**  
**Year Ended September 30, 2014**

Net (Expenses) Revenues and Changes in Net Position		
Governmental	Business	Total
\$ (2,011,884)	\$ -	\$ (2,011,884)
(6,209,741)	-	(6,209,741)
5,033,662	-	5,033,662
(761,734)	-	(761,734)
(4,232,032)	-	(4,232,032)
(1,104,084)	-	(1,104,084)
<hr/>		
(9,285,813)	-	(9,285,813)
<hr/>		
-	1,432,803	1,432,803
-	2,139,343	2,139,343
-	218,321	218,321
-	914,891	914,891
-	49,466	49,466
<hr/>		
-	4,754,824	4,754,824
<hr/>		
\$ (9,285,813)	\$ 4,754,824	\$ (4,530,989)
<hr/> <hr/>		
\$ 5,883,300	\$ -	\$ 5,883,300
5,460,798	-	5,460,798
498,886	-	498,886
29,965	52,210	82,175
243,969	-	243,969
552,876	(552,876)	-
12,669,794	(500,666)	12,169,128
3,383,981	4,254,158	7,638,139
26,868,561	48,639,415	75,507,976
\$ 30,252,542	\$ 52,893,573	\$ 83,146,115
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The notes to the financial statements are an integral part of this statement.

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**City of Boerne, Texas**  
**Balance Sheet - Governmental Funds**  
**September 30, 2014**

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash & cash equivalents	\$ 5,445,843	\$ 814,954	\$ 3,293,239	\$ 9,554,036
Receivables	1,058,310	42,603	93,238	1,194,151
Due from other funds	-	2,505	-	2,505
Prepaid expense	1,550,000	-	-	1,550,000
Restricted - permanent fund				
Cash and cash equivalents	-	-	600,587	600,587
Total assets	<u>\$ 8,054,153</u>	<u>\$ 860,062</u>	<u>\$ 3,987,064</u>	<u>\$ 12,901,279</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 119,119	\$ -	\$ 173,491	\$ 292,610
Other payables	42,858	-	12,626	55,484
Due to other funds	2,505	-	-	2,505
Unearned revenue	18,903	-	-	18,903
Total liabilities	<u>183,385</u>	<u>-</u>	<u>186,117</u>	<u>369,502</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	\$ 32,628	\$ 38,333	\$ 31,804	\$ 102,765
Unavailable revenue - sales taxes	469,583	-	-	469,583
Total deferred inflows of resources	<u>502,211</u>	<u>38,333</u>	<u>31,804</u>	<u>572,348</u>
<b>FUND BALANCES:</b>				
Nonspendable:				
Cemetery fund	-	-	741,419	741,419
Prepays	1,550,000	-	-	1,550,000
Restricted:				
Law enforcement seized funds	70,756	-	-	70,756
Court technology	53,793	-	-	53,793
Court security	57,145	-	-	57,145
Debt service	-	821,729	-	821,729
Hotel/Motel-tourism promotion	-	-	302,745	302,745
Capital projects funds:				
Public Safety Center	-	-	93,035	93,035
Sidewalks	-	-	180,553	180,553
Library	-	-	119,344	119,344
Public Safety	-	-	35,117	35,117
Assigned:				
Parks & recreation	-	-	1,140,165	1,140,165
Library	-	-	468,356	468,356
Economic Development	-	-	688,409	688,409
Unassigned	5,636,863	-	-	5,636,863
Total fund balances	<u>7,368,557</u>	<u>821,729</u>	<u>3,769,143</u>	<u>11,959,429</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,054,153</u>	<u>\$ 860,062</u>	<u>\$ 3,987,064</u>	

Amounts reported for governmental funds in the statement of net position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, are not reported in the funds. 45,228,032

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds. (27,567,807)

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 723,799

Accrued interest on debt is not reported in the funds. (90,911)

Net position of governmental activities \$ 30,252,542

The notes to the financial statements are an integral part of this statement.

**City of Boerne, Texas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**Year Ended September 30, 2014**

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Ad valorem taxes	\$ 1,911,144	2,187,063	1,771,459	\$ 5,869,666
Sales tax	5,420,528	-	-	5,420,528
Hotel-Motel Tax	-	-	498,886	498,886
Library, parks & swimming revenues	-	-	635,317	635,317
Franchise fees	2,297,457	-	-	2,297,457
Licenses and permits	934,541	-	-	934,541
Fines	316,436	-	-	316,436
Rents	62,147	-	-	62,147
Grants	28,852	-	3,795	32,647
Contributions & donations	1,623,927	-	313,705	1,937,632
Miscellaneous	125,232	-	151,242	276,474
Investment earnings	22,311	468	7,185	29,964
<b>Total revenues</b>	<b>12,742,575</b>	<b>2,187,531</b>	<b>3,381,589</b>	<b>18,311,695</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Administration	1,804,784	-	-	1,804,784
Streets	1,427,229	-	-	1,427,229
Law enforcement	3,571,464	-	-	3,571,464
Municipal court	256,037	-	-	256,037
Animal control	173,352	-	-	173,352
Facilities and emergency operations	617,951	-	-	617,951
Planning/Code enforcement	773,682	-	-	773,682
Convention/community center	299,884	-	-	299,884
Communications	883,135	-	-	883,135
Information technology	514,902	-	-	514,902
Fire department	1,290,332	-	-	1,290,332
Park Fund	-	-	1,623,117	1,623,117
Library Fund	-	-	924,517	924,517
Hotel/Motel Fund	-	-	448,125	448,125
Cemetery Fund	-	-	58,465	58,465
Economic Development Fund	-	-	309,541	309,541
Capital outlay	628,990	-	499,193	1,128,183
<b>Debt service:</b>				
Principal	-	1,235,000	-	1,235,000
Interest	-	1,106,715	-	1,106,715
Fiscal agent fees	-	1,613	-	1,613
<b>Total expenditures</b>	<b>12,241,742</b>	<b>2,343,328</b>	<b>3,862,958</b>	<b>18,448,028</b>
<b>Excess/(Deficiency) of revenues over (under) expenditures</b>	<b>500,833</b>	<b>(155,797)</b>	<b>(481,369)</b>	<b>(136,333)</b>

(Continued)

**City of Boerne, Texas**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**Year Ended September 30, 2014**

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Other financing sources (uses):				
Transfers in	77,876	205,298	602,520	885,694
Transfers out	(307,818)	-	(25,000)	(332,818)
Total other financing sources (uses)	(229,942)	205,298	577,520	552,876
Net change in fund balances	270,891	49,501	96,151	416,543
Fund balances - beginning	7,097,666	772,228	3,672,992	11,542,886
Fund balances - ending	<u>\$ 7,368,557</u>	<u>\$ 821,729</u>	<u>\$ 3,769,143</u>	<u>\$ 11,959,429</u>

**City of Boerne, Texas**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**Year Ended September 30, 2014**

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

Net change in fund balances-total governmental funds	\$	416,543
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 depreciable expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. There was \$200,470 in capital outlay expense which did not meet capitalization threshold.		(3,785,739)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins) is to increase net position.		5,623,740
The issuance of long-term debt (no current year issues) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of the governmental funds. Neither transaction has an effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		1,245,964
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		53,905
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.		(170,432)
Change in net position of governmental activities	<u>\$</u>	<u>3,383,981</u>

The notes to the financial statements are an integral part of this statement.

**City of Boerne, Texas**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2014**

	Business-type Activities-Enterprise Funds					
	Electric	Water	Wastewater	Gas	Solid Waste	Total
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 7,857,475	\$ 4,041,087	\$ 1,885,757	\$ 271,088	\$ 291,090	\$ 14,346,497
Accounts receivable	2,072,648	528,340	450,405	135,239	42,292	3,228,924
Inventories	738,749	100,123	9,873	81,135	-	929,880
Prepays	905	-	-	-	-	905
Restricted cash and cash equivalents:						
Customer deposits	474,596	574,576	-	64,728	-	1,113,900
Revenue bond covenant accounts	15,354	173,290	449,672	15,112	-	653,428
<b>Total current assets</b>	<b>11,159,727</b>	<b>5,417,416</b>	<b>2,795,707</b>	<b>567,302</b>	<b>333,382</b>	<b>20,273,534</b>
Non-current assets:						
Restricted cash and cash equivalents:						
Revenue bond covenant accounts	149,520	241,240	2,023,712	149,520	-	2,563,992
Bond construction	-	-	2,763,099	-	-	2,763,099
Capital contributions	-	2,989,872	503,691	-	-	3,493,563
Capital assets:						
Land	84,601	772,633	1,784,655	44,269	-	2,686,158
Buildings/Plant	773,342	1,790,302	37,712,718	141,725	-	40,418,087
System improvements	11,353,163	21,295,960	17,271,727	5,555,525	-	55,476,375
Machinery and equipment	1,872,801	1,131,904	763,436	523,443	12,333	4,303,917
Construction in progress	-	29,432	337,080	43,896	-	410,408
Less accumulated depreciation	(7,238,249)	(12,312,299)	(11,149,899)	(2,431,203)	(12,333)	(33,143,983)
<b>Total capital assets (net)</b>	<b>6,845,658</b>	<b>12,707,932</b>	<b>46,719,717</b>	<b>3,877,655</b>	<b>-</b>	<b>70,150,962</b>
<b>Total non-current assets</b>	<b>6,995,178</b>	<b>15,939,044</b>	<b>52,010,219</b>	<b>4,027,175</b>	<b>-</b>	<b>78,971,616</b>
<b>Total assets</b>	<b>18,154,905</b>	<b>21,356,460</b>	<b>54,805,926</b>	<b>4,594,477</b>	<b>333,382</b>	<b>99,245,150</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred charge on refunding	-	10,501	364,437	-	-	374,938
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>10,501</b>	<b>364,437</b>	<b>-</b>	<b>-</b>	<b>374,938</b>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	747,505	128,147	49,734	36,969	45,317	1,007,672
Other payables	86,207	-	-	6,132	7,787	100,126
Compensated absences	6,754	1,547	2,552	788	-	11,641
<b>Total current liabilities</b>	<b>840,466</b>	<b>129,694</b>	<b>52,286</b>	<b>43,889</b>	<b>53,104</b>	<b>1,119,439</b>
Current liabilities payable from restricted assets:						
Customer deposits	474,596	574,576	-	64,728	-	1,113,900
Revenue bonds payable	45,000	288,401	757,166	120,000	-	1,210,567
Accrued interest payable	2,519	5,906	150,426	6,815	-	165,666
<b>Total current liabilities payable from restricted assets</b>	<b>522,115</b>	<b>868,883</b>	<b>907,592</b>	<b>191,543</b>	<b>-</b>	<b>2,490,133</b>
Non-current liabilities:						
Compensated absences	128,328	29,389	48,496	14,964	-	221,177
Revenue bonds payable	650,000	1,339,620	39,146,146	1,760,000	-	42,895,766
<b>Total non-current liabilities</b>	<b>778,328</b>	<b>1,369,009</b>	<b>39,194,642</b>	<b>1,774,964</b>	<b>-</b>	<b>43,116,943</b>
<b>Total liabilities</b>	<b>2,140,909</b>	<b>2,367,586</b>	<b>40,154,520</b>	<b>2,010,396</b>	<b>53,104</b>	<b>46,726,515</b>
<b>NET POSITION</b>						
Net investment in capital assets	6,150,658	11,090,412	9,967,734	1,997,655	-	29,206,459
Restricted for debt service	164,874	414,530	2,421,110	164,632	-	3,165,146
Unrestricted	9,698,464	7,494,433	2,626,999	421,794	280,278	20,521,968
<b>Total Net Position</b>	<b>\$ 16,013,996</b>	<b>\$ 18,999,375</b>	<b>\$ 15,015,843</b>	<b>\$ 2,584,081</b>	<b>\$ 280,278</b>	<b>\$ 52,893,573</b>

The notes to the financial statements are an integral part of this statement.

**City of Boerne, Texas**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year Ended September 30, 2014**

	Business-type Activities-Enterprise Funds					Total
	Electric	Water	Wastewater	Gas	Solid Waste	
<b>Operating revenues:</b>						
Charges for sales and services	\$ 14,575,257	\$ 4,189,462	\$ 3,833,547	\$ 1,994,902	\$ 640,960	\$ 25,234,128
Connection fees	2,105	-	15,678	52,504	-	70,287
Primary extensions	252,053	68,418	-	1,133	-	321,604
Penalties	124,342	45,266	45,480	16,180	6,798	238,066
Other	261,180	143,884	11,841	10,745	-	427,650
Total operating revenues	15,214,937	4,447,030	3,906,546	2,075,464	647,758	26,291,735
<b>Operating expenses:</b>						
Cost of fuel and water reservation	9,321,567	1,246,342	-	826,346	-	11,394,255
Personnel	1,902,944	1,068,471	959,489	533,949	-	4,464,853
Franchise fees	1,298,940	181,357	192,224	95,319	584,409	2,352,249
Administration	1,013,266	667,079	596,391	192,772	13,883	2,483,391
Depreciation	495,855	1,155,766	2,573,383	247,775	-	4,472,779
Other	94,583	14,050	15,622	9,610	-	133,865
Total operating expenses	14,127,155	4,333,065	4,337,109	1,905,771	598,292	25,301,392
Operating income (loss)	1,087,782	113,965	(430,563)	169,693	49,466	990,343
<b>Non-operating revenues (expenses):</b>						
Investment earnings	37,700	9,258	5,067	110	75	52,210
Grant reimbursement	-	28,959	-	-	-	28,959
Interest expense	(32,027)	(82,408)	(1,828,076)	(86,366)	-	(2,028,877)
Grant expense	-	(2,926)	-	-	-	(2,926)
Bond costs	-	-	(13,188)	-	-	(13,188)
Gain on sale of capital assets	-	-	-	-	-	-
Total non-operating revenues (expenses)	5,673	(47,117)	(1,836,197)	(86,256)	75	(1,963,822)
Income (loss) before capital contributions and transfers	1,093,455	66,848	(2,266,760)	83,437	49,541	(973,479)
Capital contributions	377,048	2,081,753	2,490,148	831,564	-	5,780,513
Transfers in	-	-	300,000	100,000	-	400,000
Transfers out	(340,863)	(590,863)	(10,575)	(10,575)	-	(952,876)
Change in net position	1,129,640	1,557,738	512,813	1,004,426	49,541	4,254,158
Net position - beginning	14,884,356	17,441,637	14,503,030	1,579,655	230,737	48,639,415
Net position - ending	\$ 16,013,996	\$ 18,999,375	\$ 15,015,843	\$ 2,584,081	\$ 280,278	\$ 52,893,573

The notes to the financial statements are an integral part of this statement.

