

**CITY OF KIRBY, TEXAS**

**ANNUAL  
FINANCIAL REPORT**

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2013**



CITY OF KIRBY, TEXAS  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

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CITY OF KIRBY, TEXAS

PRINCIPAL OFFICERS

CITY OFFICIALS

MAYOR

TIMOTHY J. WILSON

MAYOR PRO-TEM

LISA B. PIERCE

CITY COUNCIL

JERRY LEHMAN

STEPHANIE FAULKNER

ERNEST SPRADLING

JOHN HOULTON

DON ALDRIDGE

CITY MANAGER

TIMOTHY BOLDA

ATTORNEY

MARC SCHNALL, LANGLEY & BANACK

AUDITOR

ARMSTRONG, VAUGHAN & ASSOCIATES, P.C.





## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of the City Council  
City of Kirby, Texas

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the City of Kirby, Texas, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

The City of Kirby, Texas's 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain 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, the discretely presented component unit, and each major fund of the City of Kirby, Texas, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

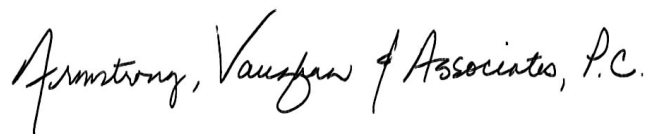
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedule of funding progress – defined benefit as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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 performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Kirby, Texas', financial statements. The comparative financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



Armstrong, Vaughan & Associates, P.C.

January 16, 2014

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Kirby's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2013. Please read it in conjunction with the City's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

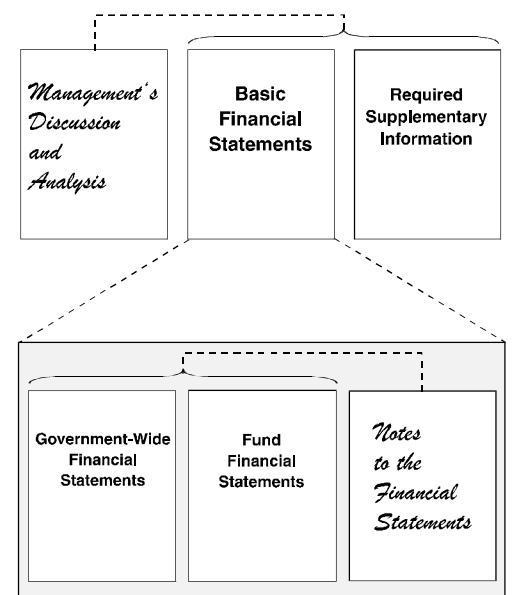
- The City's total combined net position was \$10,607,628 at September 30, 2013.
- During the year, the City's expenses were \$675,426 less than the \$3,920,576 generated in taxes and other revenues for governmental activities.
- The General Fund reported a fund balance of \$2,608,411 at the end of the fiscal year which represents a \$634,387 increase over the previous fiscal year.
- The City's Waterworks/Sewer Fund reported a \$355,914 increase in net position over the previous fiscal year. Net position at September 30, 2013 was \$4,119,440.
- The City did not issue any new bonds during the fiscal year ending September 30, 2013.

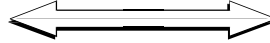
### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*.
- *Fiduciary fund* statements provide information about the financial relationships in which the City acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

**Figure A-1, Required Components of the City's Annual Financial Report**



**Summary**  **Detail**

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary*

information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

<b>Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements</b>			
<b>Fund Statements</b>			
<i>Type of Statements</i>	Government-wide	Governmental Funds	Proprietary Funds
<i>Scope</i>	Entire City's government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses: water and sewer.
<i>Required financial statements</i>	• Statement of Net Position	• Balance Sheet	• Statement of Net Position
	• Statement of Activities	• Statement of Revenues, Expenditures & Changes in Fund Balances	• Statement of Revenues, Expenses & Changes in Net Position • Statement of Cash Flows
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

### **Government-Wide Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position—the difference between the City's assets and liabilities—is one way to measure the City's financial health or *position*.

- Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the City's tax base.

The government-wide financial statements of the City include the *Governmental activities*. Most of the City's basic services are included here, such as general government, public safety, highways and streets, sanitation, economic development, culture and recreation, and interest on long-term debt. Property taxes, sales taxes, and grants finance most of these activities.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the City's most significant *funds*—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has the following kinds of funds:

- *Governmental funds*—Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

### **FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The total cost of all programs and services was \$4,993,299. Of these costs, 75.7% were for primary government activities, while the Water/Sewer utility accounted for the balance.

Net Position: The City's combined net position was \$10,607,628 at September 30, 2013. (See Table A-1).

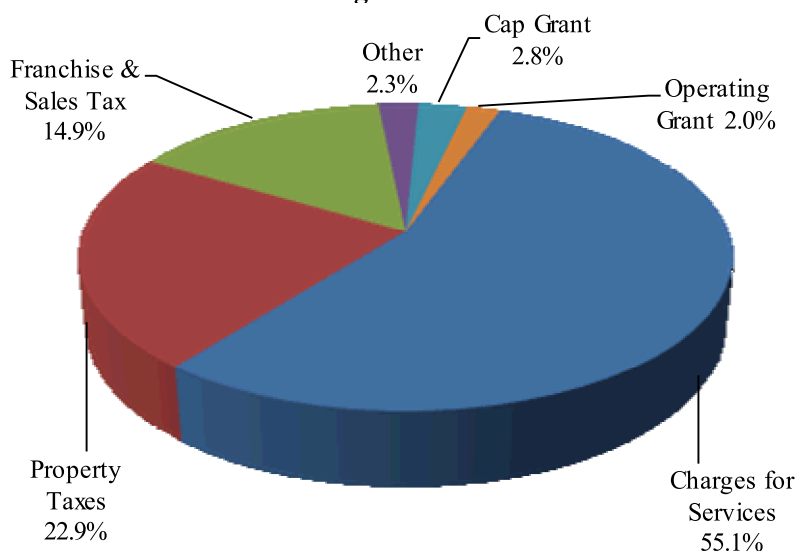
**Table A-1**  
City's Net Position  
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change Based on Actual 2013-2012
	2013	2012	2013	2012	2013	2012	
<i>Current Assets:</i>							
Cash and cash equivalents	\$ 2,482	\$ 1,927	\$ 2,408	\$ 2,396	\$ 4,890	\$ 4,323	13.1%
Receivables:							
Taxes	102	96	-	-	102	96	6.3%
Franchise Taxes	65	67	-	-	65	67	-2.3%
Accounts	21	11	283	250	304	261	16.4%
EMS	121	65	-	-	121	65	86.2%
Due from Other Governments	195	182	-	-	195	182	7.1%
Internal Balances	78	65	(78)	(65)	-	-	0.0%
Inventories	39	39	9	18	48	57	-15.8%
Prepaid Items	2	2	31	27	33	29	13.8%
Deferred Charges	-	77	-	-	-	77	-100.0%
Restricted Assets:							
Cash and Investments	-	-	201	195	201	195	3.0%
<i>Total Current Assets:</i>	<u>3,105</u>	<u>2,531</u>	<u>2,854</u>	<u>2,821</u>	<u>5,959</u>	<u>5,352</u>	<u>11.4%</u>
<i>Non-Current Assets:</i>							
Land	830	830	7	7	837	837	0.0%
Building and Improvements	4,426	4,379	88	88	4,514	4,467	1.0%
Utility Plant and Easements	-	-	4,480	4,040	4,480	4,040	10.9%
Transportation & Equip	2,262	2,064	387	320	2,649	2,384	11.1%
Infrastructure	11,651	11,557	-	-	11,651	11,557	0.8%
Software	79	-	42	-	121	-	100.0%
Less Accumulated							
Depreciation	(13,295)	(12,744)	(3,436)	(3,233)	(16,731)	(15,977)	4.7%
<i>Total Non-Current Assets:</i>	<u>5,953</u>	<u>6,086</u>	<u>1,568</u>	<u>1,222</u>	<u>7,521</u>	<u>7,308</u>	<u>2.9%</u>
<i>Total Assets</i>	<u>9,058</u>	<u>8,617</u>	<u>4,422</u>	<u>4,043</u>	<u>13,480</u>	<u>12,660</u>	<u>6.5%</u>
<i>Current Liabilities:</i>							
Accounts Payable	207	146	127	112	334	258	29.6%
Accrued Vacation	85	71	13	11	98	82	19.5%
Accrued Interest	4	5	-	-	4	5	-20.0%
Unearned Grant Revenue	46	-	-	-	46	-	100.0%
Payable from Restricted Assets:							
Customer Deposits	-	-	162	157	162	157	3.2%
<i>Total Current Liabilities</i>	<u>342</u>	<u>222</u>	<u>302</u>	<u>280</u>	<u>644</u>	<u>502</u>	<u>28.3%</u>
<i>Long-Term Liabilities:</i>							
Bonds, Obligations	2,228	2,582	-	-	2,228	2,582	-13.7%
<i>Total Liabilities</i>	<u>2,570</u>	<u>2,804</u>	<u>302</u>	<u>280</u>	<u>2,872</u>	<u>3,084</u>	<u>-6.9%</u>
<i>Net Position:</i>							
Invested in Capital Assets	3,725	3,504	1,568	1,222	5,293	4,726	12.0%
Restricted for:							
Special Projects	87	94	-	-	87	94	-7.9%
Debt Service	25	175	-	-	25	175	-85.5%
Unrestricted	2,651	2,039	2,552	2,541	5,203	4,580	13.6%
<i>Total Net Position</i>	<u>\$ 6,488</u>	<u>\$ 5,812</u>	<u>\$ 4,120</u>	<u>\$ 3,763</u>	<u>\$ 10,608</u>	<u>\$ 9,575</u>	<u>10.8%</u>

**Changes in net position.** The City's total revenues were \$6,024,639. A significant portion \$1,377,806 or 22.9%, of the City's revenue comes from property taxes. (See Figure A-3.) 55.1% comes from charges for services (Water, Court, EMS, etc), while only 14.9% relates to Franchise and Sales taxes.



**Figure A-3**



### Governmental Activities

- Property tax rates remained at 0.710978. By maintaining the same property tax rate as in the prior year property tax revenue decreased to \$1,377,806 in the current year vs. \$1,411,924 in the prior year.
- The cost of all *governmental* activities this year was \$3,778,444. The amount that our taxpayers paid for these activities through property taxes was \$1,377,806. Some of the cost was paid by those who directly benefited from the programs in the amount of \$1,310,159 and an additional \$289,509 by grants and contributions.

Table A-2 presents the program revenues of each of the City's largest functions.

**Table A-2**  
Program Revenues  
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2013	2012	2013	2012	2013	2012	2013-2012
Program Revenues:							
General Government	\$ 140	\$ 81	\$ -	\$ -	\$ 140	\$ 81	72.4%
Police Protection & Court	219	209	-	-	219	209	4.6%
Fire/EMS Protection	725	682	-	-	725	682	6.3%
Animal Services	29	38	-	-	29	38	-24.3%
Parks and Recreation	47	31	-	-	47	31	52.1%
Street and Shops	150	97	-	-	150	97	54.5%
Water/Sewer Utility	-	-	2,006	1,832	2,006	1,832	9.5%
Total Program Revenues	\$ 1,310	\$ 1,138	\$ 2,006	\$ 1,832	\$ 3,316	\$ 2,970	11.7%

Table A-3 presents the cost of each of the City's largest functions, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

**Table A-3**  
**Net Cost of Selected City Functions**  
*(In thousands dollars)*

	Total Cost of Services		% Change	Net Cost of Services		% Change
	2013	2012		2013	2012	
General Government	\$ 290	\$ 266	9.1%	\$ 150	\$ 185	-19.0%
Police Protection & Court	1,055	916	15.2%	722	698	3.4%
Fire/EMS Protection	869	816	6.5%	140	128	9.4%
Animal Services	119	87	37.3%	87	44	97.7%
Parks and Recreation	182	155	17.2%	135	124	8.9%
Highways and Streets	467	453	3.0%	150	356	-57.9%
General City Operations	642	647	-0.8%	642	647	-0.8%
Water and Sewer	1,215	1,090	11.5%	(791)	(742)	6.6%
Debt Service - Interest & Fiscal Charges	155	100	54.8%	155	100	55.0%

### **Business-Type Activities**

Operating revenues of the City's Water & Sewer business-type activities increased from \$1,831,623 in the prior year to \$2,006,266 in the current year, an increase of \$174,643 or 9.5%. Operating expenses not including transfers to other funds increased from \$1,089,654 in the prior year to \$1,214,855 in the current year, an increase of \$125,201 or 11.5%.

### **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

Revenues from governmental fund types totaled \$3,853,679 for the current year vs. \$3,191,823 in the prior year, an increase of \$661,856 or 20.7%. Expenditures from governmental fund types totaled \$3,909,247 for the current year vs. \$3,454,346 in the prior year, an increase of \$454,901 or 13.2%. This increase is mainly attributed to increase in capital outlay of \$245,827 vs. the prior year. The general fund balance increased by \$634,387 from \$1,974,024 in the prior year to \$2,608,411 in the current year. Of this amount \$2,481,307 is unassigned and represents 8.5 months of average expenditures in reserve. Long term debt paid during the year totaled \$350,000 in principal and \$81,875 in interest.

