

CITY OF WIMBERLEY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2013

CITY OF WIMBERLEY, TEXAS
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Wimberley, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wimberley, Texas (the "City") 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

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material 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 estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City 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.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis section be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

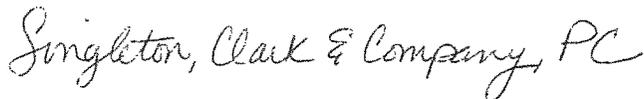
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Singleton, Clark & Company, PC
Austin, Texas

December 27, 2013

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Management's Discussion and Analysis

As management of the City of Wimberley, Texas, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2013.

Financial Highlights

- The assets of the City of Wimberley, Texas exceeded its liabilities at the close of the most recent fiscal year by \$11,177,535 (*net position*). Of this amount, \$1,395,453 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Wimberley, Texas's total net position increased by \$282,389 primarily due to the net change in the Blue Hole Park Fund and Capital Projects Fund related to park revenues and grant revenue, respectively.
- At the close of the current fiscal year, the City of Wimberley, Texas's governmental funds reported combined fund balances of \$1,321,531, an increase of \$410,561 in comparison with the prior year. The City did not report any governmental fund unassigned fund balances as of year-end meaning all fund balances are committed or restricted for specific purposes.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City of Wimberley, Texas's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Wimberley, Texas that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, and culture and recreation. The business-type activity of the City is the operation of a wastewater utility.

The government-wide financial statements can be found on pages 11-13 of this report.

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

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

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

The City of Wimberley, Texas maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Blue Hole Park Fund which are considered to be major funds. Data from the other three governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City of Wimberley, Texas adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14-18 of this report.

Proprietary Funds. The City of Wimberley, Texas has the option of maintaining two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its wastewater utility operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among a City's functions. The City is not currently utilizing an internal service fund. Because the services provided by internal service funds predominantly benefit governmental rather than business-type functions, they are usually included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the wastewater utility, which is considered to be a major fund of the City of Wimberley, Texas. Conversely, when internal service funds are utilized, they are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are then provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 19-21 of this report.

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

The notes to the financial statements can be found on pages 22-37 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's pension participation. Required supplementary information can be found on page 38 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions.

Combining and individual fund statements and schedules can be found on pages 40-41 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Wimberley, Texas, assets exceeded liabilities by \$11,177,535 at the close of the most recent fiscal year.

City of Wimberley, Texas's Net Position

	Governmental Activities 2013	Governmental Activities 2012	Change	Business- Type Activities 2013	Business- Type Activities 2012	Change
ASSETS						
Current & other assets	\$ 1,454,870	\$ 995,741	\$ 459,129	\$ 759,607	\$ 57,682	\$ 701,925
Capital assets	9,714,801	9,911,365	(196,564)	214,826	220,922	(6,096)
Total assets	11,169,671	10,907,106	262,565	974,433	278,604	695,829
LIABILITIES						
Current liabilities	133,339	102,812	30,527	12,639	35,195	(22,556)
Long-term liabilities	18,034	-	18,034	802,557	152,557	650,000
Total liabilities	151,373	102,812	48,561	815,196	187,752	627,444
NET POSITION						
Net investment in capital assets	9,714,801	9,911,365	(196,564)	50,462	48,052	2,410
Restricted	5,012	11,207	(6,195)	-	-	-
Unrestricted	1,413,402	881,722	531,680	108,775	42,800	65,975
Total net position	\$ 11,133,215	\$ 10,804,294	\$ 328,921	\$ 159,237	\$ 90,852	\$ 68,385

By far, the largest portion of the City of Wimberley, Texas's net position (88% overall), and respectively 87% and 40% for governmental activities and business-type activities, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Wimberley, Texas's net position less than (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$1,395,453 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors. At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City of Wimberley, Texas's overall net position increased by \$282,389 from the prior fiscal year, the reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities. During the current fiscal year, net position for governmental activities increased \$214,004 from the prior fiscal year for an ending balance of \$11,018,298. While the current recession certainly had an impact on the City of Wimberley, Texas, management was able to take various actions (e.g., increasing rates for certain revenue sources, delaying certain nonrecurring expenses, reducing expenses related to non-essential ongoing programs in the culture and recreation function) that neutralized its effect on governmental activities. The increase in the overall net position of governmental activities is primarily the result of Blue Hole Park revenues and Capital Projects Fund grant revenue.

Business-type Activities. For the City of Wimberley, Texas's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$159,237. The total increase in net position for business-type activities was \$68,385 or 75% from the prior fiscal year.

