

CITY OF OLMOS PARK, TEXAS

**ANNUAL
FINANCIAL REPORT**

**FISCAL YEAR ENDED
SEPTEMBER 30, 2015**

CITY OF OLMOS PARK
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS

INTRODUCTORY SCHEDULE

	<u>PAGE</u>
TITLE PAGE	i
TABLE OF CONTENTS	ii
PRINCIPAL OFFICERS	iv

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS.....	3
BASIC FINANCIAL STATEMENTS.....	9
STATEMENT OF NET POSITION	10
STATEMENT OF ACTIVITIES	11
BALANCE SHEET - GOVERNMENTAL FUNDS	13
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	15
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS.....	16
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	18
STATEMENT OF NET POSITION – PROPRIETARY FUND	19
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND	20
STATEMENT OF CASH FLOWS - PROPRIETARY FUND.....	21
NOTES TO BASIC FINANCIAL STATEMENTS.....	22
REQUIRED SUPPLEMENTARY INFORMATION.....	42
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL - GENERAL FUND	43
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL – ECONOMIC DEVELOPMENT FUND	45
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS.....	46
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS - LAST CALENDAR YEAR	47
NOTES TO SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS	48

CITY OF OLMOS PARK
 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS (CONTINUED)

FINANCIAL SECTION (CONTINUED)

	<u>PAGE</u>
SUPPLEMENTARY INFORMATION.....	49
COMPARATIVE BALANCE SHEETS - GENERAL FUND.....	50
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND.....	51
COMPARATIVE BALANCE SHEETS - CAPITAL PROJECTS FUND.....	52
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUND.....	53
COMPARATIVE BALANCE SHEETS - DEBT SERVICE FUND.....	54
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - DEBT SERVICE FUND.....	55
COMPARATIVE BALANCE SHEETS - SPECIAL REVENUE FUND.....	56
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND.....	57
COMPARATIVE BALANCE SHEETS - ECONOMIC DEVELOPMENT FUND.....	58
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ECONOMIC DEVELOPMENT FUND.....	59
COMPARATIVE BALANCE SHEETS - SEIZURE FUND.....	60
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SEIZURE FUND.....	61
COMPARATIVE STATEMENT OF NET POSITION - PROPRIETARY FUND - SEWER SYSTEM.....	62
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND – SEWER SYSTEM.....	63
COMPARATIVE STATEMENTS OF CASH FLOWS - PROPRIETARY FUND – SEWER SYSTEM.....	64
STATISTICAL SECTION.....	65
NET POSITION BY COMPONENT.....	66
CHANGE IN NET POSITION.....	68
FUND BALANCES, GOVERNMENTAL FUNDS.....	72
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS.....	74
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS.....	76
ASSESSED VALUE AND ACTUAL TAXABLE PROPERTY.....	77
DIRECT AND OVERLAPPING PROPERTY TAX RATES.....	78
PRINCIPAL PROPERTY TAX PAYERS.....	79
PROPERTY TAX LEVIES AND COLLECTIONS.....	80
RATIOS OF GENERAL BONDED DEBT OUTSTANDING.....	81
LEGAL DEBT MARGIN.....	82
ESTIMATED OVERLAPPING DEBT.....	83
DEMOGRAPHIC AND ECONOMIC STATISTICS.....	84
PRINCIPAL EMPLOYERS.....	85

CITY OF OLMOS PARK

PRINCIPAL OFFICERS

CITY OFFICIALS

MAYOR

DR. KENNETH FARRIMOND

CITY COUNCIL

RONALD HORNBERGER

KENYON MCDONALD

CASEY FRY

DEB PROST

JULIANA DUSEK

CITY MANAGER

CELIA DELEON

ATTORNEY

DAVIDSON TROILO REAM & GARZA, P.C.

AUDITOR

ARMSTRONG, VAUGHAN & ASSOCIATES, P.C.

SHAREHOLDERS:
Nancy L. Vaughan, CPA
Deborah F. Fraser, CPA
Phil S. Vaughan, CPA



Armstrong, Vaughan & Associates, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Olmos Park

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 Olmos Park, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise City of Olmos Park's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Olmos Park, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A19 to the financial statements, in October 2014, the City adopted new accounting guidance from Governmental Accounting Standards Board Statement No. 68 related to accounting for pensions. This resulted in a restatement of prior year balances. Our opinion is not modified with respect to the matter

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension related information 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 City of Olmos Park's basic financial statements as a whole. The combining and individual fund financial statements and statistical section 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 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 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 it.



Armstrong, Vaughan & Associates, P.C.

December 07, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Olmos Park's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2015. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

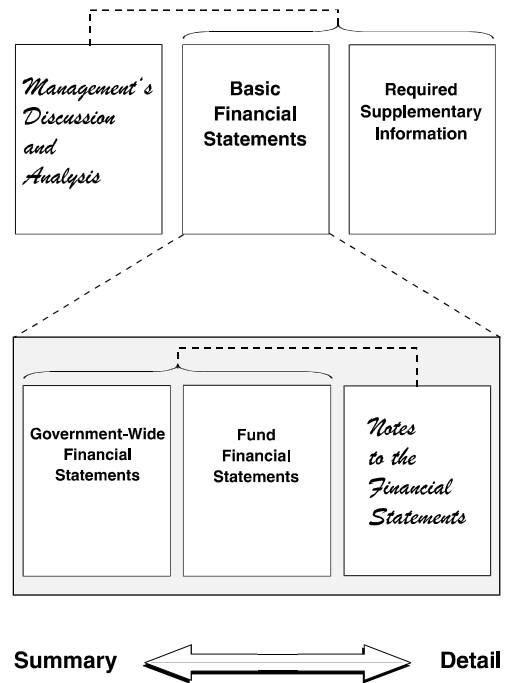
- The City's total combined net position was \$10.7 million at September 30, 2015.
- During the year, the City's governmental expenses were \$91 thousand more than the \$4.0 million generated in general and program revenues for governmental funds. The total cost of the City's governmental programs increased 8.3% from last year.
- The general fund reported a fund balance this year of \$1.3 million, a decrease of 12%, largely due to the transfers to the Capital Project Fund for future projects.
- The City did not issue any new bonds during the fiscal year ending September 30, 2015.

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*.

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



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.

Figure A-2. Major Features of the City's Government-wide and Fund Financial Statements			
	Fund Statements		
<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 of the City that operate similar to private businesses: sewer
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures & changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • 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 are 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 and charges for services 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 City's combined net position was \$10.7 million at September 30, 2015. (See Table A-1).

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2015	2014*	2015	2014	2015	2014*	
<i>Assets:</i>							
Current Assets	\$ 3,021,754	\$ 3,092,519	\$ 279,931	\$ 389,723	\$ 3,301,685	\$ 3,482,242	(5.2)
Capital Assets (net)	9,674,231	10,123,772	-	-	9,674,231	10,123,772	(4.4)
Net Pension Asset	766,575	827,840	-	-	766,575	827,840	(7.4)
Total Assets	13,462,560	14,044,131	279,931	389,723	13,742,491	14,433,854	(4.8)
<i>Deferred Outflows:</i>							
Deferred Pension Related Outflows	88,975	12,238	-	-	88,975	12,238	627.0
Total Deferred Outflows	88,975	12,238	-	-	88,975	12,238	627.0
<i>Liabilities:</i>							
Current Liabilities	525,805	534,685	32,653	35,244	558,458	569,929	(2.0)
Long-Term Liabilities	2,610,000	3,015,000	-	-	2,610,000	3,015,000	(13.4)
Total Liabilities	3,135,805	3,549,685	32,653	35,244	3,168,458	3,584,929	(11.6)
<i>Net Position:</i>							
Net Invested in Capital Assets	6,659,231	6,713,772	-	-	6,659,231	6,713,772	(0.8)
Restricted	418,651	712,474	-	-	418,651	712,474	(41.2)
Unrestricted	3,337,848	3,080,438	247,278	354,479	3,585,126	3,434,917	4.4
Total Net Position	\$10,415,730	\$10,506,684	\$ 247,278	\$ 354,479	\$10,663,008	\$10,861,163	(1.8)

*Note: Comparative information restated for adoption of GASB No. 68. See note A19 for more detail.

The unrestricted net position represents resources available to fund the programs of the City next year.

Governmental Activities

- Sewer expenses increased due to SAWS rate increase assessed to the City and the costs of maintenance of the system.

Table A-2
Changes in City's Net Position

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2015	2014*	2015	2014	2015	2014*	
<i>Program Revenues:</i>							
Charges for Services	\$ 366,825	\$ 321,576	\$ 381,666	\$ 449,201	\$ 748,491	\$ 770,777	(2.9)
Operating Grants and Contributions	4,120	3,971	-	-	4,120	3,971	3.8
Capital Grants and Contributions	20,791	-	-	-	20,791	-	100
<i>General Revenues:</i>							
Taxes	3,510,774	3,488,701	-	-	3,510,774	3,488,701	0.6
Interest Earnings	3,037	5,654	249	241	3,286	5,895	(44.3)
Miscellaneous	39,610	25,498	-	-	39,610	25,498	55.3
TOTAL REVENUES	3,945,157	3,845,400	381,915	449,442	4,327,072	4,294,842	0.8
<i>Program Expenses:</i>							
General Government	734,070	757,485	-	-	734,070	757,485	(3.1)
Police	869,077	861,853	-	-	869,077	861,853	0.8
Fire	970,304	989,607	-	-	970,304	989,607	(2.0)
Street and Sanitation	1,307,968	964,395	-	-	1,307,968	964,395	35.6
Court	79,242	72,084	-	-	79,242	72,084	9.9
Sewer	-	-	489,116	456,455	489,116	456,455	7.2
Interest on Debt	75,450	80,554	-	-	75,450	80,554	(6.3)
TOTAL EXPENSES	4,036,111	3,725,978	489,116	456,455	4,525,227	4,182,433	8.2
Excess (Deficiency) Before Transfers In (Out)	(90,954)	119,422	(107,201)	(7,013)	(198,155)	112,409	
Increase (Decrease) in Net Position	<u>\$ (90,954)</u>	<u>\$ (80,578)</u>	<u>\$ (107,201)</u>	<u>\$ 192,987</u>	<u>\$ (198,155)</u>	<u>\$ 112,409</u>	(276.3)

*Note: Comparative information for 2014 has not been restated for the effects of the adoption of GASB Statement No. 68 as information is not available to restate.

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. The cost of all *governmental* activities this year was \$4.0 million. Taxpayers paid for 63% of these activities through property taxes of \$2.5 million. 9% of the cost was paid by those who directly benefited from the programs.

Table A-3
Net Cost of Selected City Functions

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2015	2014*		2015	2014*	
General Government	\$ 734,070	\$ 757,485	(3.1)	\$ 515,975	\$ 550,851	(6.3)
Police Protection	869,077	861,853	0.8	864,957	857,882	0.8
Fire	970,304	989,607	(2.0)	970,304	989,607	(2.0)
Streets and Sanitation	1,307,968	964,395	35.6	1,307,968	964,395	35.6
Court	79,242	72,084	9.9	(90,279)	(42,858)	110.6
Sewer	489,116	456,455	7.2	107,450	7,254	1381.3

Business-Type Activities

Revenues of the City's Sewer business-type activities decreased 68% to \$382 thousand, and operating expenses increased 7.2% to \$489 thousand. San Antonio Water System (SAWS) bills these accounts for the City and charges the City for the consumption. Expenditures are affected by the SAWS rates, while the revenues are based on the City established rate.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Revenues from governmental fund types totaled \$4.0 million, an increase of 2.8% from the preceding year.