**City of Boerne, Texas**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended September 30, 2014**

	Business-type Activities-Enterprise Funds					Totals
	Electric	Water	Wastewater	Gas	Solid Waste	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 14,852,506	\$ 4,491,554	\$ 3,884,671	\$ 2,065,384	\$ 647,061	\$ 25,941,176
Payments to suppliers	(11,842,221)	(2,013,434)	(794,738)	(1,132,234)	(598,587)	(16,381,214)
Payments to employees	(1,897,582)	(1,067,639)	(949,121)	(525,176)	-	(4,439,518)
Net cash provided by operating activities	1,112,703	1,410,481	2,140,812	407,974	48,474	5,120,444
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in	-	-	300,000	100,000	-	400,000
Transfers out	(340,863)	(590,863)	(10,575)	(10,575)	-	(952,876)
Grant reimbursement	-	26,033	-	-	-	26,033
Net cash provided by (used in) noncapital financing	(340,863)	(564,830)	289,425	89,425	-	(526,843)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of capital assets	(559,969)	(412,991)	(1,294,115)	(119,551)	-	(2,386,626)
Capital Recovery Contributions	-	585,541	786,489	-	-	1,372,030
Revenue bonds and certificates-principal	(45,000)	(275,000)	(715,000)	(115,000)	-	(1,150,000)
Revenue bonds and certificates-interest	(32,191)	(84,876)	(1,833,758)	(86,783)	-	(2,037,608)
Net cash used for capital and related financing activities	(637,160)	(187,326)	(3,056,384)	(321,334)	-	(4,202,204)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest earned	37,700	9,258	5,067	110	75	52,210
Net cash provided by investing activities	37,700	9,258	5,067	110	75	52,210
Net increase (decrease) in cash and cash equivalents	172,380	667,583	(621,080)	176,175	48,549	443,607
Balances - beginning of year	8,324,565	7,352,482	8,247,011	324,273	242,541	24,490,872
Balances - end of year	\$ 8,496,945	\$ 8,020,065	\$ 7,625,931	\$ 500,448	\$ 291,090	\$ 24,934,479
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ 1,087,782	\$ 113,965	\$ (430,563)	\$ 169,693	\$ 49,466	\$ 990,343
Adjustments to reconcile operating income (loss) to net cash provided by operating activities						
Depreciation Expense	495,855	1,155,766	2,573,383	247,775	-	4,472,779
Changes in assets and liabilities:						
Accounts payable	428	38,216	21,496	(2,531)	(295)	57,314
Receivables	(361,633)	(18,724)	(21,875)	(7,325)	(697)	(410,254)
Inventory	(110,533)	121,258	(1,629)	362	-	9,458
Prepays	804	-	-	-	-	804
Net cash provided by operating activities	\$ 1,112,703	\$ 1,410,481	\$ 2,140,812	\$ 407,974	\$ 48,474	\$ 5,120,444
Noncash, investing, capital, and financing activities:						
Contribution of capital assets by Developers	\$ 377,048	\$ 1,496,212	\$ 1,703,659	\$ 831,564	\$ -	\$ 4,408,483

The notes to the financial statements are an integral part of this statement.

**City of Boerne, Texas**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2014**

	Agency Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,163
Total assets	<u>\$ 2,163</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 2,163
Total liabilities	<u>\$ 2,163</u>

The notes to the financial statements are an integral part of this statement.

**City of Boerne, Texas**  
**Notes to Financial Statements**  
**September 30, 2014**

**I. Summary of significant accounting policies**

**A. Reporting entity**

The City of Boerne is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Based on our review there are no component units or other entities that meet the criteria for inclusion in the basic financial statements.

**B. Government-wide and fund financial statements**

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and qualifying expenditures have been incurred. Agency funds, however, are unlike all other types of funds, reporting only assets and liabilities. So Agency funds cannot be said to have a measurement focus.

**City of Boerne, Texas**  
**Notes to Financial Statements**  
**September 30, 2014**

Government fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources not accounted for and reported in another fund.

The *debt service fund* accounts for all financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The City reports the following major proprietary funds:

The *electric fund* accounts for the activities of the electric distribution operations.

The *water fund* accounts for the activities of the water distribution operations.

The *wastewater fund* accounts for the activities of the wastewater operations.

The *gas fund* accounts for the activities of the gas distribution operations. \*

The *solid waste fund* accounts for the activity of the solid waste collection operation.\*

\*Note: This fund does not meet the criteria for a major fund, but management has elected to present as a major fund for the benefit of the financial statement users.

The City also reports the following fiduciary fund type:

The *agency fund* is used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the City's own programs. The City's role is strictly custodial with the agency fund and holds the assets for a

**City of Boerne, Texas**  
**Notes to Financial Statements**  
**September 30, 2014**

period of time for payment and subsequent return of bonds posted in conjunction with legal cases pending in our municipal court system.

Additionally the City reports the following permanent fund type:

The *cemetery trust fund* is used to account for resources legally held in trust to provide for upkeep of the cemetery. This fund is restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs – that is, for the benefit of the City or its citizens. This fund meets the criteria of a permanent trust fund and thus has been reported as governmental activity in the Statement of Net Position.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Direct expenses are still reflected in the various functional categories, whereas indirect expenses are not shown in the functional categories.

Amounts reported as program revenues include charges for service which represent charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility funds are charges to customers for sales and services. The utilities also recognize capital recovery fees which are intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets.

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

**D. Assets, liabilities, deferred outflows/inflows of resources, and net position or fund balance**

**1. Deposits and investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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Cities in Texas are authorized to make investments as follows:

Obligations of the U.S. or its agencies.  
Obligations of the State of Texas or its agencies,  
Obligations guaranteed by the U.S. or the State of Texas,  
Certificates of deposit of federally insured banks and savings and loans  
domiciled in Texas,  
Various others meeting specific requirements of the Texas Public Funds  
Investment Act.

The City's investment activity is regulated by state statutes and, as required by state law, the City has a written investment policy approved by the City Council.

The City may invest in any of the various instruments authorized by the Public Funds Investment Act of Texas. Investments are reported at fair value.

**2. *Receivables and payables***

All outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". No internal balances existed at year end. All trade and property tax receivables are shown net of an allowance for uncollectibles. In accordance with the City's policy, the property tax receivable allowance is equal to fifteen percent of outstanding property taxes at September 30, 2014. Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy is billed October 1. The billings are considered past due on the following February 1st, at which time the applicable property is subject to lien, and penalties and interest are assessed.

**3. *Inventories and prepaid items***

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of enterprise funds are recorded as expenses when consumed rather than when purchased. There are no material inventories in the governmental funds.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**4. *Restricted assets***

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet

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because they are maintained in separate accounts and their use is limited by applicable bond covenants. The “revenue bond construction” account is used to report those proceeds of revenue bond issuances that are restricted for use in construction. The “revenue bond current debt service” account is used to segregate resources accumulated for debt service payments over the next twelve months. The “revenue bond debt reserve” account is used to report resources set aside to make up potential future deficiencies in the “revenue bond current debt service” account. Certain resources in the governmental activities are classified as restricted. The cemetery has an endowment fund that is restricted in use for care of the cemetery. Taxes collected for debt interest and sinking are restricted in use for debt payments.

**5. Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure that was acquired prior to the implementation of GASB-Statement No. 34 is included and reported in the government-wide financial statements in this report. The City used backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year) for the purpose of estimating historical cost for the initial reporting of these assets. 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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings/Building Improvements	20
Public domain & system infrastructure	20-25
Vehicles	5-10
Office/computer/miscellaneous equipment	3-5

**6. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element,

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*deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and sales taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**7. *Compensated absences***

Accumulated unpaid compensated absences are accrued when incurred in all funds reported within the proprietary fund financial statements as well as the governmental activities and business-type activities columns of the government-wide statements. The expense is recognized in the governmental fund financial statements when paid or expected to be paid with current financial resources. Compensated absences are reported in governmental funds only if they have matured.

**8. *Long-term obligations***

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**9. *Fund balance***

The City has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The City reports several types of fund balances in its governmental funds: “*Unspendable, Restricted, Assigned, and Unassigned*”. For purposes of fund balance classification, expenditures are to be spent from “*restricted*” fund balance first, followed in order by “*committed*” fund balance, “*assigned*” fund balance and lastly “*unassigned*” fund balance. The City considers restricted or

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unrestricted amounts to have been spent when an expenditure is incurred for which both restricted and unrestricted amounts are available.

- 1) *“Nonspendable”* fund balances are those that are not in a spendable form. The City currently reports two nonspendable fund balances for the permanent Cemetery fund and the prepaids.
- 2) *“Restricted”* fund balances are those that have constraints placed on the use of their resources. These constraints can be: (a) externally imposed by creditors (i.e. debt covenants), grantors, contributors or laws/regulations of other governments; or (b) imposed by law through constitutional provision or enabling legislation. Both constraints are legally enforceable by an external party. Currently, the City reports restricted fund balances for the major General fund for police seizure funds and restricted court funds, for the major Debt Service fund, the non-major Capital projects fund, and the non-major special revenues Hotel/Motel fund.
- 3) *“Assigned”* fund balances are those that are constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances do not require City Council formal action. The City’s Fiscal and Budget Policy authorizes the City Manager as the City Official responsible for the assignment of fund balance to a specific purpose. The City currently reports three funds containing assigned fund balances: the special revenue Parks fund with specific purpose to maintain the City Parks and recreation programs; the special revenue Library fund with specific purpose to maintain the City’s public library; and the special revenue Economic Development fund with the specific purpose to bring economic development to the City.
- 4) *“Unassigned”* fund balances are those within the General Fund and represent fund balance that has not been restricted, committed, or assigned. The General fund is the only fund that the City reports with unassigned fund balance.

It is important to note that the City has established basic minimum fund balances within all funds. The minimum fund balances are proposed to be available in case of unexpected revenue shortfalls or for unforeseeable expenditures. The basic premise of these minimums is to maintain ninety to one hundred twenty days of operating expense as the desired minimum fund balances. These minimums are reviewed each year during the budgeting process for the upcoming fiscal year budget. If necessary, increases in the minimums are determined prior to the adoption of the new fiscal year budget.

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**II. Reconciliation of government-wide and fund financial statements**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.**

The governmental balance sheet includes reconciliation between *fund balance - total governmental fund* and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “accrued interest on debt is not recorded.” The details of this \$90,911 differences are as follows:

<u>Debt Issue</u>	<u>C. of O.</u>	<u>G.O.</u>	<u>Tax Notes</u>	<u>Total</u>
Interest due 3/1/15	-	89,991	920	<u>\$90,911</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>				<u>\$90,911</u>

Also, the reconciliation states that “Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore, not reported in the funds”. The details of this \$45,228,032 difference are as follows:

Total Capital assets	\$ 77,162,084
Accumulated depreciation	<u>(31,934,052)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 45,228,032</u>

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$27,567,807 difference are as follows:

Bonds payable	\$ 26,180,000
Bond premium	473,640
Compensated absences	650,352
OPEB obligation	<u>263,815</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ 27,567,807</u>

Another element of that reconciliation explains that “Other long-term assets are not available to pay for current period expenditures and, therefore, are not deferred in the funds.”

The details of this \$723,799 difference are as follows:

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Deferred sales tax revenues	\$ 469,583
Deferred property tax revenues	102,765
Deferred loss on refunding	<u>151,451</u>

Net adjustment to increase *fund balance-total governmental funds* to arrive at *net position-government activities* \$ 723,799

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government - wide statement of activities.**

One element of that reconciliation explains that “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.” The details of this \$3,785,739 are as follows:

Capital outlays	\$ 1,128,183
Expense under capitalization threshold	(200,470)
Depreciation expense	<u>(4,713,452)</u>
Net adjustment to decrease <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (3,785,739)</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins) is to decrease net position.” The details of this \$5,623,740 difference are as follows:

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources	<u>5,623,740</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 5,623,740</u>

Another element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction has an effect on net position.” The details of this \$1,245,964 difference are as follows:

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Principal repayment on long-term debt	\$ 1,235,000
Amortization of loss on refunding	(25,242)
Amortization of bond premium	<u>36,206</u>
Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 1,245,964</u>

Another element of that reconciliation states that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.” The details of this \$53,905 difference are as follows:

Change in deferred sales tax revenue	\$ 40,270
Change in deferred property tax revenue	<u>13,635</u>
Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 53,905</u>

Another element of that reconciliation states that “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.” The details of this \$170,432 difference are as follows:

Change in compensated absences	\$ (117,465)
Change in interest expense	2,631
Change in OPEB obligation	<u>(55,598)</u>
Net adjustment to decrease <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (170,432)</u>

**III. Stewardship, compliance, and accountability**

**A. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds, which adopt project-length budgets. All annual appropriations lapse at fiscal year-end. Before August 1st, the proposed budget is presented to the City’s council for review. The council holds public hearings and final budget must be prepared and adopted no later than September 20th. The appropriated budget is prepared by fund, function, and department. The City’s manager and budget official may make transfers of

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appropriations within a department. Transfers of appropriations between departments, or increase in the budget, require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The council made several budgetary appropriations throughout the year as follows:

	Original Budget	Budget Increase	Amended Budget
General Fund	\$13,000,544	\$ 1,953,407	\$14,953,951
Library	935,652	43,788	979,440
Utility Funds:			
Electric	13,663,284	454,866	14,118,150
Solid Waste	589,108	12,250	601,358
Total	\$28,188,588	\$ 2,464,311	\$30,652,899

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. There were no outstanding encumbrances at September 30, 2014.

**IV. Detailed notes on all funds**

**A. Deposits and investments**

Investments are carried at amortized cost, which approximates fair value, if they have a remaining maturity at the time of purchase of one year or less. All other investments are carried at fair value.

Public Funds Investment Pools

Public funds investment pools in Texas (“Pools”) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (“the Act”), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The City maintains an account with the Texas Local Government Investment Pool (TexPool). Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State of Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool.

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The City utilizes the Texas Short Term Asset Reserve Program (TexSTAR). JPMorgan Fleming Asset Management Inc. and First Southwest Asset Management, Inc. serve as co-administrators under an agreement with the TexSTAR board of directors to provide investment and participant services for this pool. JPMorgan Chase Bank or its subsidiary JP Morgan Investor Services Co. provides the custodial, transfer, agency, fund accounting, and depository services for this pool.

The City is also invested in Texas Daily, a portfolio of the TexasTERM Local Government Investment Pool ("Pool") which was created by Texas local governments to provide investment programs tailored to the needs of Texas cities, counties, school districts and other public investors. The Pool is directed by an Advisory Board of experienced local government finance directors and treasurers. The Advisory Board contracts for services with professional service providers who are industry leaders in their field.

The City also has an account with Texas Class. They are supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian and the Program Administrator. The Board administers the affairs of the Trust and enters into contracts and agreements on behalf of the Trust in order to effectuate the terms of the Trust Agreement. It also selects the consultants for Texas Class, including the Program Administrator and the Custodian.

The City's investments in Pools are reported at an amount determined at amortized cost which approximates fair value per share of the pool's underlying portfolio. At year end, the City's carrying amount of deposits was \$2,489,968 and the bank balance was \$2,743,680. Of the bank balance, \$250,000 was covered by federal depositor insurance, and the balance over \$250,000 was covered by collateral held by the City's agent in the City's name. As of September 30, 2014, the City had the following cash, cash equivalents and investments:

	<u>Carrying/ Fair Value</u>	<u>Investments Weighted Average Maturity (WAM) days</u>
Cash on hand	\$ 2,394	N/A
Cash in bank	2,489,968	N/A
TexPool	14,065,756	49
Texas Term	56,896	50
Texas Class	3,002,875	45
TexStar	2,783,934	52
U.S. Agencies	6,994,834	731
Certificates of Deposit	5,692,445	391
Total	<u>\$ 35,089,102</u>	

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*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its invested operating funds and debt service funds to less than 12 months. Similarly, bond proceeds are limited to less than 24 months of weighted average maturity. In addition, investments of debt reserves, contingency reserves and other reserves may exceed 24 months of weighted average maturity but are limited to 60 months with approval of the City Manager or Deputy City Manager.

