

# 2012-2013



CITY OF CEDAR PARK, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDING SEPTEMBER 30, 2013



# **CITY OF CEDAR PARK, TEXAS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED SEPTEMBER 30, 2013**



PREPARED BY

FINANCE DEPARTMENT



# **CEDAR PARK**

**CITY OF CEDAR PARK, TEXAS  
PRINCIPAL CITY OFFICIALS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

**MATT POWELL – MAYOR**

**DONALD J. TRACY – MAYOR PRO-TEM**

**STEPHEN THOMAS – COUNCIL MEMBER**

**MITCHELL FULLER – COUNCIL MEMBER**

**LYLE GRIMES – COUNCIL MEMBER**

**LOWELL MOORE – COUNCIL MEMBER**

**JOHN LUX – COUNCIL MEMBER**

**BRENDA EIVENS – CITY MANAGER**

**CHARLES ROWLAND – CITY ATTORNEY**

**LEANN QUINN – CITY SECRETARY**

**REPORT PREPARED BY**

**FINANCE DEPARTMENT**

**CITY OF CEDAR PARK, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Year Ended September 30, 2013**

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**Year Ended September 30, 2013**

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## **INTRODUCTORY SECTION**



March 28, 2014

Honorable Mayor and Members of the City Council  
City of Cedar Park, Texas

The Comprehensive Annual Financial Report (CAFR) for the City of Cedar Park (the “City”) for the fiscal year ended September 30, 2013, including the independent auditors’ report, is hereby submitted. This CAFR is published to provide the Mayor and City Council, City staff, our Citizens, representatives of financial institutions, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City.

The full responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with City management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City’s financial activities have been included.

The City established and maintains a system of internal accounting controls designed in part to provide a reasonable assurance that assets are safeguarded against loss, theft, or unauthorized use, and that financial records can be relied upon to produce financial statements in accordance with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute assurance, that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

The City of Cedar Park’s financial statements have been audited by Belt Harris Pechacek LLLP, a firm of licensed certified public accountants. The independent auditors issued an unmodified opinion on the City of Cedar Park’s financial statements for the fiscal year ended September 30, 2013. The independent auditors’ report is presented as the first component of the financial section of this report.

Management’s discussion and analysis (MD&A) can be found immediately following the auditors’ report. The MD&A is a narrative introduction, overview and analysis to accompany the basic financial statements.

### **CEDAR PARK GENERAL INFORMATION**

Cedar Park is a central Texas city located primarily in southwestern Williamson County, one of the fastest growing counties in the nation. Situated only 20 miles from downtown Austin, the State Capitol of Texas, Cedar Park is on the leading edge of major growth in the Austin metropolitan region and provides commercial and residential facilities for numerous employees of the industries located in the area.

Prior to the 1970’s, Cedar Park was a small, unincorporated rural community somewhat remote from Austin. Officially incorporated in 1973 and becoming a home-rule city in 1987, the City is now governed by a Mayor and six City Council members, with day-to-day activities being directed by a City Manager. The population of Cedar Park has more than doubled since the 2000 Census was conducted, growing from a population of 26,049 to a current population of 60,446 with an additional 20,873 residents in the City’s Extra Territorial Jurisdiction (ETJ).

The City provides a full range of services, which includes police and fire protection, parks and library, construction and maintenance of infrastructure, planning and community development, and general administrative services. Additionally, the City owns and operates a water treatment and wastewater plant and provides solid waste services. In response to the rapid population growth Cedar Park has experienced, the City's infrastructure, streets, utility systems and service delivery are rapidly developing to meet needs. Utility service, as well as streets and transportation improvements will continue to be a priority in the future.

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **New Commercial Development:**

Retail development experienced in previous years has led to a robust sales tax and property tax base. Costco, the anchor tenant in the Cedar Park Town Center development, opened in November 2013. The Town Center project has plans for over 300,000 square feet of retail, restaurants and offices. In addition to the Cedar Park Town Center development, Cedar Park has enjoyed the opening and expansions of the following developments/businesses:

- Dana Corporation is under construction on a 41,000 square foot R&D facility at Scottsdale Crossing that will employ 80 people in Cedar Park.
- MagRabbit relocated their software operations and corporate headquarters to Oakmont Center creating 10 new jobs.
- Construction commenced on an 80,000 square foot medical office building next to Cedar Park Regional Medical Center. This will be the second medical office building constructed on the Medical Center's campus.
- Walmart will open a Super Walmart at the corner of FM 1431 and Ronald Reagan Boulevard in the Spring (2014). This will be Walmart's second store in Cedar Park.
- Live Oak Plaza on FM 1431 is a 12,775 square foot in-line retail center that is home to Torchy's Tacos and a number of other businesses.

In addition, the following retail/commercial development projects are currently planned or under construction:

- Tolteq has submitted plans for a 25,000 square foot facility on their campus to accommodate their employment growth.
- Cedar Park Town Center projects currently underway include In-n-Out Burger, BJ's Restaurant and Brewhouse, Chipotle, Zoe's Kitchen, Jersey Mike's and At Home.
- Starwood Oaks is a 13,000 square foot multi-tenant retail project on FM 1431 that is currently in its pre-leasing phase.
- Plans are currently being reviewed for a Sprouts Grocery Store on Cypress Creek.
- La Jaita Business Park broke ground on a 65,000 square foot multi-tenant building which is the first of three buildings to be constructed in the development. At completion, the development will have over 175,000 square feet of space.
- An expansion of approximately 10,000 square feet is underway for the HEB located at FM 1431 and North Bell.
- Site plans are being reviewed for 100,000 square feet of "flex" space in Brushy Creek Corporate Park.

### **Cedar Park Center:**

In 2008, the City finalized an agreement with Hicks Sports Group, owner of the Dallas Stars American Hockey League team, to build and manage a 6,800 seat multi-purpose event center on City-owned property at the corner of New Hope Drive and Toll Road 183A. The voters of Cedar Park authorized the City to expend 4A Economic Development monies to fund a portion of the \$55 million cost of the construction of the center. In July 2013, the City created Tax Increment Reinvestment Zone No. Two (TIRZ #2) to facilitate a program of public improvements to allow and encourage the development of an entertainment district on 16.638 acres adjacent to the Cedar Park Center.

### **Expansions of Other Key Employers:**

The City's Economic Development Department continues to work with existing and prospective new businesses to encourage expansion of existing companies and relocation of new businesses to Cedar Park.

- E-MDs, a medical software company, expanded their operations in Cedar Park adding approximately 50 jobs at their facility located on Whitestone.
- Fallbrook Technologies announced the relocation of their corporate headquarters from San Diego to Cedar Park in the fall of 2012.
- Tolteq has added over 40 new jobs in the last year bringing their total employment to approximately 90.

All of this commercial development activity has led to marked increases in the City's sales tax revenue over the past several years. Sales tax is received by the City at a rate of one percent of taxable sales to the general fund and one half percent each to the 4A and 4B Corporations.

### **Financial Planning:**

The City has a long history of conservative fiscal planning. By monitoring the economy and the City's own revenue and expenditure streams continuously, the City has been able to adjust quickly to shifts and changes. The City also believes that long-term planning contributes to financial resiliency, and the City is dedicated to monitoring revenues and expenditures on a five-year horizon.

In October 2011, the City of Cedar Park approved a set of 7 Financial Performance Goals for the City to maintain its strong financial position. These goals discuss such issues as the appropriate level for the fund balance of the General Fund and Water and Sewer Utility Fund, Utility Fund transfer to the General Fund, sales tax budget level, and Utility Fund coverage ratio. These performance goals have aided the City in maintaining its strong financial position.

### **Budgeting Controls:**

Each year, on or before September 30, the City Council adopts an annual operating budget for the ensuing fiscal year. The budget includes projected revenues and expenditures for the General Fund, Debt Service Fund, special revenue funds, proprietary funds, and capital improvement funds. The budget is a planning device that defines the type, quality, and quantity of goods and services that will be provided to our citizens. In addition to the annual budget, staff creates a 5-year outlook of the General Fund and CIP budgets to show the expenditure cost over time allowing the City to prepare for future funding challenges.

The budget process begins in April with a budget kick-off event with the department directors. City Council goals are reviewed, and directors receive departmental financial history and current financial status, budget preparation forms and general guidelines. General guidelines include being conservative with new requests, tying requests to Council goals, and identifying future needs and significant expenditures beyond the current budget process. Throughout the process, the City Manager, the Director of Finance and the Assistant Director of Finance work closely with the directors to review program requests and analyze line item expenditures. Funds are reallocated as deemed appropriate to maximize the quality of service our citizens receive. Requests not funded in the current year may be added to the 5-year outlook in order to better align the expenditure need with a funding opportunity.

The budget is also a control device that serves as a system of "checks and balances" between levels of City government. The budgetary system ensures that departments contain their expenditures within limitations adopted by the City Council and monitored / managed by the City management. Finance reviews all expenditure purchases and verifies that they are required to meet the intended goods and services levels of the adopted budget. The budgeted Departmental and Fund totals may be modified only after a public hearing and adoption of a resolution by the Council. Departmental line-items may be modified with Finance and/or City Manager approval.

As stated above, the City also began a more formal process of long range forecasting in order to plan for future needs. City management's analysis of known and projected impacts to future revenues and expenditures was presented to the Council during a budget workshop. As the City grows to build-out, the City must be prepared for not only the expenditure cost of the current budget but also how the ongoing expenditures will affect future years. The forecast is especially useful in providing an outlook on how current and future debt service will impact the ad valorem rate, which is the City's largest source of governmental revenues. This process will continue during future budget workshops.

### **Major Initiatives:**

#### Brushy Creek Regional Utility Authority (BCRUA)

The Brushy Creek Regional Utility Authority (BCRUA) plant began operating in June 2012 and is a local partnership between Cedar Park and the cities of Leander and Round Rock. The purpose of BCRUA is to create a regional water system with ultimate capacity to serve the combined service area's projected population of 609,000. This three phase project is estimated to cost \$375 million, but Phase 1 (\$155 million est.) which began in 2009 will serve as the core of the project with a floating intake structure, new raw water pipeline, new treatment plant, and treated water transmission line across the north side of Cedar Park.

#### Imagine Cedar Park

During FY13, the City began the process of gathering extensive community input in order to create a new Comprehensive Plan for the City. With the direction of the Cedar Park Comprehensive Plan Advisory Committee (a committee comprised of citizens, business owners and City Council members), the guidance of City Council, and the community input gathered on ImagineCedarPark.com, staff has begun to examine and analyze the impending needs for a maturing city and will complete the City's new Comprehensive Plan in FY14. This new plan will serve as the blueprint for the City as it develops over the next 20 years.

#### RM 1431 Pass-Thru-Toll Financing

The City and the Texas Department of Transportation (TX-DoT) have created a joint project for the expansion of RM 1431 from Sam Bass to Market Street, with initial construction scheduled to commence in FY14. This project is considered to be one of the largest transportation projects in the City's history. The City will fund the design and upfront costs for the project and will be reimbursed for construction costs by TX-DoT based upon the number of drivers that "pass-thru" the road once it is complete. Approximately \$21 million of bonds will be issued to help cover initial costs associated with this significant project. Upon completion of the roadway widening, the City will recoup 80% of all construction related expenses from TX-DoT.

### **Cash Management:**

Cash temporarily idle during the year was invested in certificates of deposit, federal government securities, federal agencies, TexPool and TexSTAR. TexPool and TexSTAR are Local Government Investment Pools (LGIPs) authorized by the State Comptroller's Office. The City earned net interest revenue of \$182,870 from all investments during this reporting period.

In the wake of the recent economic downturn, market interest rates remain extremely low. Accordingly, the City has reduced the level of its funds held in LGIP's and increased deposits held at various banks within the State of Texas in order to maximize interest earnings while keeping liquidity levels very high. This strategy is designed to protect City funds in the event market rates begin to rise, inversely causing market prices of securities to fall.

The City's investment policies stress minimization of credit and market risks while maintaining a competitive yield. Accordingly, bank deposits held throughout the period were either insured by federal depository insurance or collateralized. All collateral for deposits was held either by the City, its agent, or a bona fide third party custodian in an account in the City's name. All of the deposits held by the City during

the year and at September 30, 2013 are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board.

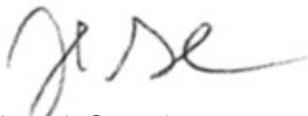
**Awards and Acknowledgements:**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cedar Park for its CAFR for the fiscal year ended September 30, 2012. This was the 21<sup>st</sup> consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe the current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

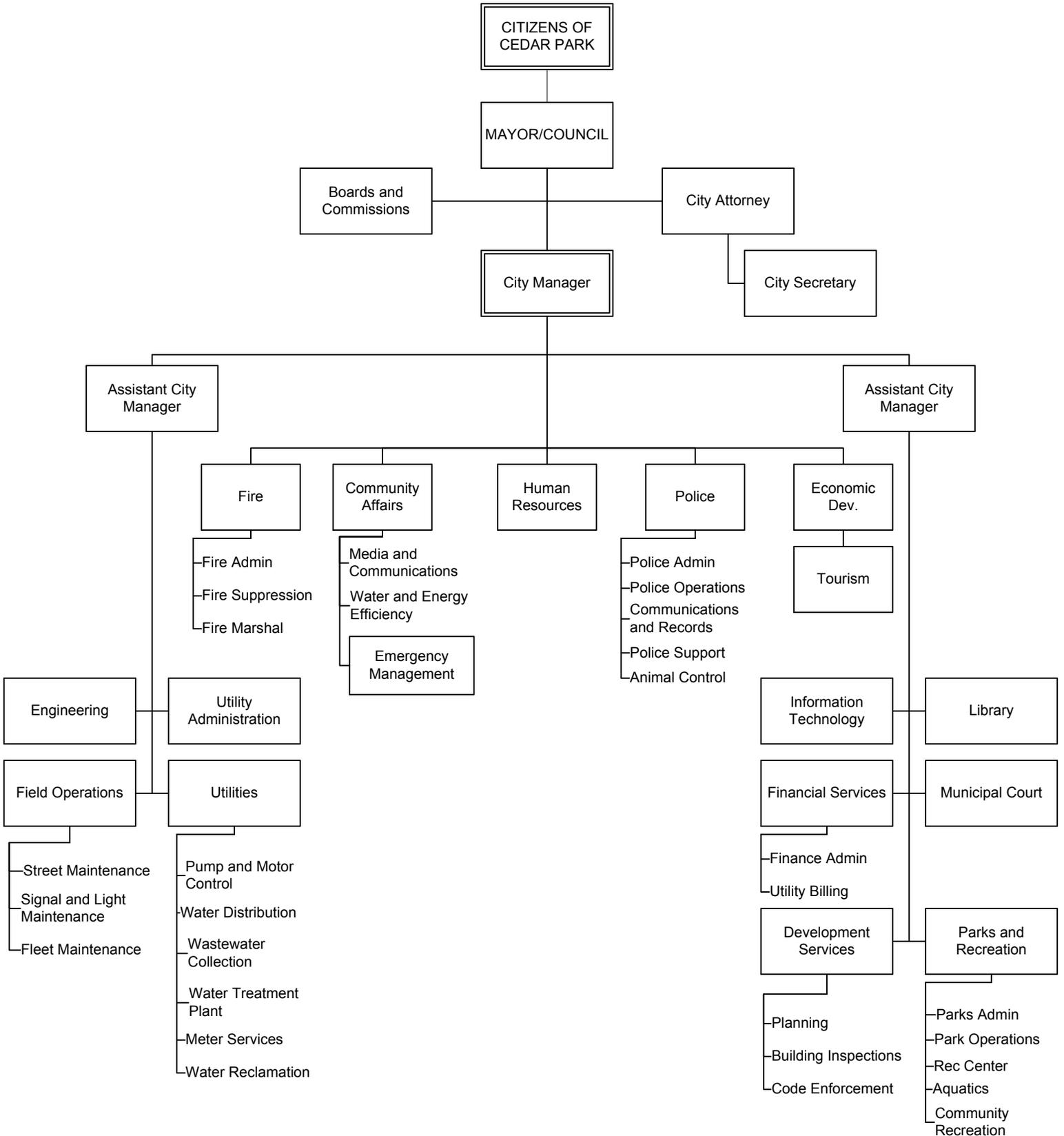
The preparation of the CAFR would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of the CAFR. Credit also must be given to the Mayor, the City Council and the City Manager for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Cedar Park's finances.

Respectfully submitted,



Joseph Gonzales  
Director of Finance

# City of Cedar Park





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Cedar Park  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO



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**FINANCIAL SECTION**





## *INDEPENDENT AUDITORS' REPORT*

To the Honorable Mayor and  
City Council Members of the  
City of Cedar Park, Texas:

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

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

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

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

### **Auditors' 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 auditors' 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 City'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 City'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.

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## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
March 28, 2014



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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



The Management's Discussion and Analysis (MD&A) section of the City of Cedar Park's (the "City") Comprehensive Annual Financial Report presents a narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2013.

The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i – v of this report.

## **FINANCIAL HIGHLIGHTS**

### **Government-wide Financial Statements**

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the end of the fiscal year 2013, resulting in \$369,370,876 of net position. Net position for governmental activities totaled \$178,823,340, while net position for business-type activities is \$190,547,536. The largest portion of net position consists of net investment in capital assets, which is \$299,641,159.

The City's unrestricted net position, which may be used to meet the City's ongoing obligations, is \$42,164,339. Unrestricted net position for governmental and business-type activities are \$12,931,214 and \$29,233,125, respectively.

The City's total net position increased \$21,113,065 or 6.1% during fiscal year 2013. The City's total increase in net position consists of an increase in governmental net position of \$13,525,754 or 3.9% and an increase in business-type activities \$7,587,311 or 2.2%.

Total revenues for the City increased \$8,051,549. The increase is comprised of a \$6,760,256 increase in revenues for governmental activities and an increase of \$1,291,293 in revenues for business-type activities. Total expenses for the City increased \$6,053,416; expenses for governmental activities increased \$2,955,708, while expenses for business-type activities increased \$3,097,708.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### **Government-wide Financial Statements**

The government-wide financial statements, which begin on page 14 of this report, are designed to provide readers with a broad overview of the City of Cedar Park's finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as uncollected taxes and earned but unused compensated absences.

