

ANNUAL FINANCIAL REPORT
CIBOLO CREEK MUNICIPAL AUTHORITY
GUADALUPE COUNTY, TEXAS
YEAR ENDED SEPTEMBER 30, 2015

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CIBOLO CREEK MUNICIPAL AUTHORITY

BOARD OFFICIALS

PRESIDENT

KEN GREENWALD

VICE PRESIDENT

RICHARD BRAUD

SECRETARY/TREASURER

REGINNA AGEE

DIRECTOR

T. "JAKE" JACOBS

DIRECTOR

BOBBY GREAVES

INDEPENDENT AUDITORS

ABIP, PC

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Independent Auditor's Report

Board of Directors
Cibolo Creek Municipal Authority
Guadalupe County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining fund information of Cibolo Creek Municipal Authority (the Authority), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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.

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, each major fund and the remaining fund

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information of Cibolo Creek Municipal Authority as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance 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 and budgetary comparison information 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 Authority's basic financial statements. The other supplementary information listed as Required Supplementary Information – Texas Requirement is presented for purposes of additional analysis and is 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2016, on our consideration of Cibolo Creek Municipal Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

ABIP, PC

Certified Public Accountants
San Antonio, Texas

January 14, 2016

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**CIBOLO CREEK MUNICIPAL AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015**

This section of Cibolo Creek Municipal Authority’s (Authority) annual audit is a discussion and analysis of the Authority’s financial activities for the fiscal year ended September 30, 2015. Readers are encouraged to consider the information presented here in conjunction with accompanying basic financial statements.

This discussion and analysis is designed to:

- Assist the reader in focusing on significant financial issues
- Provide an overview of the Authority’s financial activity
- Identify changes in the Authority’s financial position (its ability to address subsequent year challenges)
- Identify any material deviations from the approved budget
- Identify individual fund issues or concerns

FINANCIAL HIGHLIGHTS

- The Authority’s assets exceeded its liabilities by \$35,936,060 (net position) for the fiscal year reported. This compares to the previous year when assets exceed liabilities by \$34,221,119.
 1. Net investment in capital assets of \$24,282,490 includes all property and equipment, net of accumulated depreciation, and is reduced for outstanding debt that has been spent for the purchase or construction of these assets.
 2. Net position of \$8,527,033 is restricted by constraints imposed by external sources such as grantors, laws, and regulations.
 3. Unrestricted net position of \$3,126,537 represents the portion available to maintain the Authority’s ongoing obligations to creditors and citizens.
- The Authority’s governmental funds reported combined ending fund balances of \$40,530,028, an increase of \$4,327,872 over the September 30, 2014 fund balance of \$36,202,156.
- At the end of the current fiscal year, the unassigned fund balance for the general fund was \$2,723,249 or 33% of the total general fund expenditures.
- The capital projects fund balance increased by \$6,253,883 due to the issuance of bonds.
- The Authority’s overall debt increased \$5,400,000 or 17.17%.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts:

- Management’s discussion and analysis (this section)
- The basic financial statements
- Required supplementary information

The basic financial statements include two types of statements that present different views of the Authority, government-wide financial statements and fund financial statements.

Government-Wide Financial Statements

These statements provide both long-term and short-term information about the Authority’s overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these two statements is the statement of net position. This is the government-wide statement of financial position presenting information that includes all of the government's assets and liabilities, with the difference between the two reported as net position.

The second government-wide statement is the statement of activities, which reports how the Authority's net position changed during the current fiscal year. All of the current year's revenue and expenses are accounted for in this statement regardless of when cash is received or paid. Thus revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Authority that are principally supported by intergovernmental revenues (governmental activities). The single governmental activity of the Authority is wastewater treatment. The government-wide financial statements can be found on pages 7 and 8 of this report.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the Authority as a whole. 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 Authority, like other state and local governments, uses fund accounting to control and manage money for particular purposes or to show that it is meeting legal responsibilities for using public funds. The focus is on major funds.

The Authority has two types of funds:

Governmental Funds - The general, debt service, and capital projects funds are considered governmental funds and are reported in the fund financial statements and contain essentially the same functions as governmental activities in the government-wide financial statements. These statements provide a short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on schedules immediately following the governmental funds statements that explain the relationship or differences between them.

The basic governmental fund financial statements can be found on pages 9 to 12 of this report.

Internal Service Fund - Internal service funds are an accounting device used to accumulate and allocate costs internally among the Authority's various functions. The Authority uses an internal service fund to account for large unbudgeted emergency expenditures. Services of the internal service fund benefit governmental functions and are included within governmental activities in the government-wide financial statements.

Notes to the Financial Statements

The accompanying notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 to 28 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents a budgetary comparison schedule for the general fund as required supplementary information. This schedule demonstrates compliance with the Authority's adopted and final amended budget. This schedule can be found on pages 31 to 33 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Authority's net position at fiscal year-end is \$35,936,060. This is a \$1,714,941 increase over last year's net position figure of \$34,221,119. The following table provides a summary of the Authority's net position at September 30:

TABLE 1 - SUMMARY OF NET POSITION

	GOVERNMENTAL ACTIVITIES		AMOUNT CHANGE	PERCENTAGE CHANGE
	2014-2015	2013-2014		
Current Assets and Other Assets	\$ 41,417,415	\$ 37,980,139	\$ 3,437,276	9.05%
Capital Assets	<u>32,195,922</u>	<u>29,096,492</u>	<u>3,099,430</u>	10.65
TOTAL ASSETS	<u>73,613,337</u>	<u>67,076,631</u>	<u>6,536,706</u>	9.75
Total Deferred Outflows of Resources	<u>84,586</u>	<u>28,622</u>	<u>55,964</u>	195.53
Other Liabilities	2,327,944	2,974,134	(646,190)	(21.73)
Long Term Liabilities	<u>35,433,919</u>	<u>29,910,000</u>	<u>5,523,919</u>	18.47
TOTAL LIABILITIES	<u>37,761,863</u>	<u>32,884,134</u>	<u>4,877,729</u>	14.83
Net Investment in Capital Assets	24,282,490	20,663,096	3,619,394	17.52
Restricted - Impact Fees	6,869,750	8,149,905	(1,280,155)	(15.71)
Restricted - Debt Service	1,657,283	1,480,026	177,257	11.98
Unrestricted	<u>3,126,537</u>	<u>3,928,092</u>	<u>(801,555)</u>	(20.41)
TOTAL NET POSITION	<u>\$ 35,936,060</u>	<u>\$ 34,221,119</u>	<u>\$ 1,714,941</u>	5.01

The Authority had an increase of governmental revenues of \$813,361, or 9.8%, with expenses increasing \$1,433,790, or 23.94%. The following table provides a summary of the Authority's changes in net position for the year ended September 30:

TABLE 2 - SUMMARY OF CHANGES IN NET POSITION

	GOVERNMENTAL ACTIVITIES		AMOUNT CHANGE	PERCENTAGE CHANGE
	2014-2015	2013-2014		
<u>REVENUES</u>				
Program Revenues				
Service Revenue	\$ 7,239,423	\$ 6,452,922	\$ 786,501	12.19%
Reclaimed Water	36,917	39,802	(2,885)	(7.25)
Impact Fees	1,714,369	1,749,661	(35,292)	(2.02)
Investment Income	13,268	7,893	5,375	68.110
Miscellaneous Revenues	<u>134,883</u>	<u>75,221</u>	<u>59,662</u>	79.32
Total Revenues	<u>9,138,860</u>	<u>8,325,499</u>	<u>813,361</u>	9.77
<u>EXPENSES</u>				
Wastewater Treatment	6,332,686	5,081,975	1,250,711	24.61
Interest and Other Fees	<u>1,091,233</u>	<u>908,154</u>	<u>183,079</u>	20.16
Total Expenses	<u>7,423,919</u>	<u>5,990,129</u>	<u>1,433,790</u>	23.94
Change in Net Position	<u>1,714,941</u>	<u>2,335,370</u>	<u>(620,429)</u>	(26.57)
<u>BEGINNING NET POSITION</u>	<u>34,221,119</u>	<u>31,885,749</u>	<u>2,335,370</u>	7.32
ENDING NET POSITION	<u>\$35,936,060</u>	<u>\$34,221,119</u>	<u>\$1,714,941</u>	5.01

FUND FINANCIAL ANALYSIS

For the fiscal year ended September 30, 2015, the Authority's governmental funds reported combined fund balances of \$40,530,028. Of this year-end total, \$2,723,249 is unassigned indicating availability for continuing the Authority's service requirements. Restricted fund balance is \$37,802,520 and represents amounts dedicated to debt service and capital projects.

