

CITY OF SHAVANO PARK, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2015

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CITY OF SHAVANO PARK, TEXAS
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2015

C O N T E N T S

	<u>PAGE NUMBER</u>
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	6
STATEMENT OF ACTIVITIES	7
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	8
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION	9
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	10
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES	11
STATEMENT OF NET POSITION – WATER FUND	12
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION – WATER FUND	13
STATEMENT OF CASH FLOWS – WATER FUND	14
STATEMENT OF NET POSITION – FIDUCIARY FUNDS	15
NOTES TO FINANCIAL STATEMENTS	16
REQUIRED SUPPLEMENTARY INFORMATION	
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – (NON-GAAP BUDGETARY BASIS)	37
NOTE TO BUDGETARY COMPARISON SCHEDULES	43
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS	44
SCHEDULE OF CONTRIBUTIONS	45
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	46
OTHER SUPPLEMENTARY INFORMATION	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	49
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	51

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Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
City of Shavano Park, Texas

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 Shavano Park, Texas, as of and for the year ended September 30, 2015, and 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 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Shavano Park, Texas, as of September 30, 2015 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.

Change in Accounting Principle

As discussed in Note 1-O to the financial statements, in 2015 the City adopted new accounting guidance, *GASB Statement No. 68, Accounting and Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of changes in net pension liability and related ratios, and schedule of contributions 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 of Shavano Park, Texas's basic financial statements. The combining nonmajor fund financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining nonmajor fund financial statements is the responsibility of management and were derived from and relate 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 combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

ABIP, PC

Certified Public Accountants
San Antonio, Texas

January 25, 2016

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**City of Shavano Park, Texas
Management's Discussion and Analysis (MD & A)
Fiscal Year Ended September 30, 2015**

Management's discussion and analysis of the City of Shavano Park's financial performance provides an overview of the City's financial activities for the year ended September 30, 2015.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (on pages 6 and 7) provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 8. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

Management's analysis of the City as a whole begins on page 5A. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The statement of net position and the statement of activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. You can think of the City's net position – the difference between assets and liabilities – as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

In the statement of net position and the statement of activities, we divide the City into two kinds of activities:

- **Governmental Activities** – Most of the City's basic services are reported here, including the police, fire, general administration, court, public works and development services. Ad valorem and sales taxes, franchise fees, fines, and building permit fees finance most of these activities.
- **Business-Type Activities** – The City charges a fee to customers to cover all of the cost of certain services it provides. The City's water system is reported here.

In management's opinion, the City is better off as a result of this year's activities.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Our analysis of the City's major funds begins on page 5B. The fund financial statements begin on page 8 and provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council may establish other funds to help it control and manage money for particular purposes (like the capital replacement fund). The City's three kinds of funds – governmental, proprietary, and fiduciary – use different accounting approaches.

- **Governmental Funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.
- **Proprietary Funds** – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. In fact, the City's enterprise fund is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.
- **Fiduciary Funds** – The City accounts for certain assets held as an agent for individuals. Fiduciary funds are accounted for in the same manner as proprietary funds.

THE CITY AS A WHOLE

For the year ended September 30, 2015, the total and net position changed as follows:

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Beginning Total Assets and Deferred Outflows	\$ 11,559,954	\$ 6,562,760	\$ 18,122,714
Increase in Total Assets	840,305	(181,523)	658,782
ENDING TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 12,400,259	\$ 6,381,237	\$ 18,781,496
Beginning Net Position	\$ 9,219,606	\$ 3,783,503	\$ 13,003,109
Increase in Net Position	395,567	(45,199)	350,368
ENDING NET POSITION	\$ 9,615,173	\$ 3,738,304	\$ 13,353,477

The increased in net position for the year was \$395,567 for the governmental activities after a \$359,517 restatement to reduce net position for recognizing the beginning net pension liability and the decrease was \$45,199 for the business-type activities after a \$14,980 restatement to reduce net position for recognizing the beginning net pension liability.

Governmental Activities

To aid in the understanding of the statement of activities, some additional explanation is given. Of particular interest is the format that is significantly different than a typical statement of revenues, expenses, and changes in fund balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a net (expense)/revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions of the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

Development Services	Building permits, development fees, occupational licenses, and plumbing/electric inspections.
Court	Court costs allocation from fines.
Police	Fines and arrest fees. Grants are classified as operating grants.
Fire	EMS fees. Grants are classified as operating grants.

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Expenses for governmental activities (as presented on page 7) decreased by \$32,279 to \$4,258,552 in 2015 from 2014. The City's general revenues decreased by \$410,583 primarily due to a decrease in sales tax revenues. The City's net revenue for 2015 was \$755,084, compared to \$743,374 in 2014.

Business-Type Activities

Water revenues (as presented on page 7) decreased by 7% (or \$65,714) to \$849,807. Total operating expenses of the water department decreased by 10% (or \$97,502) to \$860,210. Net income decreased by \$38,124 to \$(30,219) in 2015 due to increase in expenditures.

THE CITY'S FUNDS

The City's government funds – total assets (as presented on page 8) increased by 9% (or \$382,321) in 2015. The City's government funds balances increased by 14% (or \$790,562).

The following schedule presents a summary of general, debt service, and crime control fund revenues and expenditures (as presented on page 10) for the fiscal year ended September 30, 2015, and the amount and percentage of increases and decreases in relation to the prior year.

	<u>FYE 2015 AMOUNT</u>	<u>PERCENT OF TOTAL</u>	<u>INCREASE (DECREASE) FROM FYE 2014</u>	<u>PERCENT INCREASE (DECREASE)</u>
<u>REVENUES</u>				
Taxes	\$ 3,308,254	66%	\$ (525,134)	-14%
Franchise Fees	444,127	9%	83,189	23%
Building Permits and Fees	743,545	15%	329,577	80%
Fines and Forfeitures	236,417	5%	2,271	1%
EMS Fees	74,087	1%	4,559	7%
Other	183,202	4%	111,193	154%
Interest	<u>4,718</u>	0%	<u>(4,994)</u>	-51%
TOTAL REVENUES	<u>\$ 4,994,350</u>	100%	<u>\$ 661</u>	0%
<u>EXPENDITURES</u>				
City Council	\$ 30,380	1%	\$ (654)	-3%
Administration	779,172	18%	274,141	38%
Municipal Court	67,346	2%	5,725	7%
Police	1,192,563	28%	246,973	21%
Fire	1,228,304	29%	282,973	23%
Public Works	405,433	10%	82,537	23%
Development Services	107,925	3%	(4,983)	-5%
Capital Outlay	231,728	5%	144,477	234%
Debt Service	<u>203,846</u>	5%	<u>(96,485)</u>	-14%
TOTAL EXPENDITURES	<u>\$ 4,246,697</u>	100%	<u>\$ 934,704</u>	21%

BUDGETARY HIGHLIGHTS

Budgetary comparisons are included on pages 37 through 43 of this annual financial report. There were no budget amendments during the year.

General fund actual revenues exceeded the budget by 5% (or \$206,032). Budget exceeded total expenditures by 4% (or \$181,017).

The budget exceeded the water fund revenues by 19% (or \$198,753). Total expenditures exceeded the budget by 4% (or \$24,244).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of September 30, 2015, the City had \$9,806,117 invested in capital assets including police and fire equipment, buildings, and vehicles (see table below). This represents a net decrease of 4% (or \$391,233) from last year. See Note 6 on page 31 - 32 for additional analysis of the City's capital assets net of depreciation.