*Credit risk.* Deposits with the investment pools are recorded at amortized cost, which approximates fair value. The investment pools have as one of their objectives the maintenance of a stable net asset value of \$1.00. The City's investment policy requires that the net asset value of the pools also be \$1.00 and be rated no lower than "AAA" or "AAA-m" or no lower than investment grade with a weighted average maturity no greater than 90 days. As of September 30, 2014, the ratings of the various investment pools were:

<u>Pool</u>	<u>Rating</u>	<u>Rating Agency</u>
Texas Class	AAAm	Standard & Poor's
TexPool	AAAm	Standard & Poor's
Tex STAR	AAAm	Standard & Poor's
Texas TERM	AAAm	Standard & Poor's

Similarly, the City's investment policy requires that obligations of states, agencies, counties, cities and other political subdivisions be rated not less than "A" or its equivalent. The current ratings of the U. S. Agencies included in the investment portfolio of the City at September 30, 2014 were:

<u>U.S. Agency</u>	<u>Rating</u>	<u>Rating Agency</u>
FHLMC	AA+	Standard & Poor's
FHLB	AA+	Standard & Poor's
FHLMC	AA+	Standard & Poor's

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**B. Receivables**

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

Receivables:	General	Debt Service	Nonmajor Funds	Total
Property taxes	\$ 42,661	\$ 50,122	\$ 41,584	\$ 134,367
Sales taxes	909,520	-	-	909,520
Access line fees	35,927	-	-	35,927
Franchise fees	40,301	-	-	40,301
Miscellaneous	36,300	-	57,891	94,191
Gross receivables	1,064,709	50,122	99,475	1,214,306
Less uncollectibles	(6,399)	(7,519)	(6,237)	(20,155)
Net Total Receivables	<u>\$1,058,310</u>	<u>\$ 42,603</u>	<u>\$ 93,238</u>	<u>\$1,194,151</u>

Receivables as of year-end for the City's Enterprise funds are as follows:

Receivables:	Electric	Water	Wastewater	Gas	Solid Waste	Total
Interest	\$ 14,977	\$ 1,625	\$ 2,611	\$ -	\$ -	\$ 19,213
Accounts	2,057,671	526,715	447,794	135,239	42,292	3,209,711
Total Receivables	<u>\$2,072,648</u>	<u>\$528,340</u>	<u>\$ 450,405</u>	<u>\$135,239</u>	<u>\$42,292</u>	<u>\$3,228,924</u>

**C. Prepaids**

In March 2013, the City entered into an Advance Funding Agreement with the Texas Department of Transportation (TxDOT) for construction of a frontage road along IH 10 in Boerne. The agreement allocates the cost of the project between the Federal, State, and Local government with the State managing the construction. The City was required to submit \$1,550,000 to TxDOT prior to the letting of the contract. At year end, TxDOT stated that there had been no expenditures on this project so the entire amount remitted was classified as a prepaid expense.

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**D. Capital Assets**

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

<b>Governmental activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 9,572,195	\$ -	\$ -	\$ 9,572,195
Construction in progress	8,573	416,702	(15,563)	409,712
Total Capital assets, not being depreciated	<u>9,580,768</u>	<u>416,702</u>	<u>(15,563)</u>	<u>9,981,907</u>
Capital assets, being depreciated:				
Buildings and plant	22,926,835	28,723	-	22,955,558
Improvements other than buildings	29,903,850	5,795,915	(11,535)	35,688,230
Machinery and equipment	8,268,992	392,085	(130,456)	8,530,621
Total Capital assets, being depreciated	<u>61,099,677</u>	<u>6,216,723</u>	<u>(141,991)</u>	<u>67,174,409</u>
Less accumulated depreciation for:				
Buildings and plant	(6,364,733)	(1,077,336)	-	(7,442,069)
Improvements other than buildings	(15,154,230)	(2,988,162)	5,768	(18,136,624)
Machinery and equipment	(5,765,681)	(714,366)	130,456	(6,349,591)
Total accumulated depreciation	<u>(27,284,644)</u>	<u>(4,779,864)</u>	<u>136,224</u>	<u>(31,928,284)</u>
Total Capital assets, being depreciated, net	<u>33,815,033</u>	<u>1,436,859</u>	<u>(5,767)</u>	<u>35,246,125</u>
Governmental activities Capital assets, net	<u>\$43,395,801</u>	<u>\$ 1,853,561</u>	<u>\$ (21,330)</u>	<u>\$45,228,032</u>

Capital asset activity for Business-type Activities for the year ended September 30, 2014, was as follows:

<b>Business-Type Activities:</b>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 2,686,158	-	-	\$ 2,686,158
Construction in progress	185,810	410,408	(185,810)	410,408
Total Capital assets not being depreciated	<u>2,871,968</u>	<u>410,408</u>	<u>(185,810)</u>	<u>3,096,566</u>
Capital assets being depreciated:				
Buildings and plant	40,411,497	6,590	-	40,418,087
Improvements other than buildings	49,968,007	5,514,958	(6,590)	55,476,375
Machinery and equipment	4,210,188	160,140	(66,411)	4,303,917
Total Capital assets being depreciated	<u>94,589,692</u>	<u>5,681,688</u>	<u>(73,001)</u>	<u>100,198,379</u>
Less accumulated depreciation for:				
Buildings and plant	(5,350,518)	(1,952,800)	3,236	(7,300,082)
Improvements other than buildings	(20,292,106)	(2,304,547)	10,602	(22,586,051)
Machinery and equipment	(3,094,990)	(221,196)	58,336	(3,257,850)
Total accumulated depreciation	<u>(28,737,614)</u>	<u>(4,478,543)</u>	<u>72,174</u>	<u>(33,143,983)</u>
Total Capital assets being depreciated, net	<u>65,852,078</u>	<u>1,203,145</u>	<u>(827)</u>	<u>67,054,396</u>
Business-type activities Capital assets, net	<u>\$68,724,046</u>	<u>\$1,613,553</u>	<u>\$(186,637)</u>	<u>\$70,150,962</u>

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

<u>Governmental activities:</u>	
General government	\$ 281,409
Public safety	1,005,493
Highways and streets	921,165
Economic development	5,680
Culture and recreation	<u>2,499,705</u>
Total depreciation expense – governmental activities	4,713,452
Transfers of assets with accumulated depreciation	<u>66,412</u>
Total increase in accumulated depreciation	<u>\$ 4,779,864</u>
 <u>Business-type activities:</u>	
Electric utility	\$ 495,855
Water utility	1,155,766
Wastewater utility	2,573,383
Natural Gas utility	<u>247,775</u>
Total depreciation expense – business-type activities	4,472,779
Transfers of assets with accumulated depreciation	<u>5,764</u>
Total increase in accumulated depreciation	<u>\$ 4,478,543</u>

The City is a recipient of capital contributions from developers for the construction and development of certain infrastructure assets. Capital contributions related to enterprise funds are recorded by the City as capital contributions in the statement of revenues, expenses, and changes in fund net position; and as program revenues (capital grants and contributions) in the statement of activities at the government wide level. Capital contributions related to governmental funds, are not recorded at the fund level, but are reported as program revenues (capital grants and contributions) in the statement of activities at the government wide level. On the statement of net position, at both the government wide level (governmental and business-type activities) and fund level (enterprise funds), capital contributions are recorded as a component of capital assets and depreciated accordingly over the estimated life of these assets.

**E. Construction commitments**

The City has active construction projects as of September 30, 2014. The projects include:

- 2009 G.O. Construction projects
- 2012 Tax Note Construction projects

These projects are part of governmental activities. The 2009 projects include construction of the Public Safety Center, expansion of the Fire Station, Parks land and

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Trails Improvements and construction of a new Library. The 2012 projects include upgrade of the Public Safety radio system, sidewalk construction, and the purchase of a new fire truck. At year-end, the City's commitments to these projects are as follows:

<u>Projects</u>	<u>09 G.O. Bond Projects</u>	
	<u>Spent-to-date</u>	<u>Remaining</u>
Public Safety Center	\$ 289,831	\$ 93,035
Fire Station	2,312,860	-
Park Land/Improve	483,926	-
Park Trails	2,623,953	-
New Library	6,583,718	119,344
Sidewalks	587,204	31,599
	<u>\$ 12,881,492</u>	<u>\$ 243,978</u>

The 2009 G. O. Construction projects are being financed by proceeds from the General Obligation Bonds issued in October of 2009.

<u>Projects</u>	<u>2012 Tax Note Projects</u>	
	<u>Spent-to-date</u>	<u>Remaining</u>
Public Safety Radios	\$ 617,782	\$ 35,117
Fire Truck	544,538	-
Street Sweeper	178,942	-
Sidewalks	-	148,954
	<u>\$ 1,341,262</u>	<u>\$ 184,071</u>

The 2012 Tax Note Construction projects are being financed by proceeds from the Tax Notes issued in December 2012.

**F. Interfund transfers**

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

<u>Transfers out:</u>	<u>General Fund</u>	<u>Debt-Service Fund</u>	<u>Non-major Governmental Funds</u>	<u>Wastewater Fund</u>	<u>Gas Fund</u>	<u>Totals</u>
General Fund	\$ -	\$ 205,298	\$ 102,520	\$ -	\$ -	\$ 307,818
Non-major Governmental Funds	25,000	-	-	-	-	25,000
Electric Enterprise Fund	15,863	-	225,000	-	100,000	340,863
Water Enterprise Fund	15,863	-	275,000	300,000	-	590,863
Wastewater Enterprise Fund	10,575	-	-	-	-	10,575
Gas Enterprise Fund	10,575	-	-	-	-	10,575
<b>Totals</b>	<u>\$ 77,876</u>	<u>\$ 205,298</u>	<u>\$ 602,520</u>	<u>\$ 300,000</u>	<u>\$ 100,000</u>	<u>\$ 1,285,694</u>

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Transfers are used to: 1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due; 2) move unrestricted general fund revenue to finance various programs that City of Boerne must account for in other funds in accordance with budgetary authorizations. In the year ended September 30, 2014, The City made the following one-time transfers:

- \$205,298 from the General fund to Debt-Service for principal and interest due on debt obligations;
- \$50,000 from the General fund to Park fund to assist with park operations;
- \$52,520 from the General fund to the Economic Development fund to reimburse per 380 agreements;
- \$25,000 from the Hotel/Motel/CVB fund to the General fund for the Public Art Project;
- \$52,876 from the Electric, Water, Wastewater and Gas funds to the General fund for General Obligation debt service;
- \$500,000 from the Electric and Water funds to the Economic Development fund to assist with economic development projects within the City;
- \$300,000 from the Water to the Wastewater fund to assist with operations;
- \$100,000 from the Electric to the Gas fund to assist with operations.

**G. Long-term Debt**

Long-term debt activity for the year ended September 30, 2014, was as follows:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Debt	\$26,180,000	\$27,415,000	\$ -	\$ -	\$26,180,000	\$27,415,000
Utility Revenue Debt	-	-	43,895,000	45,045,000	43,895,000	45,045,000
<b>Total</b>	<b>\$26,180,000</b>	<b>\$27,415,000</b>	<b>\$43,895,000</b>	<b>\$45,045,000</b>	<b>\$70,075,000</b>	<b>\$72,460,000</b>

**General Obligation Debt**

The City issues general obligation bonds, certificates and tax notes to provide the funds for acquisition and construction of major capital facilities and projects. The City's General Obligation, Certificates of Obligation, and Tax Notes are pledged by ad valorem taxes levied upon all taxable property located within the City, within the limitations prescribed by law.

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General obligation debt currently outstanding is as follows:

	Original Amount	Interest Rate %	Balances October 1, 2013	Issued During Year	Retired During Year	Balances Sept. 30, 2014
<u>General Obligation Debt:</u>						
2007 Go Bonds	11,470,000	4.00- 5.25	10,620,000	-	315,000	10,305,000
2009 GO Bonds	10,000,000	3.00 -5.00	9,570,000	-	175,000	9,395,000
2011 GO Refunding Bonds	6,345,000	2.00 -4.00	5,685,000	-	505,000	5,180,000
2012 Tax Notes	1,540,000	0.45 - 1.10	1,540,000	-	240,000	1,300,000
Total of bonded debt			<u>\$27,415,000</u>	<u>\$ -</u>	<u>\$1,235,000</u>	<u>\$26,180,000</u>

Debt service requirements to maturity for general obligation debt are as follows:

Year Ending September 30,	General Obligation Bonds		Total
	Principal	Interest	
2015	1,270,000	1,073,995	2,343,995
2016	1,310,000	1,038,815	2,348,815
2017	1,355,000	1,001,333	2,356,333
2018	1,400,000	960,826	2,360,826
2019	1,450,000	916,997	2,366,997
2020-2024	6,595,000	3,852,555	10,447,555
2025-2029	7,585,000	2,251,026	9,836,026
2030-2033	5,215,000	467,886	5,682,886
	<u>\$26,180,000</u>	<u>\$ 11,563,433</u>	<u>\$ 37,743,433</u>
Average annual requirements			\$1,986,496

**Revenue Bonds**

The government also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. The City has pledged future electric, water, wastewater and gas customer revenue net of specified operating expenses, to repay \$43,895,000 in Utility System Revenue and Refunding bonds issued in 2006, 2009, and 2010.

Proceeds from these bonds have provided financing for the various improvements to the Electric, Wastewater and Gas distribution systems in 2006; refunding of Wastewater and Water utility bonds to affect interest savings and defease the 1997, 1998 & 1999 Water and Wastewater Utility system Revenue bonds in 2009; various improvements in 2009 to the Wastewater system in preparation for the construction of a new Wastewater treatment plant, and the 2010 Wastewater issuance to finance the construction of the new plant and recycling center that was completed in fiscal year 2013. These bonds are payable solely from Electric, Water, Wastewater and Gas customer net revenues and

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are payable through 2040. The total principal and interest remaining to be paid on the bonds is \$73,186,143

	Original	Interest	Balances	Additions	Retired	Balances
	Amount	Rate	October 1,	During	During	Sept. 30,
Utility Revenue Bonds:		%	2013	Year	Year	2014
2006 Utility system Rev Bnds	\$7,500,000	4.35	\$6,505,000	\$ -	\$200,000	\$6,305,000
2009 Utility System Refund Bnds	4,850,000	2.00-5.00	3,180,000	-	525,000	2,655,000
2009 Utility System Revenue Bnds	6,660,000	2.00-5.00	6,050,000	-	175,000	5,875,000
2010 Utility System Revenue Bnds	30,000,000	2.00-5.00	29,310,000	-	250,000	29,060,000
Total of bonded debt			\$45,045,000	\$ -	\$1,150,000	\$43,895,000

Revenue bond debt service requirements to maturity are as follows:

Year Ending September 30,	Utility Revenue Bonds		
	Principal	Interest	Total
2015	\$ 1,200,000	\$ 1,988,006	\$ 3,188,006
2016	1,250,000	1,934,888	3,184,888
2017	1,305,000	1,881,278	3,186,278
2018	1,365,000	1,822,678	3,187,678
2019	1,425,000	1,759,900	3,184,900
2020 – 2024	8,080,000	7,851,879	15,931,879
2025 – 2029	8,055,000	6,010,033	14,065,033
2030 – 2034	8,690,000	4,128,581	12,818,581
2035 – 2039	10,175,000	1,856,619	12,031,619
2040	2,350,000	57,281	2,407,281
	<u>\$ 43,895,000</u>	<u>\$ 29,291,143</u>	<u>\$ 73,186,143</u>
Average annual requirements			\$ 2,814,852

**Changes in long-term liabilities**

Long-term liability activity for the year ended September 30, 2014, was as follows:

	Beginning			Ending	Due
	Balance	Additions	Reductions	Balance	Within
					One year
Governmental activities:					
Bonds payable:					
General Obligation bonds	\$ 25,875,000	\$ -	\$(995,000)	\$ 24,880,000	\$ 1,025,000
Tax notes	1,540,000	-	(240,000)	1,300,000	245,000
Bond Premium	509,846	-	(36,206)	473,640	-
Total bonds payable	27,924,846	-	(1,271,206)	26,653,640	1,270,000
OPEB obligation	208,217	60,766	(5,168)	263,815	-
Compensated absences	532,887	122,038	(4,573)	650,352	332,346
Governmental activity long-term liabilities	\$ 28,665,950	\$ 182,804	\$(1,280,947)	\$ 27,567,807	\$ 1,602,346

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Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 45,045,000	\$ -	\$(1,150,000)	\$ 43,895,000	\$ 1,200,000
Revenue Bond premium	221,900	-	(10,567)	211,333	10,567
Total bonds payable	45,266,900	-	(1,160,567)	44,106,333	1,210,567
Compensated absences	207,483	26,305	(970)	232,818	11,641
Business-type long-term liabilities	\$ 45,474,383	\$ 26,305	\$(1,161,537)	\$ 44,339,151	\$ 1,222,208

The liability for pension is fully liquidated by the general fund. For compensated absences, the general fund normally liquidates 56%, the electric fund 25%, the water, sewer and park funds 5% each, the library fund 2%, and the gas and hotel/motel fund normally liquidate 1% each.