City of Wimberley, Texas's Changes in Net Position

	Governmental Activities 2013	Governmental Activities 2012	Change	Business- Type Activities 2013	Business- Type Activities 2012	Change
REVENUES						
Program Revenues:						
Charges for services	\$ 436,317	\$ 320,705	\$ 115,612	\$ 171,441	\$ 124,155	\$ 47,286
Capital grants and contributions	116,353	90,469	25,884	-	-	-
General Revenues:						
Other taxes	650,914	875,962	(225,048)	-	-	-
Grants and contributions not restricted to specific programs	223,974	650,215	(426,241)	-	-	-
Other	172,194	32,843	139,351	48	7	41
Total revenue	1,484,835	1,970,194	(485,359)	171,489	124,162	47,327
EXPENSES						
General government	485,793	392,876	92,917	-	-	-
Public safety	125,744	97,639	28,105	-	-	-
Highways and streets	275,413	232,036	43,377	-	-	-
Culture and recreation	383,881	286,352	97,529	-	-	-
Interest on long-term debt	-	-	-	10,245	8,203	2,042
Wastewater operations	-	-	-	92,859	56,357	36,502
Total expenses	1,270,831	1,008,903	261,928	103,104	64,560	38,544
Increase (decrease) in net position before transfers	214,004	961,290	(747,286)	68,385	59,602	8,783
Transfers	-	-	-	-	31,250	(31,250)
Increase (decrease) in net position	214,004	961,290	(747,286)	68,385	90,852	(22,467)
Net position - beginning	10,804,294	9,843,003	961,291	90,852	-	90,852
Net position - ending	\$ 11,018,298	\$ 10,804,294	\$ 214,004	\$ 159,237	\$ 90,852	\$ 68,385

Financial Analysis of Governmental Funds

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

Governmental Funds. The focus of the City of Wimberley, Texas's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Wimberley, Texas's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City of Wimberley, Texas itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City of Wimberley, Texas's Council.

At September 30, 2013, the City of Wimberley, Texas's governmental funds reported combined fund balances of \$1,321,531, an increase of \$410,561 in comparison with the prior year. The fund balance is either *restricted or committed* to indicate that it is 1) restricted for particular purposes (\$5,012) and 2) committed for particular purposes (\$1,316,519).

The general fund is the chief operating fund of the City of Wimberley, Texas. At the end of the current fiscal year, committed fund balance of the general fund was \$1,039,666 which includes an increase of \$231,522 from prior year balance of \$808,144. The City currently commits its entire General Fund fund balance according to the formula 40% for public works, 35% for wastewater improvements, and 25% future grant matches.

The fund balance of the City of Wimberley, Texas's General Fund increased by \$231,522 during the current fiscal year. As discussed earlier in connection with governmental activities, the increase was due primarily to actual expenditures being significantly less than appropriated for the year.

The Blue Hole Park Fund, a major fund, had a \$116,196 increase in fund balance during the current fiscal year which put the overall fund balance to end the year at \$205,533. The City commits the fund's entire ending fund balance to the park and park operations.

In addition to the City's two major governmental funds, the City maintains three special revenue funds—the Capital Projects Fund, the Municipal Court Fund, and the Sidewalks Donations Fund. These separate funds are used to segregate financial transactions of the activities accounted for in those funds.

Proprietary Funds. The City of Wimberley, Texas's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Wastewater Service at the end of the year was \$108,775 while the amount of net investment in capital assets was \$50,462. The total growth in net position was \$68,385 from prior year balance of \$90,852. The fund ended the year with a net position of \$159,237.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations.

Capital Assets and Debt Administration

Capital assets. The City of Wimberley, Texas's investment in capital assets for its governmental and business-type activities as of September 30, 2013, amounts to \$9,714,801 and \$214,826 respectively (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, and the wastewater treatment plant. The total increase in capital assets for its governmental and business-type activities for the current fiscal year was approximately 1.2% and 0% respectively.

City of Wimberley, Texas's Capital Assets

	Governmental Activities 2013	Governmental Activities 2012	Change
Land	\$ 3,391,499	\$ 3,391,499	\$ -
Buildings	2,717,303	2,653,897	63,406
Furniture and Equipment	3,928,783	200,253	3,728,530
Infrastructure	663,227	644,491	18,736
Construction in Progress	10,736	3,693,874	(3,683,138)
Total	10,711,548	10,584,014	127,534
Less Accumulated Depreciation	(996,747)	(672,649)	(324,098)
Capital assets, net of depreciation	\$ 9,714,801	\$ 9,911,365	\$ (196,564)

	Business-Type Activities 2013	Business-Type Activities 2012	Change
Buildings and improvements	\$ -	\$ 223,970	\$ -
Total	-	223,970	(223,970)
Less Accumulated Depreciation	-	(3,048)	3,048
Capital assets, net of depreciation	\$ -	\$ 220,922	\$ (220,922)

Additional information on the City of Wimberley, Texas's capital assets can be found in Note IV.C on pages 31-32 of this report.

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Long-term Debt. At the end of the current fiscal year, the City of Wimberley, Texas had notes payable outstanding of \$802,557. Of this amount, \$152,557 relates to the City’s wastewater assets executed during fiscal year 2011/2012 and the remaining \$650,000 relates to tax surplus revenue notes issued during the current fiscal year. The \$650,000 in new notes payable related to the City’s wastewater expansion were issued through the Texas Water Development Board and are guaranteed by the federal government.

City of Wimberley, Texas Outstanding Debt

	Business-Type Activities 2013	Business-Type Activities 2012	Change
Notes Payable	\$ 802,557	\$ 172,870	\$ 629,687
Total	\$ 802,557	\$ 172,870	\$ 629,687

During the year, the City of Wimberley, Texas’s total debt increased by \$629,687 (364 percent). The reason for the increase was that during the year the City repaid \$20,313 related to its existing notes payable and issued \$650,000 in new notes payable.