### **General Fund Budgetary Highlights**

The city revised its original budget once, to account for an increase in grant revenues, park usage fees, building permit fees, animal services fees, and other miscellaneous revenues. As part of the budget revision, additional expenditure estimates were made mainly for the purchase of Police Department equipment related to new grant revenues received.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

At the end of fiscal year 2013, the City had invested \$24,251,088 in a broad range of capital assets, including land, equipment, buildings, vehicles, and software (See Table A-4). This amount represents a net increase of \$965,678 or 4.1 % over last year.

**Table A-4**  
City's Capital Assets  
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2013	2012	2013	2012	2013	2012	2013-2012
Land	\$ 830	\$ 830	\$ 7	\$ 7	\$ 837	\$ 837	0.0%
Buildings and Improvements	4,426	4,379	88	88	4,514	4,467	1.0%
Vehicles	2,262	2,064	387	320	2,649	2,384	11.1%
Infrastructure	11,651	11,557	-	-	11,651	11,557	0.8%
Software	79	-	42	-	121	-	100.0%
Utility Plant	-	-	4,480	4,040	4,480	4,040	10.9%
Totals at Historical Cost	19,248	18,830	5,004	4,455	24,252	23,285	4.2%
Total Accumulated Depreciation	(13,295)	(12,744)	(3,436)	(3,233)	(16,731)	(15,977)	4.7%
Net Capital Assets	<u>\$ 5,953</u>	<u>\$ 6,086</u>	<u>\$ 1,568</u>	<u>\$ 1,222</u>	<u>\$ 7,521</u>	<u>\$ 7,308</u>	<u>2.9%</u>

The city purchased various pieces of equipment in regard to the city administration, police protection, municipal court, fire departments, animal services, parks and pools, streets and shop, general city operations, and public works department. Detailed information about the City's capital assets is presented in the notes to the financial statements.

### Long Term Debt

At year-end the City had \$2,228,432 in bonds and notes outstanding and \$84,431 in governmental activities and \$12,776 in the business-type activities for compensated absences as shown in Table A-5. Detailed information about the City's debt is presented in the notes to the financial statements.

**Table A-5**  
City's Long-Term Debt  
(In thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2013	2012	2013	2012	2013	2012	2013-2012
Bonds Payable	\$ 2,228	\$ 2,582	\$ -	\$ -	\$ 2,228	\$ 2,582	-13.7%
Vacation Payable	84	71	13	11	97	82	18.5%
Total Bonds & Notes Payable	<u>\$ 2,313</u>	<u>\$ 2,653</u>	<u>\$ 13</u>	<u>\$ 11</u>	<u>\$ 2,326</u>	<u>\$ 2,664</u>	<u>-12.7%</u>

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Vehicles and equipment purchases for Police, Fire, Parks, and Water Department.
- Continuation of installation of electronic water meters.
- Alan Bean Drive street repair project of \$371,500 to be paid for from the CDBG Grant.
- Rosillo Creek Drainage Project begin in January 2013 with funding of \$8,000,000 from Bexar County, Texas.
- Binz-Engleman Road Project is expected to begin in 2016 with funding of \$2,100,000 to be received.
- Hiking and Biking Trail Project at Friendship Park is expected to begin in 2018 with Federal funding of \$500,000.

These indicators were taken into account when adopting the general fund budget for 2013/2014. The property taxes rate will increase from 0.710978/\$100 to 0.729376/\$100 as a result of the approved budget. This will result in \$1,293,272 of projected property tax revenues. General Fund Revenues (includes transfers from other funds) budgeted for 2013/2014 total \$3,868,817. General Fund Expenditures (includes transfers to other funds) budgeted for 2013/2014 total \$4,250,534.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact City Hall at (210) 661-3198.

CITY OF KIRBY, TEXAS  
ANNUAL FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2013

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government – Wide Financial Statements
- Fund Financial Statements:
  - Governmental Funds
  - Proprietary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF KIRBY, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Kirby Senior Center Corporation
<b>ASSETS</b>				
<i>Current Assets:</i>				
Cash and Investments	\$ 2,482,308	\$ 2,407,619	\$ 4,889,927	\$ 34,406
Receivables (net of allowances for uncollectibles)				
Taxes	101,483	-	101,483	-
Franchise Taxes	65,451	-	65,451	-
Accounts	21,089	282,474	303,563	14,250
EMS Charges	120,703	-	120,703	-
Due from Other Governments	195,392	-	195,392	3,162
Internal Balances	77,921	(77,921)	-	-
Inventories	38,751	9,145	47,896	-
Prepaid Items	1,800	31,353	33,153	7,245
Restricted Assets:				
Cash and Investments	-	200,904	200,904	-
<i>Total Current Assets</i>	<u>3,104,898</u>	<u>2,853,574</u>	<u>5,958,472</u>	<u>59,063</u>
<i>Capital Assets:</i>				
Land	829,820	7,005	836,825	-
Buildings & Improvements	4,426,271	87,509	4,513,780	253,026
Utility Plant and Easements	-	4,479,527	4,479,527	-
Transportation & Equipment	2,261,818	387,239	2,649,057	143,206
Infrastructure	11,651,109	-	11,651,109	-
Software	78,790	42,000	120,790	-
Accumulated Depreciation and Amortization	(13,294,874)	(3,435,687)	(16,730,561)	(319,929)
<i>Total Capital Assets</i>	<u>5,952,934</u>	<u>1,567,593</u>	<u>7,520,527</u>	<u>76,303</u>
<b>TOTAL ASSETS</b>	<u>\$ 9,057,832</u>	<u>\$ 4,421,167</u>	<u>\$ 13,478,999</u>	<u>\$ 135,366</u>

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS  
STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Kirby Senior Center Corporation
<b>LIABILITIES</b>				
<i>Current Liabilities:</i>				
Accounts Payable and				
Other Current Liabilities	\$ 206,541	\$ 126,781	\$ 333,322	\$ 16,515
Accrued Vacation Leave Payable	84,431	12,776	97,207	-
Accrued Interest Payable	4,110	-	4,110	-
Unearned Grant Revenue	46,130	-	46,130	-
Payable from Restricted Assets:				
Customer Deposits	-	162,170	162,170	-
<i>Total Current Liabilities</i>	<u>341,212</u>	<u>301,727</u>	<u>642,939</u>	<u>16,515</u>
<i>Long-Term Liabilities:</i>				
Due within One Year	365,000	-	365,000	-
Due in more than One Year	1,863,432	-	1,863,432	-
<i>Total Long-Term Liabilities:</i>	<u>2,228,432</u>	<u>-</u>	<u>2,228,432</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>2,569,644</u>	<u>301,727</u>	<u>2,871,371</u>	<u>16,515</u>
<b>NET POSITON</b>				
Net Investment in Capital Assets	3,724,502	1,567,593	5,292,095	76,303
Restricted for:				
Debt Service Fund	25,293	-	25,293	-
PEG Capital Fees	36,989	-	36,989	-
Public Safety	49,564	-	49,564	-
Kirby Senior Center	-	-	-	658
Unrestricted	<u>2,651,840</u>	<u>2,551,847</u>	<u>5,203,687</u>	<u>41,890</u>
<b>TOTAL NET POSITION</b>	<u>\$ 6,488,188</u>	<u>\$ 4,119,440</u>	<u>\$ 10,607,628</u>	<u>\$ 118,851</u>

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Functions and Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
City Council	\$ 15,371	\$ -	\$ -	\$ -
City Administration	274,783	139,635	-	-
Police Protection	986,230	207,637	113,861	-
Municipal Court	68,588	11,935	-	-
Fire/EMS Protection	869,188	725,217	4,323	-
Animal Services	119,469	28,774	-	4,000
Parks and Pool	181,654	47,143	-	-
Streets and Shops	466,804	149,818	-	167,325
General City Operations	641,586	-	-	-
Interest on Long-Term Debt	154,771	-	-	-
Total Governmental Activities	3,778,444	1,310,159	118,184	171,325
Business-Type Activities				
Water\Sewer Utility	1,214,855	2,006,266	-	-
Total Business-Type Activities	1,214,855	2,006,266	-	-
Total Primary Government	4,993,299	3,316,425	118,184	171,325
Component Unit:				
Kirby Senior Center Corp.	127,714	92,965	-	-
Total Component Unit	\$ 127,714	\$ 92,965	\$ -	\$ -
General Revenues:				
Taxes				
General Property Taxes				
Franchise Taxes				
Sales Taxes				
Interest and Investment Earnings				
Capital Improvement Fee				
Gain on Sale of Property and Equipment				
Miscellaneous				
Total General Revenues				
Transfers				
Change in Net Position				
Net Position at Beginning of Year				
Net Position at End of Year				

See accompanying notes to basic financial statements.



Net (Expense) Revenue and Changes in Net Position Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Kirby Senior Center Corporation
\$ (15,371)	\$ -	\$ (15,371)	\$ -
(135,148)	-	(135,148)	-
(664,732)	-	(664,732)	-
(56,653)	-	(56,653)	-
(139,648)	-	(139,648)	-
(86,695)	-	(86,695)	-
(134,511)	-	(134,511)	-
(149,661)	-	(149,661)	-
(641,586)	-	(641,586)	-
(154,771)	-	(154,771)	-
<u>(2,178,776)</u>	<u>-</u>	<u>(2,178,776)</u>	<u>-</u>
-	791,411	791,411	-
<u>-</u>	<u>791,411</u>	<u>791,411</u>	<u>-</u>
(2,178,776)	791,411	(1,387,365)	-
-	-	-	(34,749)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,749)</u>
1,377,806	-	1,377,806	-
611,447	-	611,447	-
288,525	-	288,525	-
5,237	4,728	9,965	80
-	93,069	93,069	-
5,665	-	5,665	(172)
32,228	-	32,228	-
<u>2,320,908</u>	<u>97,797</u>	<u>2,418,705</u>	<u>(92)</u>
533,294	(533,294)	-	-
675,426	355,914	1,031,340	(34,841)
5,812,762	3,763,526	9,576,288	153,692
<u>\$ 6,488,188</u>	<u>\$ 4,119,440</u>	<u>\$ 10,607,628</u>	<u>\$ 118,851</u>

CITY OF KIRBY, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2013

	Major Fund General Fund	Major Fund Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash and Investments	\$ 2,460,864	\$ 21,444	\$ 2,482,308
Receivables (net of allowances for uncollectibles):			
Property Taxes	93,710	7,773	101,483
Franchise Taxes	65,451	-	65,451
Accounts	21,089	-	21,089
EMS Charges	120,703	-	120,703
Due from Other Governments	195,392	-	195,392
Due from Other Funds	77,735	186	77,921
Inventory of Supplies, At Cost	38,751	-	38,751
Prepaid Items	1,800	-	1,800
<b>TOTAL ASSETS</b>	<u><u>\$ 3,075,495</u></u>	<u><u>\$ 29,403</u></u>	<u><u>\$ 3,104,898</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ 139,438	\$ -	\$ 139,438
Accrued Expenditures	67,103	-	67,103
Unearned EMS Revenues	120,703	-	120,703
Unearned Tax Revenues	93,710	7,773	101,483
Unearned Grant Revenues	46,130	-	46,130
<b>TOTAL LIABILITIES</b>	<u>467,084</u>	<u>7,773</u>	<u>474,857</u>
<i>Fund Balances:</i>			
Nonspendable:			
Inventory	38,751	-	38,751
Prepaid Items	1,800	-	1,800
Restricted for:			
PEG Capital Fees	36,989	-	36,989
Public Safety	49,564	-	49,564
Debt Service	-	21,630	21,630
Unassigned	2,481,307	-	2,481,307
<i>Total Fund Balances</i>	<u>2,608,411</u>	<u>21,630</u>	<u>2,630,041</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u><u>\$ 3,075,495</u></u>	<u><u>\$ 29,403</u></u>	<u><u>\$ 3,104,898</u></u>

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$ 2,630,041
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.	5,952,934
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unearned in the funds.	222,186
Compensated absences are not due and payable in the current period and, therefore, not reported in the funds.	(84,431)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds.	(2,228,432)
Accrued interest payable on long-term-bonds is not due and payable in the current period and, therefore, not reported in the funds.	<u>(4,110)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u><u>\$ 6,488,188</u></u>

CITY OF KIRBY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Major Fund</u> General Fund	<u>Major Fund</u> Debt Service	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 1,557,933	\$ 102,534	\$ 1,660,467
Franchise Fees	611,447	-	611,447
Licenses and Permits	245,197	-	245,197
Intergovernmental	289,509	-	289,509
Charges for Services	792,848	-	792,848
Fines and Penalties	216,749	-	216,749
Interest	5,186	51	5,237
Miscellaneous	32,225	-	32,225
<b>TOTAL REVENUES</b>	<u>3,751,094</u>	<u>102,585</u>	<u>3,853,679</u>
<b>EXPENDITURES</b>			
<i>Current:</i>			
City Council	15,371	-	15,371
City Administration	237,634	-	237,634
Police Protection	806,440	-	806,440
Municipal Court	86,282	-	86,282
Fire\EMS Protection	727,368	-	727,368
Animal Services	112,343	-	112,343
Parks and Pool	181,713	-	181,713
Streets and Shops	213,560	-	213,560
General City Operations	641,586	-	641,586
Capital Projects/Outlay	455,075	-	455,075
<i>Debt Service:</i>			
Principal	-	350,000	350,000
Interest and Fiscal Charges	-	81,875	81,875
<b>TOTAL EXPENDITURES</b>	<u>3,477,372</u>	<u>431,875</u>	<u>3,909,247</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 273,722</u>	<u>\$ (329,290)</u>	<u>\$ (55,568)</u>

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Major Fund</u> General Fund	<u>Major Fund</u> Debt Service	Total Governmental Funds
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	\$ 480,000	\$ 178,294	\$ 658,294
Transfers Out	(125,000)	-	(125,000)
Proceeds from Sale of Assets	<u>5,665</u>	<u>-</u>	<u>5,665</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>360,665</u>	<u>178,294</u>	<u>538,959</u>
Net Change in Fund Balance	634,387	(150,996)	483,391
<b>Fund Balances at Beginning of Year</b>	<u>1,974,024</u>	<u>172,626</u>	<u>2,146,650</u>
<b>Fund Balances at End of Year</b>	<u><u>\$ 2,608,411</u></u>	<u><u>\$ 21,630</u></u>	<u><u>\$ 2,630,041</u></u>

See accompanying notes to basic financial statements.