## **OVERVIEW OF THE FINANCIAL STATEMENTS, continued**

Both of the government-wide financial statements distinguish functions of the City of Cedar Park that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, culture and recreation, streets and lighting. The business-type activities of the City of Cedar Park include water, sewer and solid waste operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Community Development Corporation and a legally separate Economic Development Corporation for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

### **Fund Financial Statements**

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

### **Governmental Funds**

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

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

Beginning on page 16 of this report, information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service Fund, and Streets and Lighting Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

### **Proprietary Funds**

The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the water and sewer and solid waste activities. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for maintenance and replacement costs of vehicles, and equipment, as well as employee health benefits. These services predominantly benefit governmental rather than business-type functions, and have been included within governmental activities in the government-wide financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS, continued**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and the Solid Waste Fund which are reported as major funds. The Solid Waste Fund does not meet the criteria of a major fund, as established in GASB Statement No. 34, but is reported as a major fund because it is the City's only other enterprise fund. Also, separate information is provided for the Internal Service Fund on the proprietary fund financial statements.

The basic proprietary fund financial statements can be found beginning on page 20 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 26 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) immediately following the basic financial statements and related notes section of this report. The City adopts an annual appropriated budget for the General Fund. RSI provides a comparison of revenues, expenditures and other financing sources and uses to budget and demonstrates budgetary compliance for General Fund departments. In addition, trend information related to the City's retirement and other post employment benefits plans is presented in RSI. Following RSI are other combining fund statements and schedules that further support the information in the financial statements. The combining fund statements and schedules for non-major funds are presented beginning on page 64 of this report.

**FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS**

**Net Position**

The following table reflects a summary of net position compared to prior year:

**Condensed Statement of Net Position  
 as of September 30**

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 47,483,680	47,953,630	50,164,656	53,828,264	97,648,336	101,781,894
Capital assets	289,479,642	281,212,202	202,141,675	195,285,996	491,621,317	476,498,198
<b>Total Assets</b>	<b>336,963,322</b>	<b>329,165,832</b>	<b>252,306,331</b>	<b>249,114,260</b>	<b>589,269,653</b>	<b>578,280,092</b>
Deferred outflows of resources	2,754,795	2,678,707	1,395,801	1,301,881	4,150,596	3,980,588
Current liabilities	7,251,520	6,374,652	4,212,459	4,362,203	11,463,979	10,736,855
Noncurrent liabilities	153,643,257	160,172,301	58,942,137	63,093,713	212,585,394	223,266,014
<b>Total Liabilities</b>	<b>160,894,777</b>	<b>166,546,953</b>	<b>63,154,596</b>	<b>67,455,916</b>	<b>224,049,373</b>	<b>234,002,869</b>
Net position:						
Net investment in capital assets	154,519,772	136,368,263	145,121,387	133,655,624	299,641,159	270,023,887
Restricted	11,372,354	10,656,150	16,193,024	14,810,736	27,565,378	25,466,886
Unrestricted	12,931,214	18,273,173	29,233,125	34,493,865	42,164,339	52,767,038
<b>Total Net Position</b>	<b>\$ 178,823,340</b>	<b>165,297,586</b>	<b>190,547,536</b>	<b>182,960,225</b>	<b>369,370,876</b>	<b>348,257,811</b>

**FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued**

As noted earlier, net position may serve over time as a useful indicator of government's financial position. As of September 30, 2013, the City's assets and deferred outflows of resources exceeded liabilities by \$369,370,876. Total assets increased by \$10,989,561, while total liabilities decreased by \$9,953,496. Governmental assets increased \$7,797,490 and business-type assets increased \$3,192,071. Governmental liabilities decreased \$5,652,176 and business-type liabilities decreased \$4,301,320.

The increase in governmental total assets of \$7,797,490 was primarily attributable an increase in capital assets due to the completion of several street construction projects. Governmental noncurrent liabilities decreased \$6,529,044 primarily due to a decrease in bonds payable.

The increase in business-type total assets of \$3,192,071 is primarily due an increase in capital assets related to water and sewer infrastructure and facilities construction during the year. The decrease in business-type liabilities of \$4,301,320 is primarily attributable to a decrease in total bonds payable.

The largest portion of the City's net position is invested in capital assets (e.g., land, buildings, equipment, improvements, construction in progress and infrastructure), less any outstanding debt used to acquire those assets, which is \$299,641,159 or 81.1% of the City's total net position. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position, \$27,565,378, represents resources that are subject to external restriction on how they may be used. The remaining balance, \$42,164,339 of unrestricted net position, may be used to meet the City's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the government as a whole and for governmental and business-type activities.

**Changes in Net Position**

Total net position of the City increased \$21,113,065 during the current fiscal year. Governmental net position increased by \$13,525,754. Governmental revenues exceeded expenses by \$10,248,648, before transfers to governmental activities of \$3,277,106 from business-type activities. Business-type net position increased \$7,587,311 due to revenues of \$38,923,622 exceeding expenses of \$28,059,205 by \$10,864,417 before transfers to governmental activities of \$3,277,106.

**FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued**

The following table provides a summary of the City's operations for the year ended September 30, 2013:

	Changes in Net Position					
	September 30					
	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 6,512,871	6,024,139	31,535,191	32,166,094	38,048,062	38,190,233
Operating grants and contributions	3,640,454	3,603,900	-	-	3,640,454	3,603,900
Capital grants and contributions	9,956,209	8,201,610	7,610,187	4,904,588	17,566,396	13,106,198
General revenues:						
Property taxes	23,802,344	21,222,422	-	-	23,802,344	21,222,422
Sales taxes	8,699,339	7,884,408	-	-	8,699,339	7,884,408
Franchise taxes	3,939,778	3,842,672	-	-	3,939,778	3,842,672
Other taxes	643,143	503,500	-	-	643,143	503,500
Interest and other	1,952,340	1,103,571	(221,756)	561,647	1,730,584	1,665,218
Total revenues	59,146,478	52,386,222	38,923,622	37,632,329	98,070,100	90,018,551
Expenses:						
General government	15,616,020	12,955,225	-	-	15,616,020	12,955,225
Public safety	18,277,781	16,463,190	-	-	18,277,781	16,463,190
Culture and recreation	4,773,455	4,732,191	-	-	4,773,455	4,732,191
Streets and lighting	3,438,654	4,804,665	-	-	3,438,654	4,804,665
Interest on long-term debt	6,791,920	6,986,851	-	-	6,791,920	6,986,851
Water and sewer	-	-	24,622,738	21,773,919	24,622,738	21,773,919
Solid waste	-	-	3,436,467	3,187,578	3,436,467	3,187,578
Total expenses	48,897,830	45,942,122	28,059,205	24,961,497	76,957,035	70,903,619
Excess before transfers	10,248,648	6,444,100	10,864,417	12,670,832	21,113,065	19,114,932
Transfers	3,277,106	(6,941,321)	(3,277,106)	6,941,321	-	-
Increase (decrease) in net position	13,525,754	(497,221)	7,587,311	19,612,153	21,113,065	19,114,932
Special item-annexed net position	-	1,912,121	-	-	-	1,912,121
Net position, beginning	165,297,586	163,882,686	182,960,225	163,348,072	348,257,811	327,230,758
Net position, ending	\$ 178,823,340	165,297,586	190,547,536	182,960,225	369,370,876	348,257,811

**Program Revenues and Expenses – Governmental Activities**

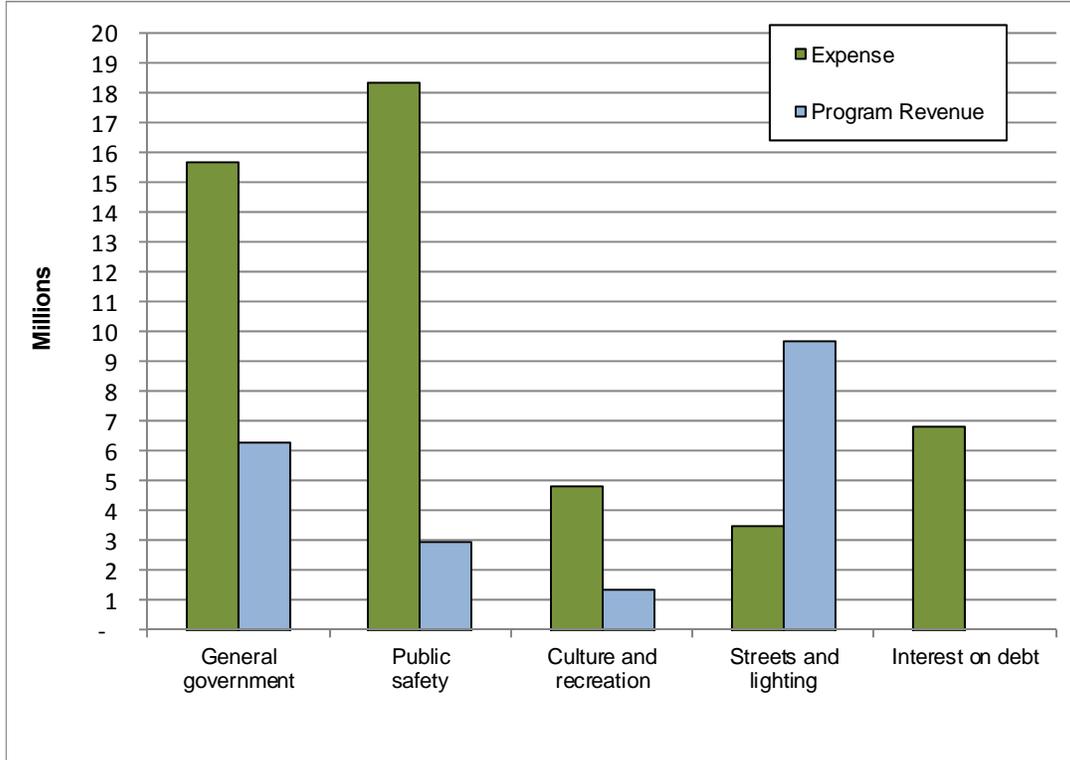
Governmental activities increased the City's net position by \$13,525,754 or 3.9% during fiscal year 2013. The increase resulted from an increase in revenues for governmental activities of \$6,760,256, while governmental expenses increased \$2,955,708, and a net transfer in of \$3,277,106 as compared to a net transfer out of \$6,941,321 in the prior year which included the transfer of annexed infrastructure to business-type activities. Key factors for the increase in net position are as follows:

- Property tax revenues increased \$2,579,922 primarily as a result of an increase in assessed property values for the fiscal year 2013.
- The City's sales tax revenues increased \$814,931 from the prior year due to continued economic development.
- Capital grants and contributions increased \$1,754,599 due to an increase in cost sharing agreements for local road projects constructed during the year.
- General government expenses increased \$2,660,795. Public safety expenses increased by \$1,814,591 due to increased fire and police personnel expenses, while street and lighting expenses decreased by \$1,366,011 and interest expense on long-term debt decreased by \$194,931.

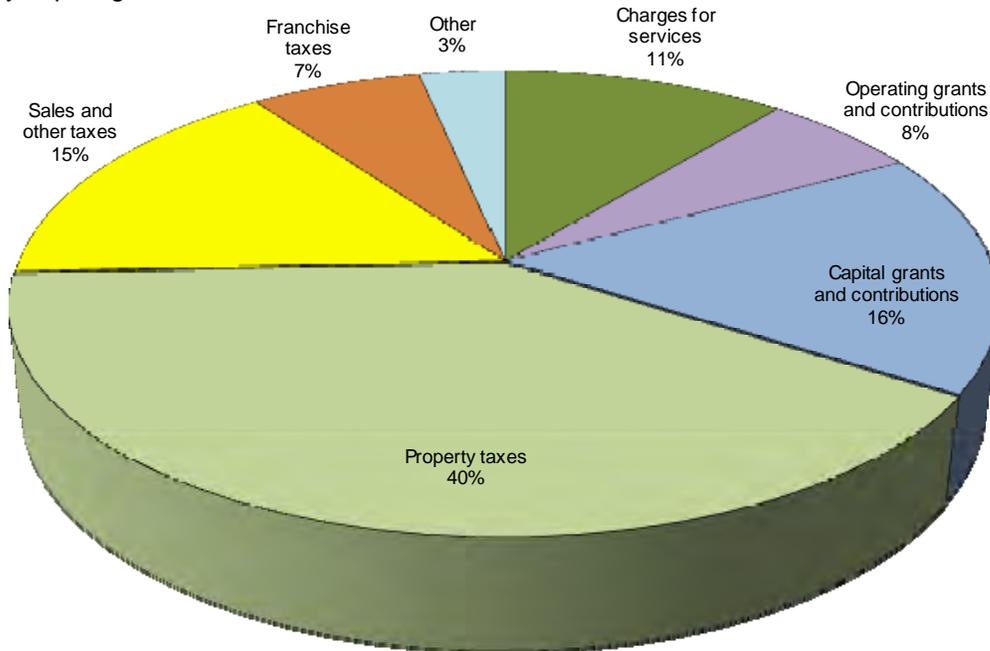
**FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued**

The chart below illustrates the City's governmental expenses and revenues by function: general government, public safety, culture and recreation, streets and lighting and interest on debt.

**Government-wide Program Expenses and Revenues – Governmental Activities**



General revenues such as property taxes, sales taxes, and franchise fees are not shown by program, but are used to support all governmental activities. Property taxes are the largest source of governmental revenues, followed by capital grants and contributions and sales and other taxes.



**FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued**

**Program Revenues and Expenses – Business-type Activities**

Business-type activities increased the City's net position by \$7,587,311 or 2.2% during fiscal year 2013. Significant factors include:

- Water and sewer net position increased \$7,685,107 for the year. Water and sewer revenues increased \$1,064,049 primarily due to increased capital grant and contribution revenues, which were offset by a decrease in service revenues primarily due to water usage restrictions necessitated by severe drought conditions. Operating expenses increased \$2,848,819 due in part to increased operating costs associated with the opening of Brushy Creek Regional Utility Authority water treatment plant.
- Solid waste net position decreased \$97,796 for the year. Solid waste revenues increased \$227,957 while expenses were \$248,889 higher than the prior year due to increased solid waste collection service costs.

**Governmental Funds**

The focus of the City of Cedar Park's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Cedar Park's governmental funds reported combined ending fund balances of \$37,673,162. Approximately 38.3% of this total amount, \$14,431,142, represents unassigned fund balance. The remainder of the fund balance, \$23,242,020, is nonspendable, assigned or restricted to indicate that it is not available for new spending because it is restricted to pay for debt service or to provide for other items.

The General Fund is the chief operating account of the City. Unassigned fund balance for the General Fund was \$14,432,246 at the end of the current fiscal year, while total fund balance was \$15,666,445. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance are approximately 44.2% and 47.9% of total General Fund expenditures of \$32,683,088.

The General Fund fund balance increased \$687,679 during fiscal year 2013. Significant factors contributing to the increase include:

- Increase in property tax revenues of \$1,379,542 due to increased assessed values and increased revenues from neighborhoods annexed in fiscal year 2012;
- Increases in expenditures of \$732,868 in general government and \$1,635,909 in public safety, and;
- Net transfers in of \$1,350,371 from other funds.

Fund balance in the Debt Service Fund increased \$480,043 for the fiscal year ended September 30, 2013. Property tax collections increased \$1,278,349 from prior year while principal payments and interest expenses decreased \$632,256 as a result of principal reduction through scheduled debt-service payments.

Fund balance for the Streets and Lighting Fund decreased \$367,940 in the current year. Expenditures for the fund decreased \$5,875,841 due to a reduction in capital project activity for the year, while revenues declined \$4,187,886 due to reduced cost share revenues from the State and County for road construction projects. Transfers in to the Streets and Lighting Fund from capital project bond funds decreased \$3,118,378 from prior year levels.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUND LEVEL STATEMENTS, (continued)**

**Proprietary Funds**

The City's proprietary funds provide the same type of information found in the business-type activities of the government-wide financial statements, but in more detail. Overall, net position of the City's enterprise funds, including consolidation of the internal service fund activities, increased \$7,587,311.

Factors that contributed to the increase in net position are discussed in the business-type activities section of the government-wide financial statement analysis.

**OTHER INFORMATION**

**General Fund Budgetary Highlights**

The original expenditure budget of the General Fund was amended during the year to increase the Fire Budget to fund costs associated with the replacement of a new Fire vehicle. In addition, the Public Works budget was increased due to increased construction inspection expenses. The City Attorney and Parks and Recreation budgets were also increased during the year. The Parks and Recreation budget was increased to fund various capital equipment purchases. The final expenditure budget of \$34,778,110 was \$1,137,845 higher than the adopted budget of \$33,640,265.

Revenues for fiscal year 2013 were \$2,481,535 more than budgeted. Sales tax and franchise tax revenues exceeded amounts budgeted for the general fund by \$399,340 and \$413,121, respectively, due to continued growth in the local economy. Property tax revenues exceeded amounts budgeted for the general fund by \$343,521 due to roll-back collections resulting from the development of properties with agricultural exemptions in the prior year.

Actual expenditures were \$673,390 less than budgeted for the fiscal year. The expenditure savings were largely due to personnel savings for vacant positions totaling \$458,233 in the Fire, Police and Parks and Recreation departments.

**OTHER INFORMATION, continued**

**Capital Assets**

The City's capital assets for governmental and business-type activities as of September 30, 2013, totaled \$491,621,317 (net of accumulated depreciation). Capital assets include land and other non-depreciable assets, buildings and improvements, machinery and equipment, infrastructure, intangible assets and construction in progress.

**Capital Assets, Net of Accumulated Depreciation  
September 30**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land and other non-depreciable assets	16,235,876	13,933,604	3,661,231	4,265,440	19,897,107	18,199,044
Construction in progress	9,672,960	13,727,748	15,998,848	13,950,808	25,671,808	27,678,556
Intangible assets	50,126	82,891	125,132	-	175,258	82,891
Building and improvements	77,104,110	90,636,818	20,019,116	19,467,151	97,123,226	110,103,969
Machinery and equipment	9,487,391	6,656,310	2,842,040	3,262,321	12,329,431	9,918,631
Infrastructure	176,929,179	156,174,831	159,495,308	154,340,276	336,424,487	310,515,107
Total net capital assets	<u>\$289,479,642</u>	<u>281,212,202</u>	<u>202,141,675</u>	<u>195,285,996</u>	<u>491,621,317</u>	<u>476,498,198</u>

Major capital asset events during the current fiscal year include the following:

- Governmental capital assets increased \$8,267,440 primarily due to the completion of several streets projects during the year.
- Business-type capital assets increased \$6,855,679 due to various water and sewer infrastructure projects.