Total ending fund balance of governmental funds shows an increase of \$4,327,872 over last year's combined fund balance of \$36,202,156.

Major Governmental Funds

The general fund is the Authority's primary operating fund. This fund is primarily funded through service revenues and impact fees. Other notable revenue sources include reclaimed water revenues and investment income. The general fund supports the Authority's single function; wastewater treatment.

The debt service fund accounts for payments for principal and interest and other fees supporting payment of the Authority's several bonds outstanding. Revenues for this fund come from transfers from the general fund and wastewater service revenues.

The capital projects fund is currently funded through investment income and revenue bonds, which are used to repair, reconstruct, and replace capital assets required for the Authority's operations.

General Fund Budgetary Highlights

The original 2015 adopted budget was approximately \$9.8 million.

The general fund adopted budget was amended during the 2015 fiscal year. The amendments increased budgeted expenditures by approximately \$877,375 mainly for maintenance and repairs and capital outlay.

The general fund budget complied with financial policies approved by the board of directors.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Authority's investment in capital assets, net of accumulated depreciation, as of September 30, 2015, totaled \$29,096,492, net of accumulated depreciation. Investments in capital assets include land, construction in progress, wastewater systems, machinery and equipment, and building improvements. See Note 3 for additional information.

TABLE 3 - CAPITAL ASSETS

	2014-2015	2013-2014	AMOUNT CHANGE	PERCENTAGE CHANGE
Land	\$ 3,010,091	\$ 2,204,074	\$ 806,017	36.57%
Construction in Progress	5,265,902	5,680,345	(414,443)	(7.30)
Wastewater System	32,775,269	29,758,162	3,017,107	10.14
Machinery and Equipment	2,597,486	2,144,612	452,874	21.12
Building Improvements	72,837	72,837	-	-
Accumulated Depreciation	<u>(11,525,663)</u>	<u>(10,763,538)</u>	<u>(762,125)</u>	7.08
 TOTAL CAPITAL ASSETS	 <u>\$32,195,922</u>	 <u>\$29,096,492</u>	 <u>\$ 3,099,430</u>	 10.65

Long-Term Debt

At the end of the fiscal year the Authority had total bonded debt principal outstanding of \$36,855,000 and related interest outstanding \$15,441,202. All bonds are supported by pledged revenue generated by wastewater treatment fees. See Note 5 for additional information.

TABLE 4 - LONG TERM DEBT OUTSTANDING

	<u>2014-2015</u>	<u>2013-2014</u>
Bonds Payable - Principal	\$36,855,000	\$31,455,000
Bonds Payable - Interest	<u>15,441,202</u>	<u>11,515,481</u>
 TOTALS	 <u>\$52,296,202</u>	 <u>\$42,970,481</u>

BUDGET, ECONOMIC ENVIRONMENT, AND PROJECTED PROJECTS

Cibolo Creek Municipal Authority (CCMA) is preparing for a series of upgrades and expansions at the regional water reclamation plant. These improvements are being driven by increasing growth and will provide capacity for future development within CCMA's service area, while at the same time satisfying increasingly stringent environmental standards. This project is being funded partially by Texas Water Development Board Clean Water State Revolving revenue bonds, and partially by impact fees.

CCMA is also making improvements to the wastewater collection system by increasing capacity in a number of interceptor mains and two major lift stations. Increasing capacity within the collection system not only ensures the ability to handle future growth, but also allows CCMA to fulfill requirements of the Sanitary Sewer Overflow Initiative. Both projects are being funded partially by Texas Water Development Board Clean Water State Revolving revenue bonds, and partially by impact fees.

The Board of Directors authorized a yearly stepped service rate increase that will allow CCMA to discontinue the use of impact fees to pay for debt service by FY 2019.

The Southern Plant Project will bring wastewater service to southern Schertz, southern Cibolo, and the Interstate 10 corridor. The need for the Plant is a result of the rapid development of the southern portions of the City of Schertz, anticipated growth along the I-10 corridor, and southern Cibolo. The Project will initially treat up to 500,000 gallons per day, the equivalent of just over 2,000 homes. The Project will be financed by CCMA issued bonds that will be paid for and guaranteed by the City of Schertz.

REQUESTS FOR INFORMATION

This report is designed to provide the board of directors, citizens, customers, bond rating agencies, investors, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

General Manager
Cibolo Creek Municipal Authority
100 Dietz Road
Schertz, Texas 78154
(210) 658-6241

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CIBOLO CREEK MUNICIPAL AUTHORITY
STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES
SEPTEMBER 30, 2015

ASSETS

Cash	\$25,152,024
Investments	15,691,020
Receivables	
Service Accounts	570,112
Prepays	4,259
Capital Assets	
Land	3,010,091
Construction in Progress	5,265,902
Wastewater System	32,775,269
Machinery and Equipment	2,597,486
Building Improvements	72,837
Accumulated Depreciation	<u>(11,525,663)</u>
Total Assets	<u>73,613,337</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	<u>84,586</u>
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LIABILITIES

Accounts Payable	177,198
Accrued Wages Payable	67,825
Compensated Absences	78,398
Accrued Interest Payable	249,523
Noncurrent Liabilities	
Due Within One Year	1,755,000
Due in More Than One Year	<u>35,433,919</u>
Total Liabilities	<u>37,761,863</u>

NET POSITION

Net Investment in Capital Assets	24,282,490
Restricted - Impact Fees	6,869,750
Restricted - Debt Service	1,657,283
Unrestricted	<u>3,126,537</u>
 TOTAL NET POSITION	 <u>\$ 35,936,060</u>

CIBOLO CREEK MUNICIPAL AUTHORITY
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2015

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>	<u>NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION</u>
		<u>CHARGES FOR SERVICES</u>	
Governmental Activities			
Wastewater Treatment	\$ 6,332,686	\$ 8,990,709	\$ 2,658,023
Interest and Other Fees	<u>1,091,233</u>	-	<u>(1,091,233)</u>
Total Governmental Activities	<u>\$ 7,423,919</u>	<u>\$ 8,990,709</u>	1,566,790
<u>General Revenues</u>			
Unrestricted Investment Earnings			13,268
Miscellaneous Revenue			<u>134,883</u>
Change in Net Position			1,714,941
<u>NET POSITION – BEGINNING</u>			<u>34,221,119</u>
NET POSITION – ENDING			<u>\$ 35,936,060</u>

CIBOLO CREEK MUNICIPAL AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	MAJOR FUNDS			TOTAL FUNDS
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	
<u>ASSETS</u>				
Cash	\$ 1,142,888	\$ 753	\$ 24,008,383	\$ 25,152,024
Investments	8,133,355	1,648,197	5,267,104	15,048,656
Receivables				
Service Accounts	561,779	8,333	-	570,112
Prepays	4,259	-	-	4,259
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 9,842,281</u>	<u>\$ 1,657,283</u>	<u>\$ 29,275,487</u>	<u>\$ 40,775,051</u>
 <u>LIABILITIES</u>				
Accounts Payable	\$ 177,198	\$ -	\$ -	\$ 177,198
Accrued Wages Payable	67,825	-	-	67,825
Total Liabilities	<u>245,023</u>	<u>-</u>	<u>-</u>	<u>245,023</u>
 <u>FUND BALANCES</u>				
Nonspendable	4,259	-	-	4,259
Restricted - Impact Fees	6,869,750	-	-	6,869,750
Restricted - Debt Service	-	1,657,283	-	1,657,283
Restricted - Capital Projects	-	-	29,275,487	29,275,487
Unassigned	2,723,249	-	-	2,723,249
Total Fund Balances	<u>9,597,258</u>	<u>1,657,283</u>	<u>29,275,487</u>	<u>40,530,028</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,842,281</u>	<u>\$ 1,657,283</u>	<u>\$ 29,275,487</u>	<u>\$ 40,775,051</u>

CIBOLO CREEK MUNICIPAL AUTHORITY
RECONCILIATION OF BALANCE SHEET
GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 40,530,028