CITY OF KIRBY, TEXAS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		\$	483,391
Amounts reported for governmental activities in the Statement of Activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays.			(132,825)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.			61,230
The issuance of long-term-debt (e.g. bonds and capital leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the net effect of premiums, discounts, and similar items when debt is first issued, where as these amounts are amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term-debt and related items.			
Repayment of Principal	350,000		
Amortization of Bond Issue Costs	(76,905)		
Amortization of Bond Premium	<u>3,446</u>		276,541
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:			
Compensated Absences	(13,477)		
Accrued Interest	<u>566</u>		(12,911)
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		\$	<u><u>675,426</u></u>

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
SEPTEMBER 30, 2013

	Business-Type Activities Waterworks\Sewer Fund
<b>ASSETS</b>	
<i>Current Assets:</i>	
Cash and Investments	\$ 2,407,619
Receivables (net of allowances for uncollectibles):	
Accounts	282,474
Inventories	9,145
Prepaid Items	31,353
<i>Total Current Assets</i>	<u>2,730,591</u>
<i>Restricted Assets:</i>	
Cash and Investments	200,904
<i>Total Restricted Assets</i>	<u>200,904</u>
<i>Capital Assets:</i>	
Land	7,005
Building and Improvements	87,509
Utility Plant and Easements	4,479,527
Transportation & Equipment	387,239
Software	42,000
Accumulated Depreciation	<u>(3,435,687)</u>
<i>Capital Assets, net of accumulated depreciation</i>	<u>1,567,593</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,499,088</u></u>

See accompanying notes to basic financial statements.



CITY OF KIRBY, TEXAS  
STATEMENT OF NET POSITION – PROPRIETARY FUND (CONTINUED)  
SEPTEMBER 30, 2013

	Business-Type Activities Waterworks\Sewer Fund
<b>LIABILITIES</b>	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 126,781
Accrued Compensated Absences	12,776
Due to Other Funds	77,921
<i>Total Current Liabilities</i>	<u>217,478</u>
 <i>Current Liabilities Payable from Restricted Assets:</i>	
Customer Deposits	<u>162,170</u>
<i>Total Current Liabilities Payable from Restricted Assets</i>	<u>162,170</u>
 <b>TOTAL LIABILITIES</b>	 <u>379,648</u>
 <b>NET POSITION</b>	
Net Investment in Capital Assets	1,567,593
Unrestricted	<u>2,551,847</u>
 <b>TOTAL NET POSITION</b>	 <u><u>4,119,440</u></u>

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Business-Type Activities
	Waterworks\Sewer Fund
<b>OPERATING REVENUES</b>	
Charges for Utility Service	\$ 2,006,266
<b>TOTAL OPERATING REVENUES</b>	<u>2,006,266</u>
<b>OPERATING EXPENSES</b>	
Personnel Services	237,659
Sewage Treatment	428,122
Supplies	79,547
Maintenance and Repairs	53,649
Contractual Services	199,120
Bad Debt Expense	14,433
Depreciation	202,325
<b>TOTAL OPERATING EXPENSES</b>	<u>1,214,855</u>
<b>OPERATING INCOME (LOSS)</b>	<u>791,411</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest Income	4,728
Capital Improvement Fee	93,069
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>97,797</u>
<b>Net Income (Loss) Before Contributions and Transfers</b>	889,208
Transfers In (Out)	<u>(533,294)</u>
<b>CHANGE IN NET POSITION</b>	355,914
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>3,763,526</u>
<b>NET POSITION AT END OF YEAR</b>	<u><u>\$ 4,119,440</u></u>

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Business-Type Activities Waterworks\Sewer Fund
<b>Cash Flows From Operating Activities:</b>	
Cash Received From Customers	\$ 1,973,437
Cash Paid for Employee Wages & Benefits	(235,467)
Cash Paid to Suppliers for Goods & Services	(755,921)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>982,049</b>
<b>Cash Flows From Noncapital Financing Activities:</b>	
Customer Deposits Received (Returned)	5,395
Interfund Payables (Receivables)	13,131
Transfers From (To) Other Funds	(533,294)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(514,768)</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Purchase/Construction of Capital Assets	(547,851)
Capital Improvement Fee	93,069
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(454,782)</b>
<b>Cash Flows From Investing Activities:</b>	
Investment Interest Received	4,728
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>4,728</b>
<b>Net Increase (Decrease) in Cash and Investments</b>	<b>17,227</b>
<b>Cash and Investments at Beginning of Year:</b>	
Cash and Investments	2,396,370
Restricted Cash and Investments	194,926
	<b>2,591,296</b>
<b>Cash and Investments at End of Year:</b>	
Cash and Investments	2,407,619
Restricted Cash and Investments	200,904
	<b>\$ 2,608,523</b>

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Business-Type Activities
	Waterworks\Sewer Fund
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income	\$ 791,411
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	202,325
(Increase) Decrease in Operating Assets:	
Accounts Receivable	(32,829)
Inventory	8,574
Prepaid Items	(4,200)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	14,576
Accrued Wages & Benefits	2,192
<b>Total Adjustments to Reconcile Operating Activities</b>	<b>190,638</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 982,049</b>

See accompanying notes to basic financial statements.

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Kirby, Texas ("City"), was incorporated in May 1955. The City Charter was adopted in May 1988, under the provisions of the Home Rule Charter Act of the State of Texas. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: police and fire protection, health services, maintenance of streets, planning and zoning, parks and recreation, general administrative services, water, and sewer services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Proprietary type funds apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions, and ARB pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**1. REPORTING ENTITY**

*Component Units*

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations; thus, data from these units, if any existed, would be combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

The City of Kirby, Texas, has only one component unit (Kirby Senior Center) which is discretely presented in the component unit column of the combined financial statements. The component unit is reported in a separate column to emphasize that it is legally separate from the City.

The Board of the Kirby Senior Center is appointed by the City of Kirby, Texas', City Council. The center was established to provide senior citizens with educational, recreational, health and nourishment programs. The City of Kirby, Texas, provides a material subsidy to the senior center, primarily to help maintain the facility and provide a paid program manager. The City has approval over the budget of the senior center and general oversight of the entire operation. The fiscal year of the Kirby Senior Center is October 1 through September 30. A copy of the financial statements for the Kirby Senior Center can be obtained from the City of Kirby, Texas.

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City and its component unit. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. The primary government is reported separately from the component unit within the government wide statements.

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

Separate **fund financial statements** are provided for governmental funds and proprietary funds. The General Fund and Debt Service Fund meet the criteria of a **major governmental fund**. This fund is reflected in a separate column in the Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balances.

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary and fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue types which have been accrued consist of revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

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

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

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

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

The government reports the following major governmental fund:

**The General Fund** is the general operating fund of the City and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, public service and capital acquisition.

**The Debt Service Fund** is used to account for the revenues specifically restricted by law for debt retirement (i.e.: ad valorem).

**Proprietary fund level financial statements** are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The City's Proprietary Fund is the Water/Sewer Fund (used to account for the provision of water and sewer services to residents).

The **Proprietary Fund** is accounted for using the accrual basis of accounting as follows:

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

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

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the City.

5. INVESTMENTS

State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d); or, (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. The City has all its monies in interest bearing checking accounts, savings accounts, money market accounts or certificates of deposit. Earnings from these investments are added to each account monthly or quarterly. Investments are carried at fair value in accordance with Governmental Accounting Standards Board (GASB) No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. .

6. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, and past due after January 31. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year's levy are shown net of an allowance for uncollectible.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements. Receivables are shown net of an allowance for uncollectible accounts.



CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

**8. INVENTORIES**

Inventories of consumable supplies are valued at cost, which approximates market, using the first in/first out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

Inventories of repair and replacement parts for the utility system are valued at cost, which approximates market, using the first in, first out method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and in the fund financial statements are offset by a reservation of fund balance which indicates they do not represent “available spendable resources”.

**9. PREPAID ITEMS**

Payments made for goods and services in advance are recorded as prepaid items on the balance sheet.

**10. RESTRICTED ASSETS**

Certain resources are set aside for customer meter deposits, deposits are classified as restricted assets on the balance sheet because they may be refunded at a point in time if the customer is in good standing with the waterworks/sewer department.

**11. CAPITAL ASSETS**

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$5,000 or more. Infrastructure assets include City-owned streets, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**11. CAPITAL ASSETS (Continued)**

The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>ASSETS</u>	<u>YEARS</u>
Buildings and improvements	20 to 40 years
Improvements other than buildings	20 to 40 years
Utility system in service	10 to 50 years
Machinery and equipment	5 to 25 years
Software	5 years

**12. COMPENSATED ABSENCES**

Employees earn vacation leave at varying rates depending on length of service: 10 days leave for year 1 (not available for use until first year of service is completed), plus 1 additional day per year for each year of service (i.e. 11 days for year two, 12 days for year three, etc.) up to a maximum of 30 days per year. Annual leave will not be carried over, except with City Manager approval.

Employees earn sick leave at the rate of 1 day per month starting on date of employment. A maximum of 60 days of sick leave can be accrued. No sick leave days are paid when an employee leaves city employment and no liability is reported for unpaid sick leave.

Liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

**13. UNEARNED REVENUE**

Property tax revenues and EMS revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue and EMS revenues not expected to be available for the current period are reflected as unearned revenue.

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grant revenues received in advance of expenses/expenditures are reflected as unearned revenue.

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**14. LONG-TERM OBLIGATIONS**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premiums and discounts, as well as issuance costs, are amortized over the life of the discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**15. FUND EQUITY**

Fund balances in governmental funds are classified as follows:

Nonspendable - Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted - Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed - Represents amounts that can only be used for a specific purpose because of a highest form formal action by the City Council (ordinance). Committed amounts cannot be used for any other purpose unless the City Council removes those constraints through the same formal action.

Assigned - Represents amounts which the City intends to use for a specific purpose but do not meet the criteria of restricted or committed. The City Council is the only entity that may make assignments at this time as the Council has not designated any other individuals with the authority to make assignments.

Unassigned - Represents the residual balance that may be spent on any other purpose of the City.

When an expenditure is incurred for a purpose in which multiple classifications are available, the City considers restricted balances spent first, committed second and assigned third.

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**16. NET POSITION**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**17. OPERATING REVENUES AND EXPENSES**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the City, those revenues are charges for water, and sewer services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as nonoperating.

**18. INTERFUND TRANSACTIONS**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

The City allocates to the Waterworks/Sewer (Proprietary) Fund an indirect cost percentage of general government administration expenses that are paid through the general fund. During the year ended September 30, 2013, the City allocated \$480,000 as a transfer for such services. The indirect cost allocation is reflected as transfer between the General Fund and the Waterworks/Sewer Fund.

**19. USE OF ESTIMATES**

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

**20. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES**

For the year ended September 30, 2013, the City implemented the following statements of financial accounting standards issued by the Governmental Accounting Standards Board:

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**20. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES (Continued)**

GASB Statements No. 63 and 65 established standards for reporting deferred outflows of resources, deferred inflows of resources, and net position in a financial statement position and related disclosures as well as reclassify certain items that were previously reported as assets and liabilities to deferred outflows of resources or deferred inflows of resources or recognize certain items that were previously reported as assets and liabilities as outflows or inflows of resources.

As a result of recognizing certain items as outflows of resources or inflows of resources that were previously recognized as assets and liabilities, the City has recognized all remaining unamortized bond issue costs in the current year. As this did not materially misstate the financial statements, there has not been any restatement of previously reported amounts.

**21. RECLASSIFICATIONS**

Certain reclassifications have been made to the September 30, 2012 comparative information to conform to the September 30, 2013 presentation. These reclassifications had no effect on fund balances or net position.

**NOTE B -- DEPOSITS AND INVESTMENTS**

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledge securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

**1. Deposits**

At September 30, 2013, the carrying amount of the primary government's (the City) cash on hand was \$525 and deposits in bank were \$2,743,900 and the book balance was \$2,638,071. Of the bank balance, \$250,000 was covered by federal deposit insurance and the City's depository had pledged securities having a book value of \$3,535,222 and market value of \$3,467,249 as collateral for the City's deposits. All of the City's cash was fully collateralized.

As of September 30, 2013, the Kirby Senior Center Corporation's (Component Unit) deposits had a carrying value of \$34,306 and the bank balance was \$37,499. The deposits of the Kirby Senior Center were entirely insured by FDIC coverage. Remaining balance of funds reported on Statement of Net Position represents petty cash on hand of \$100.