Additional information on the City's capital assets can be found in note 3-D (page 39) of this report.

**Debt Administration**

At the end of the current fiscal year, the City of Cedar Park reported \$208,085,381 in outstanding debt. The table below reflects the outstanding debt at September 30.

**Outstanding Debt**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Primary Government Debt						
General obligation bonds	\$103,245,000	108,110,000	7,095,000	8,535,000	110,340,000	116,645,000
Revenue bonds	-	-	49,615,000	51,805,000	49,615,000	51,805,000
Certificates of obligation	1,680,000	1,955,000	-	-	1,680,000	1,955,000
Economic development bonds	39,565,000	40,640,000	-	-	39,565,000	40,640,000
Premium on issuance of bonds	4,064,210	4,984,027	1,706,089	2,238,969	5,770,299	7,222,996
Discount on issuance of bonds	(89,076)	(94,619)	-	-	(89,076)	(94,619)
State Comptroller note	1,204,158	1,350,312	-	-	1,204,158	1,350,312
Total primary government	<u>\$149,669,292</u>	<u>156,944,720</u>	<u>58,416,089</u>	<u>62,578,969</u>	<u>208,085,381</u>	<u>219,523,689</u>

**OTHER INFORMATION, continued**

Standard & Poor's revenue bond ratings for the City's utility system were upgraded from "AA" to "AA+" during the year. All other bond ratings were unchanged from the prior year. Ratings at September 30, 2013 of the City's general obligation and revenue bonds are as follows:

<b>Debt</b>	<b>Moody's Investors Service, Inc.</b>		<b>Standard &amp; Poor's</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
General obligation bonds	Aa2	Aa2	AA	AA
Utility system revenue bonds	Aa3	Aa3	AA+	AA
Community Dev Corp	-	-	AA	AA

Additional information on the City of Cedar Park's long term-debt can be found in note 3-G (page 43) of this report.

**Economic Factors and Next Year's Budgets and Rates**

The two primary factors that impacted the Fiscal Year 2013-2014 (FY14) budget were sales tax revenue and property tax revenue growth of the City. Sales tax collections for FY13 are budgeted 3.6% above the prior year budget, however, if the year-to-date trend for FY14 collections continues, we project that the actual receipts will be approximately 6% above budget for the year. The consistency and growth of sales tax revenue has been largely due to the City's proactive economic development approach which is discussed in detail in the transmittal letter of this document.

Total assessed property values for FY14 increased approximately 8%. As a result, the property tax revenue budget is \$714,826 higher in the General Fund and \$1,120,110 higher in the Debt Service Fund. As a result of increased revenues, a slight tax rate decrease from 49.35 cents per \$100 valuation to 49.25 cents per \$100 valuation is approved for FY14. The outlook for FY15 is that new retail growth combined with a slight increase in existing property values will result in an increase of approximately 2% in total assessed property values.

Over the next 5 years, the City anticipates spending approximately \$52 million on new and expanded water and wastewater facilities; including \$40 million on a deep water intake, and \$12 million on a new, expanded and rehabilitated water and sewer facilities throughout the system. A comprehensive rate model was used to analyze different rate structures to generate the needed revenues to support this investment in water and sewer infrastructure. The City implemented a temporary 9% water rate increase in August 2013 to offset decreased water consumption as the City moved to Stage 3 water restrictions. Stage 3 restrictions limit outdoor watering to one day a week.

**Requests for Information**

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact Joseph Gonzales, Director of Finance, at 450 Cypress Creek, Bldg. 1, Cedar Park, Texas 78613; or call (512) 401-5156.



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## **BASIC FINANCIAL STATEMENTS**





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**Statement of Net Position**  
**September 30, 2013**

City of Cedar Park, Texas

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 22,991,540	15,027,233	38,018,773	17,842,631
Receivables, net of allowances for uncollectibles:				
Taxes	2,787,942	-	2,787,942	1,666,615
Accounts	-	3,516,601	3,516,601	-
Other	580,208	-	580,208	-
Internal balances	(1,845,722)	1,845,722	-	-
Inventories and prepaid items	37,077	52,359	89,436	-
Cash and investments-restricted	22,932,635	20,966,728	43,899,363	-
Notes receivable	-	4,762,222	4,762,222	-
Investment in joint venture	-	3,993,791	3,993,791	-
Capital assets:				
Land and other nondepreciable assets	16,235,876	3,661,231	19,897,107	-
Buildings and improvements	89,229,379	27,328,108	116,557,487	-
Machinery and equipment	29,198,280	5,854,629	35,052,909	-
Infrastructure	207,488,408	211,187,371	418,675,779	-
Intangible assets	907,850	127,253	1,035,103	-
Construction in progress	9,672,960	15,998,848	25,671,808	-
Less: accumulated depreciation	(63,253,111)	(62,015,765)	(125,268,876)	-
Total capital assets	289,479,642	202,141,675	491,621,317	-
<b>Total assets</b>	<b>336,963,322</b>	<b>252,306,331</b>	<b>589,269,653</b>	<b>19,509,246</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges from bond issuance	2,754,795	1,395,801	4,150,596	11,546
<b>LIABILITIES</b>				
Accounts payable	3,764,663	1,283,903	5,048,566	50
Accrued interest payable	826,331	257,279	1,083,610	16,140
Accrued liabilities	1,235,145	258,128	1,493,273	-
Customer deposits	-	2,130,050	2,130,050	-
Other liabilities	1,425,381	283,099	1,708,480	-
Noncurrent liabilities:				
Due within one year				
Compensated absences	141,837	10,396	152,233	-
Notes payable	157,194	-	157,194	154,782
Bonds payable	8,260,000	5,190,000	13,450,000	610,000
Due in more than one year				
Compensated absences	3,204,405	465,773	3,670,178	-
Notes payable	1,046,965	-	1,046,965	1,046,964
Bonds payable	140,205,134	53,226,089	193,431,223	4,109,471
Other post employment benefits	627,722	49,879	677,601	-
<b>Total liabilities</b>	<b>160,894,777</b>	<b>63,154,596</b>	<b>224,049,373</b>	<b>5,937,407</b>
<b>NET POSITION</b>				
Net investment in capital assets	154,519,772	145,121,387	299,641,159	-
Restricted for:				
Debt service	4,134,185	6,007,481	10,141,666	-
Construction	3,405,801	10,185,543	13,591,344	-
Other purposes	3,832,368	-	3,832,368	13,583,385
Unrestricted	12,931,214	29,233,125	42,164,339	-
<b>Total net position</b>	<b>\$ 178,823,340</b>	<b>190,547,536</b>	<b>369,370,876</b>	<b>13,583,385</b>

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

**Statement of Activities**  
**For the Year Ended September 30, 2013**

**City of Cedar Park Texas**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
<b>Primary Government:</b>								
Government activities:								
General government	\$15,616,020	2,458,143	3,481,679	300,000	(9,376,198)	-	(9,376,198)	-
Public safety	18,277,781	2,736,574	158,775	-	(15,382,432)	-	(15,382,432)	-
Culture and recreation	4,773,455	1,318,154	-	-	(3,455,301)	-	(3,455,301)	-
Streets and lighting	3,438,654	-	-	9,656,209	6,217,555	-	6,217,555	-
Interest on long-term debt	6,791,920	-	-	-	(6,791,920)	-	(6,791,920)	-
<b>Total governmental activities</b>	<b>48,897,830</b>	<b>6,512,871</b>	<b>3,640,454</b>	<b>9,956,209</b>	<b>(28,788,296)</b>	<b>-</b>	<b>(28,788,296)</b>	<b>-</b>
<b>Business-type activities:</b>								
Water and sewer	24,622,738	28,196,601	-	7,610,187	-	11,184,050	11,184,050	-
Solid waste	3,436,467	3,338,590	-	-	-	(97,877)	(97,877)	-
<b>Total business-type activities</b>	<b>28,059,205</b>	<b>31,535,191</b>	<b>-</b>	<b>7,610,187</b>	<b>-</b>	<b>11,086,173</b>	<b>11,086,173</b>	<b>-</b>
<b>Total Primary Government</b>	<b>76,957,035</b>	<b>38,048,062</b>	<b>3,640,454</b>	<b>17,566,396</b>	<b>(28,788,296)</b>	<b>11,086,173</b>	<b>(17,702,123)</b>	<b>-</b>
<b>Component units:</b>								
Community development	1,857,685	-	-	-	-	-	-	(1,857,685)
Economic development	4,175,796	-	-	-	-	-	-	(4,175,796)
<b>Total component units</b>	<b>\$ 6,033,481</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,033,481)</b>
General revenues:								
Taxes:								
Property					23,802,344	-	23,802,344	-
Sales					8,699,339	-	8,699,339	8,705,474
Franchise					3,939,778	-	3,939,778	-
Other taxes					643,143	-	643,143	-
Interest and other					1,952,340	(221,756)	1,730,584	5,282
Transfers					3,277,106	(3,277,106)	-	-
<b>Total general revenues and transfers</b>					<b>42,314,050</b>	<b>(3,498,862)</b>	<b>38,815,188</b>	<b>8,710,756</b>
Change in net position					13,525,754	7,587,311	21,113,065	2,677,275
Net position, beginning					165,297,586	182,960,225	348,257,811	10,906,110
Net position, ending					<b>\$ 178,823,340</b>	<b>190,547,536</b>	<b>369,370,876</b>	<b>13,583,385</b>

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

**Governmental Funds  
Balance Sheet  
September 30, 2013**

**City of Cedar Park, Texas**

	General Fund	Debt Service	Streets & Lighting	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 17,886,029	3,919,362	3,506,801	15,507,672	40,819,864
Receivables (net of allowances)					
Property taxes	232,511	235,122	-	-	467,633
Sales taxes	1,666,615	-	-	-	1,666,615
Franchise taxes	654,812	-	-	-	654,812
Other	417,959	-	-	161,131	579,090
Due from other funds	20,104	-	-	-	20,104
Inventory and prepaid items	32,453	-	-	1,286	33,739
<b>Total assets</b>	<b>20,910,483</b>	<b>4,154,484</b>	<b>3,506,801</b>	<b>15,670,089</b>	<b>44,241,857</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
Liabilities:					
Accounts payable	2,193,364	20,299	772,930	64,665	3,051,258
Accrued liabilities	1,054,032	-	270,534	581	1,325,147
Due to other funds	519,920	-	-	20,104	540,024
Other liabilities	1,366,125	-	8,295	50,961	1,425,381
<b>Total liabilities</b>	<b>5,133,441</b>	<b>20,299</b>	<b>1,051,759</b>	<b>136,311</b>	<b>6,341,810</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	110,597	116,289	-	-	226,886
Fund balances:					
Nonspendable:					
Inventory and prepaid items	32,453	-	-	1,286	33,739
Restricted					
Debt service	-	4,017,896	-	-	4,017,896
Enabling legislation	-	-	-	1,322,859	1,322,859
General government	-	-	-	2,167,822	2,167,822
Public safety	-	-	-	341,687	341,687
Capital Projects	-	-	2,455,042	11,701,228	14,156,270
Assigned					
General government	1,201,746	-	-	-	1,201,746
Unassigned	14,432,246	-	-	(1,104)	14,431,142
<b>Total fund balances</b>	<b>15,666,445</b>	<b>4,017,896</b>	<b>2,455,042</b>	<b>15,533,778</b>	<b>37,673,161</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 20,910,483</b>	<b>4,154,484</b>	<b>3,506,801</b>	<b>15,670,089</b>	<b>44,241,857</b>

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

**Governmental Funds**

**City of Cedar Park, Texas**

**Reconciliation of the Governmental Funds Balance Sheet to the  
Statement of Net Position  
September 30, 2013**

Total fund balances - Governmental funds		\$ 37,673,161
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Governmental capital assets	343,163,150	
Less: accumulated depreciation	<u>(57,745,582)</u>	285,417,568
Other long-term assets and deferred outflows of resources are not available as current period resources and are not reported in the funds.		
Deferred revenue - property taxes	226,887	
Deferred charges from bond issuance	<u>2,754,796</u>	2,981,683
Long-term liabilities and deferred inflows of resources are not payable in the current period and are not reported in the funds.		
Bonds payable	(148,465,134)	
Notes payable	(1,204,159)	
Interest payable	(826,331)	
Compensated absences	(3,346,242)	
Other post employment benefits payable	<u>(627,722)</u>	(154,469,588)
Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The assets and liabilities of the internal service fund are included in the governmental funds in the statement of net position.		
		<u>7,220,516</u>
Total net position - governmental activities		<u>\$ 178,823,340</u>

**The accompanying notes are an integral part of the financial statements.**

## Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended September 30, 2013

	General	Debt Service	Streets & Lighting	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 24,876,049	11,158,862	-	1,076,529	37,111,440
Permits, licenses and fees	1,913,155	-	-	-	1,913,155
Fines and forfeitures	933,301	-	-	-	933,301
Charges for services	3,666,414	-	-	-	3,666,414
Intergovernmental	-	-	244,414	158,775	403,189
Interest earnings	120,805	2,183	546	5,250	128,784
Contributions	-	3,481,679	1,097,864	300,000	4,879,543
Other	510,672	-	-	1,323,925	1,834,597
Total revenues	<u>32,020,396</u>	<u>14,642,724</u>	<u>1,342,824</u>	<u>2,864,479</u>	<u>50,870,423</u>
<b>EXPENDITURES</b>					
Current					
General government	7,926,159	-	-	121,435	8,047,594
Public safety	18,187,951	-	-	199,662	18,387,613
Culture and recreation	3,972,351	-	-	89,195	4,061,546
Streets and lighting	2,596,627	-	-	-	2,596,627
Economic development	-	-	-	901,119	901,119
Capital outlay	-	-	5,948,552	1,095,235	7,043,787
Debt service					
Principal	-	7,300,000	-	-	7,300,000
Interest and fiscal charges	-	6,862,681	-	-	6,862,681
Bond issuance costs	-	197,890	-	-	197,890
Total expenditures	<u>32,683,088</u>	<u>14,360,571</u>	<u>5,948,552</u>	<u>2,406,646</u>	<u>55,398,857</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(662,692)</u>	<u>282,153</u>	<u>(4,605,728)</u>	<u>457,833</u>	<u>(4,528,434)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of refunding debt	-	15,865,000	-	-	15,865,000
Payment to bond escrow agent	-	(15,667,110)	-	-	(15,667,110)
Transfers in	2,915,372	-	4,237,788	648,301	7,801,461
Transfers out	(1,565,001)	-	-	(3,321,088)	(4,886,089)
Total other financing sources (uses)	<u>1,350,371</u>	<u>197,890</u>	<u>4,237,788</u>	<u>(2,672,787)</u>	<u>3,113,262</u>
<b>Net Change In Fund Balances</b>	<u>687,679</u>	<u>480,043</u>	<u>(367,940)</u>	<u>(2,214,954)</u>	<u>(1,415,172)</u>
<b>Fund Balances, Beginning</b>	<u>14,978,766</u>	<u>3,537,853</u>	<u>2,822,982</u>	<u>17,748,732</u>	<u>39,088,333</u>
<b>Fund Balances, Ending</b>	<u>\$ 15,666,445</u>	<u>4,017,896</u>	<u>2,455,042</u>	<u>15,533,778</u>	<u>37,673,161</u>

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

**Governmental Funds**

**City of Cedar Park, Texas**

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,  
and Changes in Fund Balances to the Statement of Activities  
For the Year Ended September 30, 2013**

Net change in fund balances - governmental funds \$ (1,415,172)

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 capital outlays exceeded depreciation in the current period.

Capital outlay	7,555,803	
Depreciation	(8,920,617)	
Asset transfers	347,531	
Loss on disposal of assets	<u>(10,091)</u>	
		(1,027,374)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(26,835)	
Capital asset contributions	<u>8,313,932</u>	
		8,287,097

The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of long-term debt	(15,865,000)	
Principal payments	7,300,000	
Payment to refunding bond escrow	15,667,110	
Bond premiums	-	
Loan/capital lease payments	<u>134,298</u>	
		7,236,408

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(721,479)	
Other post employment benefits	(24,905)	
Interest and other	<u>174,014</u>	
		(572,370)

Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

1,017,165

Change in net position of governmental activities		<u><u>\$ 13,525,754</u></u>
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**The notes to the financial statements are an integral part of this statement.**

**Proprietary Funds  
Statement of Net Position  
September 30, 2013**

**City of Cedar Park, Texas**

	Business-type Activities			Governmental Activities- Internal Service Funds
	Water and Sewer	Solid Waste	Total	
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 14,784,446	242,787	15,027,233	5,104,310
Service receivables, net of allowance for doubtful accounts	3,197,735	318,866	3,516,601	-
Due from other funds	519,920	-	519,920	-
Inventories and prepaid expenses	52,359	-	52,359	3,338
Restricted cash	20,966,728	-	20,966,728	-
<b>Total current assets</b>	<b>39,521,188</b>	<b>561,653</b>	<b>40,082,841</b>	<b>5,107,648</b>
Noncurrent assets:				
Notes receivable	4,762,222	-	4,762,222	-
Investment in joint venture	3,993,791	-	3,993,791	-
Capital assets:				
Land	3,661,231	-	3,661,231	-
Buildings and improvements	27,328,108	-	27,328,108	-
Machinery and equipment	4,390,786	1,463,843	5,854,629	8,888,728
Infrastructure	211,187,371	-	211,187,371	-
Intangible assets	127,253	-	127,253	40,346
Construction in progress	15,998,848	-	15,998,848	640,529
Less: Accumulated depreciation	(61,482,623)	(533,142)	(62,015,765)	(5,507,529)
<b>Total capital assets</b>	<b>201,210,974</b>	<b>930,701</b>	<b>202,141,675</b>	<b>4,062,074</b>
<b>Total noncurrent assets</b>	<b>209,966,987</b>	<b>930,701</b>	<b>210,897,688</b>	<b>4,062,074</b>
<b>Total assets</b>	<b>249,488,175</b>	<b>1,492,354</b>	<b>250,980,529</b>	<b>9,169,722</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges from bond issuance	1,395,801	-	1,395,801	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,013,191	270,712	1,283,903	623,404
Accrued interest payable	253,625	3,654	257,279	-
Accrued liabilities	258,128	-	258,128	-
Customer deposits	2,130,050	-	2,130,050	-
Other liabilities	283,099	-	283,099	-
Compensated absences	10,396	-	10,396	-
Bonds payable	5,040,000	150,000	5,190,000	-
<b>Total current liabilities</b>	<b>8,988,489</b>	<b>424,366</b>	<b>9,412,855</b>	<b>623,404</b>
Noncurrent liabilities:				
Compensated absences	465,773	-	465,773	-
Other post employment benefits	49,879	-	49,879	-
Revenue bonds payable	52,241,089	985,000	53,226,089	-
<b>Total noncurrent liabilities</b>	<b>52,756,741</b>	<b>985,000</b>	<b>53,741,741</b>	<b>-</b>
<b>Total liabilities</b>	<b>61,745,230</b>	<b>1,409,366</b>	<b>63,154,596</b>	<b>623,404</b>
<b>NET POSITION</b>				
Net investment in capital assets	145,325,686	(204,299)	145,121,387	4,062,074
Restricted for debt service	6,007,481	-	6,007,481	-
Restricted for construction	10,185,543	-	10,185,543	-
Unrestricted	27,620,036	287,287	27,907,323	4,484,244
<b>Total net position</b>	<b>\$ 189,138,746</b>	<b>82,988</b>	<b>189,221,734</b>	<b>8,546,318</b>
Reconciliation to government-wide statement of net position				
Adjustment to reflect the income of the internal service fund that was allocated to enterprise fund functions.	1,325,802	-	1,325,802	
<b>Net position of business type activities</b>	<b>\$ 190,464,548</b>	<b>82,988</b>	<b>190,547,536</b>	