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. 32,195,922

Internal service funds are used by the Authority to manage risk. The assets and liabilities are included with governmental activities in the statement of net position but are not included at the fund level. 642,364

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:

Bonds Payable	(36,855,000)
Premium	(333,919)
Deferred Charge on Refunding (to be Amortized as Interest Expense)	84,586
Accrued Interest Payable	(249,523)
Compensated Absences	<u>(78,398)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 35,936,060

CIBOLO CREEK MUNICIPAL AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2015

	MAJOR FUNDS			TOTAL FUNDS
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	
<u>REVENUES</u>				
Service Revenue	\$ 6,824,081	\$ 415,342	\$ -	\$ 7,239,423
Reclaimed Water	36,917	-	-	36,917
Impact Fees	1,714,369	-	-	1,714,369
Investment Income	4,724	2,674	5,538	12,936
Miscellaneous Revenues	<u>134,883</u>	<u>-</u>	<u>-</u>	<u>134,883</u>
Total Revenues	<u>8,714,974</u>	<u>418,016</u>	<u>5,538</u>	<u>9,138,528</u>
<u>EXPENDITURES</u>				
Wastewater Treatment				
Professional Services	177,367	-	-	177,367
Administration	2,936,225	-	-	2,936,225
OJR Plant	1,333,224	-	-	1,333,224
Collection Systems	246,463	-	-	246,463
Systems Support	377,265	-	-	377,265
Reclaimed Water System	21,828	-	-	21,828
Capital Outlay	3,172,576	-	806,017	3,978,593
Debt Service				
Principal Retirement	-	1,695,000	-	1,695,000
Interest and Fiscal Charges	-	1,044,691	-	1,044,691
Bond Issue Costs	<u>-</u>	<u>76,842</u>	<u>295,433</u>	<u>372,275</u>
Total Expenditures	<u>8,264,948</u>	<u>2,816,533</u>	<u>1,101,450</u>	<u>12,182,931</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>450,026</u>	<u>(2,398,517)</u>	<u>(1,095,912)</u>	<u>(3,044,403)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from Bonds	-	3,830,000	6,950,000	10,780,000
Bond Premium	-	-	345,433	345,433
Payment to Escrow Agent	-	(3,753,158)	-	(3,753,158)
Transfers In	-	2,498,932	54,362	2,553,294
Transfers Out	<u>(2,553,294)</u>	<u>-</u>	<u>-</u>	<u>(2,553,294)</u>
Total Other Financing Sources (Uses)	<u>(2,553,294)</u>	<u>2,575,774</u>	<u>7,349,795</u>	<u>7,372,275</u>
Net Change in Fund Balances	(2,103,268)	177,257	6,253,883	4,327,872
<u>FUND BALANCES - BEGINNING</u>	<u>11,700,526</u>	<u>1,480,026</u>	<u>23,021,604</u>	<u>36,202,156</u>
FUND BALANCES - ENDING	<u>\$ 9,597,258</u>	<u>\$ 1,657,283</u>	<u>\$ 29,275,487</u>	<u>\$ 40,530,028</u>

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

CIBOLO CREEK MUNICIPAL AUTHORITY
RECONCILIATION OF CHANGE IN FUND BALANCES TO
CHANGE IN NET POSITION – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 4,327,872

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

Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	3,978,593
Depreciation Expense	(796,171)

The internal service fund is used to manage risk. The net revenue (expense) is reported with governmental activities.	332
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Certain long-term liabilities are accrued at the government-wide level but not at the fund level. This is the current year change in those liabilities, reported as expense in the statement of activities.	(117,730)
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Bond proceeds provide current financial resources to governmental funds. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bond Proceeds	(10,780,000)
Bond Premium	(345,433)
Payment to Escrow Agent	3,753,158
Bond Principal Repayments	1,695,000
Amortization of Bond Premium	11,514
Amortization of Deferred Charge on Refunding	<u>(12,194)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,714,941</u>
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CIBOLO CREEK MUNICIPAL AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
GOVERNMENTAL ACTIVITIES – INTERNAL SERVICE FUND
SEPTEMBER 30, 2015

ASSETS

CURRENT ASSETS

Investments

\$ 642,364

NET POSITION

NET POSITION

Unrestricted

\$ 642,364

CIBOLO CREEK MUNICIPAL AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
GOVERNMENTAL ACTIVITIES – INTERNAL SERVICE FUND
YEAR ENDED SEPTEMBER 30, 2015

<u>NONOPERATING REVENUES</u>	
Investment Income	\$ 332
<u>NET POSITION - BEGINNING</u>	<u>642,032</u>
TOTAL NET POSITION - ENDING	<u>\$ 642,364</u>

CIBOLO CREEK MUNICIPAL AUTHORITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
GOVERNMENTAL ACTIVITIES – INTERNAL SERVICE FUND
YEAR ENDED SEPTEMBER 30, 2015

<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Investment Income	\$ 332
Purchase of Investments	<u>(332)</u>
Net Cash Used in Investing Activities	-
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ -</u></u>

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CIBOLO CREEK MUNICIPAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Cibolo Creek Municipal Authority (the Authority) is a governmental agency created and established by the Texas Legislature in the passage of H.B. 1339 and approved by the Governor on May 24, 1971. The creative act confers on the Authority the rights, powers, privileges, authority, and functions of the general laws of Texas applicable to municipal utility districts under Chapter 54, Title 4 of the Water Code. The Authority operates under the control of the board of directors consisting of five (5) directors elected on a staggered basis. The purpose of the Authority is to conserve and treat wastewater in the appointed area.

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 activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major governmental funds and an individual internal service fund 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental 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 thereafter to pay liabilities of the current period. For this purpose, the Authority 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, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CIBOLO CREEK MUNICIPAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Service revenue, impact fees, 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 Authority.

The Authority reports the following major governmental funds:

The general fund is the Authority's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

The capital projects fund accounts for financial resources to be used for the acquisition and construction of major capital facilities and is principally financed by the sale of revenue bonds.

The government also reports the following nonmajor proprietary fund:

The internal service fund accounts for large, unbudgeted, emergency expenditures.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this are charges between the Authority's general government function and various other functions of the Authority. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applications for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods or services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

CIBOLO CREEK MUNICIPAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing deposits. Cash in excess of current requirements is invested in various interest-bearing instruments and is disclosed as part of investments.

The Authority is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated of not less than "AA" or its equivalent; (5) certificates of deposit issued by state and national banks domiciled in Texas that are guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or its successor, or secured by obligations mentioned above; and (6) fully collateralized direct repurchase agreements having a defined termination date. In addition, the Authority is authorized to invest in local government investment pools. The investment pools operate in accordance with appropriate state laws and regulations and have regulatory oversight from the Texas Public Funds Investment Act Sec. 2256.0016. The fair value of the Authority's position in each pool is the same as the fair value of the pool shares.

E. Receivables

Accounts receivable are reported net of allowances for uncollectible accounts. The allowance account represents management's estimate of uncollectible accounts based upon experience and historical trends.

F. Investments

Investments are separately held by the Authority's various funds. Investments are stated at amortized cost, which approximates fair value.

G. Capital Assets

Capital assets, which include land, wastewater system, buildings and improvements, machinery, equipment, and vehicles, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$2,000, and an estimated useful life in excess of one year. When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements.

CIBOLO CREEK MUNICIPAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Capital assets are valued at cost where historical records are available and at an estimated cost where no records exist. Donated capital assets are valued at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Improvements to capital assets that materially extend the life of the asset or add to the value are capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction will not be capitalized in the governmental activities on the government-wide financial statements.

Capital assets are depreciated over their useful lives on a straight-line basis as follows:

<u>ASSETS</u>	<u>YEARS</u>
Wastewater System	20 - 50
Machinery and Equipment	4 - 30
Building Improvements	10 - 20

H. Compensated Absences

Authority employees are entitled to certain compensated absences based on their length of employment. With minor exceptions, compensated absences for sickness do not vest or accumulate and are recorded as fund expenditures when they are paid. Compensated absences for vacation pay does have a vesting portion based on hours accumulated times the current rate of pay to be paid upon retirement, release from employment, or resignation. A liability for this amount is reported in government-wide financial statements and is adjusted annually.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as a liability in the governmental activities statement of net position. Bond premiums and discounts and losses on defeasance, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

CIBOLO CREEK MUNICIPAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Balance

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

- Nonspendable fund balance – amounts that are not in a spendable form (such as prepaids) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose, positive amounts are reported only in the general fund.