**H. Restricted assets**

Restricted Asset Balances			
Governmental Activities		Business-type activities	
Capital projects fund	\$ 556,745	Customer deposits	\$ 1,113,900
Permanent Cemetery fund	600,587	Bond covenant accounts	3,217,420
Debt service fund	814,954	Capital contributions	3,493,563
		Bond construction	2,763,099
Total restricted assets	<u>\$ 1,972,286</u>		<u>\$ 10,587,982</u>

**V. Other information**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which the City carries insurance. There have been no significant reductions in insurance coverage for these risks of loss since the prior year and there have been no settlements in excess of the insurance coverage for any of the past three fiscal years.

The City contracts with the Texas Municipal League Intergovernmental Risk Pool, ("TML") to provide for its worker's compensation, general and auto liability, and property insurance coverage. These multi-employer accounts provide for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML. Liability for the City is generally limited to the contributed amounts.

**B. Subsequent events**

On December 9, 2014, the City issued \$9,560,000 of General Obligation Refunding Bonds to refund the Series 2007 General Obligation Bonds. The intent of this refunding

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was to affect a net present value savings of \$1,248,447 on the refunded issue. The interest rates on the bond range from 2.00% to 4.00% and the maturity date is March 1, 2031.

**C. Contingent liabilities**

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the City, but which will only be resolved when one or more future events occur or fail to occur. The City's management and its legal counsel assess such contingent liabilities and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the City or unasserted claims that may result in such proceedings, the City's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates it is probable that a material loss has been incurred, and the amount of the liability can be estimated, then the estimated liability would be accrued in the City's financial statements. If the assessment indicates a potentially material loss contingency is not probable, but is reasonably possible or is probable, but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if the determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed.

Management has performed such assessment and consulted with its legal counsel as of the date of this report and is not aware of any contingencies requiring accrual or further disclosure.

**D. Other postemployment benefits**

***Plan Description***

The City's governing body approved a defined benefits health plan for retirees effective October 1, 2008. Under this single-employer plan, early retirees under the age of 65 not entitled to Medicare who retired on or after October 1, 2008, may receive premium contributions based on the following:

Retirees may choose either of two available plans:

- (1) The same medical plan that is currently offered to active employees; or
- (2) The Retiree Continuum Care Plan for early retirees which is a reduced benefit medical plan.

There is no separate, audited benefit plan report available for this defined benefit plan.

The City also participates in a cost-sharing multiple-employer defined benefit plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental

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Death Benefits Fund (SDBF). The City elected by ordinance to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue to participate in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (Calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit", or OPEB.

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

The City's contributions to the TMRS SDBF for the years ended 2014, 2013, and 2012 were \$3,042, \$1,095, and \$1,015, respectively, which equaled the required contributions each year.

***Funding policy for Retiree Health Plan***

The City's contribution is set by the City's governing body. The premium will be offered to an early retiree for no more than ten years as follows:

Health Plan for Retirees:

Premium contributions

- 20 years of service - City will contribute \$378/month of premium;
- 25 years of service - City will contribute \$469.27/month of premium;
- 30 years of service - City will contribute \$567.76/month of premium.

***Annual OPEB Cost and NET OPEB Obligation***

The City's annual other post employment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed thirty years. The annual OPEB cost for the fiscal year ending September 30, 2014 is as follows:

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Annual required contribution	\$ 60,077
Interest on net OPEB obligation	9,370
Adjustment to annual required contribution	<u>(8,681)</u>
Annual OPEB cost	60,766
Contributions made	<u>(5,168)</u>
Increase on net OPEB obligation	\$55,598
Net OPEB obligation at beginning of year	<u>208,217</u>
Net OPEB obligation at end of year	<u><u>\$263,815</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ending September 30, 2014 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
September 30, 2012	\$22,060	\$4,238	19.2%	\$193,158
September 30, 2013	\$22,763	\$7,704	33.8%	\$208,217
September 30, 2014	\$60,766	\$5,168	8.5%	\$263,815

***Funding Status***

The funded status of the City's retiree health care plan, under GASB Statement No. 45 as of December 31, 2013 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (d)	Ratio of UAAL to Annual Covered Payroll (b-a)/d
12/31/2013	-	\$521,650	\$521,650	0.0%	10,902,299	4.78%

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$521,650 at December 31, 2013. As of the most recent valuation, the ratio of the unfunded accrued liability to annual covered payroll is 4.78%.

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***Actuarial methods and Assumptions***

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions were as follows:

*Actuarial Methods and Assumptions*

Inflation rate	3.00% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee
Payroll Amortization period	30-year, open amortization
Payroll Growth	3.00% per annum
Healthcare Subsidy trend rate	3.00%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**E. Employee retirement systems and pension plans**

**Municipal Retirement Fund**

**Plan Description**

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

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

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

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

**Contributions**

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e., the December 31, 2013 valuation will determine the contribution rate beginning January 1, 2015).

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The annual pension cost and net pension obligation/ (asset) are as follows:

Fiscal Year Ended	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation/ (Asset)
9/30/2012	\$2,536,675	\$2,536,675	100%	\$0
9/30/2013	\$2,737,418	\$2,737,418	100%	\$0
9/30/2014	\$2,941,535	\$2,941,535	100%	\$0

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

Valuation Date	12/31/2011	12/31/2012	12/31/2013
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level % of Payroll	Level % of Payroll	Level % of Payroll
GASB 25 Equivalent Single Amortization Period	26.4 years; closed period	25.4 years; closed period	30.0 years; closed period
Amortization period for new Gains/Losses	30 years	30 years	30 years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial Assumptions:			
Investment Rate of Return*	7.0%	7.0%	7.0%
Projected Salary Increases*	Varies by age and Service	Varies by age and service	Varies by age and service
*Includes Inflation at Cost-of-Living Adjustments	3.0%	3.0%	3.0%
	2.1%	2.1%	2.1%

**Funded Status and Funding Progress**

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability(AAL)	Funded Ratio	Unfunded AAL(UAAL)	Covered Payroll	UAAL as a % of Covered Payroll
	(1)	(2)	(3)	(4)	(5)	(6)
			(1) / (2)	(2) - (1)		(4) / (5)
12/31/2013	\$28,905,104	\$ 43,409,430	66.6%	\$14,504,326	\$10,902,299	133.0%

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

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

**F. Commitments**

On November 6, 1998, the City entered into a contract with the Texas Department of Agriculture for the Texas Capital Program. Under this contract, the City agreed to expend the program funds for real estate and infrastructure improvements in the form of land acquisition, sewer line improvements, and building construction to support Texas Composite, Inc. (now doing business as Albany Engineered Composites, Inc.) and Stanbio Laboratory, Inc. This award allows for the creation of jobs primarily for low – to – moderate income persons in accordance with the general provisions of the contract. Upon completion of the building structure, Albany Engineered Composites, Inc. and Stanbio Laboratory, Inc. entered into lease agreements with the City in order to satisfy the terms and conditions of this contract.

In accordance with the contract, the City is to collect the lease payments from Albany Engineered Composites, Inc. and Stanbio Laboratory, Inc. and submit payment to the Texas Department of Rural Affairs. A second award was made dated August 21, 2006 giving additional program funds for building construction at Stanbio Laboratory, Inc.

The terms of the lease agreement with Albany Engineered Composites, Inc., dated April 1, 2001 include a commitment in the amount of \$416,740, payable over a 20-year period in equal monthly installments of \$1,736.41. The agreement includes a 0% interest rate as long as payments are current. For the year ended September 30, 2014, the City collected \$20,837 in lease payments, all of which have been remitted to the Texas Department of Rural Affairs. The remaining commitment at September 30, 2014 is \$135,441.

The terms of the first lease agreement with Stanbio Laboratory, Inc., dated August 1, 2001, include a commitment in the amount of \$508,885, payable over a 20-year period in equal monthly installments of \$2,120. The agreement includes a 0% interest rate as long as payments are current. For the year ended September 30, 2014, the City collected

**City of Boerne, Texas**  
**Notes to Financial Statements**  
**September 30, 2014**

\$25,444 in lease payments, all of which have been remitted to the Texas Department of Rural Affairs. The remaining commitment at September 30, 2014 is \$173,871.

The terms of the second lease agreement with Stanbio Laboratory, Inc., dated August 21, 2006 include a commitment in the amount of \$700,000, payable over a 20-year period in equal monthly installments of \$2,916.67. The agreement includes a 0% interest rate as long as payments are current. For the year ended September 30, 2014, the City collected \$35,000 in lease payments, all of which have been remitted. The remaining commitment at September 30, 2014 is \$469,583.

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REQUIRED SUPPLEMENTARY  
INFORMATION

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**City of Boerne, Texas**  
**Required Supplementary Information**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund**  
**Balances-Budget and Actual**  
**Year Ended September 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Ad valorem taxes (including interest and penalties)	\$ 1,869,774	\$ 1,869,774	\$ 1,911,144	\$ 41,370
Sales tax	5,269,950	5,269,950	5,420,528	150,578
Franchise fees	2,177,989	2,177,989	2,297,457	119,468
Licenses and permits	525,000	525,000	934,541	409,541
Fines	324,600	324,600	316,436	(8,164)
Rents	98,500	98,500	62,147	(36,353)
Grants	-	25,643	28,852	3,209
Contributions & donations	1,611,919	1,611,919	1,623,927	12,008
Miscellaneous	68,500	72,500	125,232	52,732
Interest earned	5,000	5,000	22,311	17,311
Total revenues	11,951,232	11,980,875	12,742,575	761,700
<b>Expenditures:</b>				
Current:				
Administration	1,622,516	1,948,732	1,804,784	143,948
Streets	1,479,711	1,491,711	1,427,229	64,482
Law enforcement	3,652,741	3,655,540	3,571,464	84,076
Municipal court	266,415	266,415	256,037	10,378
Animal control	191,161	191,161	173,352	17,809
Facilities and Emergency Operations	674,319	675,034	617,951	57,083
Planning/ Code enforcement	774,235	775,735	773,682	2,053
Convention/community center	313,533	313,533	299,884	13,649
Communications	939,728	928,728	883,135	45,593
Information Technology	487,554	522,554	514,902	7,652
Fire department	1,328,687	1,339,987	1,290,332	49,655
Capital outlay	841,396	2,416,273	628,990	1,787,283
Total expenditures	12,571,996	14,525,403	12,241,742	2,283,661
Excess(Deficiency) of revenues over(under) expenditures	(620,764)	(2,544,528)	500,833	3,045,361
Other financing sources (uses):				
Transfers from other funds	202,876	202,876	77,876	(125,000)
Transfers to other funds	(338,548)	(338,548)	(307,818)	30,730
Sale of capital assets	10,000	10,000	-	(10,000)
Total other financing sources (uses)	(125,672)	(125,672)	(229,942)	(94,270)
Excess(Deficiency) of revenues and other sources (uses), over(under) expenditures	(746,436)	(2,670,200)	270,891	2,951,091
Fund balance at October 1, 2013	7,097,666	7,097,666	7,097,666	-
Fund balance at September 30, 2014	\$ 6,351,230	\$ 4,427,466	\$ 7,368,557	\$ 2,951,091

**Note 1 - Basis of Budgeting:**

There were no *budgetary expenditures in excess of appropriations* for this fiscal year. Annual budgets are adopted on a *basis consistent with generally accepted accounting principles* and therefore no *reconciliation between the basis of budgeting and generally accepted accounting principles* is required.

**City of Boerne, Texas  
Required Supplementary Information**

**Texas Municipal Retirement System  
Schedule of Funding Progress  
(unaudited)**

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (2)	Funded Ratio (3)	Unfunded AAL (UAAL) (4)	Covered Payroll (5)	UAAL as a % of Covered Payroll (6)
12/31/2011	21,987,770	33,992,937	64.7%	12,005,167	9,891,209	121.4%
12/31/2012	25,250,793	37,233,211	67.8%	11,982,418	10,220,178	117.2%
12/31/2013	28,905,104	43,409,430	66.6%	14,504,326	10,902,299	133.0%

**Other Postemployment Benefits Plan  
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (d)	Ratio of UAAL to Annual Covered Payroll (b-a)/d
10/1/2008	\$ -	\$ 500,795	\$ 500,795	0.0%	\$ 8,463,230	5.92%
12/31/2011	-	195,611	195,611	0.0%	10,220,178	1.91%
12/31/2013	-	521,650	521,650	0.0%	10,902,299	4.78%

Note: A valuation dated December 31, 2013 was completed which calculated the ARC and associated liabilities for the fiscal year beginning October 1, 2013. The ARC and associated liabilities are higher in the updated report primarily due to the participation assumption for future retirees. This assumption has been revised based on updated data.

OTHER SUPPLEMENTARY  
INFORMATION

## **Nonmajor Governmental Funds Special Revenue Funds**

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service and capital projects.

Hotel-Motel/Convention/Visitors Bureau Fund (CVB) - This fund is used to account for proceeds of the City's hotel-motel lodging tax revenues that are restricted or committed to the promotion of tourism and the Hotel-Motel industry within the City's boundaries.

Parks Fund - This fund is used to account for proceeds of specific Parks revenue sources that are intended to be spent for maintenance of the City's Parks and recreation programs.

Library Fund - This fund is used to account for proceeds of specific Library revenue sources that are intended to be spent for maintenance of the City's public library.

## **Permanent Funds**

Permanent funds are used to account for resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs – that is, for the benefit of the City or its citizens.

Cemetery Fund - This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the City cemetery.