General Fund Budgetary Highlights

The City amended the General Fund budget during the year to allow for increased transfers to the Capital Projects Fund. The City's actual expenditures in the general fund were \$163 thousand less than budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2015, the City had invested \$16.6 million in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-4.) This amount represents a minimal net increase (including additions and deductions) over the prior year. More detailed information about the City's capital assets is presented in the notes to the financial statements.

Table A-4

City's Capital Assets
(in thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2015	2014	2015	2014	2015	2014	
Land	\$ 870	\$ 870	\$ -	\$ -	\$ 870	\$ 870	0.0
Buildings and Improvements	3,601	3,570	-	-	3,601	3,570	0.9
Equipment	1,274	1,210	-	-	1,274	1,210	5.3
Infrastructure	10,858	10,858	-	-	10,858	10,858	0.0
Construction In Progress	46	-	-	-	46	-	100
Totals at Historical Cost	16,649	16,508	-	-	16,649	16,508	0.9
Total Accumulated Depreciation	(6,975)	(6,384)	-	-	(6,975)	(6,384)	9.3
Net Capital Assets	<u>\$ 9,674</u>	<u>\$ 10,124</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,674</u>	<u>\$ 10,124</u>	(4.4)

Long Term Debt

At year-end the City had \$3.0 million in bonds outstanding as shown in Table A-5. More 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
	2015	2014	2015	2014	2015	2014	
Bonds Payable	<u>\$ 3,015</u>	<u>\$ 3,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,015</u>	<u>\$ 3,410</u>	(11.6)
Total Bonds & Notes Payable	<u>\$ 3,015</u>	<u>\$ 3,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,015</u>	<u>\$ 3,410</u>	(11.6)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's elected and appointed officials considered many factors when setting the fiscal year 2016 budget, tax rates, and fees that will be charged. The economic outlook for Bexar County remains stable. The City's budget levels remain similar to previous years, with the continuous efforts to save for "big ticket" capital items to ensure not needing to fund their purchases out of a single year's revenue.

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) 824-3281.

CITY OF OLMOS PARK
ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2015

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 OLMOS PARK
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,281,330	\$ 250,395	\$ 2,531,725
Investments	499,000	-	499,000
Receivables (net of allowances for uncollectibles):			
Ad Valorem Taxes	73,138	-	73,138
Other	165,329	29,536	194,865
Prepays	2,957	-	2,957
Capital Assets:			
Land	870,491	-	870,491
Building and Improvements	3,601,128	-	3,601,128
Vehicles and Equipment	1,274,017	-	1,274,017
Infrastructure	10,857,890	-	10,857,890
Construction In Progress	45,680	-	45,680
Accumulated Depreciation	(6,974,975)	-	(6,974,975)
Net Pension Asset	766,575	-	766,575
TOTAL ASSETS	13,462,560	279,931	13,742,491
DEFERRED OUTFLOWS			
Deferred Pension Related Outflows	88,975	-	88,975
TOTAL DEFERRED OUTFLOWS	88,975	-	88,975
LIABILITIES			
<i>Current Liabilities:</i>			
Accounts Payable	46,151	32,653	78,804
Accrued Compensated Absences	62,391	-	62,391
Accrued Interest Payable	12,263	-	12,263
<i>Noncurrent Liabilities:</i>			
Due within One Year	405,000	-	405,000
Due in more than One Year	2,610,000	-	2,610,000
TOTAL LIABILITIES	3,135,805	32,653	3,168,458
NET POSITION			
Net Investment in Capital Assets	6,659,231	-	6,659,231
Restricted for:			
Economic Development	283,608	-	283,608
Police, Court and Streets	96,269	-	96,269
Debt Service	38,774	-	38,774
Unrestricted	3,337,848	247,278	3,585,126
TOTAL NET POSITION	\$ 10,415,730	\$ 247,278	\$ 10,663,008

See accompanying notes to basic financial statements.

CITY OF OLMOS PARK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

<u>Functions and Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
<i>Governmental Activities:</i>				
General Government	\$ 734,070	\$ 197,304	\$ -	\$ 20,791
Police Protection	869,077	-	4,120	-
Fire/EMS Protection	970,304	-	-	-
Streets and Sanitation	1,307,968	-	-	-
Municipal Court	79,242	169,521	-	-
Interest on Long-term Debt	75,450	-	-	-
<i>Total Governmental Activities</i>	<u>4,036,111</u>	<u>366,825</u>	<u>4,120</u>	<u>20,791</u>
<i>Business-Type Activities</i>				
Sewer	489,116	381,666	-	-
<i>Total Business-Type Activities</i>	<u>489,116</u>	<u>381,666</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 4,525,227</u>	<u>\$ 748,491</u>	<u>\$ 4,120</u>	<u>\$ 20,791</u>
General Revenues:				
Taxes				
Ad Valorem Taxes				
Franchise Taxes				
Sales Taxes				
Interest and Investment Earnings				
Miscellaneous				
Total General Revenues				
Change in Net Position				
Net Position at Beginning of Year				
Prior Period Adjustment				
Net Position at End of Year				

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position
Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (515,975)		\$ (515,975)
(864,957)		(864,957)
(970,304)		(970,304)
(1,307,968)		(1,307,968)
90,279		90,279
(75,450)		(75,450)
<u>(3,644,375)</u>		<u>(3,644,375)</u>
	\$ (107,450)	(107,450)
	<u>(107,450)</u>	<u>(107,450)</u>
<u>(3,644,375)</u>	<u>(107,450)</u>	<u>(3,751,825)</u>
2,527,809	-	2,527,809
257,052	-	257,052
725,913	-	725,913
3,037	249	3,286
39,610	-	39,610
<u>3,553,421</u>	<u>249</u>	<u>3,553,670</u>
(90,954)	(107,201)	(198,155)
9,666,606	354,479	10,021,085
840,078	-	840,078
<u>\$ 10,415,730</u>	<u>\$ 247,278</u>	<u>\$ 10,663,008</u>

CITY OF OLMOS PARK
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<u>Major Fund</u> General Fund	<u>Major Fund</u> Capital Projects	<u>Major Fund</u> Special Revenue
ASSETS			
Cash and Cash Equivalents	\$ 594,258	\$ 1,297,841	\$ 77,524
Investments	499,000	-	-
Receivables (net of allowances for uncollectibles):			
Property Taxes	60,561	-	-
Other Receivables	127,883	-	18,723
Prepaid Items	2,957	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 1,284,659</u>	<u>\$ 1,297,841</u>	<u>\$ 96,247</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 37,811	\$ -	\$ -
<i>Total Liabilities</i>	<u>37,811</u>	<u>-</u>	<u>-</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Property Tax Revenue	46,849	-	-
<i>Total Deferred Inflows of Resources</i>	<u>46,849</u>	<u>-</u>	<u>-</u>
<i>Fund Balances:</i>			
Nonspendable:			
Prepaid Items	2,957	-	-
Restricted for:			
Economic Development	-	-	-
Municipal Court	-	-	50,646
Police Department	-	-	10,519
Street Maintenance	-	-	35,082
Debt Service	-	-	-
Committed for:			
Capital Projects	-	1,297,841	-
Unassigned	1,197,042	-	-
<i>Total Fund Balances</i>	<u>1,199,999</u>	<u>1,297,841</u>	<u>96,247</u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,284,659</u>	<u>\$ 1,297,841</u>	<u>\$ 96,247</u>

See accompanying notes to basic financial statements.

<u>Major Fund</u> <u>Debt</u> <u>Service</u>	<u>Major Fund</u> <u>Economic</u> <u>Development</u>	<u>Nonmajor Fund</u> <u>Police</u> <u>Seizure</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
\$ 38,460	\$ 273,225	\$ 22	\$ 2,281,330
-	-	-	499,000
12,577	-	-	73,138
-	18,723	-	165,329
-	-	-	2,957
<u>\$ 51,037</u>	<u>\$ 291,948</u>	<u>\$ 22</u>	<u>\$ 3,021,754</u>
<u>\$ -</u>	<u>\$ 8,340</u>	<u>\$ -</u>	<u>\$ 46,151</u>
<u>-</u>	<u>8,340</u>	<u>-</u>	<u>46,151</u>
<u>9,730</u>	<u>-</u>	<u>-</u>	<u>56,579</u>
<u>9,730</u>	<u>-</u>	<u>-</u>	<u>56,579</u>
-	-	-	2,957
-	283,608	-	283,608
-	-	-	50,646
-	-	22	10,541
-	-	-	35,082
41,307	-	-	41,307
-	-	-	1,297,841
-	-	-	1,197,042
<u>41,307</u>	<u>283,608</u>	<u>22</u>	<u>2,919,024</u>
<u>\$ 51,037</u>	<u>\$ 291,948</u>	<u>\$ 22</u>	<u>\$ 3,021,754</u>



CITY OF OLMOS PARK
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 2,919,024

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. 9,674,231

Net pension assets (and related deferred outflows of resources) do not provide current financial resources and are not reported in the funds.

Net Pension Asset	766,575	
Pension Related Deferred Outflows	<u>88,975</u>	855,550

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recognized in the funds. 56,579

Accrued vacation leave payable is not due and payable in the current period and, therefore, not reported in the funds. (62,391)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, not reported in the funds. (3,015,000)

Accrued interest payable on long-term-bonds is not due and payable in the current period and, therefore, not reported in the funds. (12,263)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 10,415,730

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

	Major Fund General Fund	Major Fund Capital Projects	Major Fund Special Revenue
REVENUES			
Ad Valorem Taxes	\$ 2,086,111	\$ -	\$ -
Franchise Fees	257,052	-	-
Sales Taxes	489,946	-	117,983
Fines and Penalties	157,660	-	11,868
Licenses and Permits	197,304	-	-
Interest Income	2,286	250	249
Miscellaneous	30,598	-	412
Intergovernmental Revenues	-	20,791	4,112
TOTAL REVENUES	<u>3,220,957</u>	<u>21,041</u>	<u>134,624</u>
EXPENDITURES			
<i>Current:</i>			
General and Administrative	624,407	-	-
Police Protection	821,365	-	5,467
Fire & EMS Protection	901,042	-	-
Street and Sanitation	368,825	-	426,163
Municipal Court	66,815	-	7,546
Capital Outlay	-	217,289	-
<i>Debt Service:</i>			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
TOTAL EXPENDITURES	<u>2,782,454</u>	<u>217,289</u>	<u>439,176</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>438,503</u>	<u>(196,248)</u>	<u>(304,552)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from the Sale of Capital Assets	12,000	-	-
Transfers In (Out)	(620,000)	620,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(608,000)</u>	<u>620,000</u>	<u>-</u>
Net Change in Fund Balance	(169,497)	423,752	(304,552)
Fund Balances at Beginning of Year	<u>1,369,496</u>	<u>874,089</u>	<u>400,799</u>
Fund Balances at End of Year	<u>\$ 1,199,999</u>	<u>\$ 1,297,841</u>	<u>\$ 96,247</u>

See accompanying notes to basic financial statements.