The Board of Directors establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is delegated by the Board to the general manager.

K. Use of Estimates

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

CIBOLO CREEK MUNICIPAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 2: DEPOSITS AND INVESTMENTS

As of September 30, 2015, the Authority had the following investments:

<u>INVESTMENT TYPE</u>	<u>FAIR VALUE</u>	<u>WEIGHTED AVERAGE MATURITY (YEARS)</u>
TexPool	<u>\$ 15,691,020</u>	\$ -
Portfolio Weighted Average Maturity		<u>\$ -</u>

Credit Risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. Investing is performed in accordance with the investment policies adopted by the board of directors in complying with state statutes. State law limits investments in investment pools to those continuously rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. The Authority's investment policy does not further limit its investment choices. As of September 30, 2015 the Authority's pooled investments were rated AAAM by Standard and Poor's.

Custodial Credit Risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned or the Authority will not be able to recover collateral securities in the possession of an outside party. The Authority's policy requires deposits to be collateralized by securities pledged by the Authority's agent, the Authority's financial institution, or the financial institution's trust department, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). The board of directors approves and designates all authorized depository institutions.

As of September 30, 2015, the Authority's carrying value of bank deposits is \$25,152,024, and the bank balance of those deposits is \$25,468,256. At September 30, 2015, all bank balances were fully collateralized.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Authority's policy provides that investments are matched with anticipated cash flows to provide for adequate and timely availability of funds necessary to pay obligations as they become due.

CIBOLO CREEK MUNICIPAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 was as follows:

	<u>BEGINNING BALANCE</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>ENDING BALANCE</u>
<u>Governmental Activities</u>				
Capital Assets, not being Depreciated				
Land	\$ 2,204,074	\$ 806,017	\$ -	\$ 3,010,091
Construction in Progress	<u>5,680,345</u>	<u>2,261,055</u>	<u>(2,675,498)</u>	<u>5,265,902</u>
Total Capital Assets not being Depreciated	<u>7,884,419</u>	<u>3,067,072</u>	<u>(2,675,498)</u>	<u>8,275,993</u>
 Capital Assets, being Depreciated				
Wastewater System	29,758,162	3,017,107	-	32,775,269
Machinery and Equipment	2,144,612	569,912	(117,038)	2,597,486
Building Improvements	<u>72,837</u>	<u>-</u>	<u>-</u>	<u>72,837</u>
Total Capital Assets being Depreciated	<u>31,975,611</u>	<u>3,587,019</u>	<u>(117,038)</u>	<u>35,445,592</u>
 Less Accumulated Depreciation for				
Wastewater System	(9,850,544)	(622,370)	-	(10,472,914)
Machinery and Equipment	(875,299)	(168,945)	34,046	(1,010,198)
Building Improvements	<u>(37,695)</u>	<u>(4,856)</u>	<u>-</u>	<u>(42,551)</u>
Total Accumulated Depreciation	<u>(10,763,538)</u>	<u>(796,171)</u>	<u>34,046</u>	<u>(11,525,663)</u>
Total Capital Assets, being Depreciated - Net	<u>21,212,073</u>	<u>2,790,848</u>	<u>(82,992)</u>	<u>23,919,929</u>
 GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS - NET	<u>\$ 29,096,492</u>	<u>\$ 5,857,920</u>	<u>\$ (2,758,490)</u>	<u>\$ 32,195,922</u>

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

GOVERNMENTAL ACTIVITIES

Wastewater Treatment \$796,171

NOTE 4: INTERFUND TRANSFERS

In the fund financial statements, the transfer from the general fund to the debt service fund in the amount of \$2,498,932 was to fund costs associated with debt service payments. The transfer from the general fund to the capital projects fund in the amount of \$54,362 was to fund costs associated with capital projects not funded with bond proceeds. Transfers between governmental activities are eliminated in the government-wide financial statements.

CIBOLO CREEK MUNICIPAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 5: LONG-TERM DEBT

The Authority had the following changes in long-term debt for the year ended September 30, 2015:

UNLIMITED TAX AND REVENUE BONDS	ORIGINAL AMOUNT	INTEREST RATE	BALANCE	DURING YEAR		BALANCE	AMOUNT DUE IN ONE YEAR
			OUTSTANDING OCTOBER 1, 2014	ISSUED	(RETIRED)	OUTSTANDING SEPTEMBER 30, 2015	
2002 Series	\$1,500,000	.3 – 3.10%	\$ 660,000	\$ -	\$ (75,000)	\$ 585,000	\$ 80,000
2004 Series	6,415,000	.75 – 4.05	3,685,000	-	(3,685,000)	-	-
2010 Series	2,745,000	.25 – 4.15	2,335,000	-	(105,000)	2,230,000	110,000
2010 Series Refunding	1,475,000	3.26	1,085,000	-	(135,000)	950,000	145,000
2012 Series Refunding	1,080,000	1.00-2.25	780,000	-	(150,000)	630,000	155,000
2012 Series	24,440,000	.25-3.75	22,910,000	-	(765,000)	22,145,000	770,000
2014 Series	6,950,000	4.00-5.00	-	6,950,000	(75,000)	6,875,000	145,000
2015 Series Refunding	3,830,000	2.00-4.00	-	3,830,000	(390,000)	3,440,000	350,000
TOTALS			<u>\$ 31,455,000</u>	<u>\$ 10,780,000</u>	<u>\$ (5,380,000)</u>	<u>\$ 36,855,000</u>	<u>\$ 1,755,000</u>

Annual requirements to retire long-term debt as of September 30, 2015, are as follows:

YEAR ENDED SEPTEMBER 30,	REVENUE BONDS		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2016	\$ 1,755,000	\$ 1,090,566	\$ 2,845,566
2017	1,775,000	1,063,382	2,838,382
2018	1,805,000	1,033,789	2,838,789
2019	1,855,000	1,000,006	2,855,006
2020	1,720,000	963,464	2,683,464
2021-2025	7,855,000	4,238,371	12,093,371
2026-2030	6,880,000	3,218,432	10,098,432
2031-2035	7,435,000	2,006,505	9,441,505
2036-2040	4,285,000	674,687	4,959,687
2041-2044	1,490,000	152,000	1,642,000
TOTALS	<u>\$ 36,855,000</u>	<u>\$ 15,441,202</u>	<u>\$ 52,296,202</u>

During the year, the Authority issued Revenue Refunding Bonds, Series 2015 for \$3,830,000 to refund the Revenue Bonds, Series 2004 in the amount of \$3,685,000 by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the Authority's financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$68,158. This amount is being amortized over the remaining life of the refunded debt. As a result of the advanced refunding, the Authority reduced its total debt service requirements by \$191,119 which resulted in an economic gain of \$171,041. At September 30, 2015, the outstanding balance of the defeased bonds is \$-0-.

CIBOLO CREEK MUNICIPAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 5: LONG-TERM DEBT (CONTINUED)

Bond Redemptions

Revenue Bonds – 2002 Series

These bonds are not subject to optional redemption prior to their stated maturity dates.

Revenue Bonds – 2010 Series

Obligations having stated maturities on and after July 10, 2021 shall be subject to redemption prior to stated maturity, at the option of the Authority, in inverse order of stated maturity, on January 10, 2020, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par plus accrued interest to the redemption date.

Revenue Refunding Bonds – 2010 Series

Obligations having stated maturities on and after January 10, 2013 shall be subject to redemption prior to stated maturity, at the option of the Authority, on January 20, 2012, or on any interest payment date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par, plus a redemption premium of 1%, plus accrued interest to the redemption date.

Revenue Refunding Bonds – 2012 Series

These bonds are not subject to optional redemption prior to their stated maturity dates.

Revenue Bonds – 2012 Series

Obligations having stated maturities on and after July 10, 2023 shall be subject to redemption prior to stated maturity, at the option of the Authority, in inverse order of stated maturity, on January 10, 2022, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof at the redemption price of par plus accrued interest to the redemption date.

Revenue Bonds – 2014 Series

Obligations having stated maturities on and after September 1, 2025 shall be subject to redemption, at the option of the Authority, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on September 1, 2024, or any date thereafter, at the redemption price of par plus accrued interest to the date of redemption.