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2014	2015	2014	2015	2014	2015
Land	\$ 111,687	\$ 111,687	\$ 30,146	\$ 30,146	\$ 141,833	\$ 141,833
Construction in Progress	6,737	-	-	-	6,737	-
Building and Improvements	2,608,453	2,609,122	4,514,109	4,349,779	7,122,562	6,958,901
Street Improvements	1,503,597	1,434,320	-	-	1,503,597	1,434,320
Vehicles and Equipment	958,778	864,453	160,862	103,629	1,119,640	968,082
Water Rights	-	-	302,981	302,981	302,981	302,981
TOTALS	\$ 5,189,252	\$ 5,019,582	\$ 5,008,098	\$ 4,786,535	\$ 10,197,350	\$ 9,806,117

Debt

At September 30, 2015, the City had \$4,339,999 in outstanding bonds compared to \$4,638,907 last year. That is a decrease of 6% (or \$298,908) as shown in the following table:

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2014	2015	2014	2015	2014	2015
Bonds	\$ 1,910,766	\$ 1,779,673	\$ 2,728,141	\$ 2,560,327	\$ 4,638,907	\$ 4,340,000

Other obligations of the City include accrued compensated absences. See Note 5 on page 29 for additional analysis of City's debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

General Fund revenues for the fiscal year 2016 are budgeted at \$4,353,600 a 6.414% decrease over 2015 actual amounts. The decrease is largely related to decrease in building permit revenue received versus the projected. The City's largest single source of revenue in the General Fund continues to be ad valorem taxes. The tax rate was decreased .021875 cents from \$.309617 to \$.287742. This rate consists of a maintenance and operations (M&O) tax rate of \$.269903 and interest and sinking (debt service) tax rate of \$.023676. A contributing tax rate reduction factor was the increased property values reported under the most recent countywide property value study. After the rate reduction, the property tax revenue projections for M&O tax levy increased by \$54,660. While the City has a finite supply of undeveloped property, there has been a steady pace of platting of land for new business and homes that will positively affect the revenue streams in the near future.

The General Fund expenditures for fiscal 2016 are budgeted at \$4,388,600 a 1.11% increase over 2015 actual. To balance the difference between the fiscal year 2016 revenues and expenses, the City budgeted a one-time \$35,000 expenditure draw from unassigned fund balance.

The City's current fund policy is to achieve and maintain an unassigned General Fund balance equal to 25% to 50% of budgeted expenditures. Any amount in excess of 50% is considered for reservation to fund future capital projects and equipment, and/or to reduce future tax levies. The fiscal year 2016 budget transfers \$278,865 to the Capital Replacement Fund. In addition, the Council will be assigning excess fund balance to the Capital Replacement Fund during the 2106 year. If 2016 projections are accurate and Council assigns no amount to the Capital Replacement Fund during the 2106, the General Fund unassigned balance is about 87.46% of budgeted expenditures (or about \$3,838,049).

For 2016, water revenues are budgeted at \$918,739, a 7.84% increase from 2015 actual revenues. Water operating expenditures are budgeted at \$1,075,164, a 21.70% increase from 2015 actual (excluding depreciation). The increase is largely related to the repainting of the elevated water storage tank and designation of unrestricted assets for future capital replacement. Water net position unrestricted total \$1,596,688.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Manager at 900 Saddletree Court, Shavano Park, Texas 78231.

CITY OF SHAVANO PARK, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<u>CURRENT ASSETS</u>			
Cash and Investments	\$ 6,697,460	\$ 1,495,952	\$ 8,193,412
Accounts Receivable	265,789	161,948	427,737
Internal Balances	38,959	(38,959)	-
Inventory	-	27,321	27,321
Prepaid Expenses	-	600	600
Total Current Assets	<u>7,002,208</u>	<u>1,646,862</u>	<u>8,649,070</u>
Capital Assets	9,531,292	7,685,285	17,216,577
Accumulated Depreciation	<u>(4,511,710)</u>	<u>(2,990,113)</u>	<u>(7,501,823)</u>
Net Capital Assets	<u>5,019,582</u>	<u>4,695,172</u>	<u>9,714,754</u>
TOTAL ASSETS	<u>12,021,790</u>	<u>6,342,034</u>	<u>18,363,824</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflow - TMRS Pension	270,469	11,270	281,739
Deferred Charge on Refunded Bonds	<u>108,000</u>	<u>27,933</u>	<u>135,933</u>
TOTAL DEFERRED OUTFLOWS	<u>378,469</u>	<u>39,203</u>	<u>417,672</u>
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Accounts Payable	145,861	12,726	158,587
Accrued Wages Payable	107,222	4,747	111,969
Customer Deposits	-	19,750	19,750
Accrued Interest Payable	8,826	14,480	23,306
Current Portion of Bonds Payable	<u>139,038</u>	<u>85,963</u>	<u>225,001</u>
Total Current Liabilities	<u>400,947</u>	<u>137,666</u>	<u>538,613</u>
Compensated Absences Payable	144,175	5,931	150,106
Net Pension Liability	586,306	24,429	610,735
Bonds Payable	<u>1,640,635</u>	<u>2,474,364</u>	<u>4,114,999</u>
TOTAL LIABILITIES	<u>2,772,063</u>	<u>2,642,390</u>	<u>5,414,453</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflow - TMRS Pension	<u>13,023</u>	<u>543</u>	<u>13,566</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	3,239,909	2,134,845	5,374,754
Restricted for:			
PEG Funds	73,519	-	73,519
Street Maintenance	94,943	-	94,943
Child Safety	4,541	-	4,541
Court	49,543	-	49,543
LEOSE	4,688	-	4,688
Police Forfeiture	6,225	-	6,225
Debt Service	273,853	-	273,853
Crime Control	643,018	-	643,018
Unrestricted	<u>5,224,934</u>	<u>1,603,459</u>	<u>6,828,393</u>
TOTAL NET POSITION	<u>\$ 9,615,173</u>	<u>\$ 3,738,304</u>	<u>\$ 13,353,477</u>

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

CITY OF SHAVANO PARK, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2015

<u>PROGRAM ACTIVITIES</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUE</u>			<u>NET (EXPENSE) REVENUE</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS</u>	<u>CAPITAL CONTRIBUTIONS</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<u>Governmental Activities</u>							
City Council	\$ 30,380	\$ -	\$ -	\$ -	\$ (30,380)	\$ -	\$ (30,380)
Administration	908,612	64,880	18,454	-	(825,278)	-	(825,278)
Municipal Court	69,022	236,417	-	-	167,395	-	167,395
Police	1,263,146	7,096	4,266	-	(1,251,784)	-	(1,251,784)
Fire	1,371,566	74,087	7,706	-	(1,289,773)	-	(1,289,773)
Public Works	425,232	-	-	-	(425,232)	-	(425,232)
Development Services	107,925	743,545	-	-	635,620	-	635,620
Interest	82,669	-	-	-	(82,669)	-	(82,669)
Total Governmental Activities	4,258,552	1,126,025	30,426	-	(3,102,101)	-	(3,102,101)
<u>Business-Type Activities</u>							
Water	860,210	849,807	-	-	-	(10,403)	(10,403)
TOTAL GOVERNMENT	<u>\$ 5,118,762</u>	<u>\$ 1,975,832</u>	<u>\$ 30,426</u>	<u>\$ -</u>	<u>(3,102,101)</u>	<u>(10,403)</u>	<u>(3,112,504)</u>
<u>General Revenues</u>							
Taxes					3,361,998	-	3,361,998
Franchise Fees					444,127	-	444,127
Interest					4,718	2,234	6,952
Other					24,292	-	24,292
Transfers					22,050	(22,050)	-
Total General Revenue and Transfers					3,857,185	(19,816)	3,837,369
Change in Net Position					755,084	(30,219)	724,865
NET POSITION AT BEGINNING OF YEAR					9,219,606	3,783,503	13,003,109
RESTATEMENT OF BEGINNING NET POSITION					(359,517)	(14,980)	(374,497)
NET POSITION AT BEGINNING OF YEAR - RESTATED					8,860,089	3,768,523	12,628,612
NET POSITION AT END OF YEAR					<u>\$ 9,615,173</u>	<u>\$ 3,738,304</u>	<u>\$ 13,353,477</u>