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

Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended September 30, 2013

City of Cedar Park, Texas

	Business-type Activities			Governmental Activities- Internal Service Fund
	Water and Sewer	Solid Waste	Total	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 28,196,601	3,338,590	31,535,191	4,825,780
Total operating revenues	<u>28,196,601</u>	<u>3,338,590</u>	<u>31,535,191</u>	<u>4,825,780</u>
<b>OPERATING EXPENSES</b>				
Distribution services and charges	10,751,560	3,155,962	13,907,522	2,202,019
Personnel services	4,247,102	-	4,247,102	-
Maintenance and repair	569,324	-	569,324	-
Supplies and materials	781,938	103,299	885,237	149,326
Depreciation	6,034,734	146,384	6,181,118	899,606
Total operating expenses	<u>22,384,658</u>	<u>3,405,645</u>	<u>25,790,303</u>	<u>3,250,951</u>
<b>OPERATING INCOME (LOSS)</b>	<u>5,811,943</u>	<u>(67,055)</u>	<u>5,744,888</u>	<u>1,574,829</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest earnings	245,188	82	245,270	1,273
Interest and fiscal charges	(2,846,428)	(30,823)	(2,877,251)	-
Other nonoperating revenues (expenses)	(828,758)	-	(828,758)	49,408
Total nonoperating revenues (expenses)	<u>(3,429,998)</u>	<u>(30,741)</u>	<u>(3,460,739)</u>	<u>50,681</u>
Income (loss) before contributions and transfers	<u>2,381,945</u>	<u>(97,796)</u>	<u>2,284,149</u>	<u>1,625,510</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Contributions	3,959,837	-	3,959,837	-
Community impact fees	3,650,350	-	3,650,350	-
Transfers out	(2,915,372)	-	(2,915,372)	-
Total contributions and transfers	<u>4,694,815</u>	<u>-</u>	<u>4,694,815</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u>7,076,760</u>	<u>(97,796)</u>	<u>6,978,964</u>	<u>1,625,510</u>
<b>Total net position, beginning</b>	<u>182,061,986</u>	<u>180,784</u>	<u>182,242,770</u>	<u>6,920,808</u>
<b>Total net position, ending</b>	<u>\$ 189,138,746</u>	<u>82,988</u>	<u>189,221,734</u>	<u>8,546,318</u>
Reconciliation to government-wide statement of activities				
Change in net position	7,076,760	(97,796)	6,978,964	
Adjustment to consolidate internal service activities	608,347	-	608,347	
Change in net position - business-type activities	<u>\$ 7,685,107</u>	<u>(97,796)</u>	<u>7,587,311</u>	

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

**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended September 30, 2013**

**City of Cedar Park, Texas**

	Business-type Activities			Governmental
	Water and Sewer	Solid Waste	Total	Activities Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 29,296,459	3,401,237	32,697,696	4,825,780
Cash paid to suppliers for goods and services	(12,263,139)	(3,241,734)	(15,504,873)	(2,156,292)
Cash paid to employees for services	(4,235,798)	-	(4,235,798)	-
Net cash provided by operating activities	<u>12,797,522</u>	<u>159,503</u>	<u>12,957,025</u>	<u>2,669,488</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers out	(2,915,372)	-	(2,915,372)	-
Net cash (used) by noncapital financing activities	<u>(2,915,372)</u>	<u>-</u>	<u>(2,915,372)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Cash received for nonoperating activities	3,956,385	-	3,956,385	-
Acquisition of capital assets	(9,719,464)	-	(9,719,464)	(1,908,719)
Principal paid on debt	(4,675,000)	(145,000)	(4,820,000)	-
Interest and fiscal charges paid on debt	(2,374,722)	(31,185)	(2,405,907)	-
Proceeds from issuance of debt	14,915,000	-	14,915,000	-
Payment to refunded bond escrow agent	(14,722,205)	-	(14,722,205)	-
Bond Issuance costs	(192,795)	-	(192,795)	-
Proceeds from disposition of capital assets	12,926	-	12,926	65,450
Net cash (used) for capital and related financing activities	<u>(12,799,875)</u>	<u>(176,185)</u>	<u>(12,976,060)</u>	<u>(1,843,269)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Earnings on investments	245,188	82	245,270	1,273
Net cash provided by investing activities	<u>245,188</u>	<u>82</u>	<u>245,270</u>	<u>1,273</u>
Net increase (decrease) in cash and cash equivalents	(2,672,537)	(16,600)	(2,689,137)	827,492
Cash and cash equivalents, October 1 (including \$19,080,083 for the Water and Sewer Fund in restricted accounts)	<u>38,423,711</u>	<u>259,387</u>	<u>38,683,098</u>	<u>4,276,818</u>
Cash and cash equivalents, September 30 (including \$20,966,728 for the Water and Sewer Fund in restricted accounts)	<u>\$ 35,751,174</u>	<u>242,787</u>	<u>35,993,961</u>	<u>5,104,310</u>

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

(Continued)

**Proprietary Funds  
Statement of Cash Flows  
For the Year Ended September 30, 2013**

**City of Cedar Park, Texas  
(Continued)**

	Business-type Activities			Governmental Activities Internal Service Fund
	Water and Sewer	Solid Waste	Total	
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
<b>Operating income (loss)</b>	\$ 5,811,943	(67,055)	5,744,888	1,574,829
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>				
Depreciation	6,034,734	146,384	6,181,118	899,606
Changes in assets and liabilities:				
Decrease (increase) in assets:				
Accounts receivable	944,600	62,647	1,007,247	-
Interfund receivable	60,000	-	60,000	-
Inventories/prepaid expenses	6,207	-	6,207	(1,979)
Increase (decrease) in liabilities:				
Accounts payable	(243,188)	17,527	(225,661)	197,032
Accrued liabilities	(121,846)	-	(121,846)	-
Compensated absences payable	29,365	-	29,365	-
Other post-employment benefits	(18,061)	-	(18,061)	-
Customer deposits	95,258	-	95,258	-
Other liabilities	198,510	-	198,510	-
Net cash provided by operating activities	<u>\$ 12,797,522</u>	<u>159,503</u>	<u>12,957,025</u>	<u>2,669,488</u>
<b>Noncash capital activities</b>				
Contribution/transfer of capital assets	\$ 3,598,104	-	3,598,104	14,202
Amortization expense	(567,348)	-	(567,348)	-

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

**Component Units  
Statement of Net Position  
September 30, 2013**

**City of Cedar Park, Texas**

	Community Development	Economic Development	Total
<b>ASSETS</b>			
Cash and investments	\$ 12,869,498	4,973,133	17,842,631
Receivables, net of allowances for uncollectibles:			
Taxes	833,308	833,307	1,666,615
<b>Total assets</b>	<u>13,702,806</u>	<u>5,806,440</u>	<u>19,509,246</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges from bond issuance	11,546	-	11,546
<b>LIABILITIES</b>			
Accounts payable	50	-	50
Accrued interest payable	16,140	-	16,140
Noncurrent liabilities:			
Due within one year			
Notes payable	77,391	77,391	154,782
Bonds payable	610,000	-	610,000
Due in more than one year			
Notes payable	523,482	523,482	1,046,964
Bonds payable	4,109,471	-	4,109,471
<b>Total liabilities</b>	<u>5,336,534</u>	<u>600,873</u>	<u>5,937,407</u>
<b>NET POSITION</b>			
Restricted	8,377,818	5,205,567	13,583,385
<b>Total net position</b>	<u>\$ 8,377,818</u>	<u>5,205,567</u>	<u>13,583,385</u>

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

**Component Units  
Statement of Activities  
For the Year Ended September 30, 2013**

**City of Cedar Park, Texas**

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position		
		Community Development Corporation	Economic Development Corporation	Total
Community development	\$ 1,857,685	(1,857,685)	-	(1,857,685)
Economic development	4,175,796	-	(4,175,796)	(4,175,796)
<b>Total component units</b>	<b>\$ 6,033,481</b>	<b>(1,857,685)</b>	<b>(4,175,796)</b>	<b>(6,033,481)</b>
General revenues:				
Taxes:				
Sales		4,352,737	4,352,737	8,705,474
Interest and other		3,739	1,543	5,282
Total general revenues and transfers		4,356,476	4,354,280	8,710,756
Change in net position		2,498,791	178,484	2,677,275
Net position, beginning		5,879,027	5,027,083	10,906,110
Net position, ending		\$ 8,377,818	5,205,567	13,583,385

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cedar Park, Texas (the "City"), a Home-Rule Municipal Corporation, organized and existing under the Provisions of the constitution of the State of Texas, adopted its present Charter on May 8, 2010. The City operates under the Council-Manager form of government and provides the following services as authorized by its Charter: Public Safety (e.g., Police and Fire), Planning and Zoning, Streets and Lighting, Water, Sewer, Solid Waste, Cultural and Recreational (e.g., Library and Parks), Maintenance and General Administrative.

### A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organizations' governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City.

**Discretely presented component units** -- In May 1999, the citizens of Cedar Park approved the formation of an Economic Development Corporation (4A) and a Community Development Corporation (4B), effective October 1, 1999, by the authority of the Development Corporation Act of 1979. The Corporations each collect a half-cent sales tax to support their activities. Separate financial statements are not prepared for either Corporation.

The 4A Corporation's purpose is promotion and development of new and expanded business enterprises in Cedar Park. The 4B Corporation's purpose is to promote economic development within the City, to promote and encourage employment and the public welfare of, for, and on behalf of the City, and for transportation system improvements. These Corporations are both governed by separate Boards, which are appointed by the City Council. They are discretely presented to emphasize that they are legally separate from the primary government.

**Blended component units** -- In December 2001, the Tax Increment Reinvestment Zone No. One (TIRZ #1) was created to facilitate a program of public improvements to allow and encourage the development of a mixed-use downtown district merging retail, office, entertainment and civic uses with a wide variety of high quality, high value, high density single and multi-family housing to create a close-knit, pedestrian friendly urban core. However, after nearly ten years of development, the only portion of the district that had developed was the residential portion. As a result, the City took actions to disallow new reimbursable expenditures and to remove any undeveloped land from the TIRZ such that any new development could be completed using more flexible development standards. The Cedar Park City Council makes up the entirety of the TIRZ #1 board. The TIRZ #1 allows the developer to create the infrastructure for the master planned community. Although TIRZ #1 is a legally separate entity, it is, in substance, part of the City's operation; therefore, it is reported as a special revenue fund in the City's financial statements.

In July 2013, the Tax Increment Reinvestment Zone No. Two (TIRZ #2) was created to facilitate a program of public improvements to allow and encourage the development of an entertainment district on 16.638 acres adjacent to the Cedar Park Center. 80% percent of sales tax and property tax revenues generated from new development within the TIRZ #2 will be returned to TIRZ #2 to fund development incentives on the land. The Cedar Park City Council makes up the entirety of the TIRZ #2 board. Although the TIRZ #2 is a legally separate entity, it is, in substance, part of the City's operation; therefore it is reported as a special revenue fund in the City's financial statements.

### B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all governmental and business-type activities of the primary government and its component units. Internal service fund asset and liability balances that are not eliminated in the statement of net position are reported in the governmental activities column on the government-wide statements. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Government-wide and Fund Financial Statements, (continued)**

on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the government is financially accountable.

The City's statement of net position includes both non-current assets and non-current liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

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

The fund financial statements provide a separate set of statements for each governmental and proprietary fund. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Major funds are determined by criteria specified by GASB Statement No. 34; the City has elected to present the Solid Waste Fund as a major fund even though it does not meet the minimum criteria. Information on non-major governmental funds is aggregated in a column labeled "Other Governmental Funds."

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Franchise taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the City.

Governmental Funds: Consist of the general fund, special revenue funds, debt service fund, and capital projects funds.

The City reports the following major governmental funds:

General Fund – is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund – is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest, and related costs.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

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

Streets & Lighting Fund – is a capital projects construction fund used to account for expenditures relating to construction or improvement of City streets and lighting.

In addition, the City reports the following non-major governmental funds:

Special Revenue Funds – to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, including grant funds.

Capital Projects Funds – to account for financial resources for the acquisition or construction of major capital facilities (other than those reported within proprietary funds): They are funded primarily by general obligation debt, other tax supported debt, interest income, and other intergovernmental revenues.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting these definitions are reported as non-operating revenue and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

Proprietary Funds: Consist of enterprise funds and internal service funds.

Enterprise Funds: In accordance with GASB Statement No. 20, private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with, or contradict, guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

The City reports the following major enterprise funds:

Water and Sewer Fund – to account for the activities necessary for the provision of water and sewer services.

Solid Waste Fund – to account for solid waste collection services. The Solid Waste Fund was established during fiscal year 2010 to disaggregate solid waste activities that were combined with the Water and Sewer Fund in prior years. Although it does not meet the criteria of a major fund as defined in GASB Statement No. 34, the Solid Waste Fund is presented as a major proprietary fund because it is the City's only remaining enterprise fund.

In addition, the City reports the following other proprietary funds:

Internal Service Funds – to account for the financing of goods or services provided by one department to other City departments or to other governmental units on a cost-reimbursement basis.

Employee Benefits Fund – to account for activities related to the health, dental, and life insurance costs of City employees and their beneficiaries.

Vehicle & Equipment Services Fund – to account for maintenance and replacement costs of City-owned vehicles and heavy equipment.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

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

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

Amounts reported as *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, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenue. Likewise, general revenue includes all taxes.

**D. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on bond issuance reported in the government-wide statement of net position. This amount is deferred and amortized over the life of the bond.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from uncollected property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**E. Net Position Flow Assumption**

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

**F. Fund Balance Flow Assumption**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**G. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments (investments with original maturities less than 90 days, including restricted assets) to be cash equivalents.

The following table details the cash balances purpose restrictions as of September 30, 2013.

	Governmental Activities	Business-type Activities
Debt service fund	\$ 3,919,362	10,781,186
Construction	15,285,874	10,185,543
Hotel tax	977,492	-
Tax Increment Reinvestment Zone 1	392,362	-
Tax Increment Reinvestment Zone 2	1,100,000	-
Other	1,055,315	-
	<u>\$ 22,730,405</u>	<u>20,966,729</u>

**H. Investments**

**Credit Risk**

A primary stated objective of the City of Cedar Park's adopted Investment Policy is the safety of principal and avoidance of principal loss. Credit risk within the City's portfolio among the authorized investments approved by the City's adopted Investment Policy includes only time and demand deposits, obligations of states and their subdivisions, repurchase agreements, and commercial paper. All other investments are rated "AAA", or equivalent, by at least one nationally recognized securities rating organization (NRSRO). Investments are made primarily in obligations of the U.S. Government, its agencies or instrumentalities. State law and the City's adopted Investment Policy require inclusion of a procedure to monitor and act, as necessary, to changes in credit ratings on any investment which requires a rating.

State law and the City's adopted Investment Policy restricts both time and demand deposits, including certificates of deposit (CDs) to those banks doing business in the State of Texas and requires full FDIC insurance or collateral. CDs are limited to a stated maturity of one year. Collateral on CDs is required at a 102% margin with securities priced at market on a daily basis as a contractual responsibility of the bank. Collateral is restricted to obligations of the US Government, its agencies or instrumentalities or direct obligations of any state, its subdivisions or agencies rated at least "A", or equivalent, as to investment quality by two NRSROs. Independent safekeeping is required outside the bank holding company with monthly reporting. Brokered CDs must be FDIC insured and delivered versus payment to the City's depository. Maximum maturity is one year and FDIC insurance must be verified before purchased. A procedure to monitor continued FDIC insurance weekly is required by the adopted Investment Policy.

State and municipal obligations must be rated "A": or better by at least two NRSROs.

Repurchase agreements are limited to those with defined termination dates with primary dealers (as defined by the Federal Reserve) and require an industry standard written master repurchase agreement and a minimum 102% margin on collateral, as well as delivery versus payment settlement and independent safekeeping. Repurchase agreements may not exceed six months to stated maturity with the exception of flex repurchase agreements with a stated termination date not to exceed the planned completion date of the project(s).

The City's adopted Investment Policy restricts investment in mutual funds to "AAA" rated SEC registered mutual funds to money market mutual funds striving to maintain a \$1 net asset value as defined by state law. Local government investment pools in Texas are required to be rated "AAA", or equivalent by at least one NRSRO. The City Policy is restricted to "AAA"-rated, "2a-7 like" (constant dollar) local government investment pools.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**H. Investments, (continued)**

**Credit Risk, (continued)**

As of September 30, 2013:

- State and municipal obligations represented 19.23% of the total portfolio,
- fully insured or collateralized CDs represented 5.00% of the total portfolio,
- investment in the State Treasurer's local government investment pool (Texpool) represented 38.16% of the total portfolio,
- investment in a "AAA"-rated local government investment pool (TexSTAR) represented 8.42% of the total portfolio,
- money market/demand deposit accounts represented 14.95% of the total portfolio, and
- the remainder of the portfolio, 14.25% was in U.S. Government Agency securities rated "AAA" by two nationally recognized statistical rating agencies.