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE B -- DEPOSITS AND INVESTMENTS (Continued)**

2. Investments

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the City adhered to the requirements of the Act. Additionally, investment practices of the City were in accordance with local policies.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The City's investments at September 30, 2013 are as shown below:

	<u>Reported Value</u>	<u>Fair Value</u>
TexPool	\$ 2,452,235	\$ 2,452,235
Total Investments	<u>\$ 2,452,235</u>	<u>\$ 2,452,235</u>

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the City was not significantly exposed to credit risk.

At September 30, 2013, the City's investments were all in TexPool a public funds investment pool where all securities held maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service.

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE B -- DEPOSITS AND INVESTMENTS (Continued)**

3. Analysis of Specific Deposit and Investment Risks (Continued)

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name.

At year end, the City was not exposed to custodial credit risk.

c. Concentration of Credit Risk

The risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City had no exposure to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year-end, the City was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

4. Investment Accounting Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE B -- DEPOSITS AND INVESTMENTS (Continued)**

5. Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

**NOTE C -- RECEIVABLES**

Receivables as of year-end for the government's individual major funds and enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Funds</u>		<u>Proprietary Fund</u>	
	<u>General Fund</u>	<u>Debt Service</u>	<u>Waterworks\ Sewer Fund</u>	<u>Total</u>
<i>Receivables:</i>				
Property Taxes	\$ 104,205	\$ 8,643	\$ -	\$ 112,848
Less Allowance for Uncollectibles	(10,495)	(870)	-	(11,365)
Franchise Taxes	65,451	-	-	65,451
EMS Services	603,517	-	-	603,517
Less Allowance for Uncollectibles	(482,814)	-	-	(482,814)
Customer Accounts	-	-	297,474	297,474
Less Allowance for Uncollectibles	-	-	(15,000)	(15,000)
Other	21,089	-	-	21,089
Net Total Receivables	<u>\$ 300,953</u>	<u>\$ 7,773</u>	<u>\$ 282,474</u>	<u>\$ 591,200</u>

**NOTE D -- PROPERTY TAX CALENDAR**

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the Bexar County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2012, upon which the fiscal 2013 levy was based, was \$191,794,074 (i.e., market value less exemptions). The estimated market value was \$214,063,572, making the taxable value 89.60% of the estimated market value.



CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE D -- PROPERTY TAX CALENDAR (Continued)**

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2013, was \$.710978 per \$100 of assessed value, which means that the City has a tax margin of \$1.789022 for each \$100 value and could increase its annual tax levy by approximately \$3,431,238 based upon the present assessed valuation of \$191,794,074 before the limit is reached. However, the City may not adopt a tax rate that exceeds the tax rate calculated in accordance with the Texas Property Tax Code without holding two public hearings. The Property Tax Code subjects an increase in the proposed tax rate to a referendum election, if petitioned by registered voters, when the effective tax rate increase is more than eight percent (8%) of the previous year's maintenance and operations tax rate.

Property taxes are recorded as receivables and unearned revenues at the time the taxes are assessed. In governmental funds, revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in the time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue. In the government-wide financial statements, the entire levy is recognized as revenue, net of estimated uncollectible amounts (if any), at the levy date.

**NOTE E -- INTERFUND RECEIVABLE/PAYABLE**

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of September 30, 2013, balances of interfund amounts receivable or payable have been recorded as follows:

	<u>Due From</u>	<u>Due To</u>
<b><i>Primary Government</i></b>		
General Fund:		
Waterworks/Sewer	\$ 77,735	\$ -
	<u>77,735</u>	<u>-</u>
Debt Service:		
Waterworks/Sewer	186	-
	<u>186</u>	<u>-</u>
Waterworks/Sewer Fund:		
General Fund	-	77,735
Debt Service	-	186
	<u>-</u>	<u>77,921</u>
Totals	<u><u>\$ 77,921</u></u>	<u><u>\$ 77,921</u></u>

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE F -- CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2013, was as follows:

<i>Governmental Activities</i>	Balance 10/1/2012	Additions/ Transfer In	Disposals/ Transfer Out	Balance 9/30/2013
Land	\$ 829,820	\$ -	\$ -	\$ 829,820
Buildings and Improvements	4,378,712	47,559	-	4,426,271
Transportation & Equipment	2,063,795	220,279	(22,256)	2,261,818
Infrastructure	11,557,654	93,455	-	11,651,109
Software	-	78,790	-	78,790
	<u>18,829,981</u>	<u>440,083</u>	<u>(22,256)</u>	<u>19,247,808</u>
Less Accumulated Depreciation				
Buildings and Improvements	(986,959)	(139,396)	-	(1,126,355)
Transportation & Equipment	(1,165,944)	(255,508)	22,256	(1,399,196)
Infrastructure	(10,591,319)	(162,246)	-	(10,753,565)
Software	-	(15,758)	-	(15,758)
	<u>(12,744,222)</u>	<u>(572,908)</u>	<u>22,256</u>	<u>(13,294,874)</u>
Governmental Capital Assets, Net	<u>\$ 6,085,759</u>	<u>\$ (132,825)</u>	<u>\$ -</u>	<u>\$ 5,952,934</u>
<i>Business-Type Activities</i>				
Land	\$ 7,005	\$ -	\$ -	\$ 7,005
Buildings and Improvements	87,509	-	-	87,509
Utility Plant	4,040,451	439,076	-	4,479,527
Transportation & Equipment	320,464	66,775	-	387,239
Software	-	42,000	-	42,000
Totals at Historical Cost	<u>4,455,429</u>	<u>547,851</u>	<u>-</u>	<u>5,003,280</u>
Less Accumulated Depreciation				
Buildings and Improvements	(83,130)	(4,376)	-	(87,506)
Utility Plant	(2,909,588)	(153,926)	-	(3,063,514)
Transportation & Equipment	(240,644)	(35,623)	-	(276,267)
Software	-	(8,400)	-	(8,400)
	<u>(3,233,362)</u>	<u>(202,325)</u>	<u>-</u>	<u>(3,435,687)</u>
Business-Type Capital Assets, Net	<u>\$ 1,222,067</u>	<u>\$ 345,526</u>	<u>\$ -</u>	<u>\$ 1,567,593</u>

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE F -- CAPITAL ASSETS (Continued)**

Depreciation expense was charged to the governmental functions as follows:

City Administration	\$ 24,153
Fire Protection\EMS	132,793
Police Protection	163,110
Public Works	249,526
Animal Services	<u>3,326</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 572,908</u></u>

**NOTE G -- LONG-TERM DEBT**

**Primary Government**

Long-term debt and obligations payable at September 30, 2013, comprise the following individual issues:

\$2,970,000 Combination Tax and Revenue Certificates of Obligation, Series 2009 payable in annual installments of \$235,000 to \$345,000 through 2019; interest at 2.25% to 3.75%	\$ 1,905,000
\$715,000 General Obligation Refunding Bonds, Series 2009 payable in annual installments of \$125,000 to \$65,000 through 2017; interest at 2.25% to 3.0%	<u>305,000</u>
<b>Total Governmental Long-Term Obligations</b>	<u><u>\$ 2,210,000</u></u>

The annual requirements to amortize all long-term debt and obligations outstanding as of September 30, 2013, including interest payments, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2014	\$ 365,000	\$ 68,513	\$ 433,513
2015	375,000	57,412	432,412
2016	385,000	45,625	430,625
2017	405,000	32,481	437,481
2018	335,000	19,219	354,219
2019	<u>345,000</u>	<u>6,469</u>	<u>351,469</u>
	<u><u>\$ 2,210,000</u></u>	<u><u>\$ 229,719</u></u>	<u><u>\$ 2,439,719</u></u>

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE G -- LONG-TERM DEBT (Continued)**

Changes in Long-Term Liabilities

	Balance 10/1/2012	Additions	Reductions	Balance 9/30/2013	Due Within One Year
<i>Governmental Activities</i>					
General Obligation Refunding	\$ 370,000	\$ -	\$ (65,000)	\$ 305,000	\$ 70,000
Premium	1,837	-	(401)	1,436	-
Certificates of Obligation, 2009	2,190,000	-	(285,000)	1,905,000	295,000
Premium	20,041	-	(3,045)	16,996	-
Compensated Absences	70,954	84,431	(70,954)	84,431	84,431
Total Governmental Activities	<u>\$ 2,652,832</u>	<u>\$ 84,431</u>	<u>\$ (424,400)</u>	<u>\$ 2,312,863</u>	<u>\$ 449,431</u>
<i>Business-Type Activities</i>					
Compensated Absences	\$ 10,584	\$ 12,776	\$ (10,584)	\$ 12,776	\$ 12,776
Total Business-Type Activities	<u>10,584</u>	<u>12,776</u>	<u>(10,584)</u>	<u>12,776</u>	<u>12,776</u>
Total Primary Government	<u>\$ 2,663,416</u>	<u>\$ 97,207</u>	<u>\$ (434,984)</u>	<u>\$ 2,325,639</u>	<u>\$ 462,207</u>

**NOTE H -- EMPLOYEES' RETIREMENT SYSTEMS**

**A. Plan Description**

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

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits, and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, Texas 78714-9153 or by calling (800) 924-8677; in addition, the report is available on TMRS' website at [www.TMRS.com](http://www.TMRS.com).

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE H -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)**

**A. Plan Description (Continued)**

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

	Plan Year 2012	Plan Year 2013
Employee deposit rate	7.0%	7.0%
Matching ratio (City to	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

**B. Contributions**

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for the City. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e... December 31, 2012, actuarial valuation is effective for city contribution rates beginning on January 2013.)

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

Fiscal Year	Annual Pension Cost	Actual Contribution Made	Percentage of APC Contribution	Net Pension Obligation
2013	\$ 221,771	\$ 221,771	100%	\$ -
2012	212,997	212,997	100%	-
2011	222,420	222,420	100%	-

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE H -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)**

**B. Contributions (Continued)**

The required contribution rates for fiscal year 2013 were determined as part of the December 31, 2010 and 2011 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2012, also follows:

Actuarial Valuation Date	December 31, 2010	December 31, 2011	December 31, 2012
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single			
Amortization Period	27 years - Closed Period	25.9 years - Closed Period	24.9 years - Closed Period
Amortization Period for new			
Gains/Losses	30 years	30 years	30 years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Investment Rate of Return	7.0%	7.0%	7.0%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
Inflation Rate	3.0%	3.0%	3.0%
Cost of Living Adjustments	2.1%	2.1%	2.1%

**Funded Status and Funding Progress**

The funded status as of December 31, 2012, the most recent actuarial valuation date, is presented as follows:

Actuarial	Actuarial Value	Actuarial		Unfunded		UAAL as a
Valuation Date	of Assets	Liability (AAL)	Funded Ratio	AAL (UAAL)	Covered Payroll	Percentage of
						Covered Payroll
12/31/2012	\$ 4,507,970	\$ 5,551,333	81.2%	\$ 1,043,363	\$ 1,670,538	62.5%

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

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

**C. Other Post-Employment Benefits**

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by 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 KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE H -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)**

**C. Other Post-Employment Benefits (Continued)**

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.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure the 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 September 30, 2013, 2012, and 2011 were \$1,901, \$1,780, and \$2,175, respectively, which equaled the required contributions each year.

**NOTE I -- TRANSFERS**

Transfers during the year ended September 30, 2013, were as follows:

	Transfers In	Transfers Out	Purpose
<b>Primary Government:</b>			
Debt Service	\$ 53,294	\$ -	Funding for Debt Payments
Debt Service	125,000	-	Funding for Debt Payments
General Fund	480,000	-	Transfer in Lieu of Taxes
General Fund	-	125,000	Funding for Debt Payments
Waterworks/Sewer Fund	-	53,294	Funding for Debt Payments
Waterworks/Sewer Fund	-	480,000	Transfer in Lieu of Taxes
	<u>\$ 658,294</u>	<u>\$ 658,294</u>	

**NOTE J -- COMMITMENTS AND CONTINGENCIES**

Litigation

The City is the subject of various claims and litigation that have arisen in the course of its operations. Management is of the opinion that the City's liability in these cases, if decided adversely to the City, will not have a material effect on the City's financial position.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF KIRBY, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2013

**NOTE K -- RELATED PARTY**

Timothy Wilson, Mayor after May 2012 and Councilman through May 2012, is the son of Debra Wilson, a City employee in the Police Department.

**NOTE L -- RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the City is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2013 were \$95,040 for property and casualty and workers compensation coverage.



## REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of Funding Progress – Defined Benefit

CITY OF KIRBY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
<b>REVENUES</b>				
<i>Taxes:</i>				
Ad Valorem	\$ 1,283,474	\$ 1,283,474	\$ 1,269,409	\$ (14,065)
City Sales Tax	230,000	230,000	278,466	48,466
Beverage Tax	7,500	7,500	9,758	2,258
Bingo Tax	500	500	300	(200)
<i>Total Taxes</i>	<u>1,521,474</u>	<u>1,521,474</u>	<u>1,557,933</u>	<u>36,459</u>
<i>Franchise Fees:</i>				
City Public Service	461,497	461,497	459,561	(1,936)
PUC Right of Way Fees	25,000	25,000	23,174	(1,826)
Time Warner/Grande	95,000	95,000	97,812	2,812
Allied Waste Services	32,000	32,000	30,900	(1,100)
<i>Total Franchise Fees</i>	<u>613,497</u>	<u>613,497</u>	<u>611,447</u>	<u>(2,050)</u>
<i>Licenses and Fees:</i>				
Park Use Fees	19,500	37,000	34,631	(2,369)
Health Permits	13,000	13,000	12,186	(814)
Building Permits	70,000	100,000	145,608	45,608
Animal Services Fees	35,800	40,800	28,774	(12,026)
Pool Usage Fees	17,500	17,500	12,512	(4,988)
Police Alarm Permits	3,000	3,000	2,823	(177)
Certificate of Occupancy	2,500	2,500	4,210	1,710
Other Permits	2,350	3,100	4,453	1,353
<i>Total Licenses and Fees</i>	<u>163,650</u>	<u>216,900</u>	<u>245,197</u>	<u>28,297</u>
<i>Intergovernmental Revenues</i>	<u>183,325</u>	<u>289,048</u>	<u>289,509</u>	<u>461</u>
<i>Fines and Penalties:</i>				
Court Fines	174,000	174,000	179,364	5,364
Warrants	35,000	35,000	25,450	(9,550)
Court Security Fees	6,240	6,240	5,114	(1,126)
Court Technology Fees	8,320	8,320	6,821	(1,499)
<i>Total Fines and Penalties</i>	<u>\$ 223,560</u>	<u>\$ 223,560</u>	<u>\$ 216,749</u>	<u>\$ (6,811)</u>

CITY OF KIRBY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
<b>REVENUES (CONTINUED)</b>				
<i>Charges for Services:</i>				
Emergency Medical Service	\$ 144,000	\$ 144,000	\$ 169,850	\$ 25,850
Fire Protection Service	500,000	500,000	500,000	-
Copies and Maps	1,500	1,500	1,504	4
Impound Yard	100,000	70,000	42,045	(27,955)
Garbage Collection	51,100	51,100	79,449	28,349
<i>Total Charges for Services</i>	<u>796,600</u>	<u>766,600</u>	<u>792,848</u>	<u>26,248</u>
<i>Miscellaneous:</i>				
Miscellaneous	10,260	25,260	32,225	6,965
Interest Income	8,000	7,000	5,186	(1,814)
<i>Total Miscellaneous</i>	<u>18,260</u>	<u>32,260</u>	<u>37,411</u>	<u>5,151</u>
<b>TOTAL REVENUES</b>	<u>3,520,366</u>	<u>3,663,339</u>	<u>3,751,094</u>	<u>87,755</u>
<b>EXPENDITURES</b>				
<i>City Council:</i>				
Salaries/Expenses	8,397	8,397	8,397	-
Meeting and Travel	7,000	9,000	6,974	2,026
<i>Total City Council</i>	<u>15,397</u>	<u>17,397</u>	<u>15,371</u>	<u>2,026</u>
<i>City Administration:</i>				
Salaries	233,542	233,542	223,072	10,470
Contractual	19,400	22,900	13,766	9,134
Maintenance	1,000	1,000	796	204
Capital Outlay	52,500	62,500	59,006	3,494
<i>Total City Administration</i>	<u>306,442</u>	<u>319,942</u>	<u>296,640</u>	<u>23,302</u>
<i>Police Protection:</i>				
Salaries	667,941	671,440	670,717	723
Supplies	58,360	58,360	52,224	6,136
Contractual	41,878	41,878	32,939	8,939
Maintenance	36,000	46,000	50,560	(4,560)
Capital Outlay	102,000	205,400	205,021	379
<i>Total Police Protection</i>	<u>\$ 906,179</u>	<u>\$ 1,023,078</u>	<u>\$ 1,011,461</u>	<u>\$ 11,617</u>

CITY OF KIRBY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

<b>EXPENDITURES (CONTINUED)</b>	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<i>Municipal Court:</i>				
Salaries	\$ 33,463	\$ 33,463	\$ 29,777	\$ 3,686
Supplies	2,500	2,500	1,745	755
Contractual	59,700	60,700	54,760	5,940
Capital Outlay	40,000	27,600	17,062	10,538
<i>Total Municipal Court</i>	<u>135,663</u>	<u>124,263</u>	<u>103,344</u>	<u>20,919</u>
<i>Fire/EMS Protection:</i>				
Salaries	662,386	661,320	635,753	25,567
Supplies	48,600	48,600	44,209	4,391
Contractual	19,050	22,250	18,601	3,649
Maintenance	27,500	27,500	28,805	(1,305)
Capital Outlay	18,500	16,823	17,337	(514)
<i>Total Fire/EMS Protection</i>	<u>776,036</u>	<u>776,493</u>	<u>744,705</u>	<u>31,788</u>
<i>Animal Services:</i>				
Salaries	70,918	73,211	70,363	2,848
Supplies	29,128	29,128	17,858	11,270
Contractual	13,916	13,916	21,879	(7,963)
Maintenance	3,500	3,500	2,243	1,257
Capital Outlay	15,000	18,000	22,512	(4,512)
<i>Total Animal Services</i>	<u>132,462</u>	<u>137,755</u>	<u>134,855</u>	<u>2,900</u>
<i>Parks and Pools:</i>				
Salaries	159,642	159,642	133,594	26,048
Supplies	19,500	20,500	16,848	3,652
Contractual	1,216	1,216	736	480
Maintenance	27,050	42,050	30,535	11,515
Capital Outlay	139,000	66,505	40,482	26,023
<i>Total Parks and Pools</i>	<u>\$ 346,408</u>	<u>\$ 289,913</u>	<u>\$ 222,195</u>	<u>\$ 67,718</u>

CITY OF KIRBY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXPENDITURES (CONTINUED)	Budget Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
<i>Streets and Shop:</i>				
Salaries	\$ 110,122	\$ 110,122	\$ 101,068	\$ 9,054
Supplies	36,675	34,675	22,970	11,705
Contractual	93,460	100,676	79,468	21,208
Maintenance	23,100	23,100	10,054	13,046
Capital Outlay	217,500	217,500	93,655	123,845
<i>Total Streets and Shop</i>	<u>480,857</u>	<u>486,073</u>	<u>307,215</u>	<u>178,858</u>
<i>General City Operations:</i>				
Employee Benefits	319,953	302,927	284,206	18,721
Insurance	50,000	50,000	47,021	2,979
Professional Services	102,750	103,000	84,913	18,087
Administrative Supplies	28,200	28,200	22,948	5,252
Utilities	140,000	140,000	143,845	(3,845)
General Building and Equipment	11,650	11,650	7,862	3,788
Other Government Services	24,336	35,336	30,791	4,545
Senior Center Expenses	20,000	20,000	20,000	-
<i>Total General City Operations</i>	<u>696,889</u>	<u>691,113</u>	<u>641,586</u>	<u>49,527</u>
<b>TOTAL EXPENDITURES</b>	<u>3,796,333</u>	<u>3,866,027</u>	<u>3,477,372</u>	<u>388,655</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ (275,967)</u>	<u>\$ (202,688)</u>	<u>\$ 273,722</u>	<u>\$ 476,410</u>

CITY OF KIRBY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budget Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	\$ 480,000	\$ 480,000	\$ <b>480,000</b>	\$ -
Transfers Out	(125,000)	(125,000)	<b>(125,000)</b>	-
Proceeds from Sale of Assets	5,000	5,000	<b>5,665</b>	665
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>360,000</u>	<u>360,000</u>	<u><b>360,665</b></u>	<u>665</u>
<b>Net Change in Fund Balance</b>	84,033	157,312	<b>634,387</b>	477,075
<b>Fund Balance - Beginning of Year</b>	<u>1,974,024</u>	<u>1,974,024</u>	<u><b>1,974,024</b></u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u><u>\$ 2,058,057</u></u>	<u><u>\$ 2,131,336</u></u>	<u><u><b>\$ 2,608,411</b></u></u>	<u><u>\$ 477,075</u></u>

CITY OF KIRBY, TEXAS  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
SEPTEMBER 30, 2013

**Budgetary Information** – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund, Debt Service Funds, and Waterworks/Sewer Funds.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level. As of September 30, 2013 the City expenditures did not exceed appropriations in total.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year-end and do not constitute expenditures or liabilities because the commitments must be reappropriated and honored during the subsequent year.

CITY OF KIRBY, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
SCHEDULE OF FUNDING PROGRESS – DEFINED BENEFIT  
LAST TEN CALENDAR YEARS

CALENDAR YEAR	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY	FUNDING RATIO (1)/(2)	UNFUNDED ACTUARIAL ACCRUED LIABILITY	ANNUAL COVERED PAYROLL	UNFUNDED ACTUARIAL ACCRUED LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
2003	\$ 1,497,656	\$ 1,643,955	91.1%	\$ 146,299	\$ 1,107,658	13.2%
2004	1,678,843	1,965,499	85.4%	286,656	1,130,170	25.4%
2005	1,820,627	2,175,755	83.7%	355,128	1,171,840	30.3%
2006	1,836,241	2,178,660	84.3%	342,419	1,225,030	28.0%
2007	2,077,505	3,142,691	66.1%	1,065,186	1,323,808	80.5%
2008	2,397,588	3,631,257	66.0%	1,233,669	1,567,735	78.7%
2009	2,738,002	3,972,641	68.9%	1,234,639	1,659,261	74.4%
2010	3,591,448	4,777,821	75.2%	1,186,373	1,650,983	71.9%
2011	4,011,324	5,176,566	77.5%	1,165,242	1,658,076	70.3%
2012	4,507,970	5,551,333	81.2%	1,043,363	1,670,538	62.5%



## SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Comparative Statements – General Fund
- Comparative Statements – Debt Service
- Comparative Statements – Capital Projects Fund
- Comparative Statements – Proprietary Waterworks/Sewer Fund

CITY OF KIRBY, TEXAS  
COMPARATIVE BALANCE SHEETS  
GENERAL FUND  
SEPTEMBER 30, 2013 AND 2012

<b>ASSETS</b>	<b>2013</b>	<b>2012</b>
Cash and Investments	\$ 2,460,864	\$ 1,754,638
Receivables:		
Property Taxes	104,205	98,347
Allowance for Uncollectibles	(10,495)	(10,050)
Franchise Taxes	65,451	66,686
Accounts	21,089	11,372
EMS Charges	603,517	326,684
Allowance for Uncollectibles	(482,814)	(261,347)
Due from Other Governments	195,392	181,585
Due from Other Funds	77,735	64,710
Inventory of Supplies, At Cost	38,751	39,334
Prepaid Items	1,800	1,815
<b>TOTAL ASSETS</b>	<b>\$ 3,075,495</b>	<b>\$ 2,273,774</b>
 <b>LIABILITIES AND FUND BALANCE</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 139,438	\$ 74,837
Accrued Expenditures	67,103	71,280
Unearned EMS Revenue	120,703	65,336
Unearned Tax Revenue	93,710	88,297
Unearned Grant Revenue	46,130	-
<i>Total Liabilities</i>	<b>467,084</b>	<b>299,750</b>
<i>Fund Balance:</i>		
Nonspendable:		
Inventory of Supplies and Prepaid Items	40,551	41,149
Restricted for:		
Court Security	35,990	35,477
Court Technology	13,574	38,313
PEG Capital Fees	36,989	20,687
Unassigned	2,481,307	1,838,398
<i>Total Fund Balance</i>	<b>2,608,411</b>	<b>1,974,024</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 3,075,495</b>	<b>\$ 2,273,774</b>

CITY OF KIRBY, TEXAS  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GENERAL FUND  
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

<b>REVENUES</b>	<b>2013</b>	<b>2012</b>
Taxes	\$ 1,557,933	\$ 1,560,895
Franchise Fees	611,447	413,178
Licenses and Permits	245,197	181,179
Intergovernmental	289,509	20,092
Charges for Services	792,848	687,627
Fines and Forfeits	216,749	205,484
Interest	5,186	6,773
Miscellaneous	32,225	10,896
<b>TOTAL REVENUES</b>	<b>3,751,094</b>	<b>3,086,124</b>
<b>EXPENDITURES</b>		
Current:		
City Council	15,371	17,540
City Administration	237,634	226,442
Police Protection	806,440	743,231
Municipal Court	86,282	46,266
Fire/EMS Protection	727,368	676,658
Animal Services	112,343	85,434
Parks and Pool	181,713	148,437
Streets and Shops	213,560	197,599
General City Administration	641,586	646,990
Capital Projects/Outlay	455,075	209,680
<b>TOTAL EXPENDITURES</b>	<b>3,477,372</b>	<b>2,998,277</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>273,722</b>	<b>87,847</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	480,000	480,000
Transfers Out	(125,000)	(294,975)
Proceeds from Sale of Assets	5,665	78,748
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>360,665</b>	<b>263,773</b>
<b>Net Change in Fund Balance</b>	<b>634,387</b>	<b>351,620</b>
<b>Fund Balance at Beginning of Year</b>	<b>1,974,024</b>	<b>1,622,404</b>
<b>Fund Balance at End of Year</b>	<b>\$ 2,608,411</b>	<b>\$ 1,974,024</b>

CITY OF KIRBY, TEXAS  
COMPARATIVE BALANCE SHEETS  
DEBT SERVICE FUND  
SEPTEMBER 30, 2013 AND 2012

<b>ASSETS</b>	<b>2013</b>	<b>2012</b>
Cash and Investments	\$ 21,444	\$ 172,546
Taxes Receivable	8,643	8,157
Allowance for Uncollectibles	(870)	(834)
Due From Other Funds	186	80
<b>TOTAL ASSETS</b>	<b>\$ 29,403</b>	<b>\$ 179,949</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<i>Liabilities:</i>		
Unearned Revenue	\$ 7,773	\$ 7,323
<i>Total Liabilities</i>	7,773	7,323
<i>Fund Balance:</i>		
Restricted Fund Balance	21,630	172,626
<i>Total Fund Balance</i>	21,630	172,626
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 29,403</b>	<b>\$ 179,949</b>