CITY OF SHAVANO PARK, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<u>GENERAL</u>	<u>CRIME CONTROL DISTRICT</u>	<u>CAPITAL REPLACEMENT</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
<u>ASSETS</u>					
Cash and Investments	\$ 4,148,463	\$ 625,196	\$ 1,567,191	\$ 356,610	\$ 6,697,460
Receivables:					
Delinquent Ad Valorem Taxes	16,352	17,822	-	1,654	35,828
Warrant Receivable (net)	134,901	-	-	-	134,901
EMS Receivable (net)	6,020	-	-	-	6,020
Other Receivable	71,232	-	-	17,808	89,040
Due from Other Funds	<u>38,960</u>	<u>-</u>	<u>15,706</u>	<u>151,816</u>	<u>206,482</u>
 TOTAL ASSETS	 <u>\$ 4,415,928</u>	 <u>\$ 643,018</u>	 <u>\$ 1,582,897</u>	 <u>\$ 527,888</u>	 <u>\$ 7,169,731</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 143,400	\$ -	\$ -	\$ -	\$ 143,400
Accrued Wages Payable	107,222	-	-	-	107,222
Other Payables	2,461	-	-	-	2,461
Due to Other Funds	<u>167,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,523</u>
Total Liabilities	<u>420,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>420,606</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Revenue - Property Taxes	16,352	-	-	1,654	18,006
Deferred Revenue - Warrants	134,901	-	-	-	134,901
Deferred Revenue - EMS	<u>6,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,020</u>
Total Deferred Inflows of Resources	<u>157,273</u>	<u>-</u>	<u>-</u>	<u>1,654</u>	<u>158,927</u>
<u>FUND BALANCES</u>					
Restricted - PEG Funds	-	-	-	73,519	73,519
Restricted - Street Maintenance	-	-	-	94,943	94,943
Restricted - Child Safety Fund	-	-	-	4,541	4,541
Restricted - Court	-	-	-	49,543	49,543
Restricted - LEOSE	-	-	-	4,688	4,688
Restricted - Police Forfeiture	-	-	-	6,225	6,225
Restricted - Debt Service	-	-	-	273,853	273,853
Restricted - Crime Control District	-	643,018	-	-	643,018
Committed - Oak Wilt	-	-	-	18,922	18,922
Committed - Capital Replacement	-	-	1,582,897	-	1,582,897
Unassigned	<u>3,838,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,838,049</u>
Total Fund Balances	<u>3,838,049</u>	<u>643,018</u>	<u>1,582,897</u>	<u>526,234</u>	<u>6,590,198</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	 <u>\$ 4,415,928</u>	 <u>\$ 643,018</u>	 <u>\$ 1,582,897</u>	 <u>\$ 527,888</u>	 <u>\$ 7,169,731</u>

CITY OF SHAVANO PARK, TEXAS
 RECONCILIATION OF BALANCE SHEET –
 GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION
 SEPTEMBER 30, 2015

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 6,590,198

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 in the funds; net of accumulated depreciation of \$4,511,710 5,019,582

Delinquent ad valorem taxes are not available to pay for current period expenditures and, therefore, are deferred in the funds. 18,006

Warrant receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds. 134,901

EMS receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds. 6,020

Accrued interest payable on bonds payable does not require current financial resources and, therefore, is not reported in the funds. (8,826)

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

Net Pension Liability	(328,860)
Compensated Absences	(144,175)
Unamortized Charge on Refunded Bonds	108,000
Bonds Payable	<u>(1,779,673)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 9,615,173

CITY OF SHAVANO PARK, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2015

	<u>GENERAL</u>	<u>CRIME CONTROL DISTRICT</u>	<u>CAPITAL REPLACEMENT</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
<u>REVENUES</u>					
Taxes	\$ 2,946,449	\$ 97,039	\$ -	\$ 264,766	\$ 3,308,254
Franchise Fees	429,185	-	-	14,942	444,127
Building Permits and Fees	735,844	-	-	7,701	743,545
Fines and Forfeits	225,535	-	-	10,882	236,417
EMS Fees	74,087	-	-	-	74,087
Other	146,102	21,631	-	15,469	183,202
Interest	4,471	64	110	73	4,718
Total Revenues	<u>4,561,673</u>	<u>118,734</u>	<u>110</u>	<u>313,833</u>	<u>4,994,350</u>
<u>EXPENDITURES</u>					
City Council	30,380	-	-	-	30,380
General Administration	779,172	-	-	-	779,172
Municipal Court	67,346	-	-	-	67,346
Police	1,183,435	5,158	-	3,970	1,192,563
Fire	1,227,296	-	-	1,008	1,228,304
Public Works	361,711	-	-	43,722	405,433
Development Services	107,925	-	-	-	107,925
Capital Outlay	231,728	-	-	-	231,728
Principal Retirement	-	-	-	131,093	131,093
Interest and Fees	-	-	-	72,753	72,753
Total Expenditures	<u>3,988,993</u>	<u>5,158</u>	<u>-</u>	<u>252,546</u>	<u>4,246,697</u>
Excess of Revenues Over Expenditures	<u>572,680</u>	<u>113,576</u>	<u>110</u>	<u>61,287</u>	<u>747,653</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Gain on Sale of Assets	20,859	-	-	-	20,859
Transfers from Other Funds	122,866	-	388,647	-	511,513
Transfers from Water Fund	22,050	-	-	-	22,050
Transfers to Other Funds	<u>(351,406)</u>	<u>(120,341)</u>	<u>(20,000)</u>	<u>(19,766)</u>	<u>(511,513)</u>
Total Other Financing Sources (Uses)	<u>(185,631)</u>	<u>(120,341)</u>	<u>368,647</u>	<u>(19,766)</u>	<u>42,909</u>
Net Changes in Fund Balance	387,049	(6,765)	368,757	41,521	790,562
<u>FUND BALANCES – BEGINNING</u>	<u>3,451,000</u>	<u>649,783</u>	<u>1,214,140</u>	<u>484,713</u>	<u>5,799,636</u>
FUND BALANCES – ENDING	<u>\$ 3,838,049</u>	<u>\$ 643,018</u>	<u>\$ 1,582,897</u>	<u>\$ 526,234</u>	<u>\$ 6,590,198</u>

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

CITY OF SHAVANO PARK, TEXAS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2015

Net Change in Fund Balance - Governmental Funds	\$	790,562
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		231,728
Depreciation expense on capital assets is reported in the government-wide statement of activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(390,148)
Loss on disposal of capital asset is reported in the government-wide statement of activities, but it is not a loss on the governmental funds.		(11,250)
The repayment of long-term debt (bonds and capital lease obligations) consumes the current financial resources of governmental funds. Neither of these transactions, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:		
Bond Principal Payments		131,093
Defeasement Charge		(10,408)
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. (accrued interest)		492
The change in the liability for compensated absences does not consume a current financial resource and is therefore not reported as an expenditure in the governmental funds.		(5,269)
The change in the liability for net pension liability does not consume a current financial resource and is therefore not reported as an expenditure in the governmental funds.		30,657
The change in delinquent ad-valorem taxes for the year does not create a current financial resource and therefore is deferred in the governmental funds.		(11,360)
The change in EMS fees for the year does not create a current financial resource and therefore is deferred in the governmental funds.		196
The change in warrant fees for the year does not create a current financial resource and therefore is deferred in the governmental funds.		(1,209)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>755,084</u>

CITY OF SHAVANO PARK, TEXAS
STATEMENT OF NET POSITION
WATER FUND
SEPTEMBER 30, 2015

ASSETS

Cash and Investments	\$ 1,495,952
Receivable from Water Customers	161,948
Inventory	27,321
Prepaid Expenses	600
Capital Assets	7,685,285
Accumulated Depreciation	<u>(2,990,113)</u>
Total Assets	<u>6,380,993</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflow - TMRS Pension	11,270
Deferred Charge on Refunded Bonds	<u>27,933</u>
Total Deferred Outflows of Resources	<u>39,203</u>

TOTAL ASSETS AND DEFERRED OUTFLOWS \$ 6,420,196

LIABILITIES

Accounts Payable and Accrued Expenses	\$ 12,726
Accrued Wages Payable	4,747
Water Customer Deposits	19,750
Compensated Absences Payable	5,931
Due to Other Funds	38,959
Accrued Interest Payable	14,480
Net Pension Liability	24,429
Bonds Payable	<u>2,560,327</u>
Total Liabilities	<u>2,681,349</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Inflow - TMRS Pension	543
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NET POSITION

Net Investment in Capital Assets	2,134,845
Unrestricted	<u>1,603,459</u>

Total Net Position 3,738,304

TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION \$ 6,420,196

CITY OF SHAVANO PARK, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
WATER FUND
YEAR ENDED SEPTEMBER 30, 2015

<u>REVENUE</u>	
Water Service	\$ 802,304
Other Revenue	<u>47,503</u>
Total Revenue	<u>849,807</u>
<u>OPERATING EXPENSES</u>	
Personnel	184,336
Supplies	16,048
Services	155,122
Water Lease	48,019
Maintenance	140,495
Debt Service	119,575
Depreciation	<u>196,615</u>
Total Operating Expenses	<u>860,210</u>
Net Operating Income	(10,403)
<u>NONOPERATING REVENUES</u>	
Interest Income and Other	<u>2,234</u>
Income Before Transfers	(8,169)
<u>TRANSFERS OUT</u>	
Change in Net Position	<u>(22,050)</u>
<u>NET POSITION - BEGINNING</u>	<u>3,783,503</u>
<u>RESTATEMENT OF NET POSITION - BEGINNING</u>	<u>(14,980)</u>
<u>NET POSITION - BEGINNING - RESTATED</u>	<u>3,768,523</u>
TOTAL NET POSITION - ENDING	<u>\$ 3,738,304</u>