Additional information on the City of Wimberley, Texas’s long-term debt can be found in Note IV.F on pages 35-36 of this report.

Economic Factors and Next Year’s Budgets and Rates

The City’s elected and appointed officials considered many factors when setting the fiscal year 2013/2014 budget and fees to be charged. The City’s 2013/2014 General Fund budget is \$1,028,550. And, it represents an increase of less than 1% over the adopted budget for the previous fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Wimberley, Texas’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Wimberley, Texas’s City Administrator, Don Ferguson, P. O. Box 2027, Wimberley, Texas 78676 or at (512) 847-0025.

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,160,854	\$ 108,343	\$ 1,269,197
Investments - current	176,970	-	176,970
Accounts receivable, net	66,449	13,071	79,520
Intergovernmental receivable	50,597	-	50,597
Restricted cash	-	638,193	638,193
Capital assets, not being depreciated:			
Land	3,391,499	-	3,391,499
Construction in progress	10,736	-	10,736
Capital assets, being depreciated:			
Buildings and improvements	6,400,441	-	6,400,441
Machinery, equipment, and vehicles	245,645	-	245,645
Infrastructure	663,227	223,970	887,197
Accumulated depreciation	(996,747)	(9,144)	(1,005,891)
Total Assets	<u>11,169,671</u>	<u>974,433</u>	<u>12,144,104</u>
LIABILITIES			
Accounts payable	116,408	5,128	121,536
Accrued salaries and benefits	16,931	-	16,931
Accrued interest payable	-	7,511	7,511
Noncurrent liabilities:			
Due within one year	-	111,656	111,656
Due in more than one year	18,034	690,901	708,935
Total Liabilities	<u>151,373</u>	<u>815,196</u>	<u>966,569</u>
NET POSITION			
Net investment in capital assets	9,714,801	50,462	9,765,263
Restricted for capital projects	5,012	-	5,012
Unrestricted	1,413,402	108,775	1,522,177
Total Net Position	<u>\$ 11,133,215</u>	<u>\$ 159,237</u>	<u>\$ 11,292,452</u>

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

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

Functions/Programs:	Expenses	Program Revenues	
		Charges for Services	Capital Grants and Contributions
Primary Government:			
Governmental activities:			
General government	\$ 485,793	\$ 99,475	\$ -
Public safety	125,744	17,487	-
Highways and streets	275,413	-	-
Culture and recreation	383,881	319,355	116,353
Total Governmental Activities:	<u>1,270,831</u>	<u>436,317</u>	<u>116,353</u>
Business-type activities:			
Wastewater Service	103,104	171,441	-
Total Business-Type Activities:	<u>103,104</u>	<u>171,441</u>	<u>-</u>
Total primary government	<u>\$ 1,373,935</u>	<u>\$ 607,758</u>	<u>\$ 116,353</u>

General Revenues:

Sales taxes
Franchise taxes
Investment earnings
Miscellaneous

Total general revenues and transfers

Change in Net Position

Net Assets -- Beginning

Net Assets -- Ending

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

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Primary Government</u>		
<u>Governmental</u>	<u>Business-Type</u>	
<u>Activities</u>	<u>Activites</u>	<u>Total</u>
\$ (386,318)	\$ -	\$ (386,318)
(108,257)	-	(108,257)
(275,413)	-	(275,413)
51,827	-	51,827
<u>(718,161)</u>	<u>-</u>	<u>(718,161)</u>
-	68,337	68,337
<u>-</u>	<u>68,337</u>	<u>68,337</u>
<u>(718,161)</u>	<u>68,337</u>	<u>(649,824)</u>
650,914	-	650,914
223,974	-	223,974
910	48	958
56,367	-	56,367
<u>932,165</u>	<u>48</u>	<u>932,213</u>
328,921	68,385	397,306
10,804,294	90,852	10,895,146
<u>\$ 11,133,215</u>	<u>\$ 159,237</u>	<u>\$ 11,292,452</u>

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FUND BASIS FINANCIAL STATEMENTS

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

	General Fund	Blue Hole Park Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 866,899	\$ 211,950	\$ 82,005	\$ 1,160,854
Investments - current	176,970	-	-	176,970
Accounts receivable	73,495	-	-	73,495
Allowance for uncollectible accounts receivable	(7,046)	-	-	(7,046)
Intergovernmental receivable	50,597	-	-	50,597
Due from other funds	838	-	-	838
Total assets	<u>\$ 1,161,753</u>	<u>\$ 211,950</u>	<u>\$ 82,005</u>	<u>\$ 1,455,708</u>
LIABILITIES				
Accounts payable	\$ 107,600	\$ 3,973	\$ 4,835	\$ 116,408
Accrued salaries and benefits	14,487	2,444	-	16,931
Due to other funds	-	-	838	838
Total Liabilities	<u>122,087</u>	<u>6,417</u>	<u>5,673</u>	<u>134,177</u>
FUND BALANCES (DEFICITS)				
Restricted:				
Fund balance - restricted for capital projects	-	-	5,012	5,012
Committed:				
Fund balance - committed for public works	415,866	-	-	415,866
Fund balance - committed for ww improvements	259,917	-	-	259,917
Fund balance - committed for grant matches	363,883	-	-	363,883
Fund balance - committed for capital projects	-	-	67,545	67,545
Fund balance - committed for parks	-	205,533	-	205,533
Fund balance - committed for municipal court	-	-	3,775	3,775
Total Fund Balances	<u>1,039,666</u>	<u>205,533</u>	<u>76,332</u>	<u>1,321,531</u>
Total liabilities, def. inflows, and fund balances	<u>\$ 1,161,753</u>	<u>\$ 211,950</u>	<u>\$ 82,005</u>	<u>\$ 1,455,708</u>