CITY OF KIRBY, TEXAS  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
DEBT SERVICE FUND  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012

REVENUES	<u>2013</u>	<u>2012</u>
Taxes	\$ 102,534	\$ 105,598
Interest	<u>51</u>	<u>41</u>
<b>TOTAL REVENUES</b>	<u>102,585</u>	<u>105,639</u>
<b>EXPENDITURES</b>		
Principal Payments on General Obligation Bonds	350,000	365,000
Interest Payments on General Obligation Bonds	79,075	88,269
Fiscal Agent Fees	<u>2,800</u>	<u>2,800</u>
<b>TOTAL EXPENDITURES</b>	<u>431,875</u>	<u>456,069</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(329,290)</u>	<u>(350,430)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	<u>178,294</u>	<u>546,558</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>178,294</u>	<u>546,558</u>
<b>Net Change in Fund Balance</b>	(150,996)	196,128
<b>Fund Balances at Beginning of Year</b>	<u>172,626</u>	<u>(23,502)</u>
<b>Fund Balances at End of Year</b>	<u>\$ 21,630</u>	<u>\$ 172,626</u>



CITY OF KIRBY, TEXAS  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
CAPITAL PROJECTS FUND  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012

REVENUES	<u>2013</u>	<u>2012</u>
Interest	\$ -	\$ 60
<b>TOTAL REVENUES</b>	<u>-</u>	<u>60</u>
 <b>OTHER FINANCING SOURCES (USES)</b>		
Transfers Out	<u>-</u>	<u>(196,155)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(196,155)</u>
 <b>Net Change in Fund Balance</b>	 -	 (196,095)
 <b>Fund Balance at Beginning of Year</b>	 <u>-</u>	 <u>196,095</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF KIRBY, TEXAS  
COMPARATIVE STATEMENT OF NET POSITION  
PROPRIETARY FUND  
WATERWORKS AND SEWER SYSTEM  
SEPTEMBER 30, 2013 AND 2012

<b>ASSETS</b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<i>Current Assets:</i>		
Cash and Investments	\$ 2,407,619	\$ 2,396,370
Receivables - Customers	297,474	264,645
Allowance for Uncollectibles	(15,000)	(15,000)
Inventory of Supplies, at cost	9,145	17,719
Prepaid Items	31,353	27,153
<i>Total Current Assets</i>	<u>2,730,591</u>	<u>2,690,887</u>
<i>Restricted Assets:</i>		
Cash and Investments	200,904	194,926
<i>Total Restricted Assets</i>	<u>200,904</u>	<u>194,926</u>
<i>Capital Assets:</i>		
Utility Plant	4,567,036	4,127,960
Transportation, Furniture and Equipment	387,239	320,464
Software	42,000	-
Total Depreciable and Amortizable Fixed Assets	<u>4,996,275</u>	<u>4,448,424</u>
Less Accumulated Depreciation and Amortization	<u>(3,435,687)</u>	<u>(3,233,362)</u>
Total Depreciable Fixed Assets, Net of Accumulated Depreciation and Amortization	1,560,588	1,215,062
Land	7,005	7,005
<i>Total Capital Assets</i>	<u>1,567,593</u>	<u>1,222,067</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,499,088</u></u>	<u><u>\$ 4,107,880</u></u>



CITY OF KIRBY, TEXAS  
COMPARATIVE STATEMENT OF NET POSITION  
PROPRIETARY FUND  
WATERWORKS AND SEWER SYSTEM (CONTINUED)  
SEPTEMBER 30, 2013 AND 2012

<b>LIABILITIES</b>	<u><b>2013</b></u>	<u>2012</u>
<i>Current Liabilities (Payable from Current Assets):</i>		
Accounts Payable	\$ 126,781	\$ 112,205
Due to Other Funds	77,921	64,790
Accrued Vacation Leave Payable	<u>12,776</u>	<u>10,584</u>
Total Current Liabilities (Payable from Current Assets)	<u>217,478</u>	<u>187,579</u>
<i>Current Liabilities (Payable from Restricted Assets):</i>		
Customer Deposits	<u>162,170</u>	156,775
Total Current Liabilities (Payable from Restricted Assets)	<u>162,170</u>	<u>156,775</u>
 <b>TOTAL LIABILITIES</b>	 <u><b>379,648</b></u>	 <u>344,354</u>
 <b>NET POSITION</b>		
Net Investment in Capital Assets	1,567,593	1,222,067
Unrestricted	<u>2,551,847</u>	<u>2,541,459</u>
 <b>TOTAL NET POSITION</b>	 <u><b>\$ 4,119,440</b></u>	 <u><b>\$ 3,763,526</b></u>

CITY OF KIRBY, TEXAS  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUND – WATERWORKS AND SEWER SYSTEM  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<b>Operating Revenues</b>		
Charges for Utility Service	\$ 2,006,266	\$ 1,831,623
<b>Total Operating Revenues</b>	<u>2,006,266</u>	<u>1,831,623</u>
<b>Operating Expenses Before Depreciation</b>		
Personnel Services	237,659	241,928
Sewage Treatment	428,122	373,658
Supplies	79,547	79,558
Maintenance and Repair	53,649	49,942
Contractual Services	199,120	160,278
Bad Debt Expense	14,433	21,773
<b>Total Operating Expenses Before Depreciation</b>	<u>1,012,530</u>	<u>927,137</u>
Operating Income Before Depreciation	993,736	904,486
Depreciation	202,325	162,517
Operating Income (Loss)	<u>791,411</u>	<u>741,969</u>
<b>Other Income (Expense):</b>		
Interest Income	4,728	7,758
Capital Improvement Fee	93,069	92,996
Gain on Sale of Property and Equipment	-	819
<b>Total Other Income (Expense)</b>	<u>97,797</u>	<u>101,573</u>
<b>Net Income (Loss) Before Contributions and Transfers</b>	889,208	843,542
Transfer Out	<u>(533,294)</u>	<u>(535,428)</u>
<b>NET CHANGE IN NET ASSETS</b>	355,914	308,114
<b>Net Assets at Beginning of Year</b>	<u>3,763,526</u>	<u>3,455,412</u>
<b>Net Assets at End of Year</b>	<u>\$ 4,119,440</u>	<u>\$ 3,763,526</u>

CITY OF KIRBY, TEXAS  
COMPARATIVE STATEMENTS OF CASH FLOWS  
PROPRIETARY FUND – WATERWORKS AND SEWER SYSTEM  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<b>Cash Flows From Operating Activities:</b>		
Cash Received From Customers	\$ 1,973,437	\$ 1,829,968
Cash Paid for Employee Wages & Benefits	(235,467)	(238,300)
Cash Paid to Suppliers for Goods & Services	(755,921)	(699,478)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>982,049</u>	<u>892,190</u>
<b>Cash Flows From Noncapital Financing Activities:</b>		
Customer Deposits Received (Returned)	5,395	2,680
Interfund Payables (Receivables)	13,131	66,936
Transfers From (To) Other Funds	(533,294)	(535,428)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>(514,768)</u>	<u>(465,812)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Purchase/Construction of Capital Assets	(547,851)	(96,785)
Proceeds from Sale of Property and Equipment	-	819
Capital Improvement Fee	93,069	92,996
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(454,782)</u>	<u>(2,970)</u>
<b>Cash Flows From Investing Activities:</b>		
Investment Interest Received	4,728	7,758
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>4,728</u>	<u>7,758</u>
<b>Net Increase (Decrease) in Cash and Investments</b>	<u>17,227</u>	<u>431,166</u>
<b>Cash and Investments at Beginning of Year:</b>		
Cash and Investments	2,396,370	1,968,941
Restricted Cash and Investments	194,926	191,189
	<u>2,591,296</u>	<u>2,160,130</u>
<b>Cash and Investments at End of Year:</b>		
Cash and Investments	2,407,619	2,396,370
Restricted Cash and Investments	200,904	194,926
	<u>\$ 2,608,523</u>	<u>\$ 2,591,296</u>

CITY OF KIRBY, TEXAS  
COMPARATIVE STATEMENTS OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUND – WATERWORKS AND SEWER SYSTEM  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Income	\$ 791,411	\$ 741,969
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation	202,325	162,517
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(32,829)	(1,655)
Inventory	8,574	319
Prepaid Items	(4,200)	(12,611)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	14,576	(1,977)
Accrued Wages & Benefits	<u>2,192</u>	<u>3,628</u>
<b>Total Adjustments to Reconcile Operating Activities</b>	<u>190,638</u>	<u>150,221</u>
 <b>Net Cash Provided (Used) by Operating Activities</b>	 <u><u>\$ 982,049</u></u>	 <u><u>\$ 892,190</u></u>

## STATISTICAL SECTION

The following unaudited Statistical Tables reflect social and economic data, financial trends and fiscal capacity of the City.

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

### **Contents**

#### Financial Trends – Tables 1 through 5

*These schedules contain trend information to help the reader understand how Kirby's financial performance and well-being have changed over time.*

#### Revenue Capacity – Tables 6 through 9

*These schedules contain information to help the reader assess Kirby's most significant local revenue source, the property tax.*

#### Debt Capacity – Tables 10 through 12

*These schedules present information to help the reader assess the affordability of Kirby's current levels of outstanding debt, and our ability to issue additional debt.*

#### Demographic and Economic Information – Tables 13 and 14

*These schedules offer demographic and economic indicators to help the reader understand the environment within which Kirby's financial activities take place.*

CITY OF KIRBY, TEXAS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS

	Fiscal Year			
	2004	2005	2006	2007
<i>Governmental Activities:</i>				
Net Investment in Capital Assets	\$ 1,931,336	\$ 1,972,480	\$ 1,950,562	\$ 2,139,002
Restricted	150,070	101,633	94,181	115,142
Unrestricted	1,056,082	1,329,799	1,785,367	1,841,483
<i>Total Governmental Activities Net Position</i>	<u><u>\$ 3,137,488</u></u>	<u><u>\$ 3,403,912</u></u>	<u><u>\$ 3,830,110</u></u>	<u><u>\$ 4,095,627</u></u>
<i>Business-Type Activities</i>				
Net Investment in Capital Assets	\$ 1,584,405	\$ 1,534,618	\$ 1,468,887	\$ 1,546,608
Restricted	250,880	296,577	436,269	386,414
Unrestricted	351,159	587,800	787,895	959,517
<i>Total Business-Type Activities Net Position</i>	<u><u>\$ 2,186,444</u></u>	<u><u>\$ 2,418,995</u></u>	<u><u>\$ 2,693,051</u></u>	<u><u>\$ 2,892,539</u></u>
<i>Primary Government:</i>				
Net Investment in Capital Assets	\$ 3,515,741	\$ 3,507,098	\$ 3,419,449	\$ 3,685,610
Restricted	400,950	398,210	530,450	501,556
Unrestricted	1,407,241	1,917,599	2,573,262	2,801,000
<i>Total Primary Government Net Position</i>	<u><u>\$ 5,323,932</u></u>	<u><u>\$ 5,822,907</u></u>	<u><u>\$ 6,523,161</u></u>	<u><u>\$ 6,988,166</u></u>

TABLE 1

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 2,130,610	\$ 3,520,405	\$ 3,373,876	\$ 3,711,161	\$ 3,503,881	\$ 3,724,502
93,741	113,104	73,058	68,401	269,750	111,846
1,904,787	1,116,000	1,561,630	1,653,141	2,039,131	2,651,840
<u>\$ 4,129,138</u>	<u>\$ 4,749,509</u>	<u>\$ 5,008,564</u>	<u>\$ 5,432,703</u>	<u>\$ 5,812,762</u>	<u>\$ 6,488,188</u>
\$ 1,644,524	\$ 1,507,686	\$ 1,385,679	\$ 1,287,799	\$ 1,222,067	\$ 1,567,593
-	-	-	-	-	-
1,403,923	1,644,565	1,727,282	2,167,613	2,541,459	2,551,847
<u>\$ 3,048,447</u>	<u>\$ 3,152,251</u>	<u>\$ 3,112,961</u>	<u>\$ 3,455,412</u>	<u>\$ 3,763,526</u>	<u>\$ 4,119,440</u>
\$ 3,775,134	\$ 5,028,091	\$ 4,759,555	\$ 4,998,960	\$ 4,725,948	\$ 5,292,095
93,741	113,104	73,058	68,401	269,750	111,846
3,308,710	2,760,565	3,288,912	3,820,754	4,580,590	5,203,687
<u>\$ 7,177,585</u>	<u>\$ 7,901,760</u>	<u>\$ 8,121,525</u>	<u>\$ 8,888,115</u>	<u>\$ 9,576,288</u>	<u>\$ 10,607,628</u>