CITY OF SHAVANO PARK, TEXAS
STATEMENT OF CASH FLOWS
WATER FUND
YEAR ENDED SEPTEMBER 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Position	\$ (30,219)
Adjustments to Reconcile Net Income to Net Cash	
Provided by Operating Activities:	
Depreciation	196,615
Change in Operating Assets and Liabilities:	
Decrease in Accounts Receivable	(5,127)
Decrease in Due To/From Other Funds	46,868
Increase in Accounts Payable and Accrued Expenses	(75,045)
Increase in Net Pension Liability	(1,278)
Increase in Customer Deposits	(2,000)
Increase in Accrued Interest Payable	(346)
Net Cash Provided by Operating Activities	129,468

CASH FLOWS FROM INVESTING ACTIVITIES

Capital Asset Additions	(91,363)
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CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of Debt	(81,214)
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Net Increase in Cash	(43,109)
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<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	1,539,061
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CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,495,952
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NONCASH ACTIVITY:

Change in Actuarially Determined Net Pension Liability	\$ 10,727
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CITY OF SHAVANO PARK, TEXAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
YEAR ENDED SEPTEMBER 30, 2015

	<u>PET DOCUMENTATION AND RESCUE FUND</u>
Cash	<u>\$ 2,293</u>
Liability	
Due to Others	<u>\$ 2,293</u>

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Shavano Park, Texas (the City) complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Reporting Entity

The financial statements include all the governmental, proprietary, and fiduciary funds of the City. There are no component units applicable to the City. Therefore, the primary government (City of Shavano Park, Texas) is the same as the reporting entity. The City is not a component unit of any other entity.

B. Government-wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

C. Fund Financial Statements

The government uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds) and the servicing of long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in another fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Financial Statements (Continued)

Fiduciary funds are used to account for assets held by the City as an agent for individuals and/or other funds.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for by using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Governmental fund type operating statements present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

In the government-wide statement of net position and the statement of activities, both governmental and business-like activities are presented using the economic resources measurement focus and using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A 60 day availability period is used for revenue recognition for governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on long-term debt is recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise fees, special assessments, interest revenue and charges for services. Licenses, fines and permits are not susceptible to accrual because generally, they are not measurable until received in cash.

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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, 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 (expenditure) until then. The City's deferred outflows of resources are unamortized loss on refund bonds, the City's contributions to the defined-benefit pension fund after the measurement date of the plan, and changes in the actuarial investment experience.

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 City 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, deferred revenue, is reported only in the governmental funds balance sheet. The governmental funds report deferred revenues from property taxes, warrants, and EMS receivables, and the difference between actual experience and actuarial assumptions from the defined-benefit pension plan. The amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

E. Cash and Investments

Cash and investments include amounts in demand deposits, savings accounts, and TexSTAR investment accounts.

F. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

G. Receivables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include ad valorem taxes, warrants, franchise fees, and other fees. Business-type activities report water earnings as their major receivables.

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables (Continued)

In the fund financial statements, material receivables in governmental funds include revenue accruals such as ad valorem tax, warrants, franchise fees, and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Proprietary fund material receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

H. Inventories

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

I. Prepaid Items

Prepaid items are payments made to vendors for services that will benefit periods beyond September 30, 2015.

J. Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements – In the government-wide financial statements, assets are accounted for as capital assets. All capital assets are valued at historical cost, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 Years
Vehicles	3 – 10 Years
Furniture and Equipment	3 – 10 Years
Infrastructure	10 – 40 Years

Fund Financial Statements – In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences

The City's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

L. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or the fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

M. Equity Classifications – Government-Wide

Government-Wide Statements – Equity is classified as net position and displayed in three components:

1. Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted Net Position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted Net Position – All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance

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

- Nonspendable fund balance – amounts that are not in a spendable form (such as 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.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. Assigned fund balance is delegated by the Council to the City Manager.

In the general fund, the City strives to maintain an unassigned fund balance equal to 25% to 50% of budgeted expenditures.

O. Change in Accounting Policy

During fiscal year 2015, the City changed accounting policies related to reporting of net pension liability, deferred outflows of resources, and deferred inflows of resources in a statement of net financial position by adopting GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27." Accordingly, the effect of the accounting change is reported on the statement of net position, and the statement of activities for the current year.

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 2: PENSION PLAN AND OTHER POST-EMPLOYMENT BENEFITS

EMPLOYEES' RETIREMENT SYSTEM

A. Plan Description

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

All eligible employees of the City are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Members are eligible to retire at age sixty (60) and above with five (5) or more years of service or with twenty (20) years of service regardless of age. A member is vested after five (5) years. The contribution rate for the employees is 7%, and the City matching percent is currently 2 to 1.

Employees Covered by Benefit Terms

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	80
Active employees	<u>48</u>
Total	149

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 2: PENSION PLAN AND OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

C. Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 11.40% and 13.61% for calendar years 2014 and 2015 respectively. The City's contributions to TMRS for the year ended September 30, 2015 were \$254,004, and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall Payroll Growth	3.0% per year
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 2: PENSION PLAN AND OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

D. Net Pension Liability (Continued)

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>ASSET CLASS</u>	<u>TARGET ALLOCATION</u>	<u>LONG-TERM EXPECTED REAL RATE OF RETURN (ARITHMETIC)</u>
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	<u>5.0%</u>	8.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 2: PENSION PLAN AND OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

D. Net Pension Liability (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2013	\$ 4,761,991	\$ 4,194,928	\$ 567,063
Changes for the year:			
Service Cost	370,994	-	370,994
Interest	342,494	-	342,494
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(19,418)	-	(19,418)
Changes of Assumptions	-	-	-
Contributions - Employer	-	260,007	(260,007)
Contributions - Employee	-	153,047	(153,047)
Net Investment Income	-	240,054	(240,054)
Benefit Payments, Including Refunds of Employee Contributions	(109,427)	(109,427)	-
Administrative Expense	-	(2,505)	2,505
Other Changes	-	(205)	205
Net Changes	<u>584,643</u>	<u>540,971</u>	<u>43,672</u>
Balance at December 31, 2014	<u>\$ 5,346,634</u>	<u>\$ 4,735,899</u>	<u>\$ 610,735</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

<u>1% Decrease in Discount Rate (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase in Discount Rate (8.0%)</u>
\$ 1,604,665	\$ 610,735	\$ (171,862)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 2: PENSION PLAN AND OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015, the City recognized a decrease in pension expense of \$224,195.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference Between Expected and Actual Economic Experience	\$ -	\$ 13,566
Changes in Actuarial Assumptions	-	-
Difference Between Projected and Actual Investment Earnings	42,873	-
Contributions Subsequent to the Measurement Date	<u>238,865</u>	<u>-</u>
Total	<u>\$ 925,583</u>	<u>\$ (609,380)</u>

The City reported \$238,865 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2015. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2016	\$	4,866
2017		4,866
2018		8,856
2019		10,719
2020		-
Thereafter		-
Total	\$	<u>29,307</u>

F. Supplemental Death Benefits Fund

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental 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 participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 2: PENSION PLAN AND OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

G. Benefits

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 post-employment benefit" or OPEB.

H. Contributions

The City contributes to the SDBF at a contractually required contribution 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 2015, 2014, and 2013 were \$2,929, \$3,453, and \$3,658, respectively, which equaled the required contributions each year.

NOTE 3: PROPERTY TAXES

Taxes were levied on and payable as of January 1. For fiscal year 2015, the assessed tax rate for the City was \$.3200 per \$100 on an assessed valuation of \$897,254,912. This is broken out as \$.290429 per \$100 for general operations and \$.019188 per \$100 for debt retirement. Total tax levy for 2015 was \$2,697,567. As of September 30, 2015, the current year uncollected taxes were \$18,006.