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

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

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

Total fund balances - governmental funds	\$ 1,321,531
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	9,714,801
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(18,034)
Net position of governmental activities	<u>\$ 11,018,298</u>

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

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

	General Fund	Blue Hole Park Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Sales taxes	\$ 650,914	\$ -	\$ -	\$ 650,914
Franchise taxes	223,974	-	-	223,974
Licenses and permits	97,430	-	-	97,430
Intergovernmental revenues	-	55,018	61,335	116,353
Charges for services	53,056	266,299	2,045	321,400
Fines	17,487	-	-	17,487
Investment earnings	806	81	23	910
Miscellaneous revenue	21,144	35,223	-	56,367
Total revenues	<u>1,064,811</u>	<u>356,621</u>	<u>63,403</u>	<u>1,484,835</u>
EXPENDITURES				
Current:				
General government	361,348	-	560	361,908
Public safety	93,676	-	-	93,676
Highways and streets	205,175	-	-	205,175
Culture and recreation	88,282	197,699	-	285,981
Capital outlay	84,808	4,205	38,521	127,534
Total expenditures	<u>833,289</u>	<u>201,904</u>	<u>39,081</u>	<u>1,074,274</u>
Excess (deficiency) of rev. over expenditures	<u>231,522</u>	<u>154,717</u>	<u>24,322</u>	<u>410,561</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	38,521	38,521
Transfers out	-	(38,521)	-	(38,521)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(38,521)</u>	<u>38,521</u>	<u>-</u>
Net Change in Fund Balance	231,522	116,196	62,843	410,561
Fund Balance - Beginning	808,144	89,337	13,489	910,970
Fund Balance - Ending	<u>\$ 1,039,666</u>	<u>\$ 205,533</u>	<u>\$ 76,332</u>	<u>\$ 1,321,531</u>

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

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

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

Net change in fund balances - total governmental funds	\$	410,561
--	----	---------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		(196,564)
--	--	-----------

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the 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 effect premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

		7
	\$	<u>214,004</u>

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

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CITY OF WIMBERLEY, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Sales taxes	\$ 585,000	\$ 645,000	\$ 650,914	\$ 5,914
Franchise taxes	252,000	241,000	223,974	(17,026)
Licenses and permits	84,500	101,000	97,430	(3,570)
Charges for services	59,200	56,200	53,056	(3,144)
Fines	30,000	20,000	17,487	(2,513)
Investment earnings	1,500	1,000	806	(194)
Miscellaneous revenue	12,500	9,500	21,144	11,644
Total revenues	<u>1,024,700</u>	<u>1,073,700</u>	<u>1,064,811</u>	<u>(8,889)</u>
EXPENDITURES				
Current:				
General government	470,995	472,470	361,348	111,122
Public safety	103,782	105,962	93,676	12,286
Highways and streets	248,985	284,706	205,175	79,531
Culture and recreation	141,445	123,023	88,282	34,741
Capital outlay	52,493	87,539	84,808	2,731
Total Expenditures	<u>1,017,700</u>	<u>1,073,700</u>	<u>833,289</u>	<u>240,411</u>
Excess (deficiency) of revenues over expenditures	7,000	-	231,522	231,522
Net Change in Fund Balances	7,000	-	231,522	231,522
Fund balance - beginning	808,144	808,144	808,144	-
Fund balance - ending	<u>\$ 815,144</u>	<u>\$ 808,144</u>	<u>\$ 1,039,666</u>	<u>\$ 231,522</u>

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

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

	Business-Type Activities
	Wastewater Service
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 108,343
Accounts receivable, net	13,071
Restricted cash	638,193
Total current assets	759,607
Noncurrent Assets:	
Infrastructure	223,970
Accumulated depreciation	(9,144)
Total noncurrent assets	214,826
Total assets	974,433
LIABILITIES	
Current liabilities:	
Accounts payable	5,128
Accrued interest payable	7,511
Notes payable - current	111,656
Total current liabilities	124,295
Noncurrent Liabilities:	
Notes payable	690,901
Total noncurrent liabilities	690,901
Total liabilities	815,196
NET POSITION	
Net investment in capital assets	50,462
Unrestricted	108,775
Total net position	\$ 159,237

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

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

	Business-Type Activities
	Wastewater Service
Operating revenues:	
Charges for services:	
Wastewater service	\$ 171,441
Total operating revenues	171,441
Operating expenses:	
Purchased prof. and technical services	66,054
Other operating expenses	8,902
Depreciation	6,096
Total operating expenses	81,052
Operating income (loss)	90,389
Nonoperating revenues (expenses)	
Investment earnings	48
Debt issuance costs	(11,807)
Interest expense	(10,245)
Total nonoper. revenues (expenses)	(22,004)
Change in net position	68,385
Net position-beginning	90,852
Net position-ending	\$ 159,237