CITY OF KIRBY, TEXAS  
CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS

	Fiscal Year			
	2004	2005	2006	2007
<b>Expenses</b>				
<i>Governmental Activities:</i>				
City Council	\$ 10,350	\$ 13,377	\$ 18,310	\$ 17,402
City Administration	164,600	167,643	196,988	210,413
Police Protection	611,927	628,268	617,722	674,312
Municipal Court	38,684	40,714	39,689	40,670
Fire/EMS Protection	403,341	434,968	453,127	499,142
Animal Services	-	-	-	-
Parks and Pools	136,176	132,940	115,338	166,340
Streets and Shops	415,038	394,380	397,371	470,469
General City Operations	353,842	412,087	392,200	406,706
Capital Outlay	44,170	12,470	13,926	17,853
Interest on Long-Term Debt	90,995	72,868	62,722	56,080
<i>Total Governmental Activities Expenses</i>	<u>2,269,123</u>	<u>2,309,715</u>	<u>2,307,393</u>	<u>2,559,387</u>
<i>Business-Type Activities:</i>				
Waterworks and Sewer	<u>774,449</u>	<u>847,662</u>	<u>911,672</u>	<u>860,940</u>
<i>Total Business-Type Activities</i>	<u>774,449</u>	<u>847,662</u>	<u>911,672</u>	<u>860,940</u>
<b>Total Primary Government Expenses</b>	<u><u>\$ 3,043,572</u></u>	<u><u>\$ 3,157,377</u></u>	<u><u>\$ 3,219,065</u></u>	<u><u>\$ 3,420,327</u></u>
<b>Program Revenues</b>				
<i>Governmental Activities:</i>				
Charges for service:				
City Administration	\$ 47,252	\$ 53,819	\$ 57,795	\$ 62,982
Police Protection	187,917	201,118	234,406	166,102
Municipal Court	15,599	14,973	17,634	11,484
Fire/EMS Protection	63,150	35,731	49,897	45,300
Animal Services	-	-	-	-
Parks and Pools	18,636	18,259	14,702	11,927
Streets and Shops	24,479	35,024	35,688	37,161
Operating Grants and Contributions	40,530	25,583	21,425	30,440
Capital Grants and Contributions	328,055	51,769	-	100,000
<i>Total Governmental Activities</i>				
<i>Program Revenues</i>	<u>725,618</u>	<u>436,276</u>	<u>431,547</u>	<u>465,396</u>
<i>Business-Type Activities:</i>				
Charges for Service:				
Waterworks and Sewer	<u>1,279,922</u>	<u>1,551,880</u>	<u>1,626,352</u>	<u>1,473,684</u>
<i>Total Business-Type Activities</i>				
<i>Program Revenues</i>	<u>1,279,922</u>	<u>1,551,880</u>	<u>1,626,352</u>	<u>1,473,684</u>
<b>Total Primary Government</b>				
<b>Program Revenues</b>	<u><u>\$ 2,005,540</u></u>	<u><u>\$ 1,988,156</u></u>	<u><u>\$ 2,057,899</u></u>	<u><u>\$ 1,939,080</u></u>



TABLE 2

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 18,600	\$ 10,913	\$ 13,035	\$ 19,242	\$ 17,540	\$ 15,371
226,639	234,191	252,006	235,470	248,585	274,783
767,997	733,091	746,036	778,573	870,709	986,230
47,789	46,978	47,410	48,573	44,921	68,588
537,553	625,798	756,804	766,844	816,193	869,188
-	-	-	-	86,858	119,469
213,586	205,810	226,169	181,837	155,248	181,654
456,972	436,945	455,625	505,304	452,711	466,804
484,539	579,986	592,870	624,083	647,438	641,586
41,475	8,514	-	-	-	-
50,236	30,261	151,444	108,130	99,568	154,771
2,845,386	2,912,487	3,241,399	3,268,056	3,439,771	3,778,444
904,172	947,852	915,616	978,886	1,089,654	1,214,855
904,172	947,852	915,616	978,886	1,089,654	1,214,855
\$ 3,749,558	\$ 3,860,339	\$ 4,157,015	\$ 4,246,942	\$ 4,529,425	\$ 4,993,299
\$ 55,828	\$ 51,532	\$ 51,005	\$ 73,069	\$ 80,926	\$ 139,635
174,623	147,747	149,728	137,715	194,071	207,637
12,508	10,767	10,611	9,625	14,771	11,935
58,876	575,255	632,174	550,315	682,424	725,217
-	-	-	-	37,915	28,774
21,988	31,985	36,124	33,589	30,956	47,143
84,671	59,840	37,109	60,648	96,746	149,818
41,569	20,931	16,662	51,126	15,241	118,184
63,000	163,513	101,943	209,665	4,851	171,325
513,063	1,061,570	1,035,356	1,125,752	1,157,901	1,599,668
1,501,748	1,573,058	1,336,960	1,734,385	1,831,623	2,006,266
1,501,748	1,573,058	1,336,960	1,734,385	1,831,623	2,006,266
\$ 2,014,811	\$ 2,634,628	\$ 2,372,316	\$ 2,860,137	\$ 2,989,524	\$ 3,605,934

CITY OF KIRBY, TEXAS  
CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS (Continued)

	Fiscal Year			
	2004	2005	2006	2007
<b>Net (Expenses) Revenue</b>				
Governmental Activities	\$ (1,105,505)	\$ (1,441,439)	\$ (1,443,846)	\$ (1,661,991)
Business-Type Activities	67,473	272,218	282,680	180,744
Total Primary Government Net Expenses	<u>\$ (1,038,032)</u>	<u>\$ (1,169,221)</u>	<u>\$ (1,161,166)</u>	<u>\$ (1,481,247)</u>
<b>Governmental Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Taxes:				
Property Taxes	\$ 1,144,459	\$ 1,148,919	\$ 1,187,435	\$ 1,260,472
Franchise Taxes	245,377	255,450	281,434	270,078
Sales Taxes	199,059	189,396	240,572	227,716
Interest and Investment Earnings	11,977	37,325	86,602	111,048
Gain on Sale of Property and Equipment	-	-	-	-
Miscellaneous	16,303	19,909	19,211	5,448
Transfers	490,307	488,864	486,790	484,746
Total Governmental Activities	<u>2,107,482</u>	<u>2,139,863</u>	<u>2,302,044</u>	<u>2,359,508</u>
Business-Type Activities:				
Interest and Investment Earnings	5,751	17,197	46,166	71,490
Capital Improvement Fee	-	-	-	-
Gain on Sale of Property and Equipment	-	-	-	-
Transfers	(490,307)	(488,864)	(486,790)	(484,746)
Total Business-Type Activities	<u>(484,556)</u>	<u>(471,667)</u>	<u>(440,624)</u>	<u>(413,256)</u>
Total Primary Government	<u>\$ 1,622,926</u>	<u>\$ 1,668,196</u>	<u>\$ 1,861,420</u>	<u>\$ 1,946,252</u>
<b>Changes In Net Position</b>				
Government Activities	\$ 563,977	\$ 266,424	\$ 426,198	\$ 265,517
Business-Type Activities	20,917	232,551	274,056	199,488
Total Primary Government	<u>\$ 584,894</u>	<u>\$ 498,975</u>	<u>\$ 700,254</u>	<u>\$ 465,005</u>

TABLE 2 (Continued)

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ (1,900,323)	\$ (1,370,917)	\$ (1,726,043)	\$ (2,142,304)	\$ (2,281,870)	\$ (2,178,776)
165,576	145,206	(58,656)	755,499	741,969	791,411
<u>\$ (1,734,747)</u>	<u>\$ (1,225,711)</u>	<u>\$ (1,784,699)</u>	<u>\$ (1,386,805)</u>	<u>\$ (1,539,901)</u>	<u>\$ (1,387,365)</u>
\$ 1,260,515	\$ 1,360,442	\$ 1,331,558	\$ 1,410,167	\$ 1,411,924	\$ 1,377,806
302,026	295,794	317,950	325,773	413,178	611,447
225,300	223,563	240,646	244,409	257,114	288,525
66,444	34,231	28,103	10,127	6,874	5,237
-	-	-	27,494	26,515	5,665
25,443	21,700	15,868	11,032	10,896	32,228
486,106	535,558	530,973	537,441	535,428	533,294
<u>2,365,834</u>	<u>2,471,288</u>	<u>2,465,098</u>	<u>2,566,443</u>	<u>2,661,929</u>	<u>2,854,202</u>
44,438	14,156	6,152	4,590	7,758	4,728
-	-	64,187	92,838	92,996	93,069
-	-	-	26,965	819	-
<u>(486,106)</u>	<u>(535,558)</u>	<u>(530,973)</u>	<u>(537,441)</u>	<u>(535,428)</u>	<u>(533,294)</u>
<u>(441,668)</u>	<u>(521,402)</u>	<u>(460,634)</u>	<u>(413,048)</u>	<u>(433,855)</u>	<u>(435,497)</u>
<u>\$ 1,924,166</u>	<u>\$ 1,949,886</u>	<u>\$ 2,004,464</u>	<u>\$ 2,153,395</u>	<u>\$ 2,228,074</u>	<u>\$ 2,418,705</u>
\$ 33,511	\$ 620,371	\$ 259,055	\$ 424,139	\$ 380,059	\$ 675,426
155,908	103,804	(39,290)	342,451	308,114	355,914
<u>\$ 189,419</u>	<u>\$ 724,175</u>	<u>\$ 219,765</u>	<u>\$ 766,590</u>	<u>\$ 688,173</u>	<u>\$ 1,031,340</u>

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

	Fiscal Year			
	2004	2005	2006	2007
Nonspendable Fund Balance:				
Inventory	\$ 23,791	\$ 26,539	\$ 29,953	\$ 25,987
Prepaid Items	3,025	7,751	3,949	7,947
Total Nonspendable Fund Balance	26,816	34,290	33,902	33,934
Restricted Fund Balance:				
PEG Capital Fee	-	-	-	-
Public Safety	42,589	55,747	67,645	75,946
Debt Service	63,513	19,348	26,536	31,669
Total Restricted Fund Balance	106,102	75,095	94,181	107,615
Committed Fund Balance:				
Capital Projects	16,840	276,493	351,037	300,000
Total Committed Fund Balance	16,840	276,493	351,037	300,000
Unassigned Fund Balance	1,013,275	1,005,649	1,368,383	1,501,588
Total Governmental Funds	\$ 1,163,033	\$ 1,391,527	\$ 1,847,503	\$ 1,943,137

TABLE 3

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 29,795	\$ 29,344	\$ 26,518	\$ 30,346	\$ 39,334	\$ 38,751
4,517	-	15,865	-	1,815	1,800
34,312	29,344	42,383	30,346	41,149	40,551
-	-	-	-	20,687	36,989
51,929	58,152	64,496	68,401	73,790	49,564
34,247	47,506	902	-	172,626	21,630
86,176	105,658	65,398	68,401	267,103	108,183
300,000	2,798,295	1,413,941	196,095	-	-
300,000	2,798,295	1,413,941	196,095	-	-
1,574,934	1,595,275	1,300,058	1,500,155	1,838,398	2,481,307
\$ 1,995,422	\$ 4,528,572	\$ 2,821,780	\$ 1,794,997	\$ 2,146,650	\$ 2,630,041

CITY OF KIRBY, TEXAS  
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	Fiscal Year			
	2004	2005	2006	2007
<b>REVENUES</b>				
Taxes	\$ 1,338,480	\$ 1,344,368	\$ 1,425,925	\$ 1,494,414
Franchise Fees	245,377	255,451	281,434	270,078
Licenses and Permits	53,563	65,505	63,206	64,062
Intergovernmental	368,585	77,351	21,425	130,440
Charges for Services	201,547	212,401	247,695	173,462
Fines and Penalties	91,521	85,013	98,273	99,026
Interest	11,954	37,325	86,602	111,048
Miscellaneous	16,989	21,705	24,636	25,718
<b>TOTAL REVENUES</b>	<u>2,328,016</u>	<u>2,099,119</u>	<u>2,249,196</u>	<u>2,368,248</u>
<b>EXPENDITURES</b>				
Current:				
City Council	10,350	13,377	18,310	17,402
City Administration	154,882	167,460	189,634	202,601
Police Protection	567,554	582,197	571,244	621,765
Municipal Court	38,541	40,671	39,566	40,604
Fire\EMS Protection	358,433	384,615	397,437	446,875
Animal Services	-	-	-	-
Parks and Pool	134,498	135,208	115,077	139,269
Streets and Shops	544,986	156,486	292,684	594,717
General City Operations	353,841	412,087	392,200	406,703
Capital Projects/Outlay	124,844	168,530	95,581	125,791
Debt Service:				
Principal	260,000	225,000	105,000	105,000
Interest and Fiscal Charges	91,906	73,858	63,277	56,633
Bond Issue Costs	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>2,639,835</u>	<u>2,359,489</u>	<u>2,280,010</u>	<u>2,757,360</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(311,819)</u>	<u>(260,370)</u>	<u>(30,814)</u>	<u>(389,112)</u>
<b>OTHER FINANCING</b>				
<b>SOURCES (USES)</b>				
Transfers In	490,307	488,864	486,790	484,746
Transfers Out	-	-	-	-
Capital Contributions	-	-	-	-
Proceeds from Sale of Asset	-	-	-	-
Proceeds from Debt Financing	-	-	-	-
Payments to Refund Agent	-	-	-	-
<b>TOTAL OTHER FINANCING</b>	<u>490,307</u>	<u>488,864</u>	<u>486,790</u>	<u>484,746</u>
<b>SOURCES (USES)</b>	<u>490,307</u>	<u>488,864</u>	<u>486,790</u>	<u>484,746</u>
Net Change in Fund Balance	<u>\$ 178,488</u>	<u>\$ 228,494</u>	<u>\$ 455,976</u>	<u>\$ 95,634</u>
<b>Debt Service as a percentage</b>				
<b>of noncapital expenditures</b>	13.99%	13.64%	7.70%	6.14%