<u>Major Fund</u> <u>Debt</u> <u>Service</u>	<u>Major Fund</u> <u>Economic</u> <u>Development</u>	<u>Nonmajor Fund</u> <u>Police</u> <u>Seizure</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
\$ 456,499	\$ -	\$ -	\$ 2,542,610
-	-	-	257,052
-	117,984	-	725,913
-	-	-	169,528
-	-	-	197,304
249	4	-	3,038
-	-	-	31,010
-	-	-	24,903
<u>456,748</u>	<u>117,988</u>	<u>-</u>	<u>3,951,358</u>
-	44,405	-	668,812
-	-	-	826,832
-	-	-	901,042
-	-	-	794,988
-	-	-	74,361
-	45,680	-	262,969
395,000	-	-	395,000
76,385	-	-	76,385
<u>471,385</u>	<u>90,085</u>	<u>-</u>	<u>4,000,389</u>
<u>(14,637)</u>	<u>27,903</u>	<u>-</u>	<u>(49,031)</u>
-	-	-	12,000
-	-	-	-
-	-	-	12,000
(14,637)	27,903	-	(37,031)
55,944	255,705	22	2,956,055
<u>\$ 41,307</u>	<u>\$ 283,608</u>	<u>\$ 22</u>	<u>\$ 2,919,024</u>



CITY OF OLMOS PARK
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, 2015

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (37,031)

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 outlay. (446,141)

The net book value of disposed capital assets. (3,400)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (14,800)

Governmental funds report required contributions to employee pensions as expenditures. However in the Statement of Activities the cost of the pension is recorded based on the actuarially determined cost of the plan. This is the amount that contributions exceeded the actuarially determined pension expense. 15,472

The issuance of long-term debt (e.g. bonds and notes payable) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, 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, whereas these amounts are amortized in the Statement of Activities:

Principal Payments 395,000

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.

Change in Compensated Absences	(989)	
Change in Accrued Interest	935	(54)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ (90,954)

CITY OF OLMOS PARK
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2015

	Business-Type Activities
	Sewer Fund
ASSETS	
Cash and Cash Equivalents	\$ 250,395
Receivables (net of allowances for uncollectibles)	29,536
TOTAL ASSETS	279,931
 LIABILITIES	
Accounts Payable	32,653
TOTAL LIABILITIES	32,653
 NET POSITION	
Unrestricted	247,278
TOTAL NET POSITION	\$ 247,278

See accompanying notes to basic financial statements.

CITY OF OLMOS PARK
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR SEPTEMBER 30, 2015

	Business-Type Activities
	Sewer Fund
OPERATING REVENUES	
Charges for Utility Service	\$ 381,666
TOTAL OPERATING REVENUES	381,666
OPERATING EXPENSES	
Waste Water Treatment Fees	407,403
Sewer Maintenance	79,811
Billing Fees	1,902
TOTAL OPERATING EXPENSES	489,116
OPERATING INCOME (LOSS)	(107,450)
NONOPERATING REVENUES (EXPENSES)	
Interest Income	249
TOTAL NONOPERATING REVENUES (EXPENSES)	249
CHANGE IN NET POSITION	(107,201)
NET POSITION AT BEGINNING OF YEAR	354,479
NET POSITION AT END OF YEAR	\$ 247,278

See accompanying notes to basic financial statements.

CITY OF OLMOS PARK
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Business-Type Activities
	Sewer Fund
Cash Flows From Operating Activities:	
Cash Received From Customers	\$ 387,004
Cash Paid to Suppliers for Goods and Services	(491,707)
Net Cash Provided (Used) by Operating Activities	(104,703)
Cash Flows From Investing Activities:	
Investment Interest Received	249
Net Cash Provided (Used) by Investing Activities	249
Net Increase (Decrease) in Cash and Cash Equivalents	(104,454)
Cash and Cash Equivalents at Beginning of Year	354,849
Cash and Cash Equivalents at End of Year	\$ 250,395
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (107,450)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Operating Assets:	
Accounts Receivable	5,338
Increase (Decrease) in Current Liabilities:	
Accounts Payable	(2,591)
Total Adjustments to Reconcile Operating Activities	2,747
Net Cash Provided (Used) by Operating Activities	\$ (104,703)

See accompanying notes to basic financial statements.

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Olmos Park, Texas (“City”) was incorporated in May 1939 and is a Type A General Law City. The City provides the following services: police and fire protection, health services, maintenance of streets, planning and zoning, parks and recreation, general administrative services, 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. The more significant of the City’s accounting policies are described below:

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. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the government. As of September 30, 2015, the City had one component unit in these financial statements:

Olmos Park Economic Development Corporation

The City exerts significant control over the Economic Development Corporation (EDC), a legally separate entity. The EDC uses the taxing authority of the City and exists only to benefit the City and its community. The City Council appoints directors of the Corporation, approves the budget, and approves any expenditure over \$5,000. This qualifies the EDC as a component unit, which is recorded as a separate fund of the City, using the blended method described in previous paragraph. The EDC collects a ¼ cent sales tax to promote the economic growth in the City of Olmos Park. The EDC does not issue separate financial statements.

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. 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 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

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

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

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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, Special Revenue Fund, Capital Projects Fund, Economic Development Fund, and Debt Service Fund all meet the criteria as **major governmental funds**.

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 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, investment earnings, and other miscellaneous revenues.

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 unavailable 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 funds:

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.

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

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

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

Special Revenue Fund is used to account for resources which are legally or contractually restricted to specific expenditures.

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

Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital assets and infrastructure.

Economic Development Fund is used to account for the ¼ cent sales tax used to promote business development in the City. This fund is a separate legal entity reported as a blended component unit of the City.

The City has one nonmajor special revenue fund for Police Seizures.

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 Sewer Fund (used to account for the provision of 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.

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

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

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

5. INVESTMENTS (Continued)

State of Texas or the any United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of 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) - (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, government investment pools, and certificates of deposit. Earnings from these investments are added to each account monthly or quarterly. Investments are carried at fair market value except for certificates of deposit which are carried at amortized cost.

6. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2014 and past due after January 31, 2015. 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 years' levy are shown net of an allowance for uncollectibles in the amount of \$6,729 and \$1,398 in the General and Debt Service Funds respectively.

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 unavailable revenue in the fund statements. Receivables are shown net of an allowance for uncollectibles.

7. PREPAID ITEMS

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

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

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

8. 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”.

9. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period while a deferred inflow of resources is an acquisition of net position. These items are presented in separate sections following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

Property tax 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 not expected to be available for the current period are reflected as unavailable revenue. Unavailable revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grant and reimbursement revenues received in advance of expenses/expenditures are reflected as unavailable revenue.

10. 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, sewer, 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.

The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset 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>Asset</u>	<u>Estimated Life</u>
Buildings and improvements	20 to 35 years
Streets and Infrastructure	5 to 50 years
Utility system in service	45 to 50 years
Machinery and equipment	3 to 25 years

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

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

11. 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) through year 10, an additional 5 days for each ten years of service thereafter (i.e. 15 days for year eleven through twenty, 20 days for year twenty one plus, etc.) up to a maximum of 20 days per year. Annual leave will not be carried over, except with City Manager approval. If such a carryover is permitted, the carryover shall not exceed one calendar year.

Employees earn sick leave at the rate of 1 day per month starting on date of employment. Sick leave days shall not be paid to the employee at termination of employment, unless employee retires from employment with the City. In the event of retirement, employee shall be paid 50% of accrued, unused sick leave not to exceed 192 hours or 24 days. 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.

12. 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 are amortized over the life of the discount. Bond issuance costs are expensed as incurred.

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.

13. PENSIONS

The net pension (asset) liability, deferred inflows and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS), and additions to and deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

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

14. 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 by a resolution of City Council. 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 may make assignments and has chosen not to delegate that authority to any other individuals.

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.

15. 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.

16. 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 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.

17. INTERFUND TRANSACTIONS

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

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

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

18. 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.

19. ADOPTION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT

For the year ending September 30, 2015, the City implemented GASB Statement No. 68 related to accounting for pensions. This new standard requires the City plan's net pension liability (asset) and related deferred inflows and outflows of resources to be recognized on the City's government-wide statements. This change required a prior period adjustment to restate prior years in accordance with the change in accounting principle. The prior period adjustment recorded represents the net pension asset at September 30, 2014.

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, 2015, the carrying amount of deposits in Broadway National Bank was covered by federal deposit insurance (FDIC) of \$250,000 and the City's depository had pledged securities having a face value of \$3,895,000 and market value of \$3,906,392 as collateral for the City's deposits. All of the City's cash was fully collateralized. The carrying amount of deposits of the EDC at Broadway National Bank exceeded the coverage provided by the FDIC by \$23,225.

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.

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE B -- DEPOSITS AND INVESTMENTS (Continued)

2. Investments (Continued)

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 investment policy further limits investments to: (1) federally insured bank deposits, (2) collateralized bank deposits, (3) U.S. Government Treasury bills and notes, including sweep accounts that invest in them, (4) U.S. Government Agencies, and (5) Public Funds Investment Pools. No other investments may be made without authorization of City Council.

The City’s investments at September 30, 2015 consist of \$499,000 in certificates of deposit (all fully covered by FDIC insurance coverage) and \$50,609 in TexPool, a 2a7 like public funds investment pool. TexPool operates in accordance with the provisions of the Texas Public Funds Investment Act and is rated AAAM. The investment in TexPool is included in cash and cash equivalents.

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.

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.

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE B -- DEPOSITS AND INVESTMENTS (Continued)

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

b. Custodial Credit Risk (Continued)

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 significantly 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 was not exposed to a 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.

NOTE C -- 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, 2014, upon which the fiscal 2015 levy was based, was \$566,557,859 (i.e., market value less exemptions).

CITY OF OLMOS PARK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2015

NOTE C -- PROPERTY TAX CALENDAR (Continued)

The estimated market value was \$586,406,974, making the taxable value 96.6% of the estimated market value.

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, 2015, was \$0.442785 per \$100 of assessed value, which means that the City has a tax margin of \$2.057215 for each \$100 value and could increase its annual tax levy by approximately \$11,655,313 based upon the present assessed valuation before the limit is reached. However, the City may not adopt a tax rate that exceeds the effective 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.

NOTE D -- OTHER RECEIVABLES

Other receivables for the City as of September 30, 2015 are as follows:

	Governmental			Business
	General Fund	Special Revenue Fund	Economic Development	Sewer Fund
Sales Tax	\$ 80,230	\$ 18,723	18,723	-
Franchise Taxes	44,401	-	-	-
Employee Uniform Reimbursements	1,712	-	-	-
Sewer Revenue	-	-	-	29,536
Miscellaneous	1,540	-	-	-
Total Other Receivables	<u>\$ 127,883</u>	<u>\$ 18,723</u>	<u>\$ 18,723</u>	<u>\$ 29,536</u>

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE E -- CAPITAL ASSETS

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

<u>Governmental Activities</u>	Balance 10/1/2014	Additions	Disposals/ Transfers	Balance 9/30/2015
Land	\$ 870,491	\$ -	\$ -	\$ 870,491
Buildings and Improvements	3,569,840	31,288	-	3,601,128
Vehicles and Equipment	1,209,976	186,001	(121,960)	1,274,017
Infrastructure	10,857,890	-	-	10,857,890
Construction In Progress	-	45,680	-	45,680
	<u>16,508,197</u>	<u>262,969</u>	<u>(121,960)</u>	<u>16,649,206</u>
Less Accumulated Depreciation				
Buildings and Improvements	(540,119)	(119,778)	-	(659,897)
Equipment	(683,516)	(93,828)	118,560	(658,784)
Infrastructure	(5,160,790)	(495,504)	-	(5,656,294)
	<u>(6,384,425)</u>	<u>(709,110)</u>	<u>118,560</u>	<u>(6,974,975)</u>
Governmental Capital Assets, Net	<u>\$ 10,123,772</u>	<u>\$ (446,141)</u>	<u>\$ (3,400)</u>	<u>\$ 9,674,231</u>

Land and Construction In Progress are not depreciated.