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

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

	Business-Type Activities Wastewater Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 174,359
Payments to suppliers and service providers	(68,297)
Payments to employees for other operating	(8,902)
	97,160
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on capital debt	(20,313)
Interest paid on capital debt	(10,245)
	(30,558)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	48
	48
Net increase (decrease) in cash and cash equivalents	66,650
Cash and cash equivalents-beginning	41,693
Cash and cash equivalents-ending	\$ 108,343
Reconciliation of operating income (loss) to net cash provided (used for) operating activities:	
Operating income (loss)	\$ 90,389
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation expense	6,096
(Increase) decrease in accounts receivable	2,918
(Decrease) increase in accounts payable	(1,551)
(Decrease) increase in accrued liabilities	(692)
Total adjustments	6,771
Net cash provided by (used for) operating activities	\$ 97,160
Schedule of non-cash capital and related financing activities:	
Contributions of capital assets	

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

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NOTES TO THE FINANCIAL STATEMENTS

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CITY OF WIMBERLEY, TEXAS
Notes to the Financial Statements
For the year ended September 30, 2013

I. Summary of significant accounting policies

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

B. Reporting entity

Wimberley, Texas was incorporated on May 5, 2000 as the "Village of Wimberley" under the provisions of the State of Texas. In June 2008, the Village of Wimberley officially changed its name to the "City of Wimberley" (hereafter the "City"). The City, a general law municipality, operates as a Mayor/Council form of government and the Mayor is the executive officer of the City. With few exceptions, all powers of the City are vested in the Mayor and the elected five member Council which enacts local legislation, adopts budgets, determines policies, and appoints the City Administrator, Attorney, and the Municipal Court Judge. The Mayor and Council also are primarily responsible for fiscal matters. The City provides the following services-public safety, street maintenance, recreation programs, community development, public improvements, and general administrative services.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

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

The *park fund* accounts for the operation of the City's Blue Hole Park.

CITY OF WIMBERLEY, TEXAS
Notes to the Financial Statements
For the year ended September 30, 2013

The government reports the following major enterprise funds:

The *wastewater service fund* accounts for the activities of the utility. The fund operates the wastewater system for the City.

Additionally, the government reports the following fund types:

The *capital projects fund* accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

The *special revenue funds*, Municipal Court Fund and Sidewalks Donations Fund, account for specific activities the City accounts for separate from the general fund. The Municipal Court Fund is used to account for the proceeds of revenue sources which are legally restricted to expenditures for the court. And, the Sidewalks Donations Fund is used to account for donations made to the City to contribute to the costs related to complete the sidewalk project in the City's downtown area along Ranch Road 2325.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds or advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

CITY OF WIMBERLEY, TEXAS
Notes to the Financial Statements
For the year ended September 30, 2013

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary activities are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

F. Budgetary information

1. Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the City's general fund. Other City funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

CITY OF WIMBERLEY, TEXAS
Notes to the Financial Statements
For the year ended September 30, 2013

2. Excess of expenditures over appropriations

For the year ended September 30, 2013, expenditures did not exceed appropriations in any of the City's funds.

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash and cash equivalents

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

2. Investments

Investments for the government are reported at fair value (generally based on quoted market prices) except for positions in Local Government Investment Pools, like TexPool, when applicable. In accordance with state law, these investment pools operate in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the pools qualify as 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

3. Inventories and prepaid items

The City does not report inventories of supplies or consumable items due to the unused amount of these items on hand at any given time being deemed immaterial. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital assets

Capital assets which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of more than one year.

As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

CITY OF WIMBERLEY, TEXAS
Notes to the Financial Statements
For the year ended September 30, 2013

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings and improvements	20-40
Machinery and equipment	5
Vehicles	5
Infrastructure	20-40

5. *Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government currently does not have any financial transactions that qualify for reporting in this category. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government currently does not have any financial transactions that qualify for reporting in this category.

6. *Net position flow assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. *Fund balance flow assumptions*

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

CITY OF WIMBERLEY, TEXAS
Notes to the Financial Statements
For the year ended September 30, 2013

8. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

H. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as *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 or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property taxes

Currently, the City does not assess ad valorem property taxes for either maintenance and operations or interest and sinking.

3. Compensated absences

Vacation

The government's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

CITY OF WIMBERLEY, TEXAS
Notes to the Financial Statements
For the year ended September 30, 2013

Sick Leave

Accumulated sick leave lapses when employees leave the employment of the government and, upon separation from service, no monetary obligation exists.

4. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund and electric fund are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Items shown in summary form on that reconciliation are provided in detail below.