NOTE 4: DEPOSITS AND INVESTMENTS

Local government investment pools in Texas are established under the government of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of 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 AAAM 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 pools operate in a manner consistent with the Securities and Exchange Commission's (SEC) Rule 2a7 of the Investment Company Act of 1940 but are not registered with the SEC as investment companies. The pools use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in this pool is the same as the value of the shares in the pool.

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 4: DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. However, investments issued or explicitly guaranteed by the United States government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. Presented below is the minimum rating required by (where applicable) the City's investment policy and the Act and the actual rating as of September 30, 2015 for each investment:

DESCRIPTION	INVESTMENT POLICY MINIMUM RATING	INVESTMENT RATING	RATING ORGANIZATION	FAIR VALUE	WEIGHTED AVERAGE MATURITY (YEARS)
TexStar	AAA	AAAm	Standard & Poor's	\$ 2,096,022	-
TexPool	AAA	AAA	Standard & Poor's	466	-
Certificates of Deposits	N/A	N/A	N/A	<u>1,007,233</u>	1.00
TOTAL INVESTMENTS				<u>\$ 3,103,721</u>	

Concentration of Credit Risk: Disclosure is required for investments in any one issuer that represent 5% or more of total investment. However, investments issued or explicitly guaranteed by the United States government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The City's investments in external investment pools exceeding 5% are excluded from this requirement.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturing of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting the City's exposure to fair value losses arising from interest rate risk, the City's investment policy limits the maximum weighted average maturity for its portfolio as a whole to 365 days. Maximum allowable stated maturities of any investment shall not exceed 5 years.

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 5: LONG-TERM DEBT

The changes in long-term debt during the year are summarized as follows:

	ORIGINAL AMOUNT	INTEREST RATE PAYABLE	BALANCE OUTSTANDING 10/1/2014	ISSUED DURING YEAR	RETIRED DURING YEAR	BALANCE OUTSTANDING 9/30/2015	AMOUNTS DUE WITHIN ONE YEAR
<u>GOVERNMENTAL ACTIVITIES</u>							
General Obligation Refunding: Series 2009	2,220,620	2.5% - 4.375%	<u>1,910,766</u>	-	<u>(131,093)</u>	<u>1,779,673</u>	<u>139,038</u>
Total Governmental Activities			<u>1,910,766</u>	-	<u>(131,093)</u>	<u>1,779,673</u>	<u>139,038</u>
<u>BUSINESS-TYPE ACTIVITIES</u>							
Self Supporting Obligation Refunding: Series 2009	574,380	2.5% - 4.375%	494,234	-	(33,907)	460,327	35,963
Self Supporting Obligation: Series 2009	2,299,999	2.5% - 5%	<u>2,150,000</u>	-	<u>(50,000)</u>	<u>2,100,000</u>	<u>50,000</u>
Total Business-Type Activities			<u>2,644,234</u>	-	<u>(83,907)</u>	<u>2,560,327</u>	<u>85,963</u>
TOTAL GOVERNMENT			<u>\$ 4,555,000</u>	<u>\$ -</u>	<u>\$ (215,000)</u>	<u>\$ 4,340,000</u>	<u>\$ 225,001</u>

At September 30, 2015, the City's long-term debt consisted of the following combination tax and limited pledge revenue certificates of obligation bonds, issued in 2009: "\$2,795,000 City of Shavano Park General Obligation Refunding Bond, Series 2009" and "\$2,299,999 City of Shavano Park Combination Tax and Limited Revenue Pledge Certificate of Obligation, Series 2009". During the year ended September 30, 2009 the City issued \$2,795,000 of General Obligation Refunding Bonds, Series 2009, to defease certain bonds outstanding (\$2,575,000) from the \$3,650,000 Combination Tax and Limited Pledge Certificates of Obligation Bonds, Series 2000 - to achieve debt service savings. The defeasement loss (or difference in the \$2,795,000 refunding bonds and the \$2,575,000 bonds defeased) of \$220,000 has been deferred and is recorded as a reduction in bonds payable in these financial statements: \$45,213 related to the self-supporting obligations has been recorded in the enterprise fund and \$174,787 relates to the general obligation bonds. This amount will be amortized as an increase in interest expense over the remaining 16½ years of the bond obligation. Amortization in the current year was \$2,693 for the self-supporting bonds and \$10,408 for the general obligation bonds.

The City realized \$488,000 of savings from the reduced interest cost of the refunding bonds over the defeased bonds. When offset by the \$220,000 defeasement loss on issue which will be amortized to interest expense, the City's net savings will be \$268,000 over the remaining bond term. The defeased bonds were redeemed in August 2010.

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 5: LONG-TERM DEBT (CONTINUED)

The following table presents the annual debt service requirement of the City:

YEAR ENDING SEPTEMBER 30,	BUSINESS TYPE			GOVERNMENTAL TYPE		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2016	\$ 85,963	\$ 114,548	\$ 200,511	\$ 139,038	\$ 68,525	\$ 207,563
2017	90,963	111,805	202,768	139,037	64,006	203,043
2018	91,990	108,741	200,731	143,010	59,071	202,081
2019	95,073	105,367	200,440	154,927	53,469	208,396
2020	100,073	101,632	201,705	154,928	47,273	202,201
2021-2025	561,190	443,358	1,004,548	893,810	132,487	1,026,297
2026-2030	460,075	324,122	784,197	154,923	3,390	158,313
2031-2035	535,000	205,125	740,125	-	-	-
2036-2040	540,000	55,750	595,750	-	-	-
NET BONDS OUTSTANDING	<u>\$2,560,327</u>	<u>\$ 1,570,448</u>	<u>\$ 4,130,775</u>	<u>\$1,779,673</u>	<u>\$ 428,221</u>	<u>\$ 2,207,894</u>

The bonds are \$5,000 in denomination and are dated May 1, 2009 and August 1, 2009. The bonds were issued for the purpose for securing funds to improve the City's water system, construct a new city hall, and for drainage and street improvements. The Self-Supporting Limited Revenue Pledge Bonds are repayable from the net revenue of the City's proprietary fund.

The general obligation bonds are payable out of the City's ad valorem tax revenues, the City Council having been authorized to levy and cause to be assessed and collected an amount of ad valorem taxes sufficient to pay the annual as provided in the bond ordinance, solely for the benefit of said bonds. The bond ordinance stipulates that "said interest and sinking fund shall be kept separate and apart from all other funds and accounts of said City, and shall be used only for paying the interest on and principal of said bonds." All ad valorem taxes levied and collected for and on account of said bonds shall be deposited, as collected, to the credit of said interest and sinking fund. During each year while any of said bonds or interest coupons appertaining thereto are outstanding and unpaid, the governing body of said City shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest of said bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of such bonds as such principal matures and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid interest and sinking fund.

Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said bonds, as such interest comes due and such principal matures, are hereby pledged irrevocably for such payment, within the limit prescribed by law.

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 6: CAPITAL ASSETS

The following is a summary of changes in capital assets:

	<u>9/30/2014</u>	<u>ADDITIONS</u>	<u>DISPOSALS</u>	<u>9/30/2015</u>
<u>Governmental Activities</u>				
Capital Assets not being Depreciated				
Land	\$ 111,687	\$ -	\$ -	\$ 111,687
Construction in Progress	<u>6,737</u>	<u>-</u>	<u>(6,737)</u>	<u>-</u>
Capital Assets being Depreciated				
Building and Improvements	3,546,111	91,363	-	3,637,474
Street Improvements	2,771,047	-	-	2,771,047
Vehicles and Equipment	<u>3,146,586</u>	<u>147,102</u>	<u>(282,604)</u>	<u>3,011,084</u>
Total Capital Assets being Depreciated	<u>9,463,744</u>	<u>238,465</u>	<u>(282,604)</u>	<u>9,419,605</u>
Less Accumulated Depreciation for:				
Building and Improvements	(937,658)	(90,694)	-	(1,028,352)
Street Improvements	(1,267,450)	(69,277)	-	(1,336,727)
Vehicles and Equipment	<u>(2,187,808)</u>	<u>(230,177)</u>	<u>271,354</u>	<u>(2,146,631)</u>
Total Accumulated Depreciation	<u>(4,392,916)</u>	<u>(390,148)</u>	<u>271,354</u>	<u>(4,511,710)</u>
Total Capital Assets being Depreciated - Net	<u>5,070,828</u>	<u>(151,683)</u>	<u>(11,250)</u>	<u>4,907,895</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS - NET	<u>\$ 5,189,252</u>	<u>\$ (151,683)</u>	<u>\$ (17,987)</u>	<u>\$ 5,019,582</u>
<u>Business-Type Activities</u>				
Capital Assets not being Depreciated				
Land	\$ 30,146	\$ -	\$ -	\$ 30,146
Water Rights	<u>302,981</u>	<u>-</u>	<u>-</u>	<u>302,981</u>
Total Capital Assets not being Depreciated	<u>333,127</u>	<u>-</u>	<u>-</u>	<u>333,127</u>
Capital Assets being Depreciated				
Water Plant and Improvements	6,780,286	91,363	-	6,871,649
Machinery and Equipment	<u>480,509</u>	<u>-</u>	<u>-</u>	<u>480,509</u>
Total Capital Assets being Depreciated	<u>7,260,795</u>	<u>91,363</u>	<u>-</u>	<u>7,352,158</u>
Less Accumulated Depreciation for:				
Water Plant and Improvements	(2,439,705)	(173,528)	-	(2,613,233)
Machinery and Equipment	<u>(353,793)</u>	<u>(23,087)</u>	<u>-</u>	<u>(376,880)</u>
Total Accumulated Depreciation	<u>(2,793,498)</u>	<u>(196,615)</u>	<u>-</u>	<u>(2,990,113)</u>
Total Capital Assets being Depreciated - Net	<u>4,467,297</u>	<u>(105,252)</u>	<u>-</u>	<u>4,362,045</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS - NET	<u>\$ 4,800,424</u>	<u>\$ (105,252)</u>	<u>\$ -</u>	<u>\$ 4,695,172</u>

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 6: CAPITAL ASSETS (CONTINUED)

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

Governmental Activities

Administration	\$ 134,602
Municipal Court	2,193
Police	75,814
Fire	155,542
Public Works	<u>21,997</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 390,148</u>
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Business-Type Activities

Water	<u>\$ 196,615</u>
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TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	<u>\$ 196,615</u>
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NOTE 7: DEFERRED INFLOWS OF RESOURCES – DEFERRED REVENUE

The following is a summary of deferred revenues at September 30, 2015:

	<u>GENERAL FUND</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
Ad Valorem Taxes	\$ 16,352	\$ 1,654	\$ 18,006
Warrant Fees	134,901	-	134,901
EMS	<u>6,020</u>	<u>-</u>	<u>6,020</u>
 TOTAL DEFERRED REVENUE	 <u>\$ 157,273</u>	 <u>\$ 1,654</u>	 <u>\$ 158,927</u>

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 8: INTERFUND BALANCES

During the course of normal operations, interfund payables, receivables and transfers are created to reimburse funds for contractual obligations or normal expenditures.

Transfers during the year ended September 30, 2015, were as follows:

<u>TRANSFERS OUT</u>	<u>TRANSFERS IN</u>		
	<u>GENERAL</u>	<u>CAPITAL REPLACEMENT</u>	<u>TOTAL</u>
General	\$ -	\$ 351,406	\$ 351,406
Crime Control District	83,100	37,241	120,341
Capital Replacement	20,000	-	20,000
Water	22,050	-	22,050
Other	<u>19,766</u>	<u>-</u>	<u>19,766</u>
TOTALS	<u>\$ 144,916</u>	<u>\$ 388,647</u>	<u>\$ 533,563</u>

The City had the following interfund payables and receivables as of September 30, 2015:

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
Other Funds	General Fund	\$ 167,523
General Fund	Water Fund	38,959

NOTE 9: CONTINGENT LIABILITIES

The City is contingently liable in respect of lawsuits and other claims in the ordinary course of its operations. Should such contingencies become a real liability, funds would have to be appropriated in future budgets for settlement. The City does not feel that there are any matters pending at September 30, 2015 that would have a material effect on the financial condition of the City.

In addition, the City participates in federally funded grant programs from the U.S. Justice Department and Department of Homeland Security, which are subject to federal regulations and guidelines. Should any of the grant program expenditures be disallowed by the respective grantor agency, funds would have to be appropriated in future City budgets for settlement. However, the City feels that such future amounts, if any, would be immaterial.

CITY OF SHAVANO PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 10: 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; and natural disasters for which the City carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic and social factors. The City did not have any such liability at September 30, 2015. There were no reductions in insurance coverage from the prior year. Also, the amount of settlements did not exceed insurance coverage for each of the past three years.

NOTE 11: RESTATEMENT OF NET POSITION

During fiscal year 2015, the City adopted GASB Statement No. 68, Accounting and Reporting for Pensions. With the adoption of this standard, the City must recognize a net pension liability for their defined-benefit pension plan. Adoption of GASB No. 68 require a prior period adjustment to report the effect of GASB 68 retroactively. The amount of the prior period adjustment is \$(359,517) for the governmental activities and \$(14,980) for the business-type activities. The restated beginning net position for the Governmental Activities is \$8,860,089 and for the business-type activities is \$3,768,523.

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REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board, but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund, Debt Service Fund, Crime Control District Fund, PEG Funds, Oak Wilt Fund, Court Restricted Fund, Child Safety Fund, LEOSE, Police Forfeitures, Capital Replacement Fund, and Water Fund.
- Schedule of Funding Progress – Texas Municipal Retirement System

CITY OF SHAVANO PARK, TEXAS
STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED SEPTEMBER 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>GENERAL FUND</u>				
<u>Revenues</u>				
Taxes - Ad Valorem	\$ 2,593,253	\$ 2,596,538	\$ 2,547,307	\$ (49,231)
Taxes - Sales	306,000	306,000	399,142	93,142
Franchise Fees	316,000	338,237	429,185	90,948
Permits and Licenses	364,750	546,276	735,844	189,568
Court Fines	210,200	210,200	225,535	15,335
Grants	7,000	8,033	8,703	670
Rentals	38,640	38,640	38,979	339
EMS Fees	60,000	60,000	74,087	14,087
Other	6,500	37,575	98,420	60,845
Interest	10,000	10,000	4,471	(5,529)
Transfer from Other				
Government Funds	157,866	341,867	122,866	(219,001)
Gain on Sale of Assets	6,000	6,000	20,859	14,859
Transfer from Water	22,050	22,050	22,050	-
Total Revenues	<u>4,098,259</u>	<u>4,521,416</u>	<u>4,727,448</u>	<u>206,032</u>
<u>Expenditures</u>				
<u>City Council</u>				
Supplies	2,300	2,574	1,582	992
Services	15,050	30,050	28,798	1,252
Total City Council	<u>17,350</u>	<u>32,624</u>	<u>30,380</u>	<u>2,244</u>
<u>Administration</u>				
Personnel	447,374	450,329	447,904	2,425
Supplies	35,272	41,094	38,883	2,211
Services	267,697	296,407	280,539	15,868
Maintenance	14,660	14,660	11,846	2,814
Total Administration	<u>765,003</u>	<u>802,490</u>	<u>779,172</u>	<u>23,318</u>
<u>Development Services</u>				
Services	86,000	111,200	106,625	4,575
Maintenance	-	1,300	1,300	-
Total Development Services	<u>86,000</u>	<u>112,500</u>	<u>107,925</u>	<u>4,575</u>
<u>Municipal Court</u>				
Personnel	42,239	42,239	41,505	734
Supplies	5,320	6,555	6,208	347
Services	20,920	22,120	18,595	3,525
Maintenance	1,020	1,020	1,038	(18)
Total Municipal Court	<u>69,499</u>	<u>71,934</u>	<u>67,346</u>	<u>4,588</u>