**City of Boerne, Texas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2014**

	SPECIAL REVENUE		CAPITAL PROJECTS		PERMANENT FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	HOTEL-MOTEL/CVB FUND	PARK FUND	LIBRARY FUND	ECONOMIC DEVL FUND		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 255,768	\$ 1,184,516	\$ 468,316	\$ 691,452	\$ 136,443	\$ 3,293,239
Receivables	51,792	23,636	13,009	-	4,801	93,238
Restricted - permanent fund	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	600,587	600,587
Total assets	<u>\$ 307,560</u>	<u>\$ 1,208,152</u>	<u>\$ 481,325</u>	<u>\$ 691,452</u>	<u>\$ 741,831</u>	<u>\$ 3,987,064</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 4,815	\$ 34,225	\$ 2,301	\$ 3,043	\$ 412	\$ 173,491
Other payables	-	12,626	-	-	-	12,626
Deferred revenue	-	21,136	10,668	-	-	31,804
Total liabilities	<u>\$ 4,815</u>	<u>\$ 67,987</u>	<u>\$ 12,969</u>	<u>\$ 3,043</u>	<u>\$ 412</u>	<u>\$ 217,921</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Permanent-Cemetery	\$ -	\$ -	\$ -	\$ -	\$ 741,419	\$ 741,419
Restricted:						
Hotel/Motel - Tourism promotion	302,745	-	-	-	-	302,745
Capital Projects:						
Public Safety Center	-	-	-	-	-	93,035
Sidewalks	-	-	-	-	-	180,553
Library	-	-	-	-	-	119,344
Public Safety	-	-	-	-	-	35,117
Assigned:						
Parks & recreation	-	1,140,165	-	-	-	1,140,165
Library	-	-	468,356	-	-	468,356
Economic Development	-	-	-	688,409	-	688,409
Total fund balances	<u>\$ 302,745</u>	<u>\$ 1,140,165</u>	<u>\$ 468,356</u>	<u>\$ 688,409</u>	<u>\$ 741,419</u>	<u>\$ 3,769,143</u>
Total liabilities and fund balances	<u>\$ 307,560</u>	<u>\$ 1,208,152</u>	<u>\$ 481,325</u>	<u>\$ 691,452</u>	<u>\$ 741,831</u>	<u>\$ 3,987,064</u>

**City of Boerne, Texas**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2014**

	HOTEL- MOTEL/CVB	PARK	SPECIAL REVENUE		ECONOMIC DEVELOPMENT	TOTAL	CAPITAL PROJECTS		PERMANENT FUND CEMETERY	TOTAL NONMAJOR GOVERNMENTAL FUNDS
			LIBRARY	LIBRARY			2009 G.O.	2012 TAX NOTE		
<b>REVENUES</b>										
Ad valorem taxes	\$ -	\$ 1,167,297	\$ 604,162	\$ -	\$ -	\$ 1,771,459	\$ -	\$ -	\$ -	\$ 1,771,459
Hotel-Motel taxes	498,886	-	-	-	-	498,886	-	-	-	498,886
Special revenues	-	498,777	43,310	-	-	542,087	-	-	93,230	635,317
Grants	-	-	3,795	-	-	3,795	-	-	-	3,795
Contributions	-	10,900	302,805	-	-	313,705	-	-	-	313,705
Other	958	121,616	945	-	-	123,519	-	-	27,723	151,242
Interest	54	2,011	1,610	210	-	3,885	185	43	3,072	7,185
Total revenues	499,898	1,800,601	956,627	210	-	3,257,336	185	43	124,025	3,381,589
<b>EXPENDITURES</b>										
Current:										
Public Safety	-	-	-	-	-	-	-	-	58,465	58,465
Culture and recreation	-	1,623,117	924,517	-	-	2,547,634	-	-	-	2,547,634
Economic development	448,125	-	-	309,541	-	757,666	-	-	-	757,666
Capital outlay:										
Public Safety	-	-	-	-	-	-	13,535	2,028	-	15,563
Culture and recreation	-	70,754	52,928	-	-	123,682	345,257	-	-	468,939
Economic development	14,691	-	-	-	-	14,691	-	-	-	14,691
Total expenditures	462,816	1,693,871	977,445	309,541	-	3,443,673	358,792	2,028	58,465	3,862,958
Excess (Deficiency) of revenues over/ (under) expenditures	37,082	106,730	(20,818)	(309,331)	-	(186,337)	(358,607)	(1,985)	65,560	(481,369)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in:										
General fund	-	50,000	-	52,520	-	102,520	-	-	-	102,520
Electric fund	-	-	-	225,000	-	225,000	-	-	-	225,000
Water fund	-	-	-	275,000	-	275,000	-	-	-	275,000
Transfers out:										
General fund	(25,000)	-	-	-	-	(25,000)	-	-	-	(25,000)
Total other financing sources and (uses)	(25,000)	50,000	-	552,520	-	577,520	-	-	-	577,520
Net change in fund balances	12,082	156,730	(20,818)	243,189	-	391,183	(358,607)	(1,985)	65,560	96,151
Fund balances - beginning	290,663	983,435	489,174	445,220	-	2,208,492	602,585	186,056	675,859	3,672,992
Fund balances - ending	\$ 302,745	\$ 1,140,165	\$ 468,356	\$ 688,409	-	\$ 2,599,675	\$ 243,978	\$ 184,071	\$ 741,419	\$ 3,769,143

**City of Boerne, Texas**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended September 30, 2014**

	<b>FINAL BUDGETED AMOUNTS</b>	<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>			
Ad valorem taxes	\$ 2,136,418	\$ 2,187,063	\$ 50,645
Interest	2,000	468	(1,532)
Total revenues	<u>2,138,418</u>	<u>2,187,531</u>	<u>49,113</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	1,235,000	1,235,000	-
Interest	1,106,716	1,106,715	1
Paying agent fees	2,000	1,613	387
Total expenditures	<u>2,343,716</u>	<u>2,343,328</u>	<u>388</u>
Excess/(Deficiency) of revenues over/(under) expenditures	<u>(205,298)</u>	<u>(155,797)</u>	<u>49,501</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	205,298	205,298	-
Total other financing sources	<u>205,298</u>	<u>205,298</u>	<u>-</u>
Net change in fund balances	-	49,501	49,501
Fund balances - beginning	772,228	772,228	-
Fund balances - ending	<u>\$ 772,228</u>	<u>\$ 821,729</u>	<u>\$ 49,501</u>

**City of Boerne, Texas**  
**Hotel-Motel/Convention/Visitors Bureau - Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended September 30, 2014**

	<b>FINAL BUDGETED AMOUNTS</b>	<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>			
Hotel-motel taxes	\$ 450,000	\$ 497,855	\$ 47,855
Penalties	2,000	1,031	(969)
Miscellaneous Revenues	2,275	958	(1,317)
Interest on investments	200	54	(146)
Total revenues	<u>454,475</u>	<u>499,898</u>	<u>45,423</u>
<b>EXPENDITURES</b>			
Current:			
Economic development	449,831	448,125	1,706
Capital outlay:			
Economic development	14,985	14,691	294
Total expenditures	<u>464,816</u>	<u>462,816</u>	<u>2,000</u>
Excess/(Deficiency) of revenues over/ (under) expenditures	<u>(10,341)</u>	<u>37,082</u>	<u>47,423</u>
<b>OTHER FINANCING (USES)</b>			
Transfers out	(25,000)	(25,000)	-
Total other financing (uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balances	(35,341)	12,082	47,423
Fund balances - beginning	290,663	290,663	-
Fund balances - ending	<u>\$ 255,322</u>	<u>\$ 302,745</u>	<u>\$ 47,423</u>

**City of Boerne, Texas**  
**Park Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended September 30, 2014**

	<b>FINAL BUDGETED AMOUNTS</b>	<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>			
Ad valorem taxes	\$ 1,141,234	\$ 1,167,297	\$ 26,063
Special revenues	446,250	498,777	52,527
Contributions	12,500	10,900	(1,600)
Other	31,000	121,616	90,616
Interest	1,500	2,011	511
Total revenues	<u>1,632,484</u>	<u>1,800,601</u>	<u>168,117</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	1,687,847	1,623,117	64,730
Capital outlay:			
Culture and recreation	146,400	70,754	75,646
Total expenditures	<u>1,834,247</u>	<u>1,693,871</u>	<u>140,376</u>
Excess/(Deficiency) of revenues over (under) expenditures	<u>(201,763)</u>	<u>106,730</u>	<u>308,493</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	125,000	50,000	(75,000)
Total Other Financing Sources	<u>125,000</u>	<u>50,000</u>	<u>(75,000)</u>
Net change in fund balances	(76,763)	156,730	233,493
Fund balances - beginning	983,435	983,435	-
Fund balances - ending	<u>\$ 906,672</u>	<u>\$ 1,140,165</u>	<u>\$ 233,493</u>

**City of Boerne, Texas**  
**Library Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended September 30, 2014**

	<b>FINAL BUDGETED AMOUNTS</b>	<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>			
Ad valorem taxes	\$ 590,122	\$ 604,162	\$ 14,040
Special revenues	38,500	43,310	4,810
Grants	3,295	3,795	500
Contributions	237,661	302,805	65,144
Other	4,500	945	(3,555)
Interest on investments	800	1,610	810
Total revenues	<u>874,878</u>	<u>956,627</u>	<u>81,749</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation	926,295	924,517	1,778
Capital outlay:			
Culture and recreation	53,145	52,928	217
Total expenditures	<u>979,440</u>	<u>977,445</u>	<u>1,995</u>
Excess/(Deficiency) of revenues over (under) expenditures	<u>(104,562)</u>	<u>(20,818)</u>	<u>83,744</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(104,562)	(20,818)	(83,744)
Fund balances - beginning	489,174	489,174	-
Fund balances - ending	<u>\$ 384,612</u>	<u>\$ 468,356</u>	<u>\$ (83,744)</u>

**City of Boerne, Texas**  
**Economic Development - Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended September 30, 2014**

	<b>FINAL BUDGETED AMOUNTS</b>	<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>			
Interest on investments	\$ 150	\$ 210	\$ 60
Total revenues	<u>150</u>	<u>210</u>	<u>60</u>
<b>EXPENDITURES</b>			
Current:			
Economic development	353,901	309,541	44,360
Capital outlay:			
Economic development	195,749	-	195,749
Total expenditures	<u>549,650</u>	<u>309,541</u>	<u>240,109</u>
Excess/(Deficiency) of revenues over/ (under) expenditures	<u>(549,500)</u>	<u>(309,331)</u>	<u>240,169</u>
<b>OTHER FINANCING (USES)</b>			
Transfers in	549,500	552,520	3,020
Total other financing (uses)	<u>549,500</u>	<u>552,520</u>	<u>3,020.00</u>
Net change in fund balances	-	243,189	243,189
Fund balances - beginning	445,220	445,220	-
Fund balances - ending	<u>\$ 445,220</u>	<u>\$ 688,409</u>	<u>\$ 243,189</u>

**City of Boerne, Texas**  
**2009 General Obligation Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**From Inception and for the Year Ended September 30, 2014**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
G.O. Bond proceeds - General Fund	\$ 3,051,400	-	\$ 3,051,400	\$ 3,051,400
G.O. Bond proceeds - Parks Fund	2,276,200	-	2,276,200	2,276,200
G.O. Bond proceeds - Library Fund	4,612,400	-	4,612,400	4,612,400
Contributions/Donations - Library	1,557,701	-	1,557,701	2,000,000
Interest on investments	25,907	185	26,092	25,203
Total revenues	<u>11,523,608</u>	<u>185</u>	<u>11,523,793</u>	<u>11,965,203</u>
<b>EXPENDITURES</b>				
Bond Issuance Costs	282,266	-	282,266	282,266
Engineering - General Fund	127,178	-	127,178	-
Engineering - Parks Fund	181,749	18,028	199,777	-
Engineering - Library Fund	106,940	-	106,940	-
Engineering - Sidewalks	87,617	-	87,617	-
Capital outlay:				
General Government - Public Safety	2,874,061	13,535	2,887,596	3,070,000
General Government - Culture & Recreation	8,862,889	327,229	9,190,118	10,212,890
Total expenditures	<u>12,522,700</u>	<u>358,792</u>	<u>12,881,492</u>	<u>13,565,156</u>
Excess/(Deficiency) of revenues over/ (under) expenditures	<u>(999,092)</u>	<u>(358,607)</u>	<u>(1,357,699)</u>	<u>(1,599,953)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 1,259,412	\$ -	\$ 1,259,412	\$ 1,259,412
Transfers out	(3,023)	-	(3,023)	(3,023)
Premium on General Obligation bonds issued	345,289	-	345,289	345,289
Total other financing sources (uses)	<u>1,601,678</u>	<u>-</u>	<u>1,601,678</u>	<u>1,601,678</u>
Net change in fund balances	<u>\$ 602,586</u>	<u>(358,607)</u>	<u>\$ 243,979</u>	<u>\$ 1,725</u>
Fund balances - beginning		<u>602,585</u>		
Fund balances - ending		<u>\$ 243,978</u>		

**City of Boerne, Texas**  
**2012 Tax Notes Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**From Inception and for the Year Ended September 30, 2014**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Tax Notes proceeds	\$ 1,540,000	\$ -	\$ 1,540,000	\$ 1,529,500
Interest on investments	630	43	673	2,000
Total revenues	<u>1,540,630</u>	<u>43</u>	<u>1,540,673</u>	<u>1,531,500</u>
 <b>EXPENDITURES</b>				
Bond Issuance costs	15,340	-	15,340	2,000
Capital outlay:				
Highways and Streets	178,942	-	178,942	180,000
Public Safety	630,780	2,028	632,808	814,500
Total expenditures	<u>825,062</u>	<u>2,028</u>	<u>827,090</u>	<u>996,500</u>
 Excess of revenues over expenditures	 715,568	 (1,985)	 713,583	 535,000
 <b>Other Financing uses:</b>				
Transfers out	<u>(529,512)</u>	<u>-</u>	<u>(529,512)</u>	<u>(535,000)</u>
 Net change in fund balances	 <u>\$ 186,056</u>	 <u>(1,985)</u>	 <u>\$ 184,071</u>	 <u>\$ -</u>
Fund balances - beginning		186,056		
Fund balances - ending		<u>\$ 184,071</u>		

**City of Boerne, Texas**  
**Cemetery Permanent Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
**Year Ended September 30, 2014**

	<b>FINAL BUDGETED AMOUNTS</b>	<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)</b>
<b>REVENUES:</b>			
Special revenues			
Lot sales	\$ 55,000	\$ 85,615	\$ 30,615
Urn Garden sales	5,000	7,615	2,615
Other - Endowment revenue	200	27,723	27,523
Endowment interest	500	105	(395)
Interest	400	2,967	2,567
Total revenues	<u>61,100</u>	<u>124,025</u>	<u>62,925</u>
<b>EXPENDITURES:</b>			
Personnel	48,737	47,731	1,006
Supplies	3,000	2,858	142
General	1,000	365	635
Maintenance	3,650	254	3,396
Contractual	8,966	7,257	1,709
Capital outlay	500	-	500
Total expenditures	<u>65,853</u>	<u>58,465</u>	<u>7,388</u>
Net change in fund balance	(4,753)	65,560	70,313
Fund balances - beginning	<u>675,859</u>	<u>675,859</u>	-
Fund balances - ending	<u>\$ 671,106</u>	<u>\$ 741,419</u>	<u>\$ 70,313</u>

**City of Boerne, Texas**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Fund**  
**Year Ended September 30, 2014**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 2,142	\$ 4,590	\$ (4,569)	\$ 2,163
Total Assets	<u>\$ 2,142</u>	<u>\$ 4,590</u>	<u>\$ (4,569)</u>	<u>\$ 2,163</u>
<b>Liabilities:</b>				
Accounts payable	\$ 2,142	\$ 6,097	\$ (6,076)	\$ 2,163
Total Liabilities	<u>\$ 2,142</u>	<u>\$ 6,097</u>	<u>\$ (6,076)</u>	<u>\$ 2,163</u>

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## STATISTICAL SECTION

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

<b>Contents</b>	<b>Page</b>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	99
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and the Electric Utility Sales revenue.	101
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	106
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	111
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	113

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year.