Revenue Refunding Bonds – 2015 Series

Obligations having stated maturities on and after July 10, 2020 shall be subject to redemption prior to stated maturity, at the option of the Authority, on January 10, 2019, or on any date thereafter, in whole, at the redemption price of par, plus accrued interest to the redemption date.

CIBOLO CREEK MUNICIPAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 5: LONG-TERM DEBT (CONTINUED)

Compensated Absences

Changes in compensated absences for the year ended September 30, 2015 were as follows:

Balance at October 1, 2014	\$ 89,522
Additions	7,231
Deletions	<u>(18,355)</u>
 BALANCE AT SEPTEMBER 30, 2015	 \$ <u>78,398</u>

Of this balance, \$19,600 is due in the current year.

NOTE 6: COMPLIANCE WITH DEBT SERVICE REQUIREMENTS

The debt service fund is managed in accordance with related bond resolutions. The Authority maintains cash deposits in one bank account and two local government investment pools. Management deems the Authority is in compliance with debt service requirements.

Debt Service Fund Detail

Cash	\$ 753
Investments	<u>1,648,197</u>
 TOTAL	 <u>\$1,648,950</u>

NOTE 7: PENSION PLANS

The Authority has two separate plans created under two different sections of the Internal Revenue Service Code. A 403(a) plan will receive all employer contributions and a 457 plan, established in 1980 as a qualified deferred compensation plan, will receive all employee contributions.

The Authority has a contract with a major insurance company to provide services for the convenience of the employer, including the maintenance of individual accounts and other necessary recordkeeping. The insurance company offers each employee a group of variable or fixed annuity products which are approved in this State, to choose from and which provides for periodic payments at regular intervals, whether for a period certain or during one or more lives. In addition, the Authority has contracted with a company to provide retirement funds that are tied to mutual funds, money market funds, and target date funds.

The Authority has adopted certain changes to the 457 plan in order to comply with the benefit requirements of the Small Business Job Protection Act of 1996, the most significant change being the employer renouncing any claim or right which it may have retained to use amounts held under the plan for its own benefit or for the benefit of its creditors.

CIBOLO CREEK MUNICIPAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 7: PENSION PLANS (CONTINUED)

The plans are administered by a committee composed of the board of directors and the general manager, with the general manager being a non-voting member/recorder.

Participation in the plans by an employee begins when they begin work with the Authority. The employee must agree to defer a minimum of 6% of normal compensation (a) as a condition of employment and (b) in return for the benefits specified in the plan. The employer agrees to contribute 16.5% of each employee's normal compensation and to cause such amount to be invested in the participant's individual account. In addition, the employer agrees to contribute to the 403(a) portion of the plan a matching amount (\$1 for each \$1) for voluntary contribution in excess of the mandatory 6% (with an option to increase up to 10%) made by the participant to the 457 plan up to an additional 4% of normal compensation. Any voluntary contributions the employee may wish to make in excess of the 4% will not be matched. Matching contribution amounts must be in whole percentage increments.

Basis and matching employer contributions will vest to the employee's ownership based upon the employee's length of service as follows:

End of Year 1	0%
End of Year 2	50%
End of Year 3	50%
End of Year 4	100%

All participant contributions are always 100% vested.

The plans' benefits are paid out at normal retirement age of 65, according to the method the participant has selected with the insurance company. The plans also have provisions for disability or emergency withdrawals. Loans can be made to a participant from the vested employer basic and matching contributions after meeting various conditions for withdrawal and repayment.

The maximum amounts deferred by the 457 plan by a participant in any year shall be adjusted for cost-of-living increases under Internal Revenue Service Code 457(e) (15).

The maximum limitation by the 403(a) plan that may be legally contributed by the employer is the lesser of \$49,000 or 100% of the employee's includible compensation for their most recent year of service. The actual amount is established by the committee following the above guidelines. The total payroll for the fiscal year September 30, 2015 was \$1,966,206. The Authority's contribution to the plan was \$373,776 in the current year.

CIBOLO CREEK MUNICIPAL AUTHORITY
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 8: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to theft of, damage to, and destruction of assets (i.e., boiler and machinery, vehicles, and other equipment). The Authority purchases commercial liability insurance, real and personal property insurance on the administrative offices, plant office and lab, plant garage and tool house, plant maintenance building, plant chemical building and worker's compensation insurance through the Texas Municipal League, a public entity risk pool currently operating as a common risk management and insurance program. The agreement for formation of the Texas Municipal League requires that the pool will be self-sustaining through member premiums and will be adjusted annually through an experience modifier. It is not possible to estimate the amount of any losses for which the Authority might be liable.

There has been no significant reduction in insurance coverage from coverage in the prior year by major category of risk. There were no settlements in excess of the insurance coverage in any of the prior three fiscal years.

NOTE 9: PROPERTY TAXES

The Authority has the right to levy and collect property taxes. However, this right has never been exercised, and the Authority presently has no plans to levy such taxes. There is no statutory limit on the possible tax rate the Authority may levy. The only limit to the tax rate is that any rate for maintenance and operations must be approved by voters and the rate for debt service is dependent on the amount of bonded debt approved by the voters.

REQUIRED SUPPLEMENTARY INFORMATION

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CIBOLO CREEK MUNICIPAL AUTHORITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>REVENUES</u>				
Service Revenue	\$ 6,655,110	\$ 6,655,110	\$ 6,824,081	\$ 168,971
Reclaimed Water	163,785	163,785	36,917	(126,868)
Impact Fees	1,534,800	1,534,800	1,714,369	179,569
Investment Income	4,300	4,300	4,724	424
Miscellaneous Revenues	<u>117,247</u>	<u>117,247</u>	<u>134,883</u>	<u>17,636</u>
Total Revenues	<u>8,475,242</u>	<u>8,475,242</u>	<u>8,714,974</u>	<u>239,732</u>
<u>EXPENDITURES</u>				
Professional Services	<u>191,950</u>	<u>191,950</u>	<u>177,367</u>	<u>14,583</u>
Administration				
Salaries and Wages	2,027,468	2,027,468	2,001,726	25,742
Supplies and Materials	38,010	38,010	28,764	9,246
Contractual Services	966,840	881,840	803,749	78,091
Maintenance and Repairs	5,775	10,775	8,833	1,942
Insurance	95,000	95,000	93,153	1,847
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,133,093</u>	<u>3,053,093</u>	<u>2,936,225</u>	<u>116,868</u>
OJR Plant				
Supplies and Materials	174,500	144,500	143,259	1,241
Contractual Services	394,139	394,139	348,908	45,231
Maintenance and Repairs	266,000	740,513	841,057	(100,544)
Contingency	44,513	-	-	-
Capital Outlay	<u>55,611</u>	<u>267,111</u>	<u>269,822</u>	<u>(2,711)</u>
	<u>934,763</u>	<u>1,546,263</u>	<u>1,603,046</u>	<u>(56,783)</u>
Collection Systems				
Supplies and Materials	4,929	4,929	4,963	(34)
Contractual Services	119,154	119,154	105,640	13,514
Maintenance and Repairs	104,840	101,740	135,860	(34,120)
Contingency	25,460	5,823	-	5,823
Capital Outlay	<u>280,285</u>	<u>638,897</u>	<u>581,769</u>	<u>57,128</u>
	<u>534,668</u>	<u>870,543</u>	<u>828,232</u>	<u>42,311</u>
Systems Support				
Supplies and Materials	181,818	191,964	183,900	8,064
Contractual Services	94,600	99,694	98,164	1,530
Maintenance and Repairs	86,860	97,812	95,201	2,611
Contingency	19,589	-	-	-
Capital Outlay	<u>28,500</u>	<u>31,897</u>	<u>59,930</u>	<u>(28,033)</u>
	<u>411,367</u>	<u>421,367</u>	<u>437,195</u>	<u>(15,828)</u>

CIBOLO CREEK MUNICIPAL AUTHORITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<u>EXPENDITURES (CONTINUED)</u>				
Reclaimed Water System				
Supplies and Materials	\$ 1,500	\$ 1,500	\$ 542	\$ 958
Maintenance and Repairs	19,595	19,595	10,895	8,700
Professional Fees	25,000	25,000	10,391	14,609
Contingency	2,305	2,305	-	2,305
Capital Outlay	-	-	-	-
	<u>48,400</u>	<u>48,400</u>	<u>21,828</u>	<u>26,572</u>
Plant Expansion				
Capital Outlay	<u>4,543,500</u>	<u>4,543,500</u>	<u>2,261,055</u>	<u>2,282,445</u>
Total Expenditures	<u>9,797,741</u>	<u>10,675,116</u>	<u>8,264,948</u>	<u>2,410,168</u>
Excess of Revenues Over Expenditures	(1,322,499)	(2,199,874)	450,026	2,649,900
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer Out	<u>(2,441,997)</u>	<u>(2,441,997)</u>	<u>(2,553,294)</u>	<u>(111,297)</u>
Net Change in Fund Balance	<u>\$ (3,764,496)</u>	<u>\$ (4,641,871)</u>	<u>(2,103,268)</u>	<u>\$ 2,538,603</u>
<u>FUND BALANCE - BEGINNING</u>			<u>11,700,526</u>	
FUND BALANCE - ENDING			<u>\$ 9,597,258</u>	

CIBOLO CREEK MUNICIPAL AUTHORITY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015

NOTE 1: BUDGETARY INFORMATION

The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles. Annual appropriations lapse at fiscal year end.