One element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this amount are as follows:

Capital assets not being depreciated:	
Land	\$ 3,391,499
Construction in progress	10,736
Capital assets, being depreciated	
Buildings and improvements	2,717,303
Machinery, equipment, and vehicles	3,928,783
Infrastructure	663,227
Accumulated depreciation	(996,747)
	\$ 9,714,801
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 9,714,801

CITY OF WIMBERLEY, TEXAS
Notes to the Financial Statements
For the year ended September 30, 2013

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

Compensated absences	\$ 18,034
	\$ 18,034
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 18,034

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. Items shown in summary form on that reconciliation are provided in detail below.

One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.” The details of this amount are as follows:

Capital outlay	\$ 127,534
Depreciation expense	(324,098)
	\$ (196,564)
Net adjustment to increase <i>net changes in fund balance - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ (196,564)

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the 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 effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statements of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this amount are as follows:

Principal repayments:	
Change in compensated absences	\$ 7
	\$ 7
Net adjustment to decrease <i>changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ 7

CITY OF WIMBERLEY, TEXAS
Notes to the Financial Statements
For the year ended September 30, 2013

III. Stewardship, compliance and accountability

A. Violations of legal or contractual provisions

No violations of legal or contractual provisions were noted during the current year.

B. Deficit fund equity

For the year ended September 30, 2013 there were no funds reported with deficit fund equity.

IV. Detailed notes on all activities and funds

A. Cash deposits with financial institutions

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does have a deposit policy for custodial credit risk. As of September 30, 2013, the government's bank balance was \$1,273,855 and \$0 of that amount was exposed to custodial credit risk because it was insured and/or collateralized with securities held by the pledging or financial institution's trust department or agent.

B. Investments

The City currently holds investments with TexPool, the largest local government investment pool in the State of Texas. TexPool has a credit rating of AAAM from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. TexPool's investments are governed by the Public Funds Investment Act (PFIA), Chapter 2256 of the Texas Government Code. State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and government investment pools.

As of September 30, 2013, the government had the following investments:

Investment Type	Maturity Time in Years
	Less than 1
Investment Pools-TexPool	\$ 176,970
Total Investments	\$ 176,970

CITY OF WIMBERLEY, TEXAS
Notes to the Financial Statements
For the year ended September 30, 2013

Interest rate risk. In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than ten months.

Credit risk. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the government's policy to limit its investments in these investment types to the top rating issued by NRSROs. As of June 30, 2022, the government's investment in the State Treasurer's investment pool was rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The government's investments in commercial paper were rated A1 by Standard & Poor's, F-1 by Fitch Ratings, and P-1 by Moody's Investor's Service. The government's investments in corporate bonds were rated AAA by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investors Service.

Concentration of credit risk. The government's investment policy does not allow for an investment in any one issuer that is in excess of 5 percent of the government's total investments. This restriction however does not apply to government investment pools due to the low risk nature of this type of investment.

Custodial credit risk-investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

C. Capital Assets

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

Business-Type Activities:

	Balance 10/1/12	Increases	Decreases	Adjustments	Balance 9/30/13
Capital assets, being depreciated:					
Infrastructure	\$ 223,970	-	-	-	\$ 223,970
Total capital assets, being depreciated	223,970	-	-	-	223,970
Less accumulated depreciation for:					
Infrastructure	(3,048)	(6,096)	-	-	(9,144)
Total accumulated depreciation	(3,048)	(6,096)	-	-	(9,144)
Total capital assets being depreciated, net	220,922	(6,096)	-	-	214,826
Business-type activities capital assets, net	\$ 220,922	\$ (6,096)	\$ -	\$ -	\$ 214,826

CITY OF WIMBERLEY, TEXAS
Notes to the Financial Statements
For the year ended September 30, 2013

Governmental Activities:

	Balance 10/1/12	Increases	Decreases	Adjustments	Balance 9/30/13
Capital assets, not being depreciated:					
Land	\$3,391,499	\$ -	\$ -	\$ -	\$3,391,499
Construction-in-progress	3,693,874	-	-	(3,683,138)	10,736
Total capital assets, not being depreciated	<u>7,085,373</u>	<u>-</u>	<u>-</u>	<u>(3,683,138)</u>	<u>3,402,235</u>
Capital assets, being depreciated:					
Buildings and improvements	2,653,897	63,406	-	-	2,717,303
Machinery, equipment, and vehicles	200,253	45,392	-	3,683,138	3,928,783
Infrastructure	644,491	18,736	-	-	663,227
Total capital assets, being depreciated	<u>3,498,641</u>	<u>127,534</u>	<u>-</u>	<u>3,683,138</u>	<u>7,309,313</u>
Less accumulated depreciation for:					
Buildings and improvements	(422,964)	(264,810)	-	-	(687,774)
Machinery, equipment, and vehicles	(142,856)	(26,127)	-	-	(168,983)
Infrastructure	(106,829)	(33,161)	-	-	(139,990)
Total accumulated depreciation	<u>(672,649)</u>	<u>(324,098)</u>	<u>-</u>	<u>-</u>	<u>(996,747)</u>
Total capital assets being depreciated, net	<u>2,825,992</u>	<u>(196,564)</u>	<u>-</u>	<u>3,683,138</u>	<u>6,312,566</u>
Governmental activities capital assets, net	<u>\$9,911,365</u>	<u>\$ (196,564)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$9,714,801</u>

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

Governmental activities:

General government	\$ 123,892
Public safety	32,068
Highways and streets	70,238
Culture and recreation	97,900
Total depreciation expense - governmental activities	<u>\$ 324,098</u>

CITY OF WIMBERLEY, TEXAS
Notes to the Financial Statements
For the year ended September 30, 2013

D. Pension obligations

Texas Municipal Retirement System (TMRS)

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 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 from TMRS' website at www.TMRS.com.