**Concentration of Credit Risk**

The City recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The City's adopted Investment Policy establishes diversification as a major objective of the investment program and sets diversification limits for all authorized investment types which are monitored on at least a monthly basis. Diversification limits are set by Policy as:

- U.S. Obligations	80%
- US Agencies/Instrumentalities	80%
- State & Local Obligations	30%
- CDs	40%
In any one bank	20%
- Repurchase Agreements	50%
- FlexRepo with CIP Funds	100%
- LGIP	100%
- Money Market Mutual Funds	100%
- Commercial Paper	25%
Any one issuer	5%

As of September 30, 2013,

- Holdings in two local government investment pools represented 46.56% of the total portfolio.
- Holdings in state and local obligations represented 19.23% of the total portfolio.
- Holdings in fully insured and collateralized CDs represented 5.00% of the total portfolio.
- Holdings in U.S. government securities represented 14.25% of the total portfolio.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

H. Investments, (continued)

Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the City of Cedar Park's adopted Investment Policy sets a maximum stated maturity limit of three years. The weighted average maturity (WAM) of the total City portfolio is restricted to a maximum of twelve months and compared to the one year Treasury Bill. As of September 30, 2013, the portfolio contained no holding in the portfolio with a stated maturity date beyond 633 days, and the dollar-weighted average maturity of the total portfolio was 140 days.

As of September 30, 2013, the portfolio held the following investments:

Investment Type	Fair Value	% of Portfolio	Investment Maturities in Years			
			Less than 1 Year	1-2 Years	2-3 Years	3-5 Years
US Agencies						
FHLMC	\$ 9,004,366	9.00%	-	9,004,366	-	-
FNMA	5,252,850	5.25%	-	5,252,850	-	-
Bank deposits	9,417,627	9.41%	9,417,627	-	-	-
2a-7 like Local Government Pools	46,619,730	46.56%	46,619,730	-	-	-
Money Market Mutual Funds	5,543,495	5.54%	5,543,495	-	-	-
Certificates of Deposit	5,006,156	5.00%	5,006,156	-	-	-
Municipal Obligations	19,257,790	19.23%	19,257,790	-	-	-
Total Value	<u>100,102,013</u>		<u>\$ 85,844,797</u>	<u>14,257,216</u>	<u>-</u>	<u>-</u>
% of Total Portfolio		<u>100.00%</u>	<u>85.76%</u>	<u>14.24%</u>	<u>0.00%</u>	<u>0.00%</u>
Less pool participants excluded from primary government:						
Community Development	(12,869,498)					
Economic Development	(4,973,133)					
Total Primary Government	<u>\$ 82,259,382</u>					

As of September 30, 2013, the portfolio contained the following structured notes which would have been impacted by interest rate risk.

Security	Par	Coupon	Purchase Date	Maturity Date	Call Date	Structure	Book Value	Market Value
FHLMC	\$ 2,000,000	0.375%	12/10/12	12/10/14	12/10/13	Callable only once with 5 days notice	2,000,000	2,000,820
FNMA	3,250,000	0.550%	04/01/13	02/27/15	02/27/14	Callable only once with 10 days notice	3,253,287	3,255,870
FHLMC	2,000,000	0.450%	06/26/13	06/26/15	12/26/13	Callable quarterly with 5 days notice	2,000,000	2,001,366
FHLMC	5,000,000	0.350%	03/18/13	03/18/15	09/18/13	Callable only once with 5 days notice	5,000,000	5,002,180
	<u>\$ 12,250,000</u>						<u>12,253,287</u>	<u>12,260,236</u>

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

### H. Investments, (continued)

#### Custodial Credit Risk

To control custody and safekeeping risk, State law and the City of Cedar Park's adopted Investment Policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held by an independent party approved by the City and held in the City's name. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value. Repurchase agreements and deposits must be collateralized to 102% and be executed under written agreements. Depository agreements are executed under the terms of the US Financial Institutions Resource and Recovery Enforcement Act. The counter party of each type of transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

As of September 30, 2013, the portfolio:

- contained 5.00% in fully collateralized or FDIC insured CDs. All pledged collateral was held by an independent institution outside the bank's holding company.
- contained 14.95% in demand deposit accounts that are fully collateralized or fully insured by the FDIC.

### I. Receivables and Payables

Activity between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statement of net position as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 120 days comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to one percent of outstanding property taxes at September 30, 2013.

Property taxes are levied on October 1 and attached as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year.

### J. Inventories and Prepaid Items

Inventories in all funds are valued at the lower of cost or market.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and the fund financial statements.

### K. Joint Venture

Investment in joint venture represents an equity interest in the Brushy Creek Regional Utility Authority (BCRUA). The investment account balance represents Cedar Park's share in the joint venture's net position at September 30, 2013.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

L. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with a cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost 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 assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30 – 40
Vehicles	3 – 5
Equipment	5 – 10
Infrastructure (streets and drainage)	40 – 50
Water and sewer plants and lines	40 – 50

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused sick and vacation benefits. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured. The City shall buy back unused sick leave accumulated since July 1, 2005 (up to 720 hours) at the time such employee terminates employment from the City, including retiring from City service under TMRS. Civil service employees must have one year of continuous service at separation while non-civil service employees must have 10 years of continuous service at separation to be eligible for sick leave buyback. A liability for these amounts is reported in governmental funds only if they have matured and the employee is eligible to receive this benefit.

N. Fund Balance

Fund balances for governmental funds are reported in classifications that demonstrate the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The governmental fund type classifications are as follows:

Nonspendable: The portion of fund balance that cannot be spent because it is either (a) not in spendable form, such as inventories and prepaid items, or (b) legally or contractually required to be maintained intact.

Restricted: The portion of fund balance that is restricted to specific purposes due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitution provisions or enabling legislation.

Committed: The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of a majority vote by City Council. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance (including the adopted budget and budget amendments) prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance or resolution) to remove or revise the limitation.

Assigned: The portion of fund balance that is constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. During the year, the City implemented a policy to grant management authority to assign fund balances.

Unassigned: The portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes. Deficit fund balances in special revenue or capital project funds are considered unassigned in accordance with GASB Statement No. 54.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

### O. 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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

## 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### Budgetary Information

The City Council follows these procedures in establishing budgetary data reflected in the basic financial statements:

(1) Prior to August 31, the City Manager submits a proposed operating budget to the City Council for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

(2) On or before September 30, the City Council holds public hearings and adopts the budget.

(3) Any revisions that alter the total expenditures of any fund must be adopted by the City Council after formal public budget hearings.

(4) Formal budgetary integration is employed as a management control device during the year for the General Fund, Debt Service Fund, Economic and Community Development Funds and the Enterprise Fund at the fund and department level. Formal budgetary integration is not employed for the Special Revenue Fund because the amount of revenue and expenditures vary depending on unpredictable availability of resources. Capital Projects Fund budgetary control is provided by project length budgets.

(5) Budgets for the General and the Debt Service Funds are adopted on the modified accrual basis of accounting. The budget for the Enterprise Fund is prepared on an accrual basis of accounting.

(6) Budget appropriations lapse at year-end and do not carry forward to future periods.

(7) The legal level of budgetary control (level at which the governing body must approve any excess of expenditures over appropriations or transfers of appropriated amounts) is established by the City Charter. Management cannot amend the budget without the approval of the City Council.

During Fiscal Year 2013, the General Fund expenditure budget was amended to increase the departmental budget for Public Works, Fire, Parks and Recreation and the City Attorney's office. The Public Works budget was increased \$60,000 for construction inspection fees, the Parks and Recreation budget was increased \$60,500 for various capital equipment purchases, the Fire budget was increased by \$325,000 related to the purchase of a new fire vehicle and the City Attorney's budget was increased \$80,000 related to outside services. In addition, the General Fund transfer budget was amended to increase transfers out for transportation, facilities and parks and recreation capital improvement projects by \$621,632.

Departmental expenditures exceeded appropriations for the General Fund General Administration department. The General Administration department was over budget in part, because personnel vacancy savings of \$162,525 for the General Fund are budgeted in General Administration but reported at the department level. In addition, certain non-budgeted expenditures related to leased City Hall facilities, which totaled \$164,945, are reported as General Administration expenditures. These expenditures were offset by related revenues of \$181,401.

## 3. DETAILED NOTES ON ALL FUNDS

### A. Deposits

The City maintains bank accounts with its contracted depository institution and two Texas Local Government Investment Pools. For financial statement purposes, both the bank accounts and pool investments are combined and considered cash and cash equivalents. Each fund's share of the pool balances is reported in the financial statements. Earnings from the pooled accounts are allocated monthly to each participating fund based on the ratio of each fund's month-end balance to the combined balances.

**3. DETAILED NOTES ON ALL FUNDS, (continued)**

**A. Deposits, (continued)**

The City's bank deposits were fully collateralized at September 30, 2013, and throughout the year by Federal Depository Insurance Corporation coverage and securities held by the City's agent bank in the City's name. A difference of \$86,617 exists between bank balance and book balance, primarily due to outstanding checks offset by deposits in transit.

Investments in United States government agency securities are considered short-term and all such investment activity is conducted through a depository bank. Investments are valued at their fair market value based upon quoted market prices. During the fiscal year ended September 30, 2013, the City did not invest through any security brokers or dealers.

A summary of the City's cash and investments follows:

<u>Primary Government</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Petty Cash	\$ 7,828	7,828
Cash in Bank (1)	14,519,292	14,332,530
TexPool	20,320,126	20,320,126
TexSTAR	8,424,454	8,424,454
Certificates of Deposit	5,006,156	5,006,156
Municipal Obligations	19,260,758	19,260,758
U. S. Government Securities	14,249,943	14,249,943
<b>Primary Government Cash and Investments</b>	<b>81,788,557</b>	<b>81,601,795</b>
<u>Component Units</u>		
Texpool		
Community Development Corporation	12,891,822	12,869,498
Economic Development Corporation	4,983,328	4,973,133
	<b>\$ 17,875,150</b>	<b>17,842,631</b>

(1) Cash in bank includes bank deposits and money market mutual fund balances.

**B. Receivables**

Receivables as of year-end for the City's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>			<u>Enterprise Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Debt Service</u>	<u>Other Funds</u>	<u>Water and Sewer</u>	<u>Solid Waste</u>	
Primary Government						
Property taxes	\$ 232,511	236,297	-	-	-	468,808
Sales taxes	1,666,615	-	-	-	-	1,666,615
Franchise taxes	654,812	-	-	-	-	654,812
Charges for services	-	-	-	3,824,111	364,315	4,188,426
Other	419,077	-	161,131	-	-	580,208
Notes receivable	-	-	-	4,762,222	-	4,762,222
Allowance for doubtful accounts	(1,118)	(1,175)	-	(626,377)	(45,449)	(674,119)
<b>Net Receivables</b>	<b>\$ 2,971,897</b>	<b>235,122</b>	<b>161,131</b>	<b>7,959,956</b>	<b>318,866</b>	<b>11,646,972</b>

3. DETAILED NOTES ON ALL FUNDS, (continued)

B. Receivables, (continued)

The Water and Sewer Fund receivable balance includes a note receivable of \$4,762,222 from the City of Leander for Leander's share of the buy-in cost for the Brushy Creek Regional Waste Water System. Leander is scheduled to make annual payments of \$332,469 through January 2032.

Governmental funds report deferred inflows for deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of *deferred inflows* reported in the governmental funds were as follows:

<u>Deferred inflows</u>	<u>Delinquent property taxes</u>
General Fund	\$ (110,597)
Debt Service Fund	(116,289)
Total governmental funds	<u>\$ (226,886)</u>

The City's property tax is levied each October 1 on the assessed value listed as of the previous January 1, at which time a lien is attached by operation of State law for all real and personal property located in the City. Taxes are due by January 31, following the October 1 levy date. The majority of taxes are collected between October 1 and January 31 of each year. Delinquent property taxes estimated to be collectible within 60 days after the fiscal year are recognized as revenue. Other delinquent property taxes are deferred.

Legislation was passed in 1979 and amended in 1981 by the Texas Legislature, which affects the method of property assessment and tax collection in the City. This legislation created a "Property Tax Code" and provides, among other things, for the establishment of countywide appraisal districts and for a State Property Tax Board, which commenced operations in January 1980.

Since 1982, the appraisal of property within the City has been the responsibility of the Williamson County Appraisal District. The Texas Legislature passed HB1010, requiring that property be appraised by the County appraisal district in which it is located. Therefore, a portion of the property appraisals were performed by Travis County Appraisal District. The appraisal districts are required, under the Property Tax Code, to assess all property within the appraisal on the basis of 100 percent of its appraised value and are prohibited from applying any assessment ratios. The value of property must be reviewed at least every five years. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. The City continues to set tax rates on property within the City limits.

However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements and revaluation, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate increase to no more than 8%.

The tax rate to finance general governmental services, other than the payment of principal and interest on general obligation long-term debt, for the year ended September 30, 2013, was \$.2585 per \$100 assessed valuation. The tax rate for servicing the payment of principal and interest on general obligation long-term debt for the fiscal year ended September 30, 2013 was \$.2350 per \$100 assessed valuation. The City levied taxes based on a combined tax rate of \$0.4935 per \$100 of assessed valuation for general governmental services and debt service.

3. DETAILED NOTES ON ALL FUNDS, (continued)

C. Investment in Joint Venture

In September 2009, the cities of Cedar Park, Round Rock and Leander agreed to jointly pursue a regional water supply system that will ultimately provide treatment capacity for an additional 105.8 million gallons per day of potable water supply needed to meet future water demands of the three cities. In accordance with State law, the City Councils of the three cities authorized and approved the creation of the Brushy Creek Regional Utility Authority (BCRUA). The BCRUA intends to own, design, finance, construct, acquire, maintain and operate the System in a manner that will allow the BCRUA to deliver potable water to the cities on a regional basis. Construction of Phase 1 of the project began during fiscal year 2010 and the plant opened in June 2012. The City accounts for this partnership as a joint venture.

Condensed financial statements for the BCRUA are presented below:

STATEMENT OF NET POSITION

As of September 30, 2013

ASSETS		LIABILITIES	
Current assets:		Current liabilities:	
Cash and cash equivalents	\$ 11,200,985	Accounts payable	\$ 253,396
Investments	7,738,891	Retainage payable	2,345,205
Accounts receivable, net	447,161	Due to partner cities	285,526
Accrued interest receivable	12,515	Due to other funds	246,625
Due from other funds	246,625	Total current liabilities	<u>3,130,752</u>
Total current assets	<u>19,646,177</u>	Current liabilities payable from restricted assets:	
Noncurrent assets:		Current portion of revenue bond payable	2,580,000
Restricted cash and cash equivalents and investments:		Accrued interest	1,369,716
Debt service	1,269,460	Total current liabilities payable from restricted assets	<u>3,949,716</u>
Escrow	24,873,739	Noncurrent liabilities:	
Reserve	65,573	Revenue bonds payable	176,025,000
Deferred charges, net	770,872	Total noncurrent liabilities	<u>176,025,000</u>
Capital assets not being depreciated:		Total liabilities	<u>183,105,468</u>
Land, easements, and construction in progress	12,344,158	NET POSITION	
Capital assets, net of accumulated depreciation:		Net position	<u>\$ 17,087,295</u>
Computer and office equipment	141,222,784	<b>Cedar Park share of net position:</b>	<b><u>\$ 3,993,791</u></b>
Total noncurrent assets	<u>180,546,586</u>		
Total assets	<u>\$ 200,192,763</u>		

STATEMENT OF ACTIVITIES  
AND CHANGES IN NET POSITION

For the Year ended September 30, 2013

	BCRUA	Cedar Park Share
Operating revenues	\$ 985,682	541,627
Operating expenses	13,250,298	2,313,672
Change in net position	(12,264,616)	(1,772,045)
Other income	212,108	38,467
Net position, October, 2012	18,441,816	4,197,120
Net contribution of capital	10,697,987	1,530,249
Net position, September, 2013	<u>\$ 17,087,295</u>	<u>3,993,791</u>

Complete financial statements may be obtained at the BCRUA, 450 Cypress Creek Bldg #1, Cedar Park, TX 78613.