The original budget for the general fund was adopted by the board of directors in September 2014. Budgetary preparation and control is exercised at the functional level. Any transfer or supplemental appropriation that amends the total expenditures of a department or total budget requires board of directors' approval. Both the original and final amended budget are included.

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**REQUIRED SUPPLEMENTARY INFORMATION -
TEXAS REQUIREMENT**

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CIBOLO CREEK MUNICIPAL AUTHORITY
TEXAS SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2015

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CIBOLO CREEK MUNICIPAL AUTHORITY
TSI-1. SERVICES AND RATES
YEAR ENDED SEPTEMBER 30, 2015

1. Services Provided by the District during the Fiscal Year:

<input type="checkbox"/> Retail Water	<input type="checkbox"/> Wholesale Water	<input type="checkbox"/> Drainage
<input type="checkbox"/> Retail Wastewater	<input checked="" type="checkbox"/> Wholesale Wastewater	<input type="checkbox"/> Irrigation
<input type="checkbox"/> Parks/Recreation	<input type="checkbox"/> Fire Protection	<input type="checkbox"/> Security
<input type="checkbox"/> Solid Waste/Garbage	<input type="checkbox"/> Flood Control	<input type="checkbox"/> Roads
<input type="checkbox"/> Participates in joint venture, regional system, and/or wastewater service (other than emergency interconnect)		
<input checked="" type="checkbox"/> Other <u>Reclaimed Water</u>		

2. **Retail service providers** Not Applicable

3. **Total Water Consumption during the Fiscal Year** (Rounded to the Nearest Thousand)

Gallons Pumped into System: N/A

Gallons Billed to Customers: N/A

4. **Standby Fees** (Authorized Only Under TWC Section 49.231)

Does the District have debt service standby fees? Yes No

Does the District have operation and maintenance standby fees? Yes No

5. **Location of District**

County(ies) in which the District is located: Guadalupe, Comal, and Bexar

Is the District located entirely within one county? Yes No

Is the District located within a City? Entirely Partly Not at all

City(ies) in which the District is located: San Antonio, Live Oak, Universal City, Schertz, Cibolo, Selma, Randolph Air Force Base

Is the District located within a City's extra territorial jurisdiction (ETJ)?

Entirely Partly Not at all

ETJs in which the District is located: San Antonio, Live Oak, Universal City, Schertz, Cibolo, Selma

Are board members appointed by an office outside the District? Yes No

CIBOLO CREEK MUNICIPAL AUTHORITY
TSI-3. TEMPORARY INVESTMENTS
YEAR ENDED SEPTEMBER 30, 2015

<u>FUNDS</u>	<u>IDENTIFICATION OR CERTIFICATE NUMBER</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>BALANCE AT END OF YEAR</u>	<u>ACCRUED INTEREST RECEIVABLE AT END OF YEAR</u>
<u>GENERAL FUND</u>					
TexPool	00940200001	Various	N/A	\$ 1,263,605	\$ -
TexPool	00940200008	Various	N/A	<u>6,869,750</u>	<u>-</u>
				<u>8,133,355</u>	<u>-</u>
<u>DEBT SERVICE FUND</u>					
TexPool	00940200003	Various	N/A	1,623,162	-
TexPool	00940200004	Various	N/A	<u>25,035</u>	<u>-</u>
				<u>1,648,197</u>	<u>-</u>
<u>CAPITAL PROJECTS FUND</u>					
TexPool	00940200008	Various	N/A	5,267,102	
TexPool	00940200005	Various	N/A	<u>2</u>	<u>-</u>
				<u>5,267,104</u>	
<u>INTERNAL SERVICE FUND</u>					
TexPool	00940200006	Various	N/A	<u>642,364</u>	<u>-</u>
TOTAL - ALL FUNDS				<u>\$ 15,691,020</u>	<u>\$ -</u>

CIBOLO CREEK MUNICIPAL AUTHORITY
TSI-5a. LONG-TERM DEBT SERVICE REQUIREMENTS – BY YEARS
YEAR ENDED SEPTEMBER 30, 2015

DUE DURING FISCAL YEARS ENDING	REVENUE SERIES 2002		
	PRINCIPAL DUE	INTEREST DUE	TOTAL
	7-10	1-10; 7-10	
2016	\$ 80,000	\$ 16,673	\$ 96,673
2017	80,000	14,632	94,632
2018	80,000	12,513	92,513
2019	85,000	10,312	95,312
2020	85,000	7,890	92,890
2021	85,000	5,383	90,383
2022	<u>90,000</u>	<u>2,790</u>	<u>92,790</u>
TOTALS	<u>\$ 585,000</u>	<u>\$ 70,193</u>	<u>\$ 655,193</u>

CIBOLO CREEK MUNICIPAL AUTHORITY
TSI-5b. LONG-TERM DEBT SERVICE REQUIREMENTS – BY YEARS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2015

DUE DURING FISCAL YEARS ENDING	REVENUE SERIES 2010		
	PRINCIPAL DUE	INTEREST DUE	TOTAL
	7-10	1-10; 7-10	
2016	\$ 110,000	\$ 77,808	\$ 187,808
2017	110,000	75,250	185,250
2018	115,000	72,294	187,294
2019	115,000	69,045	184,045
2020	120,000	65,517	185,517
2021	125,000	61,595	186,595
2022	130,000	57,290	187,290
2023	135,000	52,651	187,651
2024	140,000	47,700	187,700
2025	145,000	42,426	187,426
2026	150,000	36,820	186,820
2027	155,000	30,871	185,871
2028	160,000	24,610	184,610
2029	165,000	18,028	183,028
2030	175,000	11,058	186,058
2031	<u>180,000</u>	<u>3,735</u>	<u>183,735</u>
TOTALS	<u>\$ 2,230,000</u>	<u>\$ 746,698</u>	<u>\$ 2,976,698</u>

CIBOLO CREEK MUNICIPAL AUTHORITY
TSI-5c. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2015

DUE DURING FISCAL YEARS ENDING	REFUNDING SERIES 2010		
	PRINCIPAL DUE	INTEREST DUE	TOTAL
	7-10	1-10; 7-10	
2016	\$ 145,000	\$ 28,607	\$ 173,607
2017	150,000	23,798	173,798
2018	155,000	18,827	173,827
2019	165,000	13,611	178,611
2020	165,000	8,232	173,232
2021	<u>170,000</u>	<u>2,771</u>	<u>172,771</u>
TOTALS	<u>\$ 950,000</u>	<u>\$ 95,846</u>	<u>\$ 1,045,846</u>

CIBOLO CREEK MUNICIPAL AUTHORITY
TSI-5d. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2015

DUE DURING FISCAL YEARS ENDING	REFUNDING SERIES 2012		
	PRINCIPAL DUE 1-10	INTEREST DUE 1-10; 7-10	TOTAL
	2016	\$ 155,000	\$ 11,496
2017	155,000	8,590	163,590
2018	160,000	5,320	165,320
2019	160,000	1,800	161,800
TOTALS	\$ 630,000	\$ 27,206	\$ 657,206

CIBOLO CREEK MUNICIPAL AUTHORITY
TSI-5e. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2015