Depreciation expense was charged to the governmental functions as follows:

Administration	\$ 63,280
Fire & EMS Protection	82,644
Police Protection	41,932
Court	5,515
Sanitation and Streets	<u>515,739</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 709,110</u>

NOTE F -- LONG-TERM DEBT

Long-term debt and obligations payable at September 30, 2015, comprise the following individual issues:

Certificates of Obligation:

On September 29, 2010, the City issued Refunding Certificates of Obligation, Series 2010 for \$4,345,000. The bonds were issued to refund \$4,030,000 of the 2002 series and pay for the related costs of issuance. The interest rate ranges from 0.5% to 2.95%. The last payment is due in the year 2022.

	<u>\$ 3,015,000</u>
Total Governmental Long-Term Obligations	<u><u>\$ 3,015,000</u></u>

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE F -- LONG-TERM DEBT (Continued)

The annual requirements to amortize all long-term debt and obligations outstanding as of September 30, 2015, including interest payments, are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2016	\$ 405,000	\$ 70,138
2017	410,000	62,595
2018	420,000	53,875
2019	430,000	43,880
2020	435,000	32,523
2021-2022	915,000	26,989
	\$ 3,015,000	\$ 290,000

Changes in Long-Term Liabilities

Governmental Activities	Balance 10/1/2014	Additions	Reductions	Balance 9/30/2015	Due Within One Year
Certificates of Obligation, 2010	\$ 3,410,000	\$ -	\$ (395,000)	\$ 3,015,000	\$ 405,000
Compensated Absences	61,402	62,391	(61,402)	62,391	62,391
Total Governmental Activities	3,471,402	62,391	(456,402)	3,077,391	467,391
Total Primary Government	\$ 3,471,402	\$ 62,391	\$ (456,402)	\$ 3,077,391	\$ 467,391

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS

Texas Municipal Retirement System

1. Plan Description

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

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

CITY OF OLMOS PARK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2015

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

2. Benefits Provided

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

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

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

	2013	2014
Inactive employees or beneficiaries currently receiving benefits	28	32
Inactive employees entitled to but not yet receiving benefits	45	54
Active employees	35	36
	108	122

3. Contributions

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

For the year ending September 30, 2015, employees for the City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 1.08% and 1.37% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015 were \$20,401, and were equal to the required contributions.

4. Net Pension Liability

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

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

5. Actuarial Assumptions

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

Inflation	3.00% per year
Salary Increases	3.50% to 12.00%, including inflation
Investment Rate of Return*	7.00%

* Presented net of pension plan investment expense, including inflation

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

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

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

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

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

5. Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.50%	4.80%
International Equity	17.50%	6.05%
Core Fixed Income	30.00%	1.50%
Non-Core Fixed Income	10.00%	3.50%
Real Return	5.00%	1.75%
Real Estate	10.00%	5.25%
Absolute Return	5.00%	4.25%
Private Equity	5.00%	8.50%
	<u>100.00%</u>	

6. Discount Rate

The discount rate used to measure the Total Pension Liability was 7%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

7. Changes in the Net Pension Liability

The below schedule presents the changes in the Net Pension Liability (Asset) as of December 31, 2014:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at December 31, 2013	\$ 4,591,854	\$ 5,419,694	\$ (827,840)
Changes for the year:			
Service Cost	122,524	-	122,524
Interest	313,392	-	313,392
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	24,667	-	24,667
Changes of Assumptions	-	-	-
Contributions - Employer	-	16,488	(16,488)
Contributions - Employee	-	76,334	(76,334)
Net Investment Income	-	309,999	(309,999)
Benefit Payments, Including Refunds of Employee Contributions	(352,172)	(352,172)	-
Administrative Expense	-	(3,237)	3,237
Other Changes	-	(266)	266
Net Changes	<u>108,411</u>	<u>47,146</u>	<u>61,265</u>
Balance at December 31, 2014	<u>\$ 4,700,265</u>	<u>\$ 5,466,840</u>	<u>\$ (766,575)</u>

Sensitivity of the net pension liability (asset) to changes in the discount rate.

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

	Discount Rate 6%	Discount Rate 7%	Discount Rate 8%
Net Pension Liability (Asset)	\$ (121,711)	\$ (766,575)	\$ (1,292,595)

8. Pension Plan Fiduciary Net Position

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

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

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

For the year ended September 30, 2015, the City recognized pension expense of \$4,942. Also as of September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ 17,307	\$ -
Changes in Actuarial Assumptions	-	-
Differences Between Projected and Actual Investment Earnings	55,504	-
Contributions Subsequent to the Measurement Date	16,164	-
	\$ 88,975	\$ -

Deferred outflows of resources in the amount of \$16,164 is related to pensions resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the year ending September 30, 2015. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended December 31,	
2015	\$ 21,236
2016	21,236
2017	16,463
2018	13,876
	\$ 72,811

NOTE H -- 457(B) DEFERRED COMPENSATION PLAN

The City provides a voluntary 457(b) deferred compensation plan through The Variable Annuity Life Insurance Company (VALIC) to all full-time employees. The max contributions to the plan are \$17,500 for employees under 50 years old and \$23,000 for employees 50 years old or older. The City matches up to 3% of the employee's annual salary, only if the employee participates in the plan. For the year ended September 30, 2015, the City contributed \$23,162.

CITY OF OLMOS PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE I -- TEXAS HIGER EDUCATION AUTHORITY

On August 20, 2003, the City passed an ordinance creating a nonprofit corporation under Section 53.35(b) of The Texas Education code. The creation of this nonprofit corporation established a Higher Education Authority (the Authority) for the purpose of assisting in the financing of accredited primary and secondary schools as provided by state law. In accordance with the terms establishing the nonprofit corporation, the city is not liable for any expenses incurred in establishing or administering the Higher Education Authority. The Texas Higher Education Authority is not consolidated into the financial statements of City of Olmos Park, Texas because it does not meet the requirements of being treated as a component unit of the City under governmental accounting standards. The Authority has issued the following obligations:

Issuance Date	December	January 2008	March 2011	November 2012	April 2013
Institution	St Mary's University	St Mary's University	Texas Lutheran University	Incarinate Word University	Texas Lutheran University
Original Issue	\$7,455,000	\$ 8,825,000	\$ 10,000,000	\$ 67,155,000	\$ 10,000,000
Estimated Outstanding	\$6,675,000	\$ 7,920,000	\$ 9,070,000	\$ 61,275,000	\$ 9,675,000
Maturity	2032	2032	2032	2033	2024

NOTE J -- INTERFUND TRANSFERS

Primary Government		<u>Transfer</u>	<u>Purpose</u>
<i>Transfer Out</i>	<i>Transfer In</i>		
General Fund	Capital Projects	\$ 620,000	Save for future capital projects
		<u>\$ 620,000</u>	

NOTE K -- 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.

CITY OF OLMOS PARK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2015

NOTE K -- COMMITMENTS AND CONTINGENCIES (Continued)

Commitment

The Olmos Park Economic Development Corporation entered into a contract with Bender Wells Clark Design for the McCullough streetscape project. Estimated future commitments associated with this contract as of September 30, 2015 are as follows:

<u>Commitment</u>	<u>Estimated Project Cost to City</u>	<u>Expended to Date</u>	<u>Estimated Future Commitment</u>
McCullough Streetscape	\$ 21,000	\$ 14,850	\$ 6,150
	<u>\$ 21,000</u>	<u>\$ 14,850</u>	<u>\$ 6,150</u>

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 for losses up to \$2,000,000. Annual contributions for the year ended September 30, 2015 were \$67,840 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
- Budgetary Comparison Schedule – Economic Development Fund
- Schedule of Funding Progress – Defined Benefit Pension Plan

CITY OF OLMOS PARK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Ad Valorem Taxes	\$ 2,076,215	\$ 2,076,215	\$ 2,086,111	\$ 9,896
Franchise Fees	160,000	160,000	257,052	97,052
Sales Taxes	432,500	432,500	489,946	57,446
Fines and Penalties	96,750	96,750	157,660	60,910
Licenses and Permits	180,000	180,000	197,304	17,304
Interest Income	5,000	5,000	2,286	(2,714)
Miscellaneous	15,100	15,100	42,598	27,498
TOTAL REVENUES	<u>2,965,565</u>	<u>2,965,565</u>	<u>3,232,957</u>	<u>267,392</u>
EXPENDITURES				
<i>General and Administrative:</i>				
Salaries	255,258	255,258	253,413	1,845
Supplies	14,100	14,100	15,468	(1,368)
Contractual	331,000	331,000	325,063	5,937
Maintenance	32,450	32,450	30,463	1,987
Capital Outlay	3,500	3,500	-	3,500
<i>Total General and Administrative</i>	<u>636,308</u>	<u>636,308</u>	<u>624,407</u>	<u>11,901</u>
<i>Police Protection:</i>				
Salaries	759,056	759,056	709,346	49,710
Supplies	33,000	33,000	27,137	5,863
Contractual	71,500	71,500	76,325	(4,825)
Maintenance	5,500	5,500	8,557	(3,057)
Capital Outlay	3,000	3,000	-	3,000
<i>Total Police Protection</i>	<u>872,056</u>	<u>872,056</u>	<u>821,365</u>	<u>50,691</u>
<i>Fire & EMS Protection:</i>				
Salaries	858,639	858,639	779,705	78,934
Supplies	28,950	28,950	25,053	3,897
Contractual	93,700	93,700	83,458	10,242
Maintenance	9,500	9,500	12,826	(3,326)
Capital Outlay	3,000	3,000	-	3,000
<i>Total Fire & EMS Protection</i>	<u>\$ 993,789</u>	<u>\$ 993,789</u>	<u>\$ 901,042</u>	<u>\$ 92,747</u>

CITY OF OLMOS PARK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
EXPENDITURES (CONT.)				
<i>Street and Sanitation:</i>				
Salaries	\$ 265,703	\$ 265,703	\$ 258,800	\$ 6,903
Supplies	34,600	34,600	20,522	14,078
Contractual	44,000	44,000	41,945	2,055
Maintenance	34,900	34,900	47,558	(12,658)
Capital Outlay	500	500	-	500
<i>Total Street and Sanitation</i>	<u>379,703</u>	<u>379,703</u>	<u>368,825</u>	<u>10,878</u>
<i>Municipal Court:</i>				
Salaries	48,945	48,945	48,655	290
Supplies	50	50	-	50
Contractual	20,000	20,000	18,160	1,840
Maintenance	150	150	-	150
<i>Total Municipal Court</i>	<u>69,145</u>	<u>69,145</u>	<u>66,815</u>	<u>2,330</u>
TOTAL EXPENDITURES	<u>2,951,001</u>	<u>2,951,001</u>	<u>2,782,454</u>	<u>168,547</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,564</u>	<u>14,564</u>	<u>450,503</u>	<u>435,939</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(12,000)	(632,000)	(620,000)	12,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(12,000)</u>	<u>(632,000)</u>	<u>(620,000)</u>	<u>12,000</u>
Net Change in Fund Balance	2,564	(617,436)	(169,497)	447,939
Fund Balances at Beginning of Year	<u>1,369,496</u>	<u>1,369,496</u>	<u>1,369,496</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 1,372,060</u>	<u>\$ 752,060</u>	<u>\$ 1,199,999</u>	<u>\$ 447,939</u>

CITY OF OLMOS PARK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL – ECONOMIC DEVELOPMENT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Sales Tax	\$ 110,000	\$ 110,000	\$ 117,984	\$ 7,984
Interest Income	-	-	4	4
TOTAL REVENUES	<u>110,000</u>	<u>110,000</u>	<u>117,988</u>	<u>7,984</u>
EXPENDITURES				
Project Expenditures	39,500	39,500	22,990	16,510
Professional Services	30,000	30,000	17,986	12,014
Administrative Expenditures	5,500	5,500	3,429	2,071
Capital Outlay	162,000	162,000	45,680	116,320
TOTAL EXPENDITURES	<u>237,000</u>	<u>237,000</u>	<u>90,085</u>	<u>146,915</u>
Net Change in Fund Balance	(127,000)	(127,000)	27,903	154,903
Fund Balances at Beginning of Year	<u>255,705</u>	<u>255,705</u>	<u>255,705</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 128,705</u>	<u>\$ 128,705</u>	<u>\$ 283,608</u>	<u>\$ 154,903</u>

CITY OF OLMOS PARK
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2015

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, Debt Service, and Economic Development Funds.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level.