3. DETAILED NOTES ON ALL FUNDS, (continued)

D. Capital Assets

Governmental Activities

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

<b>GOVERNMENTAL ACTIVITIES:</b>	Beginning Balance	Increases	Decreases/ (Reclass)	Ending Balance
Capital assets, not depreciated:				
Land and other non-depreciable assets	\$ 13,933,604	-	(2,302,272)	16,235,876
Construction in progress	13,727,748	7,580,080	11,634,868	9,672,960
Total assets not being depreciated	<u>27,661,352</u>	<u>7,580,080</u>	<u>9,332,596</u>	<u>25,908,836</u>
Capital assets being depreciated:				
Intangible assets	82,890	-	(824,960)	907,850
Building and improvements	102,331,079	540,888	13,642,588	89,229,379
Machinery and equipment	23,704,700	1,898,506	(3,595,075)	29,198,281
Infrastructure	183,163,264	19,475,780	(4,849,363)	207,488,407
Total capital assets being depreciated	<u>309,281,933</u>	<u>21,915,174</u>	<u>4,373,190</u>	<u>326,823,917</u>
Less accumulated depreciation:				
Intangible assets	-	22,591	(835,134)	857,725
Building and improvements	11,694,260	2,206,660	1,775,651	12,125,269
Machinery and equipment	17,048,389	2,835,193	172,693	19,710,889
Infrastructure	26,988,436	4,755,780	1,184,988	30,559,228
Total accumulated depreciation	<u>55,731,085</u>	<u>9,820,224</u>	<u>2,298,198</u>	<u>63,253,111</u>
Total capital assets being depreciated, net	<u>253,550,848</u>	<u>12,094,950</u>	<u>2,074,992</u>	<u>263,570,806</u>
Total capital assets, net	<u>\$ 281,212,200</u>	<u>19,675,030</u>	<u>11,407,588</u>	<u>289,479,642</u>

Depreciation expense was charged to governmental activities as follows:

Governmental activities:	
General government	\$ 6,942,780
Public safety	60,532
Culture and recreation	825,088
Streets and lighting	1,092,218
Internal service	899,606
Total depreciation expense - governmental activities	<u>\$ 9,820,224</u>

3. DETAILED NOTES ON ALL FUNDS, (continued)  
D. Capital Assets, (continued)

Business-type Activities

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

	Beginning Balance	Increases	Decreases/ (Reclass)	Ending Balance
<b><u>BUSINESS-TYPE ACTIVITIES:</u></b>				
Capital assets, not being depreciated:				
Land and other non-depreciable assets	\$ 4,265,440	-	604,209	3,661,231
Construction in progress	13,950,808	14,586,613	12,538,573	15,998,848
Total assets not being depreciated	18,216,248	14,586,613	13,142,782	19,660,079
Capital assets, being depreciated				
Intangible assets	-	127,253	-	127,253
Building and improvements	27,839,615	3,468,966	3,980,473	27,328,108
Machinery and equipment	5,898,121	72,076	115,568	5,854,629
Infrastructure	199,130,517	8,234,224	(3,822,630)	211,187,371
Total capital assets being depreciated	232,868,253	11,902,519	273,410	244,497,361
Less accumulated depreciation:				
Intangible assets	-	2,121	-	2,121
Building and improvements	8,372,463	683,930	1,747,401	7,308,992
Machinery and equipment	2,635,799	399,435	22,645	3,012,589
Infrastructure	44,790,244	5,095,632	(1,806,186)	51,692,062
Total accumulated depreciation	55,798,506	6,181,119	(36,140)	62,015,765
Total capital assets being depreciated, net	177,069,747	5,721,400	309,550	182,481,596
Total capital assets, net	\$ 195,285,995	20,308,013	13,452,332	202,141,675

Depreciation expense was charged to business-type activities as follows:

Business-type activities:

Water and sewer	\$ 6,027,335
Solid waste	146,384
Hidden Valley	7,400
Total depreciation expense - business-type activities	\$ 6,181,119

3. DETAILED NOTES ON ALL FUNDS, (continued)

D. Capital Assets, (continued)

Commitments

Construction in progress and remaining commitments under related construction contracts for governmental activities at September 30, 2013 are as follows:

Project Description	Governmental Activities:		
	Authorized	Project	Remaining
	Project Amount	Expenditures To-Date	Project Balance
ILSN Upgrade - Ph II	\$ 350,000	43,475	306,525
Anderson Mill Road South	3,839,254	3,690,757	148,497
Bagdad Road	4,580,000	335,853	4,244,147
ROW Acquisition	750,000	2,500	747,500
BMC Drive Extension	1,000,000	56,594	943,406
CR185/Cottonwood Crk Trail	6,055,000	5,427,256	627,744
183 RT Turn Lanes@New Hope	250,000	129,291	120,709
183 Walton Way	100,000	33,894	66,106
Gateway Signage	200,000	64,857	135,143
Cypress Creek/Lakeline Intersect	1,800,000	3,348	1,796,652
US 183/Cypress Creek Intersect	1,050,000	17,088	1,032,912
Sidewalk Gap Closure Phase 2	100,000	23,412	76,588
Parks Maintenance Facility	157,500	135,422	22,078
Re-Plaster Buttercup	47,000	40,734	6,266
Cedar Park Playground Shade	225,000	205,099	19,901
Park Warning System	50,000	32,048	17,952
Veteran's Memorial Garden	25,000	4,250	20,750
Digital Radio Upgrade	2,894,037	1,538,241	1,355,796
Fire Station 1 Demolition	30,000	19,447	10,553
Fire Station 5	590,000	11,476	578,524
Public Safety Technology Project	855,000	491,039	363,961
Fuel Pump Facility	63,971	55,381	8,590
Retail Parking Lot Improvements	100,000	1,650	98,350
	<u>\$ 25,111,762</u>	<u>12,363,112</u>	<u>12,748,650</u>

Construction in progress and remaining commitments under related construction contracts for business-type activities at September 30, 2013 are as follows:

Project Description	Business-Type Activities:		
	Authorized	Project	Remaining
	Project Amount	Expenditures To-Date	Project Balance
Water Meter Program Update	\$ 2,970,551	2,498,730	471,821
Reg Water Plant Phase II	20,243,228	124,925	20,118,303
New Hope 183A to CR185 Waterline	600,000	407,634	192,366
Floating Raw Water Interceptor	8,036,000	8,020,276	15,724
SCADA Upgrades	500,000	283,096	216,904
Field Operations Miscellaneous Improvements	933,500	907,637	25,863
Water Treatment Plant Rehab	201,900	86,580	115,320
New Hope 183A to CR185 Wastewaterline	225,000	149,935	75,065
BCRWWS West Plant Improvements	770,349	762,488	7,861
Buttercup Wastewater Line Replacement	3,156,211	218,915	2,937,296
Spanish Oaks Interceptor	1,600,000	1,457,667	142,333
Cottonwood Wastewater Interceptor	2,800,000	2,591,189	208,811
	<u>\$ 42,036,739</u>	<u>17,509,072</u>	<u>24,527,667</u>

**3. DETAILED NOTES ON ALL FUNDS, (continued)**  
**E. Interfund Receivables, Payables, and Transfers**

Interfund receivables, payables, and advances at September 30, 2013, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental funds:		
General Fund	Nonmajor Governmental Funds	\$ 20,104
Business-type funds:		
Water and Sewer Fund	General Fund	519,920
		<u>\$ 540,024</u>

Interfund receivables, payables, and advances reflect loans between funds. Of the above amount, \$519,920 represents a loan from the Water and Sewer Fund for construction costs related to the new City Hall facility.

Interfund transfers for the year ended September 30, 2013, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>			<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Water and Sewer</u>	
General Fund	\$ -	-	2,915,372	2,915,372
Street Fund	985,200	3,252,588	-	4,237,788
Nonmajor governmental funds	579,801	68,500	-	648,301
Total transfers in	<u>\$ 1,565,001</u>	<u>3,321,088</u>	<u>2,915,372</u>	<u>7,801,461</u>

Interfund transfers are authorized through City Council approval. Significant transfers include the water and sewer transfer to the General Fund for administrative and contract services provided by the General Fund and transfers from bond funds to capital project funds for capital activities.

**F. Leases**

The City leased office space for the fire administrative staff during the year. Rent paid for the year ended September 30, 2013 was \$ 50,760.

3. DETAILED NOTES ON ALL FUNDS (continued)

G. Long-term Liabilities

Long-term liability activity for the year ended September 30, 2013, was as follows:

	October 1, 2012	Increases	Decreases	September 30, 2013	Amounts Due Within One Year
<b><u>Governmental Activities</u></b>					
General obligation bonds	\$ 108,110,000	15,865,000	20,730,000	103,245,000	6,850,000
Certificates of obligation	1,955,000	-	275,000	1,680,000	285,000
Economic development bonds	40,640,000	-	1,075,000	39,565,000	1,125,000
Premium on issuance of bonds	4,984,027	-	919,818	4,064,210	-
Discount on issuance of bonds	(94,619)	-	(5,543)	(89,076)	-
General obligation bonds and other tax supported debt total	<u>155,594,408</u>	<u>15,865,000</u>	<u>22,994,275</u>	<u>148,465,134</u>	<u>8,260,000</u>
Other long-term liabilities					
Compensated absences	2,624,764	845,302	123,823	3,346,243	141,837
State Comptroller note	1,350,312	-	146,154	1,204,158	157,194
Other post employment benefits	602,817	24,905	-	627,722	-
Other long-term liabilities total	<u>4,577,893</u>	<u>870,207</u>	<u>269,977</u>	<u>5,178,123</u>	<u>299,031</u>
<b>Total governmental activities</b>	<u><u>\$ 160,172,301</u></u>	<u><u>16,735,207</u></u>	<u><u>23,264,252</u></u>	<u><u>153,643,256</u></u>	<u><u>8,559,031</u></u>
<b><u>Business-type Activities</u></b>					
Water and Sewer activities					
Revenue bonds	\$ 50,525,000	14,915,000	16,960,000	48,480,000	3,545,000
General obligation bonds	8,535,000	-	1,440,000	7,095,000	1,495,000
Premium on issuance of bonds	2,238,969	-	532,880	1,706,089	-
General obligation bonds and other tax supported debt total	<u>61,298,969</u>	<u>14,915,000</u>	<u>18,932,880</u>	<u>57,281,089</u>	<u>5,040,000</u>
Compensated absences	446,803	39,761	10,396	476,168	10,396
Other post employment benefits	67,940	-	18,061	49,879	-
Other long-term liabilities total	<u>514,743</u>	<u>39,761</u>	<u>28,457</u>	<u>526,047</u>	<u>10,396</u>
<b>Water and sewer activities total</b>	<u><u>61,813,712</u></u>	<u><u>14,954,761</u></u>	<u><u>18,961,337</u></u>	<u><u>57,807,136</u></u>	<u><u>5,050,396</u></u>
Solid Waste activities					
Revenue bonds	1,280,000	-	145,000	1,135,000	150,000
Solid waste activities total	<u>1,280,000</u>	<u>-</u>	<u>145,000</u>	<u>1,135,000</u>	<u>150,000</u>
<b>Business-type activities total</b>	<u><u>\$ 63,093,712</u></u>	<u><u>14,954,761</u></u>	<u><u>19,106,337</u></u>	<u><u>58,942,136</u></u>	<u><u>5,200,396</u></u>
<b><u>Component Unit</u></b>					
Community development bonds	\$ 5,265,000	-	585,000	4,680,000	610,000
Premium on issuance of bonds	45,020	-	5,549	39,471	-
State Comptroller note	1,333,937	-	132,191	1,201,746	154,781
<b>Component unit total</b>	<u><u>\$ 6,643,957</u></u>	<u><u>-</u></u>	<u><u>722,740</u></u>	<u><u>5,921,217</u></u>	<u><u>764,781</u></u>

Employment related liabilities attributable to the governmental activities will be liquidated primarily by the General Fund. The governmental balance of the State Comptroller note includes a note payable of \$1,201,746 to repay sales tax revenues paid in error to the City in prior years and the final payment of a state energy conservation note totaling \$2,412. A summary of debt service requirements for the sales tax repayment note is shown on page 48.

3. DETAILED NOTES ON ALL FUNDS (continued)

G. Long-term Liabilities, (continued)

Governmental activities bonds payable at September 30, 2013, consisted of the following:

\$6,915,000 Series 2003 General Refunding Bonds due in annual installments of \$205,000 to \$210,000 through February 15, 2014; interest at 3.45% to 3.55%	\$ 205,000
\$6,590,000 Series 2004 General Obligation Bonds, due in annual installments of \$335,000 to \$355,000 through February 15, 2015; interest at 3.25% to 3.50%	700,000
\$34,965,000 Series 2005 General Obligation Refunding and Improvement Bonds due in annual installments of \$1,625,000 to \$2,845,000 through February 15, 2025; interest at 5.0%	2,845,000
\$2,770,000 Series 2005 Combination Tax and Revenue Certificates of Obligation due in annual installments of \$120,000 to \$160,000 through February 15, 2020; interest at 4.00% to 4.375%	995,000
\$1,535,000 Series 2006 Combination Tax and Revenue Certificates of Obligation due in annual installments of \$155,000 to \$180,000 through February 15, 2017; interest at 4.0%	685,000
\$20,355,000 Series 2006 General Obligation Refunding and Improvement Bonds due in annual installments of \$370,000 to \$2,180,000 through February 15, 2027; interest at 4.0% to 5.0%	15,760,000
\$3,430,000 Series 2006 General Obligation Tax Bonds due in annual installments of \$100,000 to \$115,000 through September 1, 2014; interest at 3.8% to 5.375%	115,000
\$8,715,000 Series 2007 General Obligation Bonds due in annual installments of \$345,000 to \$440,000 through February 15, 2018; interest at 4.25% to 5.25%	2,000,000
\$2,795,000 Series 2007 General Obligation Tax Bonds due in annual installments of \$65,000 to \$335,000 through September 1, 2027; interest at 4% to 4.2%	2,590,000
\$19,615,000 Series 2008 General Obligation Bonds due in annual installments of \$870,000 to \$1,655,000 through February 15, 2028; interest at 4.00% to 4.75%	18,525,000
\$3,010,000 Series 2008 General Obligation Tax Bonds due in annual installments of \$95,000 to \$210,000 through September 1, 2030; interest at 3.15% to 4.375%	2,510,000
\$43,905,000 Economic Development Tax & Revenue Certificates of Obligation, Series 2008 due in installments of \$1,030,000 to \$3,275,000 through August 15, 2033; interest at 4.64% to 6.31%	39,565,000
\$7,705,000 Series 2009 General Obligation Refunding due in annual installments of \$305,000 to \$875,000 through February 15, 2019; interest at 2.0% to 4.0%	435,000
\$11,985,000 Series 2009 General Obligation Bonds due in installments of \$530,000 to \$1,020,000 through February 15, 2029; interest at 2.5% to 5.0%	11,345,000
\$8,420,000 Series 2011 General Obligation Refunding & Improvement Bonds due in installments of \$215,000 to \$1,250,000 through February 15, 2031; interest at 2.0% to 4.0%	5,465,000
\$29,475,000 Series 2012 General Obligation Refunding & Improvement Bonds due in installments of \$175,000 to \$3,635,000 through February 15, 2032; interest at 2.0% to 5.0%	24,885,000
\$15,865,000 Series 2013 General Obligation Refunding Bonds due in installments of \$350,000 to \$2,970,000 through February 15, 2032; interest at 2.0% to 5.0%	15,865,000
<b>Total governmental activities</b>	<b>\$ 144,490,000</b>

**3. DETAILED NOTES ON ALL FUNDS, (continued)**  
**G. Long-term Liabilities, (continued)**

Business-type activities bonds payable at September 30, 2013, consisted of the following:

Water and Sewer activities

\$28,725,000 Series 2005 Utility System Revenue and Refunding Bonds due in annual installments of \$1,880,000 through August 15, 2014; interest at 5.0%	\$ 1,880,000
\$20,355,000 Series 2006 General Obligation Refunding and Improvement Bonds due in installments of \$365,000 to \$390,000 through February 15, 2014; interest at 4.0%	390,000
\$14,080,000 Series 2007 Utility System Revenue Refunding Bonds due in annual installments of \$660,000 to \$1,695,000 through February 15, 2022; interest at 4.0% to 5.0%	9,675,000
\$7,705,000 Series 2009 General Obligation Refunding due in annual installments of \$235,000 to \$795,000 through February 15, 2019; interest at 2.0% to 4.0%	2,115,000
\$23,195,000 Series 2009 Utility System Revenue Bonds due in installments of \$510,000 to \$2,085,000 through August 15, 2029; interest at 2.0% to 5.0%	22,185,000
\$8,420,000 Series 2011 General Obligation Refunding & Improvement Bonds due in installments of \$305,000 to \$310,000 through February 15, 2014; interest at 2.0%	310,000
\$29,475,000 Series 2012 General Obligation Refunding & Improvement Bonds due in installments of \$125,000 to \$870,000 through February 15, 2025; interest at 4.0% to 5.0%	4,280,000
\$14,915,000 Series 2013 Utility System Revenue Refunding Bonds due in installments of \$175,000 to \$2,865,000 through August 15, 2025; interest at .45% to 2.895%	14,740,000
Total Water and Sewer activities	<u>\$ 55,575,000</u>

Solid Waste activities

\$5,600,000 Series 2010 Combination Tax & Revenue Certificates of Obligation due in annual installments of \$145,000 to \$180,000 through February 15, 2020; interest at 2.0% to 3.0%	1,135,000
Total Business-type activities	<u>\$ 56,710,000</u>

Discretely presented component unit bonds payable at September 30, 2013, consisted of the following:

Component Unit debt

\$5,600,000 Series 2010 Combination Tax & Revenue Certificates of Obligation due in annual installments of \$380,000 to \$480,000 through February 15, 2020; interest at 2.0% to 3.0%	\$ 3,035,000
\$2,425,000 Series 2010 Senior Lien Sales Tax Revenue Refunding Bonds due in annual installments of \$215,000 to \$260,000 through August 15, 2020; interest at 3.0% to 3.375%	1,645,000
Total Component Unit activities	<u>\$ 4,680,000</u>

All bonded debt and certificates of obligation require semiannual payments of interest. The various bond ordinances provide the City with rights of redemption at par, plus accrued interest, at specified future dates.

3. DETAILED NOTES ON ALL FUNDS, (continued)  
G. Long-term Liabilities, (continued)

Annual debt service requirements for bonds outstanding are as follows:

September 30,	Governmental Activities		Business-type activities		Component Unit	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 8,260,000	6,347,738	5,190,000	2,035,896	610,000	125,148
2015	8,365,000	6,057,298	5,370,000	1,870,071	625,000	110,698
2016	8,875,000	5,789,300	5,490,000	1,734,420	650,000	95,113
2017	9,535,000	5,446,309	5,065,000	1,577,191	660,000	77,580
2018	9,870,000	5,066,873	5,215,000	1,426,121	685,000	58,641
2019-2023	44,540,000	19,509,593	18,340,000	4,718,532	1,450,000	54,175
2024-2028	37,105,000	10,053,272	9,955,000	1,961,246	-	-
2029-2033	17,940,000	3,027,789	2,085,000	104,250	-	-
	<u>\$ 144,490,000</u>	<u>61,298,172</u>	<u>56,710,000</u>	<u>15,427,727</u>	<u>4,680,000</u>	<u>521,355</u>

Annual debt service requirements for the sales tax repayment note payable are as follows:

September 30,	Governmental Activities	Component Unit	Total
	Principal	Principal	Principal
2014	\$ 154,781	154,781	309,562
2015	154,781	154,781	309,562
2016	154,781	154,781	309,562
2017	154,781	154,781	309,562
2018	154,781	154,781	309,562
2019-2021	427,841	427,841	855,682
	<u>\$ 1,201,746</u>	<u>1,201,746</u>	<u>2,403,492</u>

During the fiscal year, the City defeased certain certificates of obligation and revenue and general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On September 30, 2013, defeased bonds remaining unredeemed or unmatured are provided below:

Refunded Bonds	Escrow Maturity	Balance (1)
	General obligation bonds, Series 2004	02/15/14
General obligation refunding & improvement bonds, Series 2005	02/15/14	21,220,000
Combination Tax & Revenue Certificates of Obligation, Series 2005	02/15/15	545,000
General Obligation Refunding & Improvement Bonds, Series 2006	02/15/16	1,660,000
General Obligation Bonds, Series 2007	02/15/15	5,155,000
Utility System Revenue & Refunding Bonds, Series 2005	08/05/14	18,140,000
		<u>\$ 50,760,000</u>

(1) The balances shown have been escrowed to their respective call dates.