DUE DURING FISCAL YEARS ENDING	REVENUE SERIES 2012		
	PRINCIPAL DUE	INTEREST DUE	TOTAL
	7-10	1-10; 7-10	
2016	\$ 770,000	\$ 606,240	\$ 1,376,240
2017	775,000	602,775	1,377,775
2018	785,000	598,125	1,383,125
2019	800,000	590,275	1,390,275
2020	810,000	579,075	1,389,075
2021	830,000	566,115	1,396,115
2022	850,000	550,760	1,400,760
2023	870,000	533,335	1,403,335
2024	895,000	513,325	1,408,325
2025	920,000	490,950	1,410,950
2026	950,000	466,570	1,416,570
2027	980,000	439,970	1,419,970
2028	1,010,000	411,550	1,421,550
2029	1,045,000	381,250	1,426,250
2030	1,080,000	348,855	1,428,855
2031	1,120,000	314,295	1,434,295
2032	1,160,000	276,775	1,436,775
2033	1,205,000	237,335	1,442,335
2034	1,250,000	194,557	1,444,557
2035	1,295,000	149,558	1,444,558
2036	1,345,000	102,937	1,447,937
2037	<u>1,400,000</u>	<u>52,500</u>	<u>1,452,500</u>
TOTALS	<u>\$ 22,145,000</u>	<u>\$ 9,007,127</u>	<u>\$ 31,152,127</u>

CIBOLO CREEK MUNICIPAL AUTHORITY
TSI-5f. LONG-TERM DEBT SERVICE REQUIREMENTS – BY YEARS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2015

DUE DURING FISCAL YEARS ENDING	REVENUE SERIES 2014		
	PRINCIPAL DUE	INTEREST DUE	TOTAL
	9-1	3-1; 9-1	
2016	\$ 145,000	\$ 266,150	\$ 411,150
2017	150,000	263,250	413,250
2018	150,000	260,250	410,250
2019	155,000	257,250	412,250
2020	160,000	254,150	414,150
2021	160,000	250,950	410,950
2022	165,000	247,750	412,750
2023	170,000	242,800	412,800
2024	175,000	237,700	412,700
2025	180,000	232,450	412,450
2026	185,000	225,250	410,250
2027	195,000	217,850	412,850
2028	200,000	210,050	410,050
2029	210,000	202,050	412,050
2030	220,000	193,650	413,650
2031	225,000	184,850	409,850
2032	235,000	175,850	410,850
2033	245,000	166,450	411,450
2034	255,000	156,650	411,650
2035	265,000	146,450	411,450
2036	280,000	133,200	413,200
2037	295,000	119,200	414,200
2038	305,000	104,450	409,450
2039	320,000	89,200	409,200
2040	340,000	73,200	413,200
2041	350,000	59,600	409,600
2042	365,000	45,600	410,600
2043	380,000	31,000	411,000
2044	<u>395,000</u>	<u>15,800</u>	<u>410,800</u>
TOTALS	<u>\$ 6,875,000</u>	<u>\$ 5,063,050</u>	<u>\$ 11,938,050</u>

CIBOLO CREEK MUNICIPAL AUTHORITY
TSI-5g. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2015

DUE DURING FISCAL YEARS ENDING	REFUNDING SERIES 2015		
	PRINCIPAL DUE	INTEREST DUE	TOTAL
	7-10	1-10; 7-10	
2016	\$ 350,000	\$ 83,592	\$ 433,592
2017	355,000	75,087	430,087
2018	360,000	66,460	426,460
2019	375,000	57,713	432,713
2020	380,000	48,600	428,600
2021	390,000	39,366	429,366
2022	400,000	29,889	429,889
2023	410,000	20,169	430,169
2024	420,000	10,206	430,206
TOTALS	<u>\$ 3,440,000</u>	<u>\$ 431,082</u>	<u>\$ 3,871,082</u>

CIBOLO CREEK MUNICIPAL AUTHORITY
TSI-5h. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2015

DUE DURING FISCAL YEARS ENDING	ANNUAL REQUIREMENTS FOR ALL SERIES		
	TOTAL PRINCIPAL DUE	TOTAL INTEREST DUE	TOTAL PRINCIPAL AND INTEREST DUE
2016	\$ 1,755,000	\$ 1,090,566	\$ 2,845,566
2017	1,775,000	1,063,382	2,838,382
2018	1,805,000	1,033,789	2,838,789
2019	1,855,000	1,000,006	2,855,006
2020	1,720,000	963,464	2,683,464
2021	1,760,000	926,180	2,686,180
2022	1,635,000	888,479	2,523,479
2023	1,585,000	848,955	2,433,955
2024	1,630,000	808,931	2,438,931
2025	1,245,000	765,826	2,010,826
2026	1,285,000	728,640	2,013,640
2027	1,330,000	688,691	2,018,691
2028	1,370,000	646,210	2,016,210
2029	1,420,000	601,328	2,021,328
2030	1,475,000	553,563	2,028,563
2031	1,525,000	502,880	2,027,880
2032	1,395,000	452,625	1,847,625
2033	1,450,000	403,785	1,853,785
2034	1,505,000	351,207	1,856,207
2035	1,560,000	296,008	1,856,008
2036	1,625,000	236,137	1,861,137
2037	1,695,000	171,700	1,866,700
2038	305,000	104,450	409,450
2039	320,000	89,200	409,200
2040	340,000	73,200	413,200
2041	350,000	59,600	409,600
2042	365,000	45,600	410,600
2043	380,000	31,000	411,000
2044	395,000	15,800	410,800
TOTALS	<u>\$ 36,855,000</u>	<u>\$ 15,441,202</u>	<u>\$ 52,296,202</u>

CIBOLO CREEK MUNICIPAL AUTHORITY
TSI-6. CHANGES IN LONG-TERM BONDED DEBT
YEAR ENDED SEPTEMBER 30, 2015

	BOND		
	SERIES 2002	SERIES 2004	SERIES 2010
Interest Rate	.3 – 3.10%	.75 – 4.05%	.25 – 4.15%
Dates Interest Payable	01-10; 07-10	01-10; 07-10	01-10; 07-10
Maturity Dates	2022	2024	2031
Beginning Bonds Outstanding	\$ 660,000	\$ 3,685,000	\$ 2,335,000
Bonds Sold During the Fiscal Year	-	-	-
Bonds Retired During the Fiscal Year	<u>75,000</u>	<u>3,685,000</u>	<u>105,000</u>
Ending Bonds Outstanding	<u>\$ 585,000</u>	<u>\$ -</u>	<u>\$ 2,230,000</u>
Interest Paid During Fiscal Year	<u>\$ 18,510</u>	<u>\$ -</u>	<u>\$ 80,670</u>

PAYING AGENT'S NAME AND ADDRESS:

Series 2002
Bank of New York
Tower Marc Plaza 3rd Floor
10161 Centurion Parkway
Jacksonville, Florida 32256

Series 2004 and 2010
Wells Fargo Bank, N.A.
MAC N9303-110
Sixth and Marquette
Minneapolis, Minnesota 55479

Series 2010, Refunding
Branch Bank & Trust Company
Governmental Finance
223 West Nash Street
Wilson, North Carolina 27893

BOND AUTHORITY

Amount Authorized by Voters
Amount Issued
Remaining to be Issued

TAX BONDS

\$ -
\$ -
\$ -

Debt Service Fund – Cash and Temporary Investments: \$1,648,950

Average Annual Debt Service Requirement: \$1,803,317

ISSUES

SERIES 2010	SERIES 2012	SERIES 2012	SERIES 2014	SERIES 2015	TOTAL
3.26%	1-2.25%	.25-3.75%	4.0-5.0%	2.0-4.0%	
01-10; 07-10 2021	01-10; 07-10 2019	01-10; 07-10 2037	03-1; 09-1 2044	01-10; 07-10 2024	
\$ 1,085,000	\$ 780,000	\$ 22,910,000	\$ -	\$ -	\$ 31,455,000
-	-	-	6,950,000	3,830,000	10,780,000
<u>135,000</u>	<u>150,000</u>	<u>765,000</u>	<u>75,000</u>	<u>390,000</u>	<u>5,380,000</u>
<u>\$ 950,000</u>	<u>\$ 630,000</u>	<u>\$ 22,145,000</u>	<u>\$ 6,875,000</u>	<u>\$ 3,440,000</u>	<u>\$ 36,855,000</u>
<u>\$ 33,171</u>	<u>\$ 13,978</u>	<u>\$ 608,153</u>	<u>\$ 240,142</u>	<u>\$ 47,569</u>	<u>\$ 1,042,193</u>