TABLE 4

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 1,482,481	\$ 1,580,332	\$ 1,569,464	\$ 1,655,109	\$ 1,666,493	\$ 1,660,467
302,026	295,794	317,950	325,773	413,178	611,447
122,880	108,695	88,176	108,290	181,179	245,197
104,569	184,444	118,605	51,126	20,092	289,509
181,922	615,203	672,411	611,744	687,627	792,848
103,435	153,170	156,595	144,555	205,484	216,749
66,444	34,231	28,103	10,127	6,874	5,237
25,443	21,700	15,868	170,255	10,896	32,225
<u>2,389,200</u>	<u>2,993,569</u>	<u>2,967,172</u>	<u>3,076,979</u>	<u>3,191,823</u>	<u>3,853,679</u>
18,600	10,913	13,035	19,242	17,540	15,371
216,606	229,807	229,765	251,719	226,442	237,634
722,348	696,317	688,293	723,443	743,231	806,440
47,652	46,920	47,136	48,582	46,266	86,282
482,287	607,108	689,451	702,118	676,658	727,368
-	-	-	-	85,434	112,343
212,062	205,132	227,791	176,114	148,437	181,713
271,324	368,169	276,137	243,796	197,599	213,560
503,261	579,336	592,594	625,447	646,990	641,586
188,133	1,001,718	1,933,458	1,560,732	209,680	455,075
110,000	120,000	360,000	400,000	365,000	350,000
50,748	19,936	147,277	99,675	91,069	81,875
-	119,272	-	-	-	-
<u>2,823,021</u>	<u>4,004,628</u>	<u>5,204,937</u>	<u>4,850,868</u>	<u>3,454,346</u>	<u>3,909,247</u>
<u>(433,821)</u>	<u>(1,011,059)</u>	<u>(2,237,765)</u>	<u>(1,773,889)</u>	<u>(262,523)</u>	<u>(55,568)</u>
486,106	624,644	834,973	847,441	1,026,558	658,294
-	(89,086)	(304,000)	(310,000)	(491,130)	(125,000)
-	-	-	209,665	-	-
-	-	-	-	78,748	5,665
-	3,718,651	-	-	-	-
-	(710,000)	-	-	-	-
<u>486,106</u>	<u>3,544,209</u>	<u>530,973</u>	<u>747,106</u>	<u>614,176</u>	<u>538,959</u>
<u>\$ 52,285</u>	<u>\$ 2,533,150</u>	<u>\$ (1,706,792)</u>	<u>\$ (1,026,783)</u>	<u>\$ 351,653</u>	<u>\$ 483,391</u>
6.10%	8.63%	15.51%	15.19%	14.06%	12.50%

CITY OF KIRBY, TEXAS  
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

TABLE 5

<u>Fiscal Year</u>	<u>Property</u>	<u>Sales &amp; Use</u>	<u>Franchise</u>	<u>Total</u>
2004	\$ 1,139,421	\$ 199,059	\$ 245,377	\$ 1,583,857
2005	1,154,972	189,396	255,451	1,599,819
2006	1,185,352	240,573	281,434	1,707,359
2007	1,266,698	227,716	270,078	1,764,492
2008	1,257,181	225,300	302,026	1,784,507
2009	1,248,561	223,564	295,794	1,767,919
2010	1,223,213	240,646	317,950	1,781,809
2011	1,410,700	244,409	325,773	1,980,882
2012	1,409,379	257,114	413,178	2,079,671
2013	1,371,943	288,524	611,447	2,271,914



CITY OF KIRBY, TEXAS  
 ASSESSED VALUE AND ACTUAL TAXABLE PROPERTY  
 LAST NINE FISCAL YEARS

TABLE 6

<u>Fiscal Year Ended September 30,</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value*</u>	<u>Total Direct Tax Rate</u>
2005	\$ 161,225,948	\$ 23,237,881	\$ 11,376,965	\$ 173,086,864	0.657820
2006	164,084,399	23,493,038	12,590,038	174,987,399	0.664950
2007	179,336,207	28,770,525	14,836,126	193,270,606	0.644471
2008	204,127,621	25,094,304	16,044,070	213,177,855	0.588414
2009	206,036,672	27,312,315	16,743,093	216,605,894	0.623000
2010	192,522,317	27,168,990	20,299,434	199,391,873	0.661649
2011	192,751,740	29,098,965	21,075,635	200,775,070	0.697500
2012	188,340,063	29,646,184	21,451,008	196,535,239	0.710978
2013	183,926,315	29,999,639	22,131,880	191,794,074	0.710978

Source: Bexar Appraisal District.

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

CITY OF KIRBY, TEXAS  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS

TABLE 7

<u>Fiscal Period</u>	<u>City</u>	<u>Judson School District</u>	<u>Bexar County</u>	<u>Alamo College District</u>	<u>San Antonio RA</u>	<u>Total</u>
2004	0.676573	1.776	0.320952	0.1075	0.016425	2.89745
2005	0.657821	1.776	0.318471	0.1075	0.016425	2.87622
2006	0.664948	1.776	0.318471	0.1071	0.016425	2.88289
2007	0.644471	1.636	0.314147	0.1371	0.016045	2.74771
2008	0.588414	1.410	0.295104	0.1346	0.015951	2.44402
2009	0.623000	1.463	0.289399	0.1359	0.015951	2.52721
2010	0.661649	1.463	0.296187	0.1359	0.015951	2.57269
2011	0.697500	1.463	0.296187	0.1416	0.016652	2.61496
2012	0.710978	1.430	0.296187	0.1416	0.017370	2.59616
2013	0.710978	1.425	0.296187	0.1492	0.017370	2.59869

Note: Overlapping governments are those that coincide, at least in part, within the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses on the City of Kirby, Texas. This process recognizes that, when considering the City of Kirby's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

CITY OF KIRBY, TEXAS  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT AND NINE YEARS AGO

TABLE 8

<u>Taxpayer</u>	<b>2013</b>			<b>2004</b>		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
AJC Rental Corporation	\$ 3,020,143	1	1.39%	N/A	N/A	N/A
Churchill Family Trust	2,825,000	2	1.30%	N/A	N/A	N/A
Yes Companies LLC	2,777,080	3	1.28%	N/A	N/A	N/A
Mr. Patrick F. Siddons	1,396,170	4	0.64%	N/A	N/A	N/A
Time Warner Cable San Antonio	1,134,709	5	0.52%	N/A	N/A	N/A
Schertz Bank & Trust	1,083,460	6	0.50%	N/A	N/A	N/A
Mr. Richard S. Owen	803,580	7	0.37%	N/A	N/A	N/A
Main Street Properties - Kirby LLC	718,310	8	0.33%	N/A	N/A	N/A
Ms. Marie Ann Kalinowski	685,260	9	0.32%	N/A	N/A	N/A
Southwestern Bell Telephone	645,523	10	0.30%	N/A	N/A	N/A
Total	<u>\$ 15,089,235</u>		<u>6.97%</u>	<u>\$ -</u>		<u>0.00%</u>

Total taxable value of \$191,794,074

Note: Data for 2004 was not available.

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

TABLE 9

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 1,101,844	\$ 1,087,041	98.66%	\$ 11,711	\$ 1,098,752	99.72%
2005	1,138,602	1,106,283	97.16%	28,190	1,134,473	99.64%
2006	1,163,575	1,131,529	97.25%	27,581	1,159,110	99.62%
2007	1,245,573	1,214,573	97.51%	25,391	1,239,964	99.55%
2008	1,254,704	1,221,409	97.35%	29,535	1,250,944	99.70%
2009	1,347,433	1,314,199	97.53%	23,996	1,338,195	99.31%
2010	1,319,698	1,290,840	97.81%	25,966	1,316,806	99.78%
2011	1,400,849	1,373,604	98.06%	16,371	1,389,975	99.22%
2012	1,398,293	1,370,446	98.01%	13,591	1,384,037	98.98%
2013	1,364,383	1,330,473	97.51%	-	1,330,473	97.51%

Source: Bexar County Tax Assessor Collector and City of Kirby Finance Department.

CITY OF KIRBY, TEXAS  
RATIOS OF OUTSIDE DEBT BY TYPE  
LAST TEN FISCAL YEARS

TABLE 10

Fiscal Year	Governmental Activities			Business-Type Activity		Total Primary Government	Per Capita*
	General Obligation Bonds	Certificates of Obligation	Capital Leases	Certificates of Obligation			
2004	\$ 75,000	\$ 1,300,000	\$ 22,136	\$ 295,000		\$ 1,692,136	195
2005	-	1,150,000	-	225,000		1,375,000	159
2006	-	1,045,000	-	150,000		1,195,000	122
2007	-	940,000	-	70,000		1,010,000	116
2008	-	830,000	-	-		830,000	97
2009	715,000	2,970,000	-	-		3,685,000	428
2010	590,000	2,735,000	-	-		3,325,000	382
2011	460,000	2,465,000	-	-		2,925,000	336
2012	370,000	2,190,000	-	-		2,560,000	297
2013	305,000	1,905,000	-	-		2,210,000	269

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

\*Note: Per Capita is the total primary government debt divided by the population of the City. Population totals may be found in Table 13, page 84.

CITY OF KIRBY, TEXAS  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

TABLE 11

General Bonded Debt Outstanding						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita*
2004	\$ 75,000	\$ 1,300,000	\$ 1,375,000	\$ 162,856,686	0.84%	158
2005	-	1,150,000	1,150,000	173,086,864	0.66%	132
2006	-	1,045,000	1,045,000	174,987,399	0.60%	120
2007	-	940,000	940,000	193,270,606	0.49%	108
2008	-	830,000	830,000	213,177,855	0.39%	97
2009	715,000	2,970,000	3,685,000	216,605,894	1.70%	428
2010	590,000	2,735,000	3,325,000	199,391,873	1.67%	382
2011	460,000	2,465,000	2,925,000	200,775,070	1.46%	336
2012	370,000	2,190,000	2,560,000	196,535,239	1.30%	297
2013	305,000	1,905,000	2,210,000	191,794,074	1.15%	269

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

\*Note: Per Capita is equal to the actual taxable value divided by the population of the City. Population totals may be found in Table 13, page 84.

CITY OF KIRBY, TEXAS  
LEGAL DEBT MARGIN  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

TABLE 12

Taxable Value				<u>\$ 191,794,074</u>
Debt Limit - 10% of taxable value [1]				19,179,407
Amount of Debt Applicable to Debt Limit:				
Total Bonded Debt	\$	2,210,000		
Less Net Position in Debt Service Fund		<u>25,293</u>		
Total Amount of Debt Applicable to Debt Limit			<u>2,184,707</u>	
Legal Debt Margin			<u>\$ 16,994,700</u>	

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$ 17,498,740	\$ 19,327,061	\$ 21,317,786	\$ 21,660,589
Total Net Debt Applicable to Limit	<u>(1,018,464)</u>	<u>(908,331)</u>	<u>(795,753)</u>	<u>(3,637,494)</u>
Legal Debt Margin	<u>\$ 16,480,276</u>	<u>\$ 18,418,730</u>	<u>\$ 20,522,033</u>	<u>\$ 18,023,095</u>

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$ 19,939,187	\$ 20,077,507	\$ 19,653,524	\$ 19,179,407
Total Net Debt Applicable to Limit	<u>(3,324,098)</u>	<u>(2,925,000)</u>	<u>(2,384,727)</u>	<u>(2,184,707)</u>
Legal Debt Margin	<u>\$ 16,615,089</u>	<u>\$ 17,152,507</u>	<u>\$ 17,268,797</u>	<u>\$ 16,994,700</u>

CITY OF KIRBY, TEXAS  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

TABLE 13

Year	Population	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2004	8612	\$ 38,919	33.30	2,059	6.4%
2005	8612	38,919	33.30	1,763	5.7%
2006	8673	38,919	33.30	1,817	4.5%
2007	8673	38,919	33.30	1,760	4.1%
2008	8580	45,265	33.30	1,760	5.0%
2009	8606	45,265	33.30	1,844	5.9%
2010	8695	46,481	33.30	1,755	5.9%
2011	8695	46,639	33.30	1,748	5.9%
2012	8633	46,639	33.70	1,641	5.8%
2013	8222	48,606	35.90	1,847	6.1%

Sources: Population, Per Capita Income and median Age information provided by the United States Census Bureau. School enrollment information was provided by the Judson Independent School District. Unemployment rate was provided by the U.S Department of Labor for the City of San Antonio, Texas.



CITY OF KIRBY, TEXAS  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

TABLE 14

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lackland Air Force Base	37,097	1	3.87%	N/A	N/A	N/A
Fort Sam Houston	32,000	2	3.34%	N/A	N/A	N/A
HEB Food Stores	20,000	3	2.09%	N/A	N/A	N/A
USAA	17,000	4	1.77%	N/A	N/A	N/A
Northside I.S.D.	12,751	5	1.33%	N/A	N/A	N/A
City of San Antonio	11,731	6	1.22%	N/A	N/A	N/A
Randolph Air Force Base	11,068	7	1.16%	N/A	N/A	N/A
North East I.S.D.	10,522	8	1.10%	N/A	N/A	N/A
Methodist Healthcare System	8,000	9	0.84%	N/A	N/A	N/A
San Antonio I.S.D.	7,374	10	0.77%	N/A	N/A	N/A
Total	<u>167,543</u>		<u>17.49%</u>	N/A	N/A	N/A

The City of Kirby is surrounded by the City of San Antonio and no data is available for the employers in Kirby. The above data is for San Antonio.

Source: San Antonio Economic Development Foundation

Note: Data for 2004 was not available.