The City does not use encumbrances.

CITY OF OLMOS PARK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST CALENDAR YEAR

Total Pension Liability	
	2014
Service Cost	\$ 122,524
Interest (on the Total Pension Liability)	313,392
Changes of Benefit Terms	-
Difference between Expected and Actual Experience	24,667
Change of Assumptions	-
Benefit Payments, Including Refunds of Employee Contributions	(352,172)
Net Change in Total Pension Liability	108,411
Total Pension Liability - Beginning	4,591,854
Total Pension Liability - Ending	\$ 4,700,265
Plan Fiduciary Net Position	
	2014
Contributions - Employer	\$ 16,488
Contributions - Employee	76,334
Net Investment Income	309,999
Benefit Payments, Including Refunds of Employee Contributions	(352,172)
Administrative Expense	(3,237)
Other	(266)
Net Change in Plan Fiduciary Net Position	47,146
Plan Fiduciary Net Position - Beginning	5,419,694
Net Pension Liability - Ending	\$ 5,466,840
Net Pension Liability (Asset) - Ending	\$ (766,575)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	116.31%
Covered Employee Payroll	\$ 1,526,672
Net Pension Liability as a Percentage of Covered Employee Payroll	-50.21%

CITY OF OLMOS PARK
NOTES TO SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2015

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 Years
Asset Valuation Method	10 Year Smoothed Market; 15% Soft Corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including Inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009.
Mortality	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and femal rates multiplied by 103\$ and projected on a fully generational basis with scale BB.

Schedule of Contributions:

	2014
Actuarially Determined Contribution	\$ 20,401
Contributions in Relation to the Actuarially Determined Contribution	20,401
Contribution Deficiency (Excess)	\$ -
Covered Employee Payroll	\$ 1,572,992
Contributions as a Percentage of Covered Employee Payroll	1.30%



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 – Capital Projects Fund
- Comparative Statements – Debt Service
- Comparative Statements – Special Revenue Fund
- Comparative Statements – Economic Development Fund
- Comparative Statements – Seizure Fund
- Comparative Statements – Proprietary Sewer Fund

CITY OF OLMOS PARK
 COMPARATIVE BALANCE SHEETS
 GENERAL FUND
 SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	\$ 594,258	\$ 751,237
Investments	499,000	499,000
Receivables (net of allowances for uncollectibles):		
Property Taxes	60,561	75,279
Other Receivables	127,883	118,728
Prepaid Items	2,957	4,260
TOTAL ASSETS	\$ 1,284,659	\$ 1,448,504
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 37,811	\$ 20,831
<i>Total Liabilities</i>	37,811	20,831
 <i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	46,849	58,177
<i>Total Deferred Inflows of Resources</i>	46,849	58,177
 <i>Fund Balances:</i>		
<i>Nonspendable:</i>		
Prepaid Items	2,957	4,260
Unassigned	1,197,042	1,365,236
<i>Total Fund Balance</i>	1,199,999	1,369,496
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,284,659	\$ 1,448,504

CITY OF OLMOS PARK
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 GENERAL FUND
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
REVENUES		
Ad Valorem Taxes	\$ 2,086,111	\$ 2,107,417
Franchise Fees	257,052	215,279
Sales Taxes	489,946	462,067
Fines and Penalties	157,660	108,288
Licenses and Permits	197,304	206,634
Interest Income	2,286	4,930
Miscellaneous	30,598	25,499
TOTAL REVENUES	3,220,957	3,130,114
EXPENDITURES		
<i>Current:</i>		
General and Administrative	624,407	598,614
Police Protection	821,365	796,762
Fire and EMS Protection	901,042	909,120
Street and Sanitation	368,825	339,852
Municipal Court	66,815	64,900
Capital Outlay	-	7,001
TOTAL EXPENDITURES	2,782,454	2,716,249
Excess (Deficiency) of Revenues Over (Under) Expenditures	438,503	413,865
OTHER FINANCING SOURCES (USES)		
Proceeds from the Sale of Capital Assets	12,000	-
Transfers In (Out)	(620,000)	(564,000)
TOTAL OTHER FINANCING SOURCES (USES)	(608,000)	(564,000)
Net Change in Fund Balance	(169,497)	(150,135)
Fund Balances at Beginning of Year	1,369,496	1,519,631
Fund Balances at End of Year	\$ 1,199,999	\$ 1,369,496

CITY OF OLMOS PARK
 COMPARATIVE BALANCE SHEETS
 CAPITAL PROJECTS FUND
 SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	\$ 1,297,841	\$ 874,089
TOTAL ASSETS	\$ 1,297,841	\$ 874,089
 LIABILITIES AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ -
<i>Total Liabilities</i>	-	-
 <i>Fund Balances:</i>		
Committed for Capital Projects	1,297,841	874,089
<i>Total Fund Balances</i>	1,297,841	874,089
TOTAL LIABILITIES & FUND BALANCES	\$ 1,297,841	\$ 874,089

CITY OF OLMOS PARK
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 CAPITAL PROJECTS FUND
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
REVENUES		
Interest Income	\$ 250	\$ 241
Miscellaneous Income	20,791	-
TOTAL REVENUES	21,041	241
 EXPENDITURES		
General & Administrative	-	8,255
Capital Outlay:		
Police Department	34,578	54,893
General & Administrative	31,288	52,221
Streets and Sanitation	151,423	-
TOTAL EXPENDITURES	217,289	115,369
Excess (Deficiency) of Revenues Over (Under) Expenditures	(196,248)	(115,128)
 OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	620,000	364,000
TOTAL OTHER FINANCING SOURCES (USES)	620,000	364,000
Net Change in Fund Balance	423,752	248,872
Fund Balances at Beginning of Year	874,089	625,217
Fund Balances at End of Year	\$ 1,297,841	\$ 874,089

CITY OF OLMOS PARK
 COMPARATIVE BALANCE SHEETS
 DEBT SERVICE FUND
 SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	\$ 38,460	\$ 52,063
Receivables (net of allowances for uncollectibles):		
Property Taxes	12,577	17,083
TOTAL ASSETS	\$ 51,037	\$ 69,146
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ -
<i>Total Liabilities</i>	-	-
 <i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenues	9,730	13,202
<i>Total Deferred Inflows of Resources</i>	9,730	13,202
 <i>Fund Balances:</i>		
Restricted for Debt Service	41,307	55,944
<i>Total Fund Balances</i>	41,307	55,944
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 51,037	\$ 69,146

CITY OF OLMOS PARK
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 DEBT SERVICE FUND
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
REVENUES		
Ad Valorem Taxes	\$ 456,499	\$ 479,074
Interest Income	249	242
TOTAL REVENUES	456,748	479,316
 EXPENDITURES		
Debt Service:		
Principal	395,000	390,000
Interest and Fiscal Charges	76,385	81,237
TOTAL EXPENDITURES	471,385	471,237
 Net Change in Fund Balance	(14,637)	8,079
 Fund Balances at Beginning of Year	55,944	47,865
 Fund Balances at End of Year	\$ 41,307	\$ 55,944

CITY OF OLMOS PARK
 COMPARATIVE BALANCE SHEETS
 SPECIAL REVENUE FUND
 SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	\$ 77,524	\$ 417,443
Other Receivables	18,723	19,234
TOTAL ASSETS	\$ 96,247	\$ 436,677
LIABILITIES AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ 35,878
<i>Total Liabilities</i>	-	35,878
<i>Fund Balances:</i>		
Restricted For:		
Municipal Court	50,646	46,305
Police Department	10,519	11,869
Street Maintenance	35,082	342,625
<i>Total Fund Balances</i>	96,247	400,799
TOTAL LIABILITIES & FUND BALANCES	\$ 96,247	\$ 436,677

CITY OF OLMOS PARK
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
Sales Tax	\$ 117,983	\$ 112,456
Municipal Court Revenues	11,868	6,656
Interest Income	249	241
Intergovernmental	4,112	3,969
Miscellaneous Income	412	-
TOTAL REVENUES	<u>134,624</u>	<u>123,322</u>
 EXPENDITURES		
General and Administrative	-	35
Police Protection	5,467	2,996
Street Maintenance	426,163	106,340
Municipal Court	7,546	5,459
Capital Outlay	-	27,573
TOTAL EXPENDITURES	<u>439,176</u>	<u>142,403</u>
 Net Change in Fund Balance	 (304,552)	 (19,081)
 Fund Balances at Beginning of Year	 <u>400,799</u>	 <u>419,880</u>
 Fund Balances at End of Year	 <u>\$ 96,247</u>	 <u>\$ 400,799</u>

CITY OF OLMOS PARK
 COMPARATIVE BALANCE SHEETS
 ECONOMIC DEVELOPMENT FUND
 SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	\$ 273,225	\$ 244,846
Other Receivables	18,723	19,235
TOTAL ASSETS	\$ 291,948	\$ 264,081
 LIABILITIES AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 8,340	\$ 8,376
<i>Total Liabilities</i>	8,340	8,376
 <i>Fund Balances:</i>		
Restricted For:		
Economic Development	283,608	255,705
<i>Total Fund Balances</i>	283,608	255,705
 TOTAL LIABILITIES & FUND BALANCES	\$ 291,948	\$ 264,081

CITY OF OLMOS PARK
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 ECONOMIC DEVELOPMENT FUND
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
REVENUES		
Sales Tax	\$ 117,984	\$ 112,456
Interest Income	4	-
TOTAL REVENUES	117,988	112,456
 EXPENDITURES		
Project Expenditures	22,990	42,836
Professional Services	17,986	38,903
Administrative Expenditures	3,429	4,830
Capital Outlay	45,680	-
TOTAL EXPENDITURES	90,085	86,569
Net Change in Fund Balance	27,903	25,887
Fund Balances at Beginning of Year	255,705	229,818
Fund Balances at End of Year	\$ 283,608	\$ 255,705