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City of Boerne, Texas  
 Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013 *	2014
<b>Governmental activities</b>										
Net investment in capital assets	\$ 10,978,077	\$ 12,146,641	\$ 13,869,142	\$ 16,273,769	\$ 15,846,052	\$ 18,000,161	\$ 19,450,251	\$ 19,571,756	\$ 18,157,123	\$ 19,046,817
Restricted	736,563	854,883	1,055,492	1,141,717	1,181,650	1,566,068	1,645,612	1,829,410	1,972,707	3,597,587
Unrestricted	3,067,931	4,258,455	5,232,395	5,609,828	6,991,345	8,173,245	5,338,306	6,341,545	6,738,731	7,608,138
Total governmental activities net position	\$ 14,782,571	\$ 17,259,979	\$ 20,157,029	\$ 23,025,314	\$ 24,019,047	\$ 27,739,474	\$ 26,434,169	\$ 27,742,711	\$ 26,868,561	\$ 30,252,542
<b>Business-type activities</b>										
Net investment in capital assets	\$ 16,399,643	\$ 20,565,320	\$ 24,431,090	\$ 28,765,087	\$ 29,968,615	\$ 29,313,411	\$ 27,450,008	\$ 19,244,222	\$ 26,963,246	\$ 29,206,459
Restricted	543,743	1,206,047	1,404,804	1,516,531	1,407,517	1,764,788	2,388,744	2,778,849	3,118,441	3,165,146
Unrestricted	7,675,766	6,411,229	6,702,365	7,719,283	9,650,484	12,765,404	15,299,718	26,491,187	18,557,728	20,521,968
Total business-type activities net position	\$ 24,619,152	\$ 28,182,596	\$ 32,538,259	\$ 38,000,901	\$ 41,026,616	\$ 43,843,603	\$ 45,138,470	\$ 48,514,258	\$ 48,639,415	\$ 52,893,573
<b>Primary government</b>										
Net investment in capital assets	\$ 27,377,720	\$ 32,711,961	\$ 38,300,232	\$ 45,038,856	\$ 45,814,667	\$ 47,313,572	\$ 46,900,259	\$ 38,815,978	\$ 45,120,369	\$ 48,253,276
Restricted	1,280,306	2,060,930	2,460,296	2,658,248	2,589,167	3,330,856	4,034,356	4,608,259	5,091,148	6,762,733
Unrestricted	10,743,697	10,669,684	11,934,760	13,329,111	16,641,829	20,938,649	20,638,024	32,832,732	25,296,459	28,130,106
Total primary government net position	\$ 39,401,723	\$ 45,442,575	\$ 52,695,288	\$ 61,026,215	\$ 65,045,663	\$ 71,583,077	\$ 71,572,639	\$ 76,256,969	\$ 75,507,976	\$ 83,146,115

\* Restated for the implementation of GASB 65

**City of Boerne, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental activities:										
General government	\$ 1,329,529	\$ 1,746,401	\$ 2,678,132	\$ 2,131,444	\$ 1,971,855	\$ 2,530,904	\$ 2,453,996	\$ 2,604,602	\$ 2,510,530	\$ 3,007,864
Public safety	3,416,563	3,835,578	4,503,790	4,892,745	5,798,082	6,308,002	7,310,411	7,323,674	7,869,498	8,835,090
Highways & streets	1,663,321	1,638,797	1,602,576	2,001,546	1,927,992	2,006,388	2,216,205	2,158,471	2,266,961	2,357,844
Economic Development	273,982	270,647	251,445	279,057	375,069	406,730	396,847	409,890	436,306	761,734
Culture & recreation	1,509,010	1,711,859	1,850,645	2,168,831	2,396,489	2,421,140	3,170,061	3,000,519	4,340,210	5,091,619
Interest on long term debt	270,160	252,638	231,234	987,906	900,390	1,320,546	1,293,803	1,121,400	1,131,656	1,104,084
Total governmental activities expenses	\$ 8,462,565	\$ 9,455,920	\$ 11,117,822	\$ 12,461,529	\$ 13,369,877	\$ 14,993,710	\$ 16,841,323	\$ 16,618,556	\$ 18,555,161	\$ 21,158,235
Business-type activities:										
Electric	\$ 8,682,647	\$ 10,904,849	\$ 10,240,412	\$ 12,598,026	\$ 12,502,141	\$ 12,369,579	\$ 12,861,039	\$ 12,593,722	\$ 12,262,199	\$ 14,159,182
Water	1,874,706	2,088,213	2,397,117	3,183,931	3,664,574	4,077,894	4,569,970	4,624,902	4,572,830	4,418,399
Wastewater	1,392,131	1,463,584	1,709,502	2,101,301	2,261,011	2,708,628	3,775,324	4,262,799	5,182,105	6,178,373
Gas	1,309,958	1,372,846	1,640,516	1,796,011	1,720,871	2,155,397	1,679,275	1,632,058	1,659,027	1,992,137
Garbage	325,085	362,108	381,482	444,013	486,104	498,007	536,432	568,090	586,371	598,292
Total business-type activities expenses	13,584,527	16,191,600	16,369,029	20,123,282	20,634,701	21,809,505	23,422,040	23,681,571	24,262,532	27,346,368
Total primary government expenses	\$ 22,047,092	\$ 25,647,520	\$ 27,486,851	\$ 32,584,811	\$ 34,004,578	\$ 36,803,215	\$ 40,263,363	\$ 40,300,127	\$ 42,817,693	\$ 48,504,618
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 368,151	\$ 665,473	\$ 1,187,301	\$ 765,420	\$ 520,576	\$ 526,149	\$ 533,006	\$ 537,833	\$ 554,101	\$ 591,838
Public safety	1,491,647	1,606,713	1,828,392	1,959,546	1,736,155	1,809,486	1,782,196	1,901,382	2,137,987	2,589,549
Highways & streets	965,598	984,758	1,113,795	1,208,548	1,424,739	1,436,637	1,507,087	1,503,413	1,594,537	1,767,766
Culture & recreation	443,337	477,922	629,094	487,010	483,361	463,942	527,594	489,884	498,018	542,087
Total charges for services	3,268,733	3,734,866	4,758,582	4,420,524	4,164,831	4,236,214	4,349,882	4,432,512	4,784,643	5,491,240
Operating grants and contributions	-	-	-	164,904	460,728	461,943	523,219	587,686	579,134	599,513
Capital grants and contributions	695,435	1,034,447	1,272,209	1,959,145	196,322	3,978,553	347,907	252,050	534,403	5,781,669
Total governmental activities program revenues	\$ 3,964,168	\$ 4,769,313	\$ 6,030,791	\$ 6,544,573	\$ 4,821,881	\$ 8,676,710	\$ 5,221,008	\$ 5,272,248	\$ 5,898,180	\$ 11,872,422
Business-type activities:										
Charges for services:										
Electric	\$ 9,395,939	\$ 11,131,645	\$ 10,785,574	\$ 13,334,922	\$ 14,105,684	\$ 13,542,999	\$ 13,721,849	\$ 14,331,712	\$ 13,571,874	\$ 15,214,937
Water	1,911,308	2,641,718	2,368,181	2,990,178	3,336,403	3,287,331	4,198,571	4,067,670	4,271,406	4,447,030
Wastewater	1,296,961	1,473,423	1,568,758	2,074,367	2,651,909	3,230,305	3,439,563	3,767,118	3,748,289	3,906,546
Gas	1,227,711	1,418,348	1,465,137	1,680,600	1,528,691	1,866,484	1,634,740	1,523,688	1,513,893	2,075,464
Garbage	354,508	398,221	434,375	475,735	513,080	526,885	549,714	583,393	624,917	647,758
Total charges for services	14,186,427	17,063,355	16,622,025	20,555,802	22,135,767	22,454,004	23,544,437	24,273,581	23,730,379	26,291,735
Operating grants and contributions	-	-	-	4,612	-	62,611	95,550	212,916	23,537	28,959
Capital grants and contributions	1,347,874	2,340,939	3,216,124	4,508,717	1,394,783	2,093,451	1,157,061	2,659,318	1,380,320	5,780,513
Total business-type activities program revenues	15,534,301	19,404,294	19,838,149	25,069,131	23,530,550	24,610,066	24,797,048	27,145,815	25,134,236	32,101,207
Total primary government program revenues	\$ 19,498,469	\$ 24,173,607	\$ 25,868,940	\$ 31,613,704	\$ 28,352,431	\$ 33,286,776	\$ 30,018,056	\$ 32,418,063	\$ 31,032,416	\$ 43,973,629
Net (expense)/revenue	\$ (4,498,397)	\$ (4,686,607)	\$ (5,087,031)	\$ (5,916,956)	\$ (8,547,996)	\$ (6,317,000)	\$ (11,620,315)	\$ (11,346,308)	\$ (12,656,981)	\$ (9,285,813)
Governmental activities	1,949,774	3,212,694	3,469,120	4,945,849	2,895,849	2,800,561	1,375,008	3,464,244	871,704	4,754,824
Business-type activities	<u>\$ (2,548,623)</u>	<u>\$ (1,473,913)</u>	<u>\$ (1,617,911)</u>	<u>\$ (971,107)</u>	<u>\$ (5,652,147)</u>	<u>\$ (3,516,439)</u>	<u>\$ (10,245,307)</u>	<u>\$ (7,882,064)</u>	<u>\$ (11,785,277)</u>	<u>\$ (4,530,989)</u>

**City of Boerne, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
\$ 2,322,815	\$ 2,616,369	\$ 3,021,235	\$ 3,718,880	\$ 4,546,162	\$ 4,904,034	\$ 4,834,525	\$ 5,065,159	\$ 5,546,182	\$ 5,883,300	
3,188,112	3,600,998	3,831,390	4,194,543	4,368,109	4,474,155	4,832,704	4,739,388	5,313,433	5,460,798	
237,287	273,511	319,351	346,290	356,673	377,530	379,218	420,617	468,556	498,886	
217,143	244,885	255,452	-	-	-	-	-	-	-	
130,549	257,392	358,582	225,597	93,482	24,553	11,443	6,112	17,378	29,965	
75,744	70,860	148,071	247,055	124,427	204,279	104,244	2,272,313	158,036	243,969	
-	100,000	50,000	52,876	52,876	52,876	152,876	151,261	450,816	552,876	
\$ 6,171,650	\$ 7,164,015	\$ 7,984,081	\$ 8,785,241	\$ 9,541,729	\$ 10,037,427	\$ 10,315,010	\$ 12,654,850	\$ 11,954,401	\$ 12,669,794	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
188,301	450,750	936,543	569,669	182,742	69,302	72,735	51,865	45,063	52,210	
-	-	-	-	-	-	-	10,940	22,097	-	
-	(100,000)	(50,000)	(52,876)	(52,876)	(52,876)	(152,876)	(151,261)	(450,816)	(552,876)	
188,301	350,750	886,543	516,793	129,866	16,426	(80,141)	(88,456)	(383,656)	(500,666)	
\$ 6,359,951	\$ 7,514,765	\$ 8,870,624	\$ 9,302,034	\$ 9,671,595	\$ 10,053,853	\$ 10,234,869	\$ 12,566,394	\$ 11,570,745	\$ 12,169,128	

\$ 1,673,253	\$ 2,477,408	\$ 2,897,050	\$ 2,868,285	\$ 993,733	\$ 3,720,427	\$ (1,305,305)	\$ 1,308,542	\$ (702,580)	\$ 3,383,981
2,138,075	3,563,444	4,355,663	5,462,642	3,025,715	2,816,987	1,294,867	3,375,788	488,048	4,254,158
\$ 3,811,328	\$ 6,040,852	\$ 7,252,713	\$ 8,330,927	\$ 4,019,448	\$ 6,537,414	\$ (10,438)	\$ 4,684,330	\$ (214,532)	\$ 7,638,139

**General Revenues and Other Changes in Net Position**

Governmental activities:	
Taxes	
Property taxes	
Sales taxes	
Other taxes	
Unrestricted Grants and contributions	
Unrestricted investment earnings	
Miscellaneous	
Transfers	
Total governmental activities	
Business-type activities:	
Unrestricted Grants and contributions	
Unrestricted investment earnings	
Miscellaneous	
Transfers	
Total business-type activities	
Total primary government	

Change in Net Position	
Governmental activities	
Business-type activities	
Total primary government	

**City of Boerne, Texas**  
**General Government Tax Revenues by Source**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Ad Valorem Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Total</b>
2005	2,322,815	3,188,112	1,188,271	6,699,198
2006	2,616,369	3,600,998	1,263,181	7,480,548
2007	3,021,235	3,831,390	1,430,770	8,283,395
2008	3,718,880	4,194,543	1,562,623	9,476,046
2009	4,546,162	4,368,109	1,804,527	10,718,798
2010	4,825,698	4,135,773	1,827,711	10,789,182
2011	4,768,108	4,447,723	1,929,954	11,145,785
2012	5,040,616	4,765,341	1,966,300	11,772,257
2013	5,548,012	5,243,148	2,087,618	12,878,778
2014	5,869,666	5,420,528	2,297,457	13,587,651

City of Boerne, Texas  
Fund Balances of Government Funds  
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund	-	-	-	-	-	-	-	\$ 154,143	\$ 233,957	\$ 181,694
Restricted	-	-	-	-	-	-	-	-	-	1,550,000
Nonspendable	2,834,533	3,943,717	4,976,203	5,548,186	5,762,758	5,416,495	4,742,104	5,937,743	6,863,709	5,636,863
Unassigned	\$ 2,834,533	\$ 3,943,717	\$ 4,976,203	\$ 5,548,186	\$ 5,762,758	\$ 5,416,495	\$ 4,742,104	\$ 6,091,886	\$ 7,097,666	\$ 7,368,557
Total general fund										
All other government funds										
Restricted	\$ 868,222	\$ 448,893	\$ 11,709,231	\$ 11,631,396	\$ 6,958,652	\$ 10,334,535	\$ 3,894,842	\$ 1,873,798	\$ 1,851,532	\$ 1,552,523
Assigned	304,662	383,412	408,809	468,657	783,360	1,106,521	1,305,767	1,345,188	1,917,829	2,296,930
Nonspendable	531,147	536,518	530,817	561,294	504,380	545,176	608,629	634,857	675,859	741,419
Total all other government funds	\$ 1,704,031	\$ 1,368,823	\$ 12,648,857	\$ 12,661,347	\$ 8,246,392	\$ 11,986,232	\$ 5,809,238	\$ 3,853,843	\$ 4,445,220	\$ 4,590,872

1) The changes in fund balances are explained in more detail in Management's Discussion and Analysis.