Series 2012, Refunding
 BOKA, NA dba Bank of Texas
 100 Congress, Suite 250
 Austin, Texas 78701

Series 2012 and 2014
 BOKA, NA dba Bank of Texas
 100 Congress, Suite 250
 Austin, Texas 78701

Series 2015, Refunding
 BB&T Governmental Finance
 5130 Parkway Plaza Blvd.
 Charlotte, North Carolina 28217

CIBOLO CREEK MUNICIPAL AUTHORITY
TSI-7. COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND AND DEBT SERVICE FUND
FIVE YEARS ENDED SEPTEMBER 30, 2015

	A M O U N T S		
	2015	2014	2013
<u>GENERAL FUND REVENUES</u>			
Wastewater Service Revenues	\$ 6,860,998	\$ 6,392,724	\$ 5,766,717
Impact Fees	1,714,369	1,749,661	1,573,970
Miscellaneous Revenue	<u>139,607</u>	<u>79,419</u>	<u>738,829</u>
Total General Fund Revenues	<u>8,714,974</u>	<u>8,221,804</u>	<u>8,079,516</u>
<u>GENERAL FUND EXPENDITURES</u>			
Payroll Expenditures	2,375,502	2,172,065	2,060,968
Professional Fees	187,759	158,668	203,484
Purchased and Contracted Services	982,687	1,061,342	844,030
Consumable Supplies and Materials	370,257	377,360	367,098
Recurring Operating Expenditures	1,176,167	530,053	592,575
Capital Outlay	<u>3,172,576</u>	<u>1,456,058</u>	<u>1,291,230</u>
Total General Fund Expenditures	<u>8,264,948</u>	<u>5,755,546</u>	<u>5,359,385</u>
EXCESS OF GENERAL FUND REVENUES OVER EXPENDITURES			
	<u>\$ 450,026</u>	<u>\$ 2,466,258</u>	<u>\$ 2,720,131</u>
<u>DEBT SERVICE FUND REVENUES</u>			
Wastewater Service Revenues	\$ 415,342	\$ 100,000	\$ 100,000
Interest on Time Deposits	<u>2,674</u>	<u>657</u>	<u>1,457</u>
Total Debt Service Fund Revenues	<u>418,016</u>	<u>100,657</u>	<u>101,457</u>
<u>DEBT SERVICE FUND EXPENDITURES</u>			
Debt Service, Interest, and Fees	1,121,533	912,452	929,872
Debt Service, Principal	<u>1,695,000</u>	<u>1,535,000</u>	<u>1,515,000</u>
Total Debt Service Fund Expenditures	<u>2,816,533</u>	<u>2,447,452</u>	<u>2,444,872</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			
	<u>\$ (2,398,517)</u>	<u>\$ (2,346,795)</u>	<u>\$ (2,343,415)</u>
Average Annual Debt Service Requirement for Unpaid Principal and Interest	\$ 1,803,317	\$ 1,868,282	\$ 1,892,279
Excess Revenues from General Fund and Debt Service Fund before Expenditures for Debt Service	\$ 868,042	\$ 2,566,915	\$ 2,821,588
Coverage (Excess Revenues as Adjusted Plus Annual Debt Service Requirements)	1.37%	1.37%	1.49%
Estimated Number of Wastewater Connections at End of Year	38,365	37,413	36,442

		PERCENT OF FUND TOTAL REVENUES					
2012	2011	2015	2014	2013	2012	2011	
\$ 5,557,834	\$ 5,260,399	78.73%	77.75%	71.38%	77.35%	62.33%	
1,461,690	3,068,718	19.67	21.28	19.48	20.34	36.36	
<u>166,131</u>	<u>110,485</u>	<u>0.02</u>	<u>1.60</u>	<u>9.14</u>	<u>2.31</u>	<u>1.31</u>	
<u>7,185,655</u>	<u>8,439,602</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	
2,060,704	1,926,656	27.26	26.42	25.51	28.68	22.83	
104,245	164,338	2.15	1.93	2.52	1.45	1.95	
895,915	1,199,423	11.28	12.91	10.45	12.46	14.21	
584,308	327,291	4.25	4.59	4.54	8.13	3.88	
493,462	298,787	13.50	6.45	7.33	6.87	3.54	
<u>872,159</u>	<u>617,792</u>	<u>36.40</u>	<u>17.70</u>	<u>15.98</u>	<u>12.14</u>	<u>7.32</u>	
<u>5,010,793</u>	<u>4,534,287</u>	<u>94.84</u>	<u>70.00</u>	<u>66.33</u>	<u>69.73</u>	<u>53.73</u>	
<u>\$ 2,174,862</u>	<u>\$ 3,905,315</u>	<u>5.16%</u>	<u>30.00%</u>	<u>33.67%</u>	<u>30.27%</u>	<u>46.27%</u>	
\$ 100,000	\$ 90,000						
<u>2,495</u>	<u>1,937</u>						
<u>102,495</u>	<u>91,937</u>						
569,748	1,038,756						
<u>715,000</u>	<u>951,629</u>						
<u>1,284,748</u>	<u>1,990,385</u>						
<u>\$ (1,182,253)</u>	<u>\$ (1,898,448)</u>						
\$ 1,914,265	\$ 686,416						
\$ 2,277,357	\$ 3,997,282						
1.19%	5.82%						
35,568	34,756						

(a) Cibolo Creek Municipal Authority does not receive tax revenue, since it does not levy taxes upon its district, but pledges net service revenue to meet debt requirements. Percentage comparisons on these Debt figures have no significance and are, therefore, omitted.

CIBOLO CREEK MUNICIPAL AUTHORITY
TSI-8. BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS
YEAR ENDED SEPTEMBER 30, 2015

Complete Authority Mailing Address:

Post Office Box 930
 Schertz, Texas 78154

Authority Business Telephone Number:

(210) 658-6241

Submission Date of the most recent District Registration Form:

June 15, 2007

Limit on Fees of Office that a Director May Receive during a Fiscal Year:

\$ -0-

NAME	TERM OF OFFICE (ELECTED OR APPOINTED) OR DATE HIRED	FEES OF OFFICE SEPTEMBER 30, 2015	EXPENSE REIMBURSEMENTS SEPTEMBER 30, 2015	TITLE AT YEAR END
<u>BOARD MEMBERS</u>				
Ken Greenwald - Elected	11/15 - 11/19	\$ -	\$ -	President
Richard Braud - Elected	11/13 - 11/17	-	-	Vice-President
Reginna Agee - Elected	11/15 - 11/19	-	-	Secretary/Treasurer
T. Jake Jacobs - Elected	11/13 - 11/17	-	-	Director
Bobby Greaves - Elected	11/13 - 11/17	-	-	Director

KEY ADMINISTRATIVE PERSONNEL

Clint Ellis	8/13/2009	\$ 105,920	\$ -	General Manager
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Mr. Ellis also serves as Tax Assessor/Collector, although no taxes were assessed or collected in current year.

CONSULTANTS

ABIP, PC

(formerly Thompson, Williams,
 Biediger, Kastor & Young, L.C.)

ABIP, PC (formerly Thompson, Williams, Biediger, Kastor & Young, L.C.)	1/1/2013	\$ 14,500	\$ -	Auditors
Janice Lubel	2/12/2008	330	-	Financial Consultant
Lloyd Gosselink	7/23/2007	95,620	-	Attorneys at Law
The Gardner Law Firm	5/9/2006	1,459	-	Attorneys at Law
Alan Plummer Associates, Inc.	4/11/2007	917,266	-	Consulting Engineers
Earl & Connally	10/9/2014	17,497	-	Attorneys at Law
Marsh Law Firm	10/29/2010	6,119	-	Attorneys at Law
Moeller Ingalls, LLC	5/13/2011	48,507	-	Consulting Engineers

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Cibolo Creek Municipal Authority
Guadalupe County, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the remaining fund information of Cibolo Creek Municipal Authority (the Authority) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated January 14, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ABIP, PC

Certified Public Accountants
San Antonio, Texas

January 14, 2016