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

	Plan Year 2012	Plan Year 2013
Employee Deposit Rate	5%	5%
Matching Ratio (City to Employee)	1 to 1	1 to 1
Years Required for Vesting	5	5
Service Retirement Eligibility (Expressed as Age/Years of Service)	60/5, 0/20	60/5, 0/20
Updated service credit	0%,	0%,
Annuity increase (to retirees)	0% of CPI	0% of CPI

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 cost 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 that city. Both the normal cost and prior services contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credit 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.

CITY OF WIMBERLEY, TEXAS
Notes to the Financial Statements
For the year ended September 30, 2013

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

Valuation Date	12/31/2010	12/31/2011	12/31/2012
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level % of Payroll	Level % of Payroll	Level % of Payroll
GASB 25 Equivalent Single Amortization Period	21.9 years; closed period	21.1 years; closed period	19.9 years; closed period
Amortization Period for New Gains/Losses	11 years	12 years	13 years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial Assumptions:			
Investment Rate of Return*	7.0%	7.0%	7.0%
Projected Salary Increases*	varies by age and service	varies by age and service	varies by age and service
*Includes Inflation at Cost of Living Adjustments	3.0%	3.0%	3.0%
	0.0%	0.0%	0.0%

The funded status as of September 30, 2013, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(c)	(d)	(e)	(f)
			(a) / (b)	(b) - (a)		(d) / (e)
12/31/2012	\$ 124,857	\$ 148,045	84.3%	\$ 23,188	\$ 319,919	7.2%

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.

E. Risk management

The government is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During the year, the City purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and no settlements exceeding insurance coverage for each of the past three fiscal years.

CITY OF WIMBERLEY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

F. Long-Term Liabilities

Tax Notes and Other Notes Payable

The government issues tax notes or obtains regular notes payable financing arrangements from banks to provide funds for the acquisition of equipment, minor capital projects, or to provide advance funding for larger capital projects where it is anticipated that larger debt instruments will be issued in the future. Tax notes and regular notes payable are direct obligations and pledge the full faith and credit of the government. These debt instruments are generally repaid in equal installments of principal and interest over a period of 3 to 10 years.

Details of long-term debt obligations outstanding at September 30, 2013 are as follows:

Business-type Activities:

Type	Issue Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/13
Notes Payable:					
Guadalupe-Blanco River Authority	2012	\$ 172,870	5.00%	2019	\$ 152,557
Comb. Tax and Surplus Rev. Ant. Notes, Series 2013	2013	650,000	.44%-2.36%	2020	650,000
Total Notes Payable					<u>\$ 802,557</u>

Changes in long-term liabilities

Changes in the government's long-term liabilities for the year ended September 30, 2013 are as follows:

Governmental Activities:

Description	Balance 10/1/12	Additions	Deletions	Balance 9/30/13
Compensated absences	\$ 18,041	\$ -	\$ (7)	\$ 18,034
Governmental activities long-term liabilities	<u>\$ 18,041</u>	<u>\$ -</u>	<u>\$ (7)</u>	<u>\$ 18,034</u>

For compensated absences, the general fund normally liquidates 100 percent of the liability when it becomes due.

Business-type Activities:

Description	Balance 10/1/12	Additions	Deletions	Balance 9/30/13	Due in One Year
Notes payable	\$ 172,870	\$ 650,000	\$ (20,313)	\$ 802,557	\$ 111,656
Business-type activities long-term liabilities	<u>\$ 172,870</u>	<u>\$ 650,000</u>	<u>\$ (20,313)</u>	<u>\$ 802,557</u>	<u>\$ 111,656</u>

CITY OF WIMBERLEY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

The debt service requirements for the government's tax notes and notes payable are as follows:

Business-type Activities:

Year Ended September 30,	Business-Type Activities				Totals	
	Tax Notes		Notes Payable		Principal	Interest
	Principal	Interest	Principal	Interest		
2014	\$ 90,000	\$ 6,715	\$ 21,656	\$ 9,594	\$ 111,656	\$ 16,309
2015	90,000	7,774	23,066	8,184	113,066	15,958
2016	90,000	7,378	24,547	6,703	114,547	14,081
2017	95,000	6,622	26,102	5,148	121,102	11,770
2018	95,000	5,510	27,735	3,515	122,735	9,025
2019-2023	190,000	6,308	29,451	1,800	219,451	8,108
Totals	\$ 650,000	\$ 40,307	\$ 152,557	\$ 34,944	\$ 802,557	\$ 75,251

G. Interfund receivables and payables

The composition of interfund balances as of September 30, 2013 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Municipal Court	\$ 838
Total		\$ 838

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts also include balances of working capital loans made to several nonmajor governmental funds which the general fund expects to collect in the subsequent year.

H. Interfund transfers

Occasionally, transfers are used to move revenues from a fund with collection authority to another fund with related expenditure requirements or move general fund resources to provide subsidies to other funds as needs arise.