CITY OF SHAVANO PARK, TEXAS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>GENERAL FUND (CONTINUED)</u>				
<u>Expenditures (Continued)</u>				
Police Department				
Personnel	\$ 993,143	\$ 993,143	\$ 955,909	\$ 37,234
Supplies	96,872	102,102	94,655	7,447
Services	64,499	64,499	59,660	4,839
Capital Expenditures	67,300	142,208	147,102	(4,894)
Maintenance	<u>85,900</u>	<u>90,875</u>	<u>73,211</u>	<u>17,664</u>
Total Police Department	<u>1,307,714</u>	<u>1,392,827</u>	<u>1,330,537</u>	<u>62,290</u>
Fire Department				
Personnel	1,090,006	1,090,006	1,068,870	21,136
Supplies	45,335	49,655	47,590	2,065
Services	54,295	54,295	39,393	14,902
Maintenance	<u>84,475</u>	<u>86,008</u>	<u>71,443</u>	<u>14,565</u>
Total Fire Department	<u>1,274,111</u>	<u>1,279,964</u>	<u>1,227,296</u>	<u>52,668</u>
Public Works				
Personnel	220,702	220,702	196,372	24,330
Supplies	6,575	7,362	5,199	2,163
Services	24,342	34,342	30,384	3,958
Capital Expenditures	-	91,162	84,626	6,536
Maintenance	<u>133,789</u>	<u>139,809</u>	<u>129,756</u>	<u>10,053</u>
Total Public Works	<u>385,408</u>	<u>493,377</u>	<u>446,337</u>	<u>47,040</u>
Transfers to Other Funds	<u>193,174</u>	<u>335,700</u>	<u>351,406</u>	<u>(15,706)</u>
Total Expenditures	<u>4,098,259</u>	<u>4,521,416</u>	<u>4,340,399</u>	<u>181,017</u>
CHANGE IN BUDGETARY FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 387,049</u>	<u>\$ 387,049</u>
<u>DEBT SERVICE FUND</u>				
<u>Revenues</u>				
Taxes - Ad Valorem	\$ 171,148	\$ 171,148	\$ 169,823	\$ (1,325)
Interest	<u>-</u>	<u>-</u>	<u>67</u>	<u>67</u>
Total Revenues	<u>171,148</u>	<u>171,148</u>	<u>169,890</u>	<u>(1,258)</u>

CITY OF SHAVANO PARK, TEXAS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>DEBT SERVICE FUND (CONTINUED)</u>				
<u>Expenditures</u>				
Bond Principal	\$ 131,093	\$ 131,093	\$ 131,093	\$ -
Bond Interest	72,578	72,578	72,578	-
Bond Agent Fees	1,000	1,000	175	825
Transfers to Other Funds	<u>(33,523)</u>	<u>(33,523)</u>	<u>-</u>	<u>(33,523)</u>
Total Expenditures	<u>171,148</u>	<u>171,148</u>	<u>203,846</u>	<u>(32,698)</u>
CHANGE IN BUDGETARY				
FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (33,956)</u>	<u>\$ (33,956)</u>
<u>CRIME CONTROL DISTRICT FUND</u>				
<u>Revenues</u>				
Taxes - Sales	\$ 74,760	\$ 74,760	\$ 97,039	\$ 22,279
Other	-	-	21,631	21,631
Interest	<u>30</u>	<u>30</u>	<u>64</u>	<u>34</u>
Total Revenues	<u>74,790</u>	<u>74,790</u>	<u>118,734</u>	<u>43,944</u>
<u>Expenditures</u>				
Other Expenses	7,000	7,000	5,158	1,842
Transfer to General Fund	<u>120,341</u>	<u>120,341</u>	<u>120,341</u>	<u>-</u>
Total Expenditures	<u>127,341</u>	<u>127,341</u>	<u>125,499</u>	<u>1,842</u>
CHANGE IN BUDGETARY				
FUND BALANCE	<u>\$ (52,551)</u>	<u>\$ (52,551)</u>	<u>\$ (6,765)</u>	<u>\$ 45,786</u>
<u>PEG FUNDS</u>				
<u>Revenues</u>				
Franchise Fees	\$ 10,400	\$ 10,400	\$ 14,942	\$ 4,542
Interest	<u>20</u>	<u>20</u>	<u>3</u>	<u>(17)</u>
Total Revenues	<u>10,420</u>	<u>10,420</u>	<u>14,945</u>	<u>4,525</u>
CHANGE IN BUDGETARY				
FUND BALANCE	<u>\$ 10,420</u>	<u>\$ 10,420</u>	<u>\$ 14,945</u>	<u>\$ 4,525</u>

CITY OF SHAVANO PARK, TEXAS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>OAK WILT FUND</u>				
<u>Revenues</u>				
Permits and Licenses	\$ 1,500	\$ 1,500	\$ 7,701	\$ 6,201
Other Revenue	20	41,499	10,000	(31,499)
Total Revenues	<u>1,520</u>	<u>42,999</u>	<u>17,701</u>	<u>(25,298)</u>
<u>Expenditures</u>				
Other Expenses	\$ -	\$ 42,999	\$ 43,722	\$ (723)
CHANGE IN BUDGETARY FUND BALANCE	<u>\$ 1,520</u>	<u>\$ -</u>	<u>\$ (26,021)</u>	<u>\$ (26,021)</u>
<u>STREET MAINTENANCE FUND</u>				
<u>Revenues</u>				
Sales Tax - Street Maintenance	\$ 74,790	\$ 74,790	\$ 94,943	\$ 20,153
CHANGE IN BUDGETARY FUND BALANCE	<u>\$ 74,790</u>	<u>\$ 74,790</u>	<u>\$ 94,943</u>	<u>\$ 20,153</u>
<u>COURT RESTRICTED FUND</u>				
<u>Revenues</u>				
Permits and Licenses	\$ 14,100	\$ 14,101	\$ 10,882	\$ (3,219)
<u>Expenditures</u>				
Transfers to Other Funds	19,766	19,766	19,766	-
Total Expenditures	<u>19,766</u>	<u>19,766</u>	<u>19,766</u>	<u>-</u>
CHANGE IN BUDGETARY FUND BALANCE	<u>\$ (5,666)</u>	<u>\$ (5,665)</u>	<u>\$ (8,884)</u>	<u>\$ (3,219)</u>

CITY OF SHAVANO PARK, TEXAS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>CHILD SAFETY FUND</u>				
<u>Revenues</u>				
Other	\$ 3,400	\$ 3,400	\$ 3,799	\$ 399
<u>Expenses</u>				
Other Expenses	3,000	3,000	2,847	153
CHANGE IN BUDGETARY FUND BALANCE	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ 952</u>	<u>\$ 552</u>
<u>LEOSE</u>				
<u>Revenues</u>				
Other	\$ 1,500	\$ 1,500	\$ 1,673	\$ 173
<u>Expenses</u>				
Other Expenses	3,000	3,000	2,131	869
CHANGE IN BUDGETARY FUND BALANCE	<u>\$ (1,500)</u>	<u>\$ (1,500)</u>	<u>\$ (458)</u>	<u>\$ 1,042</u>
<u>CAPITAL REPLACEMENT FUND</u>				
<u>Revenues</u>				
Interest	\$ 100	\$ 100	\$ 110	\$ 10
Transfer from Other Government Funds	230,415	372,941	388,647	15,706
Total Revenues	<u>230,515</u>	<u>373,041</u>	<u>388,757</u>	<u>15,716</u>
<u>Expenses</u>				
Transfer to Other Government Funds	20,000	20,000	20,000	-
CHANGE IN BUDGETARY FUND BALANCE	<u>\$ 210,515</u>	<u>\$ 353,041</u>	<u>\$ 368,757</u>	<u>\$ 15,716</u>

CITY OF SHAVANO PARK, TEXAS
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2015

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
<u>WATER FUND</u>				
<u>Revenues</u>				
Water Service	\$ 896,100	\$ 951,100	\$ 748,806	\$ (202,294)
Debt Service	55,000	55,000	53,498	(1,502)
Lease Revenue	20,700	20,700	47,503	26,803
Interest and Other	4,300	4,300	2,234	(2,066)
Transfer from General	28,532	19,694	-	(19,694)
Total Revenues	<u>1,004,632</u>	<u>1,050,794</u>	<u>852,041</u>	<u>(198,753)</u>
<u>Expenditures</u>				
Personnel	203,585	203,585	184,336	19,249
Supplies	26,574	14,005	16,048	(2,043)
Services	160,388	33,264	155,122	(121,858)
Capital Expenditures	-	91,162	-	91,162
Water Lease	48,000	48,000	48,019	(19)
Maintenance	341,900	47,200	140,495	(93,295)
Debt Service	202,135	202,135	119,575	82,560
Transfers to General Fund	22,050	22,050	22,050	-
Total Expenditures	<u>1,004,632</u>	<u>661,401</u>	<u>685,645</u>	<u>(24,244)</u>
CHANGE IN BUDGETARY FUND BALANCE	<u>\$ -</u>	<u>\$ 389,393</u>	<u>\$ 166,396</u>	<u>\$ (222,997)</u>

See accompanying note to budgetary comparison schedules.