CITY OF OLMOS PARK
 COMPARATIVE BALANCE SHEETS
 SEIZURE FUND
 SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	\$ 22	\$ 22
TOTAL ASSETS	\$ 22	\$ 22
LIABILITIES AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ -
<i>Total Liabilities</i>	-	-
<i>Fund Balances:</i>		
Restricted For Police	22	22
<i>Total Fund Balances</i>	22	22
TOTAL LIABILITIES & FUND BALANCES	\$ 22	\$ 22

CITY OF OLMOS PARK
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 SEIZURE FUND
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
REVENUES		
Fines and Penalties	\$ -	\$ -
TOTAL REVENUES	-	-
 EXPENDITURES		
Police Protection	-	2,353
TOTAL EXPENDITURES	-	2,353
 Net Change in Fund Balance	-	(2,353)
 Fund Balances at Beginning of Year	22	2,375
 Fund Balances at End of Year	\$ 22	\$ 22

CITY OF OLMOS PARK
 COMPARATIVE STATEMENT OF NET POSITION
 PROPRIETARY FUND
 SEWER SYSTEM
 SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	\$ 250,395	\$ 354,849
Receivables - Customers	29,536	34,874
TOTAL ASSETS	279,931	389,723
 LIABILITIES		
Accounts Payable	32,653	35,244
TOTAL LIABILITIES	32,653	35,244
 NET POSITION		
Unrestricted	247,278	354,479
TOTAL NET POSITION	\$ 247,278	\$ 354,479

CITY OF OLMOS PARK
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUND – SEWER SYSTEM
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
OPERATING REVENUES		
Charges for Utility Service	\$ 381,666	\$ 449,201
TOTAL OPERATING REVENUES	381,666	449,201
 OPERATING EXPENSES BEFORE DEPRECIATION		
Waste Water Treatment Fees	407,403	436,038
Sewer Maintenance	79,811	18,755
Billing Fees	1,902	1,662
TOTAL OPERATING EXPENSES BEFORE DEPRECIATION	489,116	456,455
 Operating Income (Loss)	(107,450)	(7,254)
 NONOPERATING REVENUES (EXPENSES)		
Interest Income	249	241
TOTAL NONOPERATING REVENUES (EXPENSES)	249	241
 Net Income (Loss) before Transfers	(107,201)	(7,013)
 Transfers In	-	200,000
 CHANGE IN NET POSITION	(107,201)	192,987
 Net Position at Beginning of Year	354,479	161,492
 Net Position at End of Year	\$ 247,278	\$ 354,479

CITY OF OLMOS PARK
 COMPARATIVE STATEMENTS OF CASH FLOWS
 PROPRIETARY FUND – SEWER SYSTEM
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
Cash Flows From Operating Activities:		
Cash Received From Customers	\$ 387,004	\$ 455,564
Cash Paid to Suppliers for Goods and Services	<u>(491,707)</u>	<u>(459,966)</u>
Net Cash Provided (Used) by Operating Activities	<u>(104,703)</u>	<u>(4,402)</u>
Cash Flows From Noncapital Financing Activities:		
Transfers From Other Funds	-	200,000
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>200,000</u>
Cash Flows From Investing Activities:		
Investment Interest Received	249	241
Net Cash Provided (Used) by Investing Activities	<u>249</u>	<u>241</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 (104,454)	 195,839
 Cash and Cash Equivalents at Beginning of Year	 <u>354,849</u>	 <u>159,010</u>
 Cash and Cash Equivalents at End of Year	 <u><u>\$ 250,395</u></u>	 <u><u>\$ 354,849</u></u>
 Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (107,450)	\$ (7,254)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
(Increase) Decrease in Operating Assets:		
Accounts Receivable	5,338	6,363
Increase (Decrease) in Current Liabilities:		
Accounts Payable	<u>(2,591)</u>	<u>(3,511)</u>
Total Adjustments to Reconcile Operating Activities	<u>2,747</u>	<u>2,852</u>
 Net Cash Provided (Used) by Operating Activities	 <u><u>\$ (104,703)</u></u>	 <u><u>\$ (4,402)</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 Olmos Park'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 Olmos Park's overall financial health.

Contents

Financial Trends – Tables 1 through 5

These schedules contain trend information to help the reader understand how Olmos Park'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 Olmos Park'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 Olmos Park'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 Olmos Park's financial activities take place.

CITY OF OLMOS PARK
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year			
	2006*	2007*	2008*	2009*
<i>Governmental Activities:</i>				
Net Investment in				
Capital Assets	\$ 2,034,429	\$ 4,012,732	\$ 4,771,260	\$ 6,446,817
Restricted	395,194	3,184,245	666,890	718,866
Unrestricted	6,146,245	2,408,431	4,431,404	2,651,102
<i>Total Governmental Activities</i>	<u>\$ 8,575,868</u>	<u>\$ 9,605,408</u>	<u>\$ 9,869,554</u>	<u>\$ 9,816,785</u>
<i>Business-Type Activities:</i>				
Net Investment in				
Capital Assets	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	349,767	373,063	394,847	394,872
<i>Total Business-Type Activities</i>	<u>\$ 349,767</u>	<u>\$ 373,063</u>	<u>\$ 394,847</u>	<u>\$ 394,872</u>
<i>Primary Government:</i>				
Net Investment in				
Capital Assets	\$ 2,034,429	\$ 4,012,732	\$ 4,771,260	\$ 6,446,817
Restricted	395,194	3,184,245	666,890	718,866
Unrestricted	46,151	2,781,494	4,826,251	3,045,974
<i>Total Primary Government</i>	<u>\$ 8,925,635</u>	<u>\$ 9,978,471</u>	<u>\$ 10,264,401</u>	<u>\$ 10,211,657</u>

*Note: Prior periods have not been restated for the effects of the adoption of GASB Statement No. 68 as information is not available to restate (note A19).

TABLE 1

Fiscal Year					
2010*	2011*	2012*	2013*	2014	2015
\$ 7,393,358	\$ 7,249,338	\$ 6,573,563	\$ 6,901,276	\$ 6,713,772	\$ 6,659,231
400,782	447,542	417,668	699,880	712,474	418,651
1,029,882	1,434,955	2,381,465	2,146,028	3,080,438	3,337,848
<u>\$ 8,824,022</u>	<u>\$ 9,131,835</u>	<u>\$ 9,372,696</u>	<u>\$ 9,747,184</u>	<u>\$ 10,506,684</u>	<u>\$ 10,415,730</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
377,832	344,722	260,242	161,492	354,479	247,278
<u>\$ 377,832</u>	<u>\$ 344,722</u>	<u>\$ 260,242</u>	<u>\$ 161,492</u>	<u>\$ 354,479</u>	<u>\$ 247,278</u>
\$ 7,393,358	\$ 7,249,338	\$ 6,573,563	\$ 6,901,276	\$ 6,713,772	\$ 6,659,231
400,782	447,542	417,668	699,880	712,474	418,651
1,407,714	1,779,677	2,641,707	2,307,520	3,434,917	3,585,126
<u>\$ 9,201,854</u>	<u>\$ 9,476,557</u>	<u>\$ 9,632,938</u>	<u>\$ 9,908,676</u>	<u>\$ 10,861,163</u>	<u>\$ 10,663,008</u>

CITY OF OLMOS PARK
CHANGE IN NET POSITION
LAST TEN FISCAL YEARS

	Fiscal Year			
	2006*	2007*	2008*	2009*
Expenses				
<i>Governmental Activities:</i>				
General Government	\$ 362,617	\$ 454,866	\$ 484,175	\$ 549,919
Police Protection	663,481	716,535	754,345	753,493
Fire/EMS Protection	786,149	849,703	892,388	952,453
Streets and Sanitation	696,782	767,744	890,647	850,617
Municipal Court	58,811	52,456	61,206	70,135
Interest on Long-Term Debt	275,903	266,314	255,867	244,557
<i>Total Governmental Activities Expenses</i>	<u>2,843,743</u>	<u>3,107,618</u>	<u>3,338,628</u>	<u>3,421,174</u>
<i>Business-Type Activities:</i>				
Sewer	278,808	292,175	273,220	337,173
<i>Total Business-Type Activities</i>	<u>278,808</u>	<u>292,175</u>	<u>273,220</u>	<u>337,173</u>
Total Primary Government Expenses	<u>\$ 3,122,551</u>	<u>\$ 3,399,793</u>	<u>\$ 3,611,848</u>	<u>\$ 3,758,347</u>
Program Revenues				
<i>Governmental Activities:</i>				
Charges for Service:				
General Government	\$ 133,336	\$ 118,863	\$ 114,957	\$ 90,465
Police Protection	6,950	980	620	600
Fire/EMS Protection	-	-	-	-
Streets and Sanitation	782	-	-	-
Municipal Court	136,415	137,751	152,918	111,130
Operating Grants and Contributions	-	4,311	3,721	4,022
Capital Grants and Contributions	-	642,757	-	-
<i>Total Governmental Activities Program Revenues</i>	<u>277,483</u>	<u>904,662</u>	<u>272,216</u>	<u>206,217</u>
<i>Business-Type Activities:</i>				
Charges for Service:				
Sewer	290,583	302,053	289,922	336,760
<i>Total Business-Type Activities Program Revenues</i>	<u>290,583</u>	<u>302,053</u>	<u>289,922</u>	<u>336,760</u>
Total Primary Government Program Revenues	<u>\$ 568,066</u>	<u>\$ 1,206,715</u>	<u>\$ 562,138</u>	<u>\$ 542,977</u>

*Note: Prior periods have not been restated for the effects of the adoption of GASB Statement No. 68 as information is not available to restate (note A19).

TABLE 2

Fiscal Year					
2010*	2011*	2012*	2013*	2014*	2015
\$ 865,641	\$ 587,764	\$ 632,968	\$ 719,215	\$ 757,485	\$ 734,070
804,956	853,537	830,332	855,291	861,853	869,077
937,329	963,290	987,156	949,418	989,607	970,304
1,224,117	822,191	951,719	965,355	964,395	1,307,968
70,461	75,117	65,906	73,707	72,084	79,242
511,362	104,993	92,674	84,324	80,554	75,450
<u>4,413,866</u>	<u>3,406,892</u>	<u>3,560,755</u>	<u>3,647,310</u>	<u>3,725,978</u>	<u>4,036,111</u>
<u>309,056</u>	<u>310,878</u>	<u>363,085</u>	<u>392,074</u>	<u>456,455</u>	<u>489,116</u>
<u>309,056</u>	<u>310,878</u>	<u>363,085</u>	<u>392,074</u>	<u>456,455</u>	<u>489,116</u>
<u>\$ 4,722,922</u>	<u>\$ 3,717,770</u>	<u>\$ 3,923,840</u>	<u>\$ 4,039,384</u>	<u>\$ 4,182,433</u>	<u>\$ 4,525,227</u>
\$ 96,884	\$ 173,112	\$ 174,194	\$ 261,655	\$ 206,634	\$ 197,304
100	28,072	1,230	80	-	-
-	-	-	-	-	-
-	-	-	-	-	-
125,626	134,893	126,879	199,969	114,942	169,521
8,553	14,407	9,478	2,672	3,971	4,120
-	-	-	-	-	20,791
<u>231,163</u>	<u>350,484</u>	<u>311,781</u>	<u>464,376</u>	<u>325,547</u>	<u>391,736</u>
<u>291,854</u>	<u>276,851</u>	<u>278,040</u>	<u>292,062</u>	<u>449,201</u>	<u>381,666</u>
<u>291,854</u>	<u>276,851</u>	<u>278,040</u>	<u>292,062</u>	<u>449,201</u>	<u>381,666</u>
<u>\$ 523,017</u>	<u>\$ 627,335</u>	<u>\$ 589,821</u>	<u>\$ 756,438</u>	<u>\$ 774,748</u>	<u>\$ 773,402</u>