**City of Boerne, Texas**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues:</b>										
Ad valorem taxes	\$ 2,322,815	\$ 2,616,369	\$ 3,021,235	\$ 3,718,880	\$ 4,446,346	\$ 4,825,698	\$ 4,768,108	\$ 5,040,616	\$ 5,548,012	\$ 5,869,666
Sales tax	3,188,112	3,600,998	3,831,390	4,194,543	4,053,884	4,135,773	4,447,723	4,765,341	5,243,148	5,420,528
Hotel-Motel tax	237,287	273,511	319,351	346,290	356,673	377,530	379,218	420,617	468,556	498,886
Library, parks & swimming revenues	163,510	272,090	295,434	375,370	435,973	447,425	520,690	545,724	575,268	635,317
Franchise fees	1,188,271	1,263,181	1,430,770	1,562,623	1,804,527	1,827,711	1,929,954	1,966,300	2,087,618	2,297,457
Licenses & permits	392,645	610,397	577,948	471,065	276,536	333,791	404,746	451,526	526,713	934,541
Fines	313,704	304,178	338,196	352,402	315,780	374,193	334,505	287,541	347,142	316,436
Rents	168,448	152,868	119,330	124,651	132,811	130,542	107,419	72,854	61,020	62,147
Grants	133,535	324,051	1,058,694	63,476	119,107	350,981	53,364	9,093	105,094	32,647
Contributions & donations	1,029,513	1,031,958	1,165,166	1,394,326	1,535,676	2,806,287	1,879,470	1,685,023	1,807,408	1,937,632
Miscellaneous	158,725	62,519	124,448	230,159	115,670	185,382	104,244	306,170	146,263	276,474
Interest earned	141,367	278,420	387,078	626,984	237,738	56,981	24,054	12,341	17,378	29,964
<b>Total revenues</b>	<b>\$ 9,437,932</b>	<b>\$ 10,790,540</b>	<b>\$ 12,669,040</b>	<b>\$ 13,460,769</b>	<b>\$ 13,830,721</b>	<b>\$ 15,852,294</b>	<b>\$ 14,953,495</b>	<b>\$ 15,563,146</b>	<b>\$ 16,933,620</b>	<b>\$ 18,311,695</b>
<b>Expenditures:</b>										
General government	\$ 1,042,526	\$ 1,484,043	\$ 2,434,201	\$ 1,935,132	\$ 1,706,485	\$ 1,843,755	\$ 1,884,531	\$ 2,155,208	\$ 2,154,800	\$ 2,619,570
Public safety	3,091,327	3,410,325	3,962,619	4,330,994	5,206,189	5,786,130	6,116,646	6,472,489	6,845,431	7,624,418
Highways & streets	914,948	976,597	926,341	1,142,966	1,140,925	1,171,132	1,286,214	1,236,591	1,408,011	1,427,229
Economic development	270,281	260,997	250,219	279,057	375,069	394,149	393,428	405,257	422,791	757,666
Culture & recreation	1,150,855	1,306,018	1,406,399	1,615,509	1,892,255	1,924,468	2,029,605	2,252,021	2,375,379	2,547,634
Capital outlay	2,542,146	1,656,390	6,610,963	1,836,295	5,979,088	9,494,253	8,256,048	3,874,870	2,024,439	1,128,183
Debt service										
Principal	1,100,000	770,000	805,000	800,000	885,000	650,000	715,000	950,000	965,000	1,235,000
Interest and fees	274,764	260,535	166,327	1,006,115	907,726	1,551,892	1,293,047	1,163,324	1,149,912	1,108,328
<b>Total expenditures</b>	<b>\$ 10,386,847</b>	<b>\$ 10,124,905</b>	<b>\$ 16,562,069</b>	<b>\$ 12,946,068</b>	<b>\$ 18,092,737</b>	<b>\$ 22,815,779</b>	<b>\$ 21,974,519</b>	<b>\$ 18,509,760</b>	<b>\$ 17,345,763</b>	<b>\$ 18,448,028</b>
Excess of revenues over (under) expenditures	\$ (948,915)	\$ 665,635	\$ (3,893,029)	\$ 514,701	\$ (4,262,016)	\$ (6,963,485)	\$ (7,021,024)	\$ (2,946,614)	\$ (412,143)	\$ (136,333)
<b>Other financing sources (uses):</b>										
Issuance of Bonds/Notes	\$ 489,500	\$ -	\$ 16,131,926	\$ -	\$ -	\$ 10,285,289	\$ -	\$ 40,714	\$ 1,540,000	\$ -
Transfers from other funds	734,000	470,100	298,265	701,385	374,231	329,138	1,485,164	501,767	1,353,597	885,694
Transfers to other funds	(734,000)	(370,100)	(248,265)	(648,509)	(321,355)	(276,262)	(1,332,288)	(348,891)	(902,781)	(332,818)
Sale of capital assets	2,451	8,341	23,623	16,896	8,757	18,897	16,763	2,147,411	18,484	-
<b>Total other financing sources (uses)</b>	<b>\$ 489,500</b>	<b>\$ 100,000</b>	<b>\$ 16,181,926</b>	<b>\$ 52,876</b>	<b>\$ 52,876</b>	<b>\$ 10,338,165</b>	<b>\$ 169,639</b>	<b>\$ 2,341,001</b>	<b>\$ 2,009,300</b>	<b>\$ 552,876</b>
<b>Net change in fund balances</b>	<b>\$ (459,415)</b>	<b>\$ 765,635</b>	<b>\$ 12,288,897</b>	<b>\$ 567,577</b>	<b>\$ (4,209,140)</b>	<b>\$ 3,374,680</b>	<b>\$ (6,851,385)</b>	<b>\$ (605,613)</b>	<b>\$ 1,597,157</b>	<b>\$ 416,543</b>
Debt service as a percentage of non-capital expenditures	17.11%	11.90%	9.54%	16.26%	14.75%	19.73%	14.64%	14.33%	13.60%	13.37%

**City of Boerne, Texas  
General Fund Tax Revenues by Source  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Ad Valorem Taxes</b>	<b>City Sales Tax</b>	<b>Franchise Tax</b>	<b>Total</b>
2004	521,578	2,892,247	1,035,278	4,449,103
2005	542,690	3,188,112	1,188,271	4,919,073
2006	778,012	3,600,998	1,263,181	5,642,191
2007	900,009	3,831,390	1,430,770	6,162,169
2008	845,019	4,194,543	1,562,623	6,602,185
2009	1,155,771	4,053,884	1,804,527	7,014,182
2010	1,197,187	4,135,773	1,827,711	7,160,671
2011	1,268,845	4,447,723	1,929,954	7,646,522
2012	1,488,223	4,765,341	1,966,300	8,219,864
2013	1,891,238	5,243,148	2,087,618	9,222,004
2014	1,911,144	5,420,528	2,297,457	9,629,129

Note: The above figures are for the General Fund.

**City of Boerne, Texas**  
**Business-type Activities - Electric Revenues by Source**  
**Last Ten Fiscal Years**

Fiscal Year	Residential Sales	Commercial Sales	Total Electric Sales	Primary Extensions	Penalties	Connection fees	Other	Total Revenues
2005	3,539,058	5,411,519	8,950,577	212,060	90,952	22,072	120,278	9,395,939
2006	4,245,213	6,480,440	10,725,653	165,619	100,799	5,766	133,808	11,131,645
2007	3,809,328	6,294,991	10,104,319	399,006	104,331	2,143	175,775	10,785,574
2008	4,868,280	7,802,033	12,670,313	292,411	118,088	8,867	245,243	13,334,922
2009	5,398,123	8,144,584	13,542,707	176,569	129,076	1,439	255,893	14,105,684
2010	5,079,463	7,779,938	12,859,401	327,665	125,792	2,102	520,497	13,835,457
2011	5,247,193	8,036,841	13,284,034	89,869	118,134	1,303	255,529	13,748,869
2012	5,260,906	8,535,408	13,796,314	136,890	122,186	1,976	296,426	14,353,792
2013	4,977,063	8,063,997	13,041,060	119,890	120,164	3,041	370,521	13,654,676
2014	5,893,977	8,681,280	14,575,257	252,053	124,342	2,105	675,928	15,629,685

**City of Boerne, Texas**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year Ended September 30	Real Property		Personal Property Assessed Value	Less: Tax Exempt Real Property	Taxable Assessed Value	Direct Tax Rate (1)	Actual Taxable Value	Percentage of Assessed to Actual Value (2)
	Residential Assessed Value	Commercial Assessed Value						
2005	330,926,663	258,630,854	62,129,428	133,632,607	518,054,338	0.4422	518,054,338	100.00
2006	424,384,354	241,839,121	65,319,221	141,724,523	589,818,173	0.4422	589,818,173	100.00
2007	493,632,512	269,087,685	65,082,640	151,736,960	676,065,877	0.4422	676,065,877	100.00
2008	639,451,065	310,416,827	65,865,630	196,736,874	818,996,648	0.4422	818,996,648	100.00
2009	772,507,102	363,532,754	85,509,980	229,124,788	992,425,048	0.4422	992,425,048	100.00
2010	849,104,764	418,215,780	95,938,380	280,198,433	1,083,060,491	0.4422	1,083,060,491	100.00
2011	823,207,597	425,211,568	90,414,470	260,206,640	1,078,626,995	0.4422	1,078,626,995	100.00
2012	933,608,580	459,605,741	97,593,970	393,317,887	1,097,490,404	0.4520	1,097,490,404	100.00
2013	811,357,700	662,935,880	109,964,730	384,246,493	1,200,011,817	0.4720	1,200,011,817	100.00
2014	845,949,030	680,011,960	125,695,330	384,442,497	1,267,213,823	0.4720	1,267,213,823	100.00

The above information was obtained from the Kendall Appraisal District.

Notes: (1) Tax rates are per \$100 of assessed value.

(2) Excludes tax-exempt property.

**City of Boerne, Texas**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**(Per \$100 of Assessed Value)**  
**Last Ten Fiscal Years**

Fiscal Year	City of Boerne						Overlapping Rates						Total Direct & Overlapping Rates
	City of Boerne			School District			County			Total County Rate			
	Operating Rate	Debt Service Rate	Total City Rate	Operating Rate	Debt Service Rate	Total School Rate	Operating Rate	Debt Service Rate	Total County Rate				
2005	0.2778	0.1644	0.4422	1.4550	0.1650	1.6600	0.3501	0.0199	0.3700	2.4822			
2006	0.2850	0.1572	0.4422	1.4550	0.2850	1.7400	0.3401	0.0299	0.3700	2.5522			
2007	0.3007	0.1415	0.4422	1.3300	0.2900	1.6200	0.3443	0.0257	0.3700	2.4322			
2008	0.2541	0.1881	0.4422	1.0400	0.2900	1.3300	0.3393	0.0307	0.3700	2.1422			
2009	0.2587	0.1835	0.4422	1.0400	0.2900	1.3300	0.3420	0.0280	0.3700	2.1422			
2010	0.2518	0.1904	0.4422	1.0400	0.2900	1.3300	0.3432	0.0268	0.3700	2.1422			
2011	0.2451	0.1971	0.4422	1.0400	0.2740	1.3140	0.3434	0.0266	0.3700	2.1262			
2012	0.2647	0.1873	0.4520	1.0400	0.2740	1.3140	0.3434	0.0266	0.3700	2.1360			
2013	0.2925	0.1795	0.4720	1.0400	0.2540	1.2940	0.3687	0.0263	0.3950	2.1610			
2014	0.3092	0.1628	0.4720	1.0400	0.2540	1.2940	0.3486	0.0454	0.3940	2.1600			

Sources: The above information was obtained from the respective entity.

**City of Boerne, Texas  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

<u>Taxpayer</u>	2014			2005		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
H.E.B. Grocery Co.	18,290,920	1	1.4%	6,735,732	3	1.26%
Wal-Mart Real Estate Business, TR	\$ 16,663,570	2	1.3%	\$ 15,816,870	1	2.96%
Heller Property LP	14,621,220	3	1.2%	3,065,660	10	0.57%
VBM Acquisition LLC	11,831,720	4	0.9%	-		
Jet Specialty Inc	10,985,240	5	0.9%	-		
Carrington Place I & 11, LP	9,903,170	6	0.8%	5,129,880	5	0.96%
Home Depot	9,595,310	7	0.8%	9,171,900	2	1.72%
Miller Balous	8,309,980	8	0.7%	-		
Cambridge-Boerne Partners, LP	8,198,610	9	0.6%	-		
Starplex	8,058,070	10	0.6%			
Jennings Anderson Ford Sales LTD	-		-	4,804,140	6	0.90%
Duran Paul Simon II	-		-	6,233,793	4	1.17%
The Vistas of Boerne, LTD	-		-	3,980,600	8	0.75%
Cusick Consulting LTD	-		-	3,292,620	9	0.62%
WAS Associates, LTD	-		-	4,401,440	7	0.82%
	<u>\$ 116,457,810</u>		<u>9.2%</u>	<u>\$ 62,632,635</u>		<u>11.73%</u>

Source: Kendall Appraisal District

**City of Boerne, Texas**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended September 30	Tax Roll Year	Total Tax Levy for Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
			Current Taxes Collected	Percent of Levy		Total Tax Collections	Percentage of Levy
2005	2004	2,293,061	2,262,890	98.7%	29,533	2,292,423	100.0%
2006	2005	2,591,044	2,560,685	98.8%	28,642	2,589,327	99.9%
2007	2006	2,985,270	2,933,757	98.3%	49,349	2,983,106	99.9%
2008	2007	3,708,084	3,668,742	98.9%	36,814	3,705,556	99.9%
2009	2008	4,431,905	4,346,628	98.1%	82,685	4,429,313	99.9%
2010	2009	4,753,703	4,662,552	98.1%	86,302	4,748,854	99.9%
2011	2010	4,756,326	4,705,125	98.9%	43,906	4,749,031	99.8%
2012	2011	4,975,957	4,915,337	98.8%	51,687	4,967,024	99.8%
2013	2012	5,510,736	5,429,178	98.5%	59,089	5,488,267	99.6%
2014	2013	5,839,322	5,759,708	98.6%	-	5,759,708	98.6%

**City of Boerne, Texas**  
**Principal Electric Utility Customers by Sales**  
**Current Year and Nine Years Ago**

<u>Utility Customer</u>	<u>2014</u>			<u>2005</u>		
	<u>Electric Sales</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Electric Sales</u>	<u>Rank</u>	<u>Percentage of</u>
	<u>Revenue</u>		<u>Total Electric</u>	<u>Revenue</u>		<u>Total Electric</u>
			<u>Sales</u>			<u>Sales</u>
			<u>Revenues</u>			<u>Revenues</u>
Boerne Independent School District	\$ 982,175	1	25.3%	\$ 468,667	1	5.2%
City of Boerne	740,579	2	19.1%			
Wal-Mart	518,580	3	13.4%	465,468	2	5.2%
Morningside Ministries	447,448	4	11.5%	253,394	4	2.8%
H.E. Butt Supermarket	431,438	5	11.1%	346,748	3	3.9%
The Home Depot	217,559	6	5.6%	226,829	5	2.5%
Healthcare Reit Inc	165,170	7	4.3%			
Alamo Fiesta RV Resort	141,041	8	3.6%	101,737	7	1.1%
Kendall County Auditor	133,112	9	3.4%	79,149	8	0.9%
First Baptist Church	101,178	10	2.6%	70,918	10	0.8%
Benefit Planners	-	-	-	139,374	6	1.6%
Town & Country Manor	-	-	-			
Kendall Inn Hotel Partners	-	-	-	74,258	9	0.8%
	<u>\$ 3,878,280</u>		<u>26.6%</u>	<u>\$ 2,226,542</u>		<u>24.9%</u>

Source: City of Boerne Utilities

**City of Boerne, Texas**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Household Income (1)	Per Capita (1)
	General Obligation Bonds (2)	Tax Notes (2)	Certificates of Obligation (2)	Revenue Bonds	Certificate of Obligation			
2005	3,745,000	1,695,000	855,000	6,665,000	-	12,960,000	3.4%	1,447.56
2006	3,410,000	1,405,000	710,000	13,800,000	-	19,325,000	4.1%	2,110.87
2007	14,535,000	5,795,000	560,000	13,370,000	-	34,260,000	6.9%	3,585.18
2008	14,210,000	5,480,000	400,000	12,870,000	-	32,960,000	6.4%	3,337.38
2009	14,110,000	5,095,000	-	18,730,000	-	37,935,000	7.1%	3,709.30
2010	24,175,289	4,665,000	-	18,243,601	-	47,083,890	8.0%	4,496.60
2011	23,726,477	4,385,000	-	47,363,033	-	75,474,510	12.1%	7,064.26
2012	27,430,427	-	-	46,375,882	-	73,806,309	11.1%	6,644.43
2013	26,384,846	1,540,000	-	45,266,900	-	73,191,746	9.0%	5,825.51
2014	25,353,640	1,300,000	-	44,106,333	-	70,759,973	7.5%	5,344.81

Notes: Specific details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) Income statistics are only available for census years, between census years estimates are used. See Schedule of Demographic and Economic Statistics on page 93 for population data.
- (2) The City's General Obligation, Certificates of Obligation, and Tax Notes are pledged by ad valorem taxes levied upon all taxable property located within the City, within the limitations prescribed by law.