In May 2013, the City issued \$15,865,000 of general obligation refunding bonds for an advanced refunding of \$15,080,000 of general obligation bonds and \$14,915,000 of utility system revenue refunding bonds for an advanced refunding of \$13,725,000 of utility system revenue bonds. The reacquisition price exceeded the net carrying amount of the refunded debt by \$716,725 for the general obligation refunding bonds and by \$1,029,949 for the utility system revenue refunding bonds. The refundings were undertaken to reduce total future general obligation debt service payments by \$1,541,995 and future utility system debt service payments by \$1,510,639 and resulted in economic gains of \$1,713,070 and \$1,357,304, respectively.

**3. DETAILED NOTES ON ALL FUNDS, (continued)**

**G. Long-term Liabilities, (continued)**

Due to the requirements of the Tax Reform Act of 1986, the City contracts for the computations of arbitrage rebate requirements for the City's various bond issues. At September 30, 2013, there was not a liability for arbitrage rebate.

General obligation bonds authorized and unissued amounted to \$27,064,000 at September 30, 2013. The City is compliant with all bond ordinances. In addition, the City does not have any outstanding special assessment debt and is not obligated in any manner for special assessment debt.

**Pledged Revenues**

The net revenue of the Water and Sewer Fund and the Solid Waste Fund are pledged for the payment of interest and principal on the outstanding revenue bonds. Water and sewer bonds and solid waste bonds are payable through 2029 and 2020, respectively. The table below represents the pledged amounts at September 30, 2013:

	Gross Revenue (1)	Operating Expenses (2)	Net Revenue	Debt Service Requirement	Revenue Bond Coverage
Water and Sewer	\$ 28,196,601	16,349,924	11,846,677	7,048,161	168.08%
Solid Waste	3,338,590	3,259,261	79,329	177,735	44.63%

(1) Gross revenue includes revenues from operations and interest income.

(2) Excludes depreciation.

**H. Employees' Retirement System**

**Plan Description**

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

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

**3. DETAILED NOTES ON ALL FUNDS, (continued)**  
**H. Employees' Retirement System, (continued)**

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

	Plan Year 2012	Plan Year 2013
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility	age 60 with 5 yrs svc, or any age with 20 yrs svc	age 60 with 5 yrs svc, or any age with 20 yrs svc
Updated service credit	100% repeating, Transfers	100% repeating, Transfers
Annuity Increase (to retirees)	0% of CPI	0% of CPI

*CPI=Consumer Price Index*

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS. The report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at [www.TMRS.com](http://www.TMRS.com).

**Contributions**

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases. The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

The annual pension cost and net pension obligation are as follows:

	2011	2012	2013
Net Pension Obligation, beginning of year	\$ -	-	-
Annual Required Contribution	1,607,207	1,634,226	1,715,640
Contributions Made	1,607,207	1,634,226	1,715,640
Net Pension Obligation, end of year	\$ -	-	-

**3. DETAILED NOTES ON ALL FUNDS, (continued)**  
**H. Employees' Retirement System, (continued)**

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

Actuarial Valuation Date	12/31/2010- Restructured	12/31/2011	12/31/2012
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level percent of payroll, open	Level percent of payroll, open	Level percent of payroll, open
GASB 25 Equivalent Single Amortization Period	22.4 years; closed period	21.5 years; closed period	20.6 years; closed period
Remaining Amortization Period	25 years	25 years	25 years
Asset Valuation Method	10-yr Smoothed Mkt	10-yr Smoothed Mkt	10-yr Smoothed Mkt
Actuarial Assumptions: Investment Rate of Return *	7.0%	7.0%	7.0%
Projected Salary Increases *	Varies by age and service	Varies by age and service	Varies by age and service
* Includes Inflation at	3%	3%	3%
Cost-of-living Adjustments	0%	0%	0%

**Funded Status and Funding Progress**

In June 2011, SB 350 was enacted by the Texas Legislature, resulting in a restructure of the TMRS funds. For a complete description of the combined impact of the legislation and new actuarial assumptions, including the effects on TMRS city rates and funding ratios, please see the December 31, 2010 TMRS Comprehensive Annual Financial Report.

The funded status as of the last valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2012	\$ 37,353,292	\$ 41,396,318	90.2%	\$ 4,043,026	\$ 20,089,457	20.1%

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

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

**3. DETAILED NOTES ON ALL FUNDS, (continued)**

**I. Other Post Employment Benefits**

The City's post-retirement healthcare benefits plan is a single-employer defined-benefit plan. The benefits vary depending upon a retiree's years of service. On May 13, 2010, the City Council approved changes to the City's other post employment benefits (OPEB) plan. Benefits provided for employees who retired on or before September 30, 2010 or employees with 15 years of service, who were eligible for TMRS retirement on October 1, 2010 were unchanged. Benefits for these employees are as follows:

- The City pays 100% of premiums of health care coverage for employees who retired with 10 years of full-time service prior to April 1, 2004.
- For employees who retired after March 31, 2004 and employees with at least 15 years of service who were eligible for TMRS retirement as of October 1, 2010, the City pays the following percentages of scheduled insurance premiums:

Years of service	Percentage paid by the City
25+	75%
20-24	50%
15-19	25%
< 15	0%

Employees hired on or before June 1, 2010, who were not eligible to retire with at least 15 years of service as of October 1, 2010, will receive a subsidy of \$250 towards the full cost of medical insurance premiums upon retirement with 30 years of service. The subsidy amount will increase by 3% every year beginning October 1, 2011. Employees hired after June 1, 2010 may purchase medical insurance coverage at full cost upon retirement.

Upon reaching Medicare age, eligibility for medical insurance coverage will cease for all retiree groups. However, the City will provide access to Medicare supplemental coverage through the City's medical insurance provider.

**Funding Policy**

The contribution requirements of the employees/retirees and the City are established in the annual operating budget and may be amended in subsequent years. During 2013, the City contributed 100% of the premium for employees. Retiree premiums were funded as specified above. Employees and retirees contributed 100% of the premiums for dependents.

The employer contribution to the OPEB plan for 2013 totaled \$78,467. Premiums contributed for the City's cost of existing retirees' coverage was approximately .37% of gross payroll. There is no retiree contribution to the OPEB plan other than the retiree share of insurance premiums paid monthly which totaled \$26,326 in fiscal year 2013.

As of September 30, 2013, there were 6 retired employees receiving benefits from the plan. The City finances the plan on a pay-as-you-go basis.

**Annual OPEB Cost and Net OPEB Obligation**

The City's annual OPEB cost was calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over the actual amortization period. The ARC was calculated as part of the December 31, 2011 actuarial valuation performed by an outside actuary consultant.

**3. DETAILED NOTES ON ALL FUNDS, (continued)**  
**I. Other Post Employment Benefits, (continued)**

The following table shows components of the City's annual OPEB cost for the year and the amount actually contributed to the plan during the year:

	Governmental Activities	Business-type Activities	Total OPEB Plan
Annual required contribution (ARC)	\$ 82,822	15,939	98,761
Interest on net OPEB obligation	27,127	3,057	30,184
Adjustment to ARC	(45,365)	(5,113)	(50,478)
Annual OPEB Cost	64,584	13,883	78,467
Contributions made	(39,679)	(31,944)	(71,623)
Change in net OPEB obligation	24,905	(18,061)	6,844
Net obligation-beginning of year	602,817	67,940	670,757
Net obligation-end of year	\$ 627,722	49,879	677,601

**Trend Information for OPEB Plan**

Fiscal Year Ended September 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 78,467	91.28%	\$ 677,601
2012	75,735	93.66%	670,757
2011	68,402	100.22%	665,956

As of December 31, 2011, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability (AAL) for benefits was \$1,020,510 with no valued assets, resulting in an unfunded actuarial accrued liability (UAAL) of the same amount. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan, and the annual required contributions of the employer are subject to continual revision. Actual results are compared with past expectations and new estimates are made about the future.

The funded status as of the last valuation date is as follows:

Fiscal Year Ended September 30	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
2013	December 31, 2011	\$ -	\$ 1,020,510	\$ 1,020,510	0.0%	\$ 19,226,185	5.31%

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan and include benefits provided at the time of valuation and the historical pattern of sharing of benefit costs between the City and employees/retirees.

The Projected Unit Credit, Level Percent of Payroll cost method was used for the valuation. Because the City currently finances OPEB using a pay-as-you-go approach, the discount rate is based on the City's general assets (short term bonds and cash) that are expected to be used in financing the payment of benefits. The actuarial assumptions included a 4.5% investment rate of return, a 3% annual inflation rate and a health care trend inflation rate beginning at 8.5% in 2012 and dropping .5% annually to 4.5% in 2020 and after.

**3. DETAILED NOTES ON ALL FUNDS, (continued)**

**I. Other Post Employment Benefits, (continued)**

**Actuarial Methods and Assumptions, (continued)**

The amortization method for the plan is a level percentage of payroll with an open 15 year amortization. The expected long-term payroll growth rate was estimated at 3%, compounded annually.

The Net OPEB Obligation (NOO) as of September 30, 2013 is essentially the same as it was on September 30, 2012. This is due to the following factors:

- a. The ARC is based on plan changes which provide lower benefits for future employees, but the cash costs are based on the more expensive benefits the current retirees receive. Over time, the difference between the accrual and the cash costs will increase as the benefits in payment more closely match the benefits being earned.
- b. The City already has a considerable percentage of the accrued liability on its books. This acts to lower the City's GASB 45 cost because the calculation of the cost includes an ARC adjustment reflecting the portion of the liability which is already on the books.

The estimated employer contribution of \$71,623 for FY 2013 is based on not only the City's explicit cash costs but also the implicit rate subsidy for which the City should take credit.

**Supplemental Death Benefits**

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500.

**Contributions**

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years ended 2013, 2012 and 2011 were \$2,034, \$1,454 and \$0, respectively, which equaled the required contributions for each year.

**J. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and through the Texas Municipal league (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool ("Pool") is considered a self-sustaining risk pool that provides coverage for its members. The City's contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the City. The Pool's liability is limited to the coverage that the City elects as stated in the Pool's Declarations of Coverage for that fund year. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the City's financial statements. Settled claims have not exceeded insurance coverage limits for the past three years.

**3. DETAILED NOTES ON ALL FUNDS, (continued)**

**K. Commitments / Contingent Liabilities**

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

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**L. Deficits in Fund Balances**

At September 30, 2013, the Texas Capital Fund had a negative fund balance of \$1,104 due to the timing of revenues versus expenditures. Management intends to recover the deficit through future revenues.

**M. Subsequent Events**

In November 2013, the City issued \$9,055,000 of general obligation refunding bonds for a current refunding of \$2,590,000 and an advanced refunding of \$5,925,000 of general obligation bonds. The refunding was undertaken to reduce total future general obligation debt service payments by \$818,014 and resulted in an economic gain of \$665,373.

**N. Component Units**

Activity for the fiscal year ended September 30, 2013 for the Economic Development and Community Development Corporation's is summarized as follows:

	Community Development	Economic Development
<b>REVENUES</b>		
Sales tax	\$ 4,352,737	4,352,737
Interest earnings	3,739	1,543
<b>Total Revenues</b>	<u>4,356,476</u>	<u>4,354,280</u>
<b>EXPENDITURES</b>		
Community development programs	1,811,519	-
Economic development programs	-	661,734
Payments for/to Primary Government		
City support services	46,166	32,383
City sponsored debt	-	3,481,679
<b>Total Expenditures</b>	<u>1,857,685</u>	<u>4,175,796</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 2,498,791</u>	<u>178,484</u>

**Community Development Debt**

Revenue bonds payable for the Community Development Corporation totaled \$4,719,471 at year-end. The Community Development Corporation has pledged future sales tax revenues to service the debt. Bond ratings for the Community Development Corporation were "AA+" (Standard & Poor's) at September 30, 2013.

3. DETAILED NOTES ON ALL FUNDS, (continued)  
N. Component Units, (continued)

**Economic Development Corporation Revenues Pledged**

The Economic Development Corporation has pledged future sales tax revenues equal to the principal and interest due on certificates of obligation issued by the City, as they become due and payable. Proceeds from the bonds provided financing for the construction of the Cedar Park Center. The total principal and interest remaining at September 30, 2013 is \$69,634,658, payable over the next 20 years. The Economic Development Corporation made payments totaling \$3,481,679 to the primary government during the fiscal year to service this debt.

**Contingent Liabilities**

The City's Economic Development and Community Development Corporations have signed agreements with various entities for payment of incentive amounts to enhance the City's property and sales tax bases. Payments are contingent upon the entities meeting construction and employment goals.

	Maximum Commitment 9/30/2013
Community Development Corporation	
Pecan Grove-SPVEF, L.P.	\$ 406,891
Economic Development Corporation	
BMCW South Central, LP	53,300
BMC West Corporation	138,230
Corvalent	45,000
Richard Blount Investments	150,000
	\$ 793,421



**CEDAR**  

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**PARK**

**REQUIRED SUPPLEMENTARY INFORMATION**



**General Fund**  
**Schedule Of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget And Actual**  
**For the Year Ended September 30, 2013**

City of Cedar Park, Texas

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance (1) Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes and penalties				
Current ad valorem	\$ 11,754,464	11,754,464	12,089,466	335,002
Delinquent ad valorem	131,466	131,466	139,985	8,519
Franchise	3,416,255	3,416,255	3,829,376	413,121
Sales	7,685,119	8,299,999	8,699,339	399,340
Beverage	65,723	65,723	117,883	52,160
Total taxes and penalties	<u>23,053,027</u>	<u>23,667,907</u>	<u>24,876,049</u>	<u>1,208,142</u>
Licenses and permits				
Building permits	1,119,596	1,211,213	1,351,403	140,190
Planning and zoning	82,091	82,091	198,085	115,994
Engineering review	31,772	31,772	43,020	11,248
Professional fee recovery	23,118	23,118	33,425	10,307
Construction inspection fees	106,724	166,724	287,222	120,498
Total licenses and permits	<u>1,363,301</u>	<u>1,514,918</u>	<u>1,913,155</u>	<u>398,237</u>
Fines and forfeitures				
Traffic violations	925,000	925,000	929,461	4,461
Municipal court security fees	4,222	4,222	3,840	(382)
Total fines and forfeitures	<u>929,222</u>	<u>929,222</u>	<u>933,301</u>	<u>4,079</u>
Charges for services				
Fire protection fees	1,122,347	1,122,347	1,378,531	256,184
Parks and recreation fees	975,000	975,000	1,209,469	234,469
Library fines	100,000	100,000	108,685	8,685
Animal control fees	8,839	8,839	9,270	431
Police services	352,644	352,644	415,471	62,827
Administrative fees	613,422	613,422	544,988	(68,434)
Total charges for services	<u>3,172,252</u>	<u>3,172,252</u>	<u>3,666,414</u>	<u>494,162</u>
Interest earnings	<u>55,000</u>	<u>55,000</u>	<u>120,805</u>	<u>65,805</u>
Miscellaneous				
Other	116,262	116,262	428,745	312,483
Fire protection - insurance recovery	83,300	83,300	81,927	(1,373)
Total miscellaneous	<u>199,562</u>	<u>199,562</u>	<u>510,672</u>	<u>311,110</u>
<b>Total Revenues</b>	<u>\$ 28,772,364</u>	<u>29,538,861</u>	<u>32,020,396</u>	<u>2,481,535</u>

(1) Variance is actual to final budget.

(Continued)

**General Fund**  
**Schedule Of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget And Actual**  
**For the Year Ended September 30, 2013**

**City Of Cedar Park, Texas**  
**(Continued)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance (1) Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
General Administration				
Personnel services	\$ (127,025)	(127,025)	18,942	(145,967)
Supplies and materials	21,500	21,500	16,714	4,786
Maintenance and repairs	45,725	45,725	72,934	(27,209)
Services and charges	770,107	770,107	747,806	22,301
Loan payments	14,298	14,298	134,298	(120,000)
Total General Administration	<u>724,605</u>	<u>724,605</u>	<u>990,694</u>	<u>(266,089)</u>
Mayor and City Council				
Supplies and materials	3,000	3,000	4,162	(1,162)
Services and charges	50,745	50,745	49,255	1,490
Total Mayor and City Council	<u>53,745</u>	<u>53,745</u>	<u>53,417</u>	<u>328</u>
City Manager				
Personnel services	470,921	470,921	466,124	4,797
Supplies and materials	1,800	1,800	1,833	(33)
Services and charges	38,731	38,731	34,916	3,815
Total City Manager	<u>511,452</u>	<u>511,452</u>	<u>502,873</u>	<u>8,579</u>
City Attorney				
Personnel services	391,920	391,920	416,689	(24,769)
Supplies and materials	2,500	2,500	2,553	(53)
Services and charges	118,405	198,405	171,691	26,714
Total City Attorney	<u>512,825</u>	<u>592,825</u>	<u>590,933</u>	<u>1,892</u>
City Secretary				
Personnel services	77,238	77,238	77,011	227
Supplies and materials	500	4,500	4,877	(377)
Services and charges	67,671	63,671	11,456	52,215
Total City Secretary	<u>145,409</u>	<u>145,409</u>	<u>93,344</u>	<u>52,065</u>
Finance				
Personnel services	585,523	585,523	518,757	66,766
Supplies and materials	3,250	3,250	6,653	(3,403)
Services and charges	225,782	225,782	224,138	1,644
Total Finance	<u>814,555</u>	<u>814,555</u>	<u>749,548</u>	<u>65,007</u>
Information Technology				
Personnel services	444,826	444,826	419,628	25,198
Supplies and materials	12,200	12,200	6,611	5,589
Maintenance and repairs	19,800	19,800	13,437	6,363
Services and charges	567,339	567,339	486,808	80,531
Total Information Technology	<u>\$ 1,044,165</u>	<u>1,044,165</u>	<u>926,484</u>	<u>117,681</u>

(1) Variance is actual to final budget.