During the year ended September 30, 2013, the government made the following one-time transfer:

A transfer of \$38,521 from the Blue Hole Park Fund to the capital projects fund to assist with on-going park capital projects.

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CITY OF WIMBERLEY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

I. Litigation

The City was not involved in any litigation at year-end that the City's attorneys feel would result in a negative outcome or present any material liability to the City.

J. Subsequent events

The City has evaluated subsequent events through December 27, 2013, the date of the audit report. The City is not aware of any subsequent events that materially affect the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF WIMBERLEY, TEXAS
 REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress – Texas Municipal Retirement System Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a % of Covered Payroll
	(a)	(b)	(c)	(d)	(e)	(f)
			(a) / (b)	(a) - (b)		(d) / (e)
12/31/2010	\$ 73,409	\$ 99,839	73.5%	\$ 26,430	\$ 238,071	11.1%
12/31/2011	98,925	122,739	80.6	23,814	276,986	8.6
12/31/2012	124,857	148,045	84.3	23,188	319,919	7.2

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Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

The Municipal Court Fund is used to account for the proceeds of revenue sources which are legally restricted to expenditures for the court.

The Sidewalks Donations Fund is used to account for donations made to the City to contribute to the costs related to complete the sidewalk project in the City's downtown area along Ranch Road 2325.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

The current Capital Projects Fund is used to account for ongoing projects related to the City's Blue Hole Park.

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CITY OF WIMBERLEY, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Capital Projects Fund	Municipal Court Fund	Sidewalks Donations Fund	Total Non-Major Governmenta Funds
ASSETS				
Cash and cash equivalents	\$ 67,545	\$ 9,448	\$ 5,012	\$ 82,005
Total Assets	<u>\$ 67,545</u>	<u>\$ 9,448</u>	<u>\$ 5,012</u>	<u>\$ 82,005</u>
LIABILITIES				
Accounts payable	\$ -	\$ 4,835	\$ -	\$ 4,835
Due to other funds	-	838	-	838
Total Liabilities	<u>-</u>	<u>5,673</u>	<u>-</u>	<u>5,673</u>
FUND BALANCES (DEFICITS)				
Restricted for:				
Restricted for capital projects	-	-	5,012	5,012
Committed for:				
Committed for capital projects	67,545	-	-	67,545
Committed for municipal court	-	3,775	-	3,775
Total Fund Balances	<u>67,545</u>	<u>3,775</u>	<u>5,012</u>	<u>76,332</u>
Total liabilities and fund balances	<u>\$ 67,545</u>	<u>\$ 9,448</u>	<u>\$ 5,012</u>	<u>\$ 82,005</u>

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CITY OF WIMBERLEY, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Capital Projects Fund	Municipal Court Fund	Sidewalks Donations Fund	Total Non-Major Governmental Funds
REVENUES				
Intergovernmental revenues	\$ 61,335	\$ -	\$ -	\$ 61,335
Charges for services	-	2,045	-	2,045
Investment earnings	12	8	3	23
Total revenues	<u>61,347</u>	<u>2,053</u>	<u>3</u>	<u>63,403</u>
EXPENDITURES				
Current:				
General government	-	560	-	560
Capital outlay	38,521	-	-	38,521
Total expenditures	<u>38,521</u>	<u>560</u>	<u>-</u>	<u>39,081</u>
Excess (deficiency) of revenues over expenditures	<u>22,826</u>	<u>1,493</u>	<u>3</u>	<u>24,322</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	38,521	-	-	38,521
Total Other Financing Sources (Uses)	<u>38,521</u>	<u>-</u>	<u>-</u>	<u>38,521</u>
Net Change in Fund Balance	61,347	1,493	3	62,843
Fund Balance - Beginning	6,198	2,282	5,009	13,489
Fund Balance - Ending	<u>\$ 67,545</u>	<u>\$ 3,775</u>	<u>\$ 5,012</u>	<u>\$ 76,332</u>

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OTHER SUPPLEMENTARY INFORMATION SECTION

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

Honorable Mayor and Members of the City Council
City of Wimberley, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wimberley, Texas, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise City of Wimberley, Texas's basic financial statements, and have issued our report thereon dated December 27, 2013.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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Purpose of this Report

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

Singleton, Clark & Company, PC

Singleton, Clark & Company, PC
Austin, Texas

December 27, 2013

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CITY OF WIMBERLEY, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

SECTION I – SUMMARY OF AUDITOR’S RESULTS

FINANCIAL STATEMENTS

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

FEDERAL AWARDS

Under the guidelines of OMB Circular A-133, a Single Audit was not required due to expenditures of federal awards being below \$500,000.

SECTION II – FINANCIAL STATEMENT FINDINGS

Findings Related to Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards:

No findings or questioned costs are required to be reported in accordance with *Government Auditing Standards* for the years ended September 30, 2013 and 2012.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Findings Related to Federal Awards Which are Required to be Reported in Accordance with Section 510(c) of OMB Circular A-133:

No findings or questioned costs are required to be reported in accordance with Section 510(c) of OMB Circular A-133 for the years ended September 30, 2013 and 2012.