**City of Boerne, Texas**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended September 30,</b>	<b>Gross Bonded Debt</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Per Capita(2)</b>
2005	6,295,000	76,676	6,218,324	1.20%	694.55
2006	5,525,000	106,206	5,418,794	0.92%	591.89
2007	20,890,000	249,975	20,640,025	3.05%	2,159.90
2008	20,090,000	253,889	19,836,111	2.42%	2,008.52
2009	19,205,000	394,333	18,810,667	1.90%	1,839.31
2010	28,840,289	703,138	28,137,151	2.60%	2,687.15
2011	28,111,477	727,129	27,384,348	2.54%	2,563.12
2012	27,430,427	770,881	26,659,546	2.43%	2,400.03
2013	27,924,846	772,228	27,152,618	2.19%	2,161.14
2014	26,653,640	821,729	25,831,911	2.04%	1,951.20

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

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 83 for property value data.
- (2) Population data can be found in the Schedule of Demographic and Economic Statistics on page 93.

**City of Boerne, Texas**  
**Direct and Overlapping Governmental Activities Debt**  
**September 30, 2014**

	<u>Net Debt</u>	<u>Percentage Applicable to City (1)</u>	<u>City's Share of Debt</u>
Kendall County	(1) \$ 12,965,000	32.99%	\$ 42,771
Boerne Ind. School District	(1) 349,611,948	38.71%	1,353,193
Total overlapping debt			<u>1,395,964</u>
City of Boerne	(1) 26,653,640	100.00%	<u>26,653,640</u>
Total direct and overlapping debt			<u><u>\$ 28,049,604</u></u>

(1) As of September 30, 2014

Sources: The above information was obtained from the respective entity.

(1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's and School District's taxable assessed value that is within the City's boundaries and dividing it by the County's and School District's respective total taxable assessed values.

City of Boerne, Texas  
Legal Debt Margin Information  
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$51,805,434	\$58,981,817	\$67,606,588	\$81,899,665	\$99,242,505	\$108,306,049	\$107,862,700	\$109,749,040	\$123,893,228	\$126,721,382
Total net debt applicable to limit	6,218,324	5,418,794	20,640,025	19,836,111	18,810,667	27,791,862	27,052,871	26,069,119	26,642,772	25,358,270
Legal debt margin	\$45,587,110	\$53,563,023	\$46,966,563	\$62,063,554	\$80,431,838	\$80,514,187	\$80,809,829	\$83,679,921	\$97,250,456	\$101,363,112
Total net debt applicable to the limit as a percentage of debt limit	12.00%	9.19%	30.53%	24.22%	18.95%	25.66%	25.08%	23.75%	21.50%	20.01%

Legal Debt Margin Calculation for Fiscal Year 2014

Total assessed value	\$1,267,213,823
Debt limit (10% of total assessed value)	126,721,382
Debt applicable to limit:	
General bonded debt	26,180,000
Less: Amount set aside for repayment of general bonded debt	821,730
Total net debt applicable to limit	<u>25,358,270</u>
Legal debt margin	<u>\$101,363,112</u>

City of Boerne, Texas  
Pledged Revenue Coverage  
Last Ten Fiscal Years

Utility	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Electric:</b>										
Revenues	\$ 9,450,788	\$ 11,252,689	\$ 10,970,496	\$ 13,443,285	\$ 14,134,635	\$ 13,558,392	\$ 13,741,179	\$ 14,346,832	\$ 13,592,854	\$ 15,252,637
Less: Operating Expenses	(8,388,421)	(10,560,701)	(9,856,284)	(12,321,471)	(12,136,454)	(11,964,106)	(12,450,289)	(12,132,292)	(11,698,252)	(13,546,962)
Net Available Revenue	\$ 1,111,417	\$ 691,988	\$ 1,114,212	\$ 1,121,814	\$ 1,998,181	\$ 1,594,286	\$ 1,290,890	\$ 2,214,540	\$ 1,894,602	\$ 1,705,675
<b>Water:</b>										
Revenues	\$ 1,976,311	\$ 2,768,690	\$ 2,576,020	\$ 3,135,571	\$ 3,394,259	\$ 3,367,539	\$ 4,207,917	\$ 4,075,525	\$ 4,283,577	\$ 4,456,288
Less: Operating Expenses	(1,393,534)	(1,652,473)	(1,976,087)	(2,445,934)	(2,862,068)	(2,760,467)	(2,947,661)	(2,846,182)	(2,925,133)	(3,167,299)
Net Available Revenue	\$ 582,777	\$ 1,116,217	\$ 599,933	\$ 689,637	\$ 532,191	\$ 607,072	\$ 1,260,256	\$ 1,229,343	\$ 1,358,444	\$ 1,288,989
<b>Wastewater:</b>										
Revenues	\$ 1,345,113	\$ 1,618,654	\$ 1,944,945	\$ 2,303,613	\$ 2,734,151	\$ 3,264,502	\$ 3,482,521	\$ 3,795,316	\$ 3,759,661	\$ 3,911,613
Less: Operating Expenses	(948,702)	(982,731)	(1,084,586)	(1,222,499)	(1,403,009)	(1,432,880)	(1,498,255)	(1,525,010)	(1,572,710)	(1,753,726)
Net Available Revenue	\$ 396,411	\$ 635,923	\$ 860,359	\$ 1,081,114	\$ 1,331,142	\$ 1,831,622	\$ 1,984,266	\$ 2,270,306	\$ 2,186,951	\$ 2,157,887
<b>Natural Gas:</b>										
Revenues	\$ 1,244,915	\$ 1,468,690	\$ 1,622,887	\$ 1,761,178	\$ 1,541,175	\$ 1,868,336	\$ 1,715,100	\$ 1,524,222	\$ 1,514,274	\$ 2,075,574
Less: Operating Expenses	(1,274,704)	(1,307,860)	(1,347,104)	(1,541,040)	(1,490,342)	(1,816,636)	(1,467,841)	(1,321,356)	(1,330,473)	(1,647,996)
Net Available Revenue	\$ (19,788)	\$ 160,830	\$ 275,783	\$ 220,138	\$ 50,833	\$ 51,700	\$ 247,259	\$ 202,866	\$ 183,801	\$ 427,578
Total Utility Systems Revenues	\$ 14,017,127	\$ 17,108,723	\$ 17,114,348	\$ 20,643,647	\$ 21,804,220	\$ 22,058,769	\$ 23,146,717	\$ 23,741,895	\$ 23,150,366	\$ 25,696,112
Less: Total Utility Systems Operating Expenses	(12,005,361)	(14,503,765)	(14,264,061)	(17,530,944)	(17,891,873)	(17,974,089)	(18,364,046)	(17,824,840)	(17,526,568)	(20,115,983)
Total Utility Systems Net Revenue Available	\$ 2,011,766	\$ 2,604,958	\$ 2,850,287	\$ 3,112,703	\$ 3,912,347	\$ 4,084,680	\$ 4,782,671	\$ 5,917,055	\$ 5,623,798	\$ 5,580,129
Annual Debt Service	\$ 642,559	\$ 972,491	\$ 1,019,949	\$ 1,015,979	\$ 1,132,435	\$ 1,112,931	\$ 2,850,118	\$ 2,841,379	\$ 2,828,657	\$ 2,814,852
Coverage	3.13	2.68	2.79	3.06	3.45	3.67	1.68	2.08	1.99	1.98

\*Note: Excludes depreciation and amortization

**City of Boerne, Texas  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population(1)</b>	<b>Median Household Income(2)</b>	<b>Persons Per Household(1)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate(4)</b>
2005	8,953	42,009	2.62	5,602	3.6
2006	9,155	51,879	2.62	6,030	3.7
2007	9,556	51,879	2.62	6,188	3.8
2008	9,876	51,879	2.62	6,250	3.4
2009	10,227	51,879	2.62	6,300	6.0
2010*	10,471	56,350	2.47	6,637	5.7
2011	10,684	58,175	2.23	6,754	6.6
2012	11,108	60,060	2.23	7,095	5.3
2013	12,564	66,655	2.47	7,206	6.0
2014	13,239	71,052	2.47	7,450	5.2

**Note:**

- (1) City Administration on non-census years
- (2) Only available for census years - other years are estimates
- (3) Boerne Independent School District
- (4) Texas Workforce Commission
- \* Revised to 2010 Census data

**City of Boerne, Texas  
Principal Employers  
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2014</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Principal Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Principal Employment</u>
Boerne Independent School District	915	1	31.53%	644	1	26.97%
H E Butt Grocery Store	354	2	12.20%	250	4	10.47%
Mission Pharmacal	246	3	8.48%	285	3	11.93%
Kendall County	245	4	8.44%	175	6	7.33%
Albany Engineered Composites	240	5	8.27%	-	-	
City of Boerne	233	6	8.03%	165	7	6.91%
WalMart Stores	226	7	7.79%	325	2	13.61%
Toyota of Boerne	187	8	6.44%	-	-	
Mercedes Benz of Boerne	134	9	4.62%	-	-	
The Home Depot	122	10	4.20%	127	8	5.32%
Benefit Planners				200	5	8.38%
Jennings Anderson Ford				115	9	4.82%
Town & Country Manor Nursing Home				102	10	4.27%

Source: City of Boerne Study

**City of Boerne, Texas**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

<u>Function:</u>	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	21	22	25	27	27	18	20	20	21	22
Public Safety:										
Police	29	30	32	33	35	35	34	35	34	36
Animal Control	3	3	3	3	3	3	3	3	3	3
Municipal Court	2	3	3	3	3	3	3	3	3	3
Emergency & Risk	3	3	5	5	5	5	6	7	8	8
Code Enforcement	4	4	4	4	4	8	7	7	7	9
Communications	12	12	12	12	12	12	12	12	13	13
Fire	2	4	5	7	7	13	11	12	12	13
Highways & Streets	16	16	16	18	18	18	18	18	18	18
Culture & Recreation	30	31	33	36	38	39	39	40	37	37
Cemetery	1	1	1	1	1	1	1	1	1	1
Electric	13	17	21	21	21	21	20	20	20	21
Water	12	14	13	16	18	14	13	13	15	15
Sewer	11	11	10	11	13	14	13	13	13	13
Gas	6	5	3	3	3	8	6	6	6	6
<b>Total</b>	<b>165</b>	<b>176</b>	<b>186</b>	<b>200</b>	<b>208</b>	<b>212</b>	<b>206</b>	<b>210</b>	<b>211</b>	<b>218</b>

Source: City of Boerne Personnel Department

**City of Boerne, Texas**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

<u>Function:</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Police</b>										
Physical Arrests	329	458	417	531	459	309	333	362	373	490
Parking Violations	143	102	95	84	32	38	27	32	11	70
Traffic Violations	2,316	3,214	3,374	4,014	3,110	2427	2,498	1,943	2,583	1,986
<b>Fire</b>										
Number of calls (In City)	152	210	251	249	228	295	372	348	271	317
Inspections	356	786	473	1234	1191	1804	1586	1457	2102	1277
<b>Code Enforcement</b>										
Permits issued	1891	2542	2249	1900	1019	1247	1664	1699	1909	2002
<b>Highways &amp; streets</b>										
Streets resurfaced(miles)	2.34	1.93	1.00	2.00	2.00	5.9	2.9	3	4	2.72
Other street repairs (hours)	17,574	16,533	16,827	17,835	17,095	10,072	16,006	16,558	16,839	17,412
<b>Culture &amp; recreation</b>										
Athletic field revenues	\$ 36,071	\$ 43,195	\$ 54,389	\$ 49,581	\$ 31,141	\$ 33,811	\$ 28,333	\$ 25,910	\$ 22,647	\$ 27,881
Community Center events	668	667	696	743	624	574	442	432	371	297
<b>Electric</b>										
New connections	93	81	138	272	49	71	80	102	75	88
Average daily consumptions (kilowatt hours)	305,007	305,127	309,762	323,077	326,890	342,077	354,182	347,317	339,886	362,390
<b>Water</b>										
New connections	247	271	321	267	103	127	112	168	167	172
Average daily consumptions (thousands of gallons)	113,074	129,017	102,792	137,850	140,354	125,796	168,722	161,389	163,363	156,933
<b>Wastewater</b>										
New connections	220	277	280	284	100	113	90	145	148	138
Average daily treatment (thousands of gallons)	80,917	79,754	86,332	90,382	100,205	99,069	107,293	107,217	101,182	113,884
<b>Natural Gas</b>										
New connections	0	0	23	123	59	58	58	54	68	78
Average daily consumptions (thousands of cubic feet)	283	277	323	320	319	455	402	397	386	483

Sources: Various City of Boerne departments

Notes: Indicators are not available for the general government function.

(1) Reporting parameters changed for 2008 to include re-inspections; plan reviews; and public education.

**City of Boerne, Texas**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

<b>Function:</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Public Safety</b>										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	13	13	13	12	14	14	15	15	15	15
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Trucks	5	6	6	8	8	8	8	8	8	9
<b>Highways &amp; streets</b>										
Streets (miles)	43.69	46.02	46.02	49.25	49.25	52.7	52.7	52.7	55.4	59
Streetlights	424	440	500	550	550	559	613	613	613	658
<b>Culture &amp; recreation</b>										
Parks	10	10	11	11	12	12	12	12	12	12
Parks acreage	302.6	302.6	311.6	361.6	401.6	401.6	401.6	401.6	401.6	401.6
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	8	8	8	8	8	8	8	8	8	8
Convention/Community centers	1	1	1	1	1	1	1	1	1	1
<b>Electric</b>										
Number of distribution stations	1	1	2	2	2	2	2	2	2	2
Capacity sold (mega-watt hours)	106.5	111.4	113.0	117.9	119.3	124.9	129.3	126.8	124.1	132.3
<b>Water</b>										
Treatment plants	1	1	1	1	1	1	1	1	1	1
Capacity produced (thousands of gallons)	532,119	560,478	487,316	631,614	600,138	553,636	752,281	676,762	691,667	676,100
<b>Wastewater</b>										
Treatment plants	1	1	1	1	1	1	1	1	2	2
Capacity treated (thousands of gallons)	415,070	291,102	497,579	329,892	314,498	479,507	340,377	361,646	364,256	374,001
<b>Natural Gas</b>										
Gas mains (miles)	41	43	44.6	50.43	54.65	55.23	55.23	54.35	56.65	57
Capacity sold (thousands of cubic feet)	103,167	101,144	117,883	116,779	116,383	165,970	146,786	145,038	140,711	176,464

Sources: Various City of Boerne departments.

Notes: No capital asset indicators are available for the general government function.

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