CITY OF OLMOS PARK
CHANGE IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

	Fiscal Year			
	2006*	2007*	2008*	2009*
Net (Expenses) Revenue				
Governmental Activities	\$ (2,566,260)	\$ (2,202,956)	\$ (3,066,412)	\$ (3,214,957)
Business-Type Activities	11,775	9,878	16,702	(413)
Total Primary Government Net Expenses	<u>\$ (2,554,485)</u>	<u>\$ (2,193,078)</u>	<u>\$ (3,049,710)</u>	<u>\$ (3,215,370)</u>
Governmental Revenues and Other Changes in Net Position				
<i>Governmental Activities:</i>				
Taxes:				
Property Taxes	\$ 2,235,600	\$ 2,315,957	\$ 2,363,732	\$ 2,416,653
Franchise Taxes	249,964	145,313	157,570	163,840
Sales Taxes	407,573	427,385	497,155	526,985
Interest and Investment Earnings	330,071	322,829	220,438	32,914
Miscellaneous	124,697	21,012	91,663	21,796
Transfers In (Out)	-	-	-	-
<i>Total Governmental Activities</i>	<u>3,347,905</u>	<u>3,232,496</u>	<u>3,330,558</u>	<u>3,162,188</u>
<i>Business-Type Activities:</i>				
Interest and Investment Earnings	14,189	13,418	5,082	438
Transfers In (Out)	-	-	-	-
<i>Total Business-Type /Activities</i>	<u>14,189</u>	<u>13,418</u>	<u>5,082</u>	<u>438</u>
Total Primary Government	<u>\$ 3,362,094</u>	<u>\$ 3,245,914</u>	<u>\$ 3,335,640</u>	<u>\$ 3,162,626</u>
Changes In Net Position				
Governmental Activities	\$ 781,645	\$ 1,029,540	\$ 264,146	\$ (52,769)
Business-Type Activities	25,964	23,296	21,784	25
Total Primary Government	<u>\$ 807,609</u>	<u>\$ 1,052,836</u>	<u>\$ 285,930</u>	<u>\$ (52,744)</u>

*Note: Prior periods have not been restated for the effects of the adoption of GASB Statement No. 68 as information is not available to restate (note A19).

TABLE 2 (Continued)

Fiscal Year					
2010*	2011*	2012*	2013*	2014*	2015
\$ (4,182,703)	\$ (3,056,408)	\$ (3,248,974)	\$ (3,182,934)	\$ (3,400,431)	\$ (3,644,375)
<u>(17,202)</u>	<u>(34,027)</u>	<u>(85,045)</u>	<u>(100,012)</u>	<u>(7,254)</u>	<u>(107,450)</u>
<u>\$ (4,199,905)</u>	<u>\$ (3,090,435)</u>	<u>\$ (3,334,019)</u>	<u>\$ (3,282,946)</u>	<u>\$ (3,407,685)</u>	<u>\$ (3,751,825)</u>
\$ 2,431,825	\$ 2,522,998	\$ 2,546,516	\$ 2,526,047	\$ 2,586,444	\$ 2,527,809
176,012	170,027	163,050	172,425	215,279	257,052
548,012	575,955	720,779	703,016	686,978	725,913
11,101	10,166	7,841	9,941	5,654	3,037
22,990	85,075	51,649	145,993	25,498	39,610
-	-	-	-	(200,000)	-
<u>3,189,940</u>	<u>3,364,221</u>	<u>3,489,835</u>	<u>3,557,422</u>	<u>3,319,853</u>	<u>3,553,421</u>
162	917	565	1,262	241	249
-	-	-	-	200,000	-
<u>162</u>	<u>917</u>	<u>565</u>	<u>1,262</u>	<u>200,241</u>	<u>249</u>
<u>\$ 3,190,102</u>	<u>\$ 3,365,138</u>	<u>\$ 3,490,400</u>	<u>\$ 3,558,684</u>	<u>\$ 3,520,094</u>	<u>\$ 3,553,670</u>
\$ (992,763)	\$ 307,813	\$ 240,861	\$ 374,488	\$ (80,578)	\$ (90,954)
<u>(17,040)</u>	<u>(33,110)</u>	<u>(84,480)</u>	<u>(98,750)</u>	<u>192,987</u>	<u>(107,201)</u>
<u>\$ (1,009,803)</u>	<u>\$ 274,703</u>	<u>\$ 156,381</u>	<u>\$ 275,738</u>	<u>\$ 112,409</u>	<u>\$ (198,155)</u>

CITY OF OLMOS PARK
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Nonspendable	\$ -	\$ -	\$ 18,263	\$ 17,885
Committed	-	-	-	-
Assigned	93,000	123,000	118,000	38,000
Unassigned	<u>2,915,159</u>	<u>2,359,954</u>	<u>1,363,014</u>	<u>859,341</u>
Total General Fund	<u>\$ 3,008,159</u>	<u>\$ 2,482,954</u>	<u>\$ 1,499,277</u>	<u>\$ 915,226</u>
All Other Governmental Funds				
Capital Projects Fund	\$ 3,140,072	\$ 2,635,598	\$ 3,005,389	\$ 1,799,971
Economic Development	-	-	-	42,328
Special Revenue Funds	395,194	497,386	606,976	637,036
Debt Service Fund	<u>43,503</u>	<u>47,152</u>	<u>59,914</u>	<u>75,968</u>
Total All Other Governmental Funds	<u>\$ 3,578,769</u>	<u>\$ 3,180,136</u>	<u>\$ 3,672,279</u>	<u>\$ 2,555,303</u>

TABLE 3

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 43,054	\$ 36,413	\$ 17,809	\$ 17,809	\$ 4,260	\$ 2,957
50,905	11,355	-	-	-	-
36,468	-	-	-	-	-
<u>767,213</u>	<u>1,178,667</u>	<u>1,125,055</u>	<u>1,501,822</u>	<u>1,365,236</u>	<u>1,197,042</u>
<u>\$ 897,640</u>	<u>\$ 1,226,435</u>	<u>\$ 1,142,864</u>	<u>\$ 1,519,631</u>	<u>\$ 1,369,496</u>	<u>\$ 1,199,999</u>
\$ 172,960	\$ 204,710	\$ 405,031	\$ 625,217	\$ 874,089	\$ 1,297,841
38,660	106,934	199,526	229,818	255,705	283,608
308,340	383,947	396,306	422,255	400,821	96,269
<u>86,382</u>	<u>55,721</u>	<u>25,050</u>	<u>47,865</u>	<u>55,944</u>	<u>41,307</u>
<u>\$ 606,342</u>	<u>\$ 751,312</u>	<u>\$ 1,025,913</u>	<u>\$ 1,325,155</u>	<u>\$ 1,586,559</u>	<u>\$ 1,719,025</u>

CITY OF OLMOS PARK
 CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2006	2007	2008	2009
REVENUES				
Ad Valorem Taxes	\$ 2,235,601	\$ 2,292,582	\$ 2,361,209	\$ 2,415,858
Franchise Fees	150,773	145,313	157,570	163,840
Sales Taxes	407,573	427,384	497,155	526,985
Fines and Penalties	136,415	137,751	152,919	111,131
Licenses and Permits	136,446	118,863	114,632	89,955
Interest Income	330,071	322,829	220,438	32,915
Miscellaneous	56,042	29,498	92,608	22,905
Intergovernmental Revenues	1,352,399	647,068	3,721	4,022
TOTAL REVENUES	<u>4,805,320</u>	<u>4,121,288</u>	<u>3,600,252</u>	<u>3,367,611</u>
EXPENDITURES				
<i>Current:</i>				
General and Administrative	343,104	392,741	450,970	537,551
Police Protection	670,003	688,229	696,218	697,959
Fire & EMS Protection	781,125	802,342	871,596	925,789
Street and Sanitation	268,917	271,793	258,512	306,515
Municipal Court	49,663	51,891	62,497	88,320
Capital Projects/Outlay	2,696,521	2,325,162	1,239,341	1,996,012
Debt Service:				
Principal	235,000	245,000	255,000	270,000
Interest and Fiscal Charges	277,395	267,968	257,652	246,492
Bond Issue Costs	-	-	-	-
TOTAL EXPENDITURES	<u>5,321,728</u>	<u>5,045,126</u>	<u>4,091,786</u>	<u>5,068,638</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(516,408)</u>	<u>(923,838)</u>	<u>(491,534)</u>	<u>(1,701,027)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Capital Assets	-	-	-	-
Debt Proceeds	-	-	-	-
Principal Payments on Refunded Debt	-	-	-	-
Transfers In (Out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (516,408)</u>	<u>\$ (923,838)</u>	<u>\$ (491,534)</u>	<u>\$ (1,701,027)</u>
Debt Service as a Percentage of Noncapital Expenditures	24%	23%	22%	20%

TABLE 4

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 2,430,320	\$ 2,505,551	\$ 2,530,989	\$ 2,515,794	\$ 2,586,491	\$ 2,542,610
176,012	170,027	163,050	172,425	215,279	257,052
548,013	575,955	720,779	703,016	686,979	725,913
125,625	162,492	127,993	199,976	114,944	169,528
96,799	172,512	173,994	261,655	206,634	197,304
11,099	10,165	7,842	9,939	5,654	3,038
23,175	80,668	23,867	142,574	25,499	31,010
8,553	14,407	9,474	2,665	3,969	24,903
<u>3,419,596</u>	<u>3,691,777</u>	<u>3,757,988</u>	<u>4,008,044</u>	<u>3,845,449</u>	<u>3,951,358</u>
803,888	523,495	567,223	647,989	693,473	668,812
749,527	765,634	845,045	812,451	806,113	826,832
904,370	889,114	923,630	856,773	912,119	901,042
677,411	327,070	382,355	418,453	446,193	794,988
69,495	75,578	65,418	74,118	70,359	74,361
1,669,488	176,369	349,859	55,908	134,687	262,969
280,000	375,000	380,000	385,000	390,000	395,000
266,697	93,852	93,928	84,843	81,237	76,385
280,267	-	-	-	-	-
<u>5,701,143</u>	<u>3,226,112</u>	<u>3,607,458</u>	<u>3,335,535</u>	<u>3,534,181</u>	<u>4,000,389</u>
<u>(2,281,547)</u>	<u>465,665</u>	<u>150,530</u>	<u>672,509</u>	<u>311,268</u>	<u>(49,031)</u>
-	8,100	40,500	3,500	-	12,000
4,345,000	-	-	-	-	-
(4,030,000)	-	-	-	-	-
-	-	-	-	(200,000)	-
<u>315,000</u>	<u>8,100</u>	<u>40,500</u>	<u>3,500</u>	<u>(200,000)</u>	<u>12,000</u>
<u><u>\$(1,966,547)</u></u>	<u><u>\$ 473,765</u></u>	<u><u>\$ 191,030</u></u>	<u><u>\$ 676,009</u></u>	<u><u>\$ 111,268</u></u>	<u><u>\$ (37,031)</u></u>
17%	18%	17%	14%	14%	13%

CITY OF OLMOS PARK
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

TABLE 5

Fiscal Year	Property	Sales & Use	Franchise	Total
2006	\$ 2,235,601	\$ 407,573	\$ 150,773	\$ 2,793,947
2007	2,292,582	427,384	145,313	2,865,279
2008	2,361,209	497,155	157,570	3,015,934
2009	2,415,858	526,985	163,840	3,106,683
2010	2,430,320	548,013	176,012	3,154,345
2011	2,505,551	575,955	170,027	3,251,533
2012	2,530,989	720,779	163,050	3,414,818
2013	2,515,794	703,016	172,425	3,391,235
2014	2,586,491	686,979	215,279	3,488,749
2015	2,542,610	725,913	257,052	3,525,575

CITY OF OLMOS PARK
 ASSESSED VALUE AND ACTUAL TAXABLE PROPERTY
 LAST NINE FISCAL YEARS

TABLE 6

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2007	\$ 396,097,876	\$ 22,815,439	\$ 3,319,918	\$ 415,593,397	0.544546
2008	439,578,470	29,030,794	8,542,208	460,067,056	0.514787
2009	490,325,733	41,993,941	32,913,296	499,406,378	0.480820
2010	504,542,346	45,781,215	28,348,946	521,974,615	0.463400
2011	493,263,969	53,007,837	21,364,045	524,907,761	0.478499
2012	493,054,598	52,998,531	18,566,590	527,486,539	0.480888
2013	486,940,466	55,300,911	17,996,737	524,244,640	0.479865
2014	511,968,325	59,363,390	23,569,561	547,762,154	0.470000
2015	529,407,139	56,999,835	19,849,115	566,557,859	0.442785

Source: Bexar Appraisal District.