CITY OF SHAVANO PARK, TEXAS
NOTE TO BUDGETARY COMPARISON SCHEDULES
SEPTEMBER 30, 2015

NOTE A: BUDGET TO ACTUAL RECONCILIATION

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

	<u>WATER FUND</u>
Change in Budgetary Net Position:	\$ 166,396
Differences – Budget to GAAP:	
Depreciation expense is reported for financial reporting purposes but is not a budgetary outflow of resources	<u>(196,615)</u>
TOTAL CHANGE IN NET POSITION	<u>\$ 30,219</u>

CITY OF SHAVANO PARK, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2015

	2015
Total Pension Liability	
Service Cost	\$ 370,994
Interest (on the Total Pension Liability)	342,494
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(19,418)
Change of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(109,427)</u>
Net Change in Total Pension Liability	584,643
Total Pension Liability - Beginning	<u>4,761,991</u>
Total Pension Liability - Ending (a)	<u>\$ 5,346,634</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 260,007
Contributions - Employee	153,047
Net Investment Income	240,054
Benefit Payments, Including Refunds of Employee Contributions	(109,427)
Administrative Expense	(2,505)
Other	<u>(205)</u>
Net Change in Plan Fiduciary Net Position	540,971
Plan Fiduciary Net Position - Beginning	<u>4,194,928</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,735,899</u>
Net Pension Liability (a) - (b)	<u>\$ 610,735</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.58%
Covered Employee Payroll	2,183,711
Net Pension Liability as a Percentage of Total Covered Employee Payroll	27.97%

*GASB 68 requires 10 fiscal years of data to be provided in this schedule. This is the first year of implementation of GASB 68. The City will develop the schedule prospectively.

CITY OF SHAVANO PARK, TEXAS
SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2015

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contributions	\$ 243,300	\$ 306,584
Contributions in Relation to the Actuarially Determined Contributions	<u>243,300</u>	<u>306,584</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 2,157,762	\$ 2,252,914
Contributions as a Percentage of Covered Employee Payroll	11.28%	13.61%

*GASB 68 requires 10 fiscal years of data to be provided in this schedule. This is the first year of implementation of GASB 68. The City will develop the schedule prospectively.

CITY OF SHAVANO PARK, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015

NOTE 1: BUDGETARY INFORMATION

The budgets for the general fund, grant fund, and road maintenance fund are adopted on a basis consistent with generally accepted accounting principles. Annual appropriations lapse at fiscal year-end.

The original budgets for the general fund, grant fund, and road maintenance fund are adopted by the City Council by September 30. Budgetary preparation and control is exercised at the department level. The City Administrator is authorized to transfer budget amounts between line items within a department; however, any transfer or supplemental appropriation that amends the total expenditures of a department or total budget requires City Council approval. Both the original and final budgets are included.

NOTE 2: SCHEDULE OF CONTRIBUTIONS

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 Years
Asset Valuation Method	10 Year Smoothed Market, 15% Soft Corridor
Inflation	3.00%
Salary Increases	3.5% to 12.00% Including Inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

There were no benefit changes during the year.

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OTHER SUPPLEMENTARY INFORMATION

CITY OF SHAVANO PARK, TEXAS
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<u>PEG FUNDS</u>	<u>OAK WILT</u>	<u>STREET MAINTENANCE</u>	<u>CHILD SAFETY FUND</u>
<u>ASSETS</u>				
Cash and Investments	\$ 73,519	\$ -	\$ -	\$ -
Receivables:				
Delinquent Ad Valorem Taxes	-	-	-	-
Other Receivable			17,808	
Due from Other Funds	-	18,922	77,135	4,541
Prepaid Expenses				
 TOTAL ASSETS	 <u>\$ 73,519</u>	 <u>\$ 18,922</u>	 <u>\$ 94,943</u>	 <u>\$ 4,541</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Revenue - Property Taxes	\$ -	\$ -	\$ -	\$ -
<u>FUND BALANCES</u>				
Non-Spendable - Prepaid Items				
Restricted - PEG Funds	73,519	-	-	-
Restricted - Street Maintenance	-	-	94,943	
Restricted - Child Safety Fund	-	-	-	4,541
Restricted - Court	-	-	-	-
Restricted - LEOSE	-	-	-	-
Restricted - Police Forfeiture	-	-	-	-
Restricted - Debt Service	-	-	-	-
Committed - Oak Wilt	-	18,922	-	-
Total Fund Balances	<u>73,519</u>	<u>18,922</u>	<u>94,943</u>	<u>4,541</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	 <u>\$ 73,519</u>	 <u>\$ 18,922</u>	 <u>\$ 94,943</u>	 <u>\$ 4,541</u>

<u>COURT RESTRICTED</u>	<u>LEOSE</u>	<u>POLICE FORFEITURE</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
\$ -	\$ 3,534	\$ 6,225	\$ 273,332	\$ 356,610
-	-	-	1,654	1,654
<u>49,543</u>	<u>1,154</u>	<u>-</u>	<u>521</u>	<u>151,816</u>
<u>\$ 49,543</u>	<u>\$ 4,688</u>	<u>\$ 6,225</u>	<u>\$ 275,507</u>	<u>\$ 527,888</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,654</u>	<u>\$ 1,654</u>
-	-	-	-	73,519
-	-	-	-	94,943
-	-	-	-	4,541
49,543	-	-	-	49,543
-	4,688	-	-	4,688
-	-	6,225	-	6,225
-	-	-	273,853	273,853
-	-	-	-	18,922
<u>49,543</u>	<u>4,688</u>	<u>6,225</u>	<u>273,853</u>	<u>526,234</u>
<u>\$ 49,543</u>	<u>\$ 4,688</u>	<u>\$ 6,225</u>	<u>\$ 275,507</u>	<u>\$ 527,888</u>

CITY OF SHAVANO PARK, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>PEG</u>	<u>OAK WILT</u>	<u>STREET MAINTENANCE</u>	<u>CHILD SAFETY FUND</u>
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ 94,943	\$ -
Franchise Fees	14,942	-	-	-
Building Permits and Fees	-	7,701	-	-
Fines and Forfeits	-	-	-	-
Grant and Other	-	10,000	-	3,799
Interest	3	-	-	-
Total Revenues	<u>14,945</u>	<u>17,701</u>	<u>94,943</u>	<u>3,799</u>
<u>EXPENDITURES</u>				
City Council				
Police				1,839
Fire				1,008
Public Works		43,722		
Principal Retirement	-	-	-	-
Interest and Fees	-	-	-	-
Total Expenditures	<u>-</u>	<u>43,722</u>	<u>-</u>	<u>2,847</u>
Excess of Revenues Over Expenditures	<u>14,945</u>	<u>(26,021)</u>	<u>94,943</u>	<u>952</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from Proprietary Fund				
Transfers to Other Funds	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	14,945	(26,021)	94,943	952
FUND BALANCES - BEGINNING	<u>58,574</u>	<u>44,943</u>	<u>-</u>	<u>3,589</u>
FUND BALANCES - ENDING	<u>\$ 73,519</u>	<u>\$ 18,922</u>	<u>\$ 94,943</u>	<u>\$ 4,541</u>

<u>COURT RESTRICTED</u>	<u>LEOSE</u>	<u>POLICE FORFEITURE</u>	<u>DEBT SERVICE</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ 169,823	\$ 264,766
-	-	-	-	14,942
-	-	-	-	7,701
10,882	-	-	-	10,882
-	1,670	-	-	15,469
-	3	-	67	73
<u>10,882</u>	<u>1,673</u>	<u>-</u>	<u>169,890</u>	<u>313,833</u>
	2,131			3,970
				1,008
				43,722
-	-	-	131,093	131,093
-	-	-	72,753	72,753
<u>-</u>	<u>2,131</u>	<u>-</u>	<u>203,846</u>	<u>252,546</u>
<u>10,882</u>	<u>(458)</u>	<u>-</u>	<u>(33,956)</u>	<u>61,287</u>
<u>(19,766)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,766)</u>
<u>(19,766)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,766)</u>
(8,884)	(458)	-	(33,956)	41,521
<u>58,427</u>	<u>5,146</u>	<u>6,225</u>	<u>307,809</u>	<u>484,713</u>
<u>\$ 49,543</u>	<u>\$ 4,688</u>	<u>\$ 6,225</u>	<u>\$ 273,853</u>	<u>\$ 526,234</u>