CITY OF OLMOS PARK
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

TABLE 7

Fiscal Year Ending September 30,	Direct Rate	Overlapping Rates					Total
	City of Olmos Park	Alamo Heights ISD	Bexar County	University Health System	Alamo College District	San Antonio River Authority	
2006	0.598837	1.656600	0.331190	0.243869	0.107050	0.016425	2.953971
2007	0.544546	1.486600	0.331190	0.243869	0.137050	0.016045	2.759300
2008	0.514787	1.156600	0.326866	0.237408	0.134550	0.015951	2.386162
2009	0.480820	1.156600	0.326866	0.261022	0.135855	0.015951	2.377114
2010	0.463400	1.162000	0.326866	0.266235	0.135855	0.015951	2.370307
2011	0.478499	1.168000	0.326866	0.276235	0.141623	0.016652	2.407875
2012	0.480888	1.198000	0.326866	0.276235	0.141623	0.017370	2.440982
2013	0.479865	1.218000	0.326866	0.276235	0.149150	0.017370	2.467486
2014	0.470000	1.218000	0.326866	0.276235	0.149150	0.017798	2.458049
2015	0.442785	1.205000	0.314500	0.276235	0.149150	0.017500	2.405170

Source: Bexar County Tax Assessor-Collector

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 of the City of Olmos Park, Texas. This process recognizes that, when considering the City of Olmos Park'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 OLMOS PARK
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT AND EIGHT YEARS AGO

TABLE 8

<u>Taxpayer</u>	<u>2015</u>			<u>2007</u>		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Rodney Ray & Kimberly Lewis	\$ 4,684,430	1	0.83%	\$ 2,577,780	5	0.56%
Jessica Worth	3,800,000	2	0.67%			
McCombs 2009 Trust	3,785,000	3	0.67%	2,764,700	4	0.60%
John & Marsha Shields	3,450,000	4	0.61%			
MTL Investments LTD	3,360,995	5	0.59%			
Ashley & Irvin Weaver	3,160,120	6	0.56%			
Jeffrey Herman Jaffe	3,056,080	7	0.54%			
Martin & Denise Landon	2,809,330	8	0.50%	2,963,520	3	0.64%
Morris & Deborah Miller	2,712,000	9	0.48%			
Gilbert & Jan Meadows	2,671,130	10	0.47%			
Andrew M. Parker				3,916,120	1	0.85%
Olmos Park Property, LTD				3,142,640	2	0.68%
Mark B. Woods				2,512,230	6	0.55%
Tiffany Tankersley Wolfe				2,368,454	7	0.51%
David & Jolie Berndt				2,275,000	8	0.49%
Curtis C. Gunn, Jr.				2,089,000	9	0.45%
Lowry & Peggy Mays				2,085,000	10	0.45%
Total	<u><u>\$21,219,655</u></u>		<u><u>5.91%</u></u>	<u><u>\$24,116,664</u></u>		<u><u>5.78%</u></u>

* Information from nine years ago is not available. Information from eight years ago presented instead.

Source: Bexar County Appraisal District

CITY OF OLMOS PARK
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
2006	\$ 2,231,242	\$2,214,710	99.26%	\$ 11,976	\$2,226,686	99.80%
2007	2,263,097	2,252,377	99.53%	2,391	2,254,768	99.63%
2008	2,368,365	2,352,814	99.34%	11,372	2,364,186	99.82%
2009	2,401,246	2,358,439	98.22%	12,753	2,371,192	98.75%
2010	2,420,485	2,397,287	99.04%	16,820	2,414,107	99.74%
2011	2,512,400	2,480,606	98.73%	23,031	2,503,637	99.65%
2012	2,536,926	2,504,340	98.72%	25,822	2,530,162	99.73%
2013	2,516,230	2,489,019	98.92%	20,964	2,509,983	99.75%
2014	2,574,798	2,540,723	98.68%	18,203	2,558,926	99.38%
2015	2,508,959	2,488,299	99.18%	-	2,488,299	99.18%

Source: Bexar County Tax Assessor Collector

CITY OF OLMOS PARK
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

TABLE 10

Fiscal Year	<u>General Bonded Debt Outstanding</u>		Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita*
	Certificates of Obligation	Total			
2006	\$ 5,675,000	\$ 5,675,000	\$ 371,662,344	1.53%	2,464
2007	5,430,000	5,430,000	415,593,397	1.31%	2,358
2008	5,175,000	5,175,000	460,067,056	1.12%	2,242
2009	4,905,000	4,905,000	499,406,378	0.98%	2,122
2010	4,940,000	4,940,000	521,974,615	0.95%	2,107
2011	4,565,000	4,565,000	524,907,761	0.87%	2,041
2012	4,185,000	4,185,000	527,486,539	0.79%	1,825
2013	3,800,000	3,800,000	524,244,640	0.72%	1,791
2014	3,410,000	3,410,000	547,762,154	0.62%	1,473
2015	3,015,000	3,015,000	566,557,859	0.53%	1,277

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

*Per Capita was derived using population data on Table 13.

CITY OF OLMOS PARK
LEGAL DEBT MARGIN
LAST NINE FISCAL YEARS

TABLE 11

Texas municipalities are not bound by any direct constitutional or statutory maximums as to the amount of general obligation bonds which may be issued; however, all local bonds must be submitted to and approved by the State Attorney General. It is the established practice of the Attorney General not to approve a prospective bond issue if it will result in the levy of a tax for bonded debt of over \$1.00 for cities under a population of 5,000 or \$1.50 for the cities over 5,000 in population.

Debt Margin Calculation

Taxable Value		\$ 566,557,859
Debt Limit - 10% of taxable value [1]		\$ 56,655,786
Amount of Debt Applicable to Debt Limit:		
Total Bonded Debt	\$ 3,015,000	
Less funds available in Debt Service Fund	<u>41,307</u>	
Total Amount of Debt Applicable to Debt Limit		<u>2,973,693</u>
Legal Debt Margin		<u>\$ 53,682,093</u>

	Fiscal Year			
	2007	2008	2009	2010
Debt Limit	\$41,559,340	\$46,006,706	\$49,940,638	\$52,197,462
Total Net Debt Applicable to Debt Limit	<u>5,382,848</u>	<u>5,115,086</u>	<u>4,829,032</u>	<u>4,853,618</u>
Legal Debt Margin	<u>\$36,176,492</u>	<u>\$40,891,620</u>	<u>\$45,111,606</u>	<u>\$47,343,844</u>

	Fiscal Year			
	2011	2012	2013	2014
Debt Limit	\$52,490,776	\$52,748,654	\$52,424,464	\$54,776,215
Total Net Debt Applicable to Debt Limit	<u>4,540,171</u>	<u>4,159,950</u>	<u>3,752,135</u>	<u>3,354,056</u>
Legal Debt Margin	<u>\$47,950,605</u>	<u>\$48,588,704</u>	<u>\$48,672,329</u>	<u>\$51,422,159</u>

CITY OF OLMOS PARK
ESTIMATED OVERLAPPING DEBT

TABLE 12

<u>Governmental Unit</u>	<u>Estimated Outstanding Debt</u>	<u>Estimated Overlapping Percentage</u>	<u>Estimated Amount Overlapping</u>
Alamo CCD	\$ 364,870,000	59.00%	\$ 215,273,300
Alamo Heights ISD	101,236,054	12.13%	12,279,933
Bexar County	1,455,295,000	0.59%	8,586,241
University Health	733,350,000	0.59%	4,326,765
San Antonio ISD	692,259,988	4.68%	32,397,767
San Antonio RA	25,735,000	0.50%	<u>128,675</u>
	Total Overlapping Debt		\$ 272,992,681
	City of Olmos Park Direct Debt		<u>3,015,000</u>
	Total Direct and Overlapping Debt		<u><u>\$ 276,007,681</u></u>

Source: Municipal Advisory Council of Texas

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 of the City of Olmos Park, Texas. This process recognizes that, when considering the City of Olmos Park'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 OLMOS PARK
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

TABLE 13

Year	Population	Per Capita Personal Income	Median Age	Unemployment Rate
2006	2,303	\$ 65,697	41.1	4.2%
2007	2,303	65,697	41.1	3.9%
2008	2,308	65,697	41.1	5.1%
2009	2,312	65,697	41.1	7.1%
2010	2,345	65,697	41.1	7.8%
2011	2,237	65,697	44.2	7.3%
2012	2,293	82,527	44.2	6.0%
2013	2,122	87,684	44.0	6.0%
2014	2,315	87,684	44.0	4.7%
2015	2,361	84,068	44.6	3.7%

Sources: Population, Per Capita Income and median Age information provided by the United States Census Bureau. Unemployment rate was provided by the United States Bureau of Labor Statistics.

CITY OF OLMOS PARK
PRINCIPAL EMPLOYERS
CURRENT AND FIVE YEARS AGO

TABLE 14

Employer	2015			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lackland AFB	37,097	1	3.64%	28,100	2	2.97%
Fort Sam Houston	32,000	2	3.14%	30,793	1	3.25%
HEB Food Stores	20,000	3	1.96%	14,588	4	1.54%
USAA	17,000	4	1.67%	14,852	3	1.57%
Northside ISD	12,751	5	1.25%	12,597	5	1.33%
Randolph AFB	11,068	6	1.09%	10,700	6	1.13%
North East ISD	10,052	7	0.99%	10,223	7	1.08%
City of San Antonio	9,145	8	0.90%	9,000	8	0.95%
Methodist Healthcare System	8,118	9	0.80%	7,013	10	0.74%
San Antonio ISD	7,000	10	0.69%	7,581	9	0.80%
Total	<u>164,231</u>		<u>16.12%</u>	<u>137,866</u>		<u>15.37%</u>

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

Source: San Antonio Economic Development Foundation

* Data from nine years ago not available.