(Continued)

**General Fund**  
**Schedule Of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget And Actual**  
**For the Year Ended September 30, 2013**

**City Of Cedar Park, Texas**  
**(Continued)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance (1) Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>EXPENDITURES (Continued)</b>				
<b>GENERAL GOVERNMENT (Continued)</b>				
Human Resources				
Personnel services	\$ 365,130	365,130	347,544	17,586
Supplies and materials	5,250	5,250	6,317	(1,067)
Services and charges	150,619	150,619	159,159	(8,540)
Total Human Resources	520,999	520,999	513,020	7,979
Public Information				
Personnel services	154,209	154,209	148,904	5,305
Supplies and materials	(4,520)	(4,520)	3,185	(7,705)
Services and charges	70,500	70,500	49,050	21,450
Total Public Information	220,189	220,189	201,139	19,050
Economic Development				
Personnel services	226,629	226,629	222,621	4,008
Supplies and materials	1,800	1,800	214	1,586
Services and charges	1,024,355	1,024,355	1,001,786	22,569
Total Economic Development	1,252,784	1,252,784	1,224,621	28,163
Public Works				
Personnel services	659,777	659,777	653,685	6,092
Supplies and materials	7,500	7,500	4,768	2,732
Maintenance and repairs	700	700	336	364
Services and charges	220,891	280,891	288,449	(7,558)
Total Public Works	888,868	948,868	947,238	1,630
Planning and Transportation				
Personnel services	470,807	470,807	405,745	65,062
Supplies and materials	10,200	10,200	9,850	350
Maintenance and repairs	1,600	1,600	270	1,330
Services and charges	198,131	198,131	181,070	17,061
Total Planning and Transportation	680,738	680,738	596,935	83,803
Maintenance				
Personnel services	351,273	351,273	338,846	12,427
Supplies and materials	20,950	20,950	25,249	(4,299)
Maintenance and repairs	28,500	28,500	23,343	5,157
Services and charges	35,788	35,788	35,865	(77)
Capital outlay	21,000	21,000	23,234	(2,234)
Total Maintenance	457,511	457,511	446,537	10,974
Tourism				
Personnel services	80,599	80,599	81,759	(1,160)
Supplies and materials	1,000	1,000	781	219
Maintenance and repairs	1,205	1,205	365	840
Services and charges	14,320	14,320	6,471	7,849
Total Tourism	97,124	97,124	89,376	7,748
<b>Total General Government</b>	<b>\$ 7,924,969</b>	<b>8,064,969</b>	<b>7,926,159</b>	<b>138,810</b>

(1) Variance is actual to final budget.

(Continued)

**General Fund**  
**Schedule Of Revenues, Expenditures and Changes in**  
**Fund Balances - Budget And Actual**  
**For the Year Ended September 30, 2013**

**City Of Cedar Park, Texas**  
**(Continued)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance (1) Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>EXPENDITURES (Continued)</b>				
<b>PUBLIC SAFETY</b>				
Municipal Court				
Personnel services	\$ 423,341	423,341	410,408	12,933
Supplies and materials	4,100	4,100	3,321	779
Maintenance and repairs	6,200	6,200	7,425	(1,225)
Services and charges	86,395	86,395	71,378	15,017
Total Municipal Court	520,036	520,036	492,532	27,504
Police				
Personnel services	7,349,885	7,349,885	7,140,727	209,158
Supplies and materials	441,332	441,334	471,090	(29,756)
Maintenance and repairs	112,700	112,700	133,737	(21,037)
Services and charges	1,213,864	1,213,862	1,288,419	(74,557)
Capital outlay	369,266	369,266	384,871	(15,605)
Total Police	9,487,047	9,487,047	9,418,844	68,203
Animal Control				
Personnel services	168,422	168,422	141,473	26,949
Supplies and materials	14,916	14,916	17,044	(2,128)
Maintenance and repairs	6,100	6,100	4,399	1,701
Services and charges	159,623	159,623	140,713	18,910
Capital outlay	33,000	33,000	27,853	5,147
Total Animal Control	382,061	382,061	331,482	50,579
Building Inspection				
Personnel services	565,247	565,247	544,228	21,019
Supplies and materials	17,315	17,315	16,144	1,171
Maintenance and repairs	4,460	4,460	2,195	2,265
Services and charges	44,735	44,735	64,097	(19,362)
Total Building Inspection	631,757	631,757	626,664	5,093
Fire				
Personnel services	5,440,546	5,505,241	5,408,687	96,554
Supplies and materials	169,558	177,607	159,600	18,007
Maintenance and repairs	322,487	326,887	330,859	(3,972)
Services and charges	886,674	1,099,530	1,088,977	10,553
Capital outlay	-	35,000	42,550	(7,550)
Total Fire	6,819,265	7,144,265	7,030,673	113,592
Code Enforcement				
Personnel services	144,342	144,342	128,848	15,494
Supplies and materials	8,360	8,360	3,782	4,578
Maintenance and repairs	2,600	2,600	1,190	1,410
Services and charges	25,614	25,614	21,503	4,111
Total Code Enforcement	\$ 180,916	180,916	155,323	25,593

(1) Variance is actual to final budget.

(Continued)

General Fund  
Schedule Of Revenues, Expenditures and Changes in  
Fund Balances - Budget And Actual  
For the Year Ended September 30, 2013

City Of Cedar Park, Texas  
(Continued)

	Budgeted Amounts		Actual	Variance (1) Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Emergency Management				
Personnel services	\$ 77,480	77,480	84,730	(7,250)
Supplies and materials	7,500	7,500	5,592	1,908
Maintenance and repairs	500	625	1,308	(683)
Services and charges	47,130	47,005	40,803	6,202
Total Emergency Management	132,610	132,610	132,433	177
<b>Total Public Safety</b>	<b>18,153,692</b>	<b>18,478,692</b>	<b>18,187,951</b>	<b>290,741</b>
<b>CULTURE AND RECREATION</b>				
Parks and Recreation				
Personnel services	1,875,280	1,875,280	1,722,759	152,521
Supplies and materials	186,685	186,685	178,540	8,145
Maintenance and repairs	172,873	172,873	210,717	(37,844)
Services and charges	778,321	778,321	705,540	72,781
Capital outlay	1,500	62,000	59,302	2,698
Total Parks and Recreation	3,014,659	3,075,159	2,876,858	198,301
Library				
Personnel services	826,074	816,787	779,447	37,340
Supplies and materials	22,612	22,612	25,604	(2,992)
Maintenance and repairs	37,300	37,300	40,633	(3,333)
Services and charges	247,469	247,469	249,809	(2,340)
Total Library	1,133,455	1,124,168	1,095,493	28,675
<b>Total Culture and Recreation</b>	<b>\$ 4,148,114</b>	<b>4,199,327</b>	<b>3,972,351</b>	<b>226,976</b>

(1) Variance is actual to final budget.

General Fund  
Schedule Of Revenues, Expenditures and Changes in  
Fund Balances - Budget And Actual  
For the Year Ended September 30, 2013

City Of Cedar Park, Texas  
(Continued)

	Budgeted Amounts		Actual	Variance (1) Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
<b>STREETS AND LIGHTING</b>				
Streets and Lighting				
Personnel services	\$ 994,142	994,142	933,390	60,752
Supplies and materials	579,472	579,472	585,136	(5,664)
Maintenance and repairs	266,081	266,081	305,700	(39,619)
Services and charges	755,795	755,795	749,749	6,046
Capital outlay	18,000	18,000	22,652	(4,652)
<b>Total Streets and Lighting</b>	<u>2,613,490</u>	<u>2,613,490</u>	<u>2,596,627</u>	<u>16,863</u>
<b>TOTAL EXPENDITURES</b>	<u>32,840,265</u>	<u>33,356,478</u>	<u>32,683,088</u>	<u>673,390</u>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<u>(4,067,901)</u>	<u>(3,817,617)</u>	<u>(662,692)</u>	<u>3,154,925</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	3,193,459	3,193,459	2,915,372	(278,087)
Transfers out	(800,000)	(1,421,632)	(1,565,001)	(143,369)
<b>Total other financing sources</b>	<u>2,393,459</u>	<u>1,771,827</u>	<u>1,350,371</u>	<u>(421,456)</u>
<b>Excess (Deficiency) Of Revenues and other sources over expenditures</b>	<u>(1,674,442)</u>	<u>(2,045,790)</u>	<u>687,679</u>	<u>2,733,469</u>
<b>Fund balance, beginning of year</b>	<u>13,187,783</u>	<u>14,978,766</u>	<u>14,978,766</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 11,513,341</u>	<u>12,932,976</u>	<u>15,666,445</u>	<u>2,733,469</u>

(1) Variance is actual to final budget.

**Retirement Plans-Trend Information**

Trend information pertaining to the latest actuarial valuation for the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2012	\$ 37,353,292	\$ 41,396,318	90.2%	\$ 4,043,026	\$ 20,089,457	20.1%
12/31/2011	33,019,915	38,159,600	86.5%	5,139,685	19,226,185	26.7%
12/31/2010	28,841,245	34,515,204	83.6%	5,673,959	18,123,061	31.3%

Additional information for the plan can be found in Footnote 3-H (page 47).

**Other Post Employment Benefits-Trend Information**

Under GAAP, the City is required to have an actuarial valuation of its other post employment benefits program every other year. The Schedule of Funding Progress for other post employment benefits is as follows:

Fiscal Year Ended September 30	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
2012	December 31, 2011	\$ -	\$ 1,020,510	\$ 1,020,510	0.0%	\$ 19,226,185	5.31%
2010	December 31, 2009	-	926,427	926,427	0.0%	18,123,061	5.11%

2009 was the first year the City was required to implement GASB Statement No. 45 and the requirements have been implemented prospectively; therefore, the illustration does not reflect similar information for the preceding years. Additional information for the plan can be found in Footnote 3-I (page 50).



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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

## NONMAJOR GOVERNMENTAL FUNDS

**Special Revenue Funds** are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

***Occupancy Tax*** – to account for the receipt and expenditure of funds received by the City from the assessment of hotel and motel occupancy tax.

***Capital Metro Transit*** – to account for the receipt and expenditure of funds received from the Capital Metropolitan Authority, which are to be used for improvements to facilities.

***Law Enforcement*** – to account for the receipt and expenditure of seized and donated funds to be used exclusively for law enforcement purposes.

***Texas Capital*** – to account for economic development grants through the Texas Department of Commerce Texas Capital Funds program and business contributions to build facilities or infrastructure for businesses located in the Cedar Park area.

***Restricted Grant*** – to account for all grants awarded to the City, and to account for any other funds donated to the City for a restricted purpose.

***Cable*** – to account for franchise fees restricted for Public, Educational, and Governmental (PEG) channel activities including broadcasting services, audio-visual improvements, and programming.

***Tax Increment Reinvestment Zone No. 1*** – to account for activities within the zone that was established by ordinance in 2001. Financing is provided by a portion of the City's ad valorem taxes constituting its tax increment.

***Tax Increment Reinvestment Zone No. 2*** – to account for activities within the zone that was established by ordinance in 2013. Financing is provided by a portion of the City's ad valorem taxes and sales taxes constituting its tax increment.

## NONMAJOR GOVERNMENTAL FUNDS

**Capital Projects Funds** are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

**Parks and Recreation** – to account for all activities necessary for the acquisition and development of land for public parks and facilities. Financing is provided by general government resources and bond proceeds.

**Building and Facilities** – to account for all activities necessary for the construction or improvement of City buildings. Financing is provided by general government resources and bond proceeds.

**2005 Certificate of Obligation Bonds** – to account for the bond proceeds restricted for construction of drainage improvement projects within the City, for the purchase of a city-wide phone system and to construct, improve and equip City fire-fighting facilities. As the projects progress in the construction funds, transfers from this bond fund reimburse them.

**2006 General Obligation Bonds** – to account for the bond proceeds restricted for improvement, construction and extension of City streets, bridges and intersections. As the projects progress in the Streets and Lighting Fund, transfers from this fund will reimburse them.

**2006 Certificate of Obligation Bonds** – to account for the bond proceeds restricted for improvement, construction and extension of City streets, bridges and intersections. As the projects progress in the construction fund, transfers from this fund will reimburse them.

**2007 General Obligation Bonds** – to account for the bond proceeds restricted for improvements to and construction of City streets, bridges and intersections, and City parks and recreational facilities. As the projects progress in the construction fund, transfers from this fund will reimburse them.

**2008 General Obligation Bonds** – to account for the bond proceeds restricted for improvements to and construction of City streets, bridges and intersections, City parks and recreational facilities, and for public safety facilities. As the projects progress in the construction fund, transfers from this fund will reimburse them.

**2008 Certificates of Obligation** – to account for bond proceeds restricted to construction of the Cedar Park Events Center. As the project progresses in the construction fund, transfers from this bond fund reimburse them.

**2009 General Obligation Bonds** – to account for the bond proceeds restricted for improvements to and construction of City streets, bridges and intersections, City parks and recreational facilities, and for public safety facilities. As the projects progress in the construction fund, transfers from this fund will reimburse them.

**2011 General Obligation Bonds** – to account for the bond proceeds restricted for improvement, construction and extension of City streets, bridges and intersections. As the projects progress in the construction fund, transfers from this fund will reimburse them.

**2012 General Obligation Bonds** – to account for the bond proceeds restricted for improvement, construction and extension of City streets, bridges and intersections. As the projects progress in the construction fund, transfers from this fund will reimburse them.

## INTERNAL SERVICE FUNDS

**Internal Service Funds** are used to account for the financing of goods or services provided by one department to other City departments or to other governmental units on a cost-reimbursement basis.

***Employee Benefits Fund*** – to account for activities related to the health, dental, and life insurance costs of City employees and their beneficiaries.

***Vehicle & Equipment Services Fund*** – to account for maintenance and replacement costs of City-owned vehicles and heavy equipment.

## DISCRETELY PRESENTED COMPONENT UNITS

**Special Revenue Funds** are used to account for specific revenue that is legally restricted to expenditures for particular purposes.

***Community Development Corporation*** – to account for the receipt and expenditure of funds received by the Corporation for community development.

***Economic Development Corporation*** – to account for the receipt and expenditure of funds received by the Corporation for economic development.





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**Nonmajor Governmental Funds  
Combining Balance Sheet  
September 30, 2013**

**City of Cedar Park, Texas**

	Special Revenue	Capital Projects	Totals
<b>ASSETS</b>			
Cash and investments	\$ 3,728,599	11,779,073	15,507,672
Other receivable	161,131	-	161,131
Prepaid items	1,286	-	1,286
Total assets	<u>3,891,016</u>	<u>11,779,073</u>	<u>15,670,089</u>
<b>LIABILITIES</b>			
Accounts payable	37,781	26,884	64,665
Accrued liabilities	581	-	581
Due to other funds	20,104	-	20,104
Other liabilities	-	50,961	50,961
Total liabilities	<u>58,466</u>	<u>77,845</u>	<u>136,311</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories and prepaid items	1,286	-	1,286
Restricted			
Enabling legislation	1,322,859	-	1,322,859
General government	2,167,822	-	2,167,822
Public safety	341,687	-	341,687
Capital projects	-	11,701,228	11,701,228
Committed			
Unassigned	(1,104)	-	(1,104)
Total fund balances	<u>3,832,550</u>	<u>11,701,228</u>	<u>15,533,778</u>
Total liabilities and fund balance	<u>\$ 3,891,016</u>	<u>11,779,073</u>	<u>15,670,089</u>

**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the Year Ended September 30, 2013**

City of Cedar Park, Texas

	Special Revenue	Capital Projects	Totals
<b>REVENUES</b>			
Taxes	\$ 1,076,529	-	1,076,529
Intergovernmental	158,775	-	158,775
Interest earnings	790	4,460	5,250
Contributions	-	300,000	300,000
Other	1,317,024	6,901	1,323,925
<b>Total revenues</b>	<u>2,553,118</u>	<u>311,361</u>	<u>2,864,479</u>
<b>EXPENDITURES</b>			
Current:			
General government	121,435	-	121,435
Public safety	199,662	-	199,662
Cultural and recreational	89,195	-	89,195
Economic development	901,119	-	901,119
Capital outlay	43,605	1,051,630	1,095,235
<b>Total expenditures</b>	<u>1,355,016</u>	<u>1,051,630</u>	<u>2,406,646</u>
<b>Excess (Deficiency) Of Revenues</b>			
<b>Over (Under) Expenditures</b>	<u>1,198,102</u>	<u>(740,269)</u>	<u>457,833</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	648,301	648,301
Transfers out	(68,500)	(3,252,588)	(3,321,088)
<b>Total other financing (uses)</b>	<u>(68,500)</u>	<u>(2,604,287)</u>	<u>(2,672,787)</u>
<b>Net Change In Fund Balances</b>	1,129,602	(3,344,556)	(2,214,954)
<b>Fund Balances, Beginning</b>	<u>2,702,948</u>	<u>15,045,784</u>	<u>17,748,732</u>
<b>Fund Balances, End of Year</b>	<u>\$ 3,832,550</u>	<u>11,701,228</u>	<u>15,533,778</u>

**Nonmajor Governmental Funds-Special Revenue Funds**  
**Combining Balance Sheet**  
**September 30, 2013**

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	Occupancy Tax	Capital Metro Transit	Law Enforcement	Texas Capital
<b>ASSETS</b>				
Cash and investments	\$ 977,492	42,657	62,418	-
Other receivable	105,805	-	-	-
Prepaid expenditures	375	-	-	-
Total assets	<u>1,083,672</u>	<u>42,657</u>	<u>62,418</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	6,503	-	575	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	1,104
Total liabilities	<u>6,503</u>	<u>-</u>	<u>575</u>	<u>1,104</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	375	-	-	-
Restricted				
Enabling legislation	1,076,794	-	61,843	-
General government	-	42,657	-	-
Public safety	-	-	-	-
Unassigned	-	-	-	(1,104)
Total fund balances	<u>1,077,169</u>	<u>42,657</u>	<u>61,843</u>	<u>(1,104)</u>
Total liabilities and fund balance	<u>\$ 1,083,672</u>	<u>42,657</u>	<u>62,418</u>	<u>-</u>

	Restricted Grant	Cable	Tax Increment Reinvestment Zone 1	Tax Increment Reinvestment Zone 2	Totals
<b>ASSETS</b>					
Cash and investments	\$ 951,740	201,930	392,362	1,100,000	3,728,599
Other receivable	55,326	-	-	-	161,131
Prepaid expenditures	911	-	-	-	1,286
Total assets	<u>1,007,977</u>	<u>201,930</u>	<u>392,362</u>	<u>1,100,000</u>	<u>3,891,016</u>
<b>LIABILITIES</b>					
Accounts payable	12,995	17,708	-	-	37,781
Accrued liabilities	581	-	-	-	581
Due to other funds	19,000	-	-	-	20,104
Total liabilities	<u>32,576</u>	<u>17,708</u>	<u>-</u>	<u>-</u>	<u>58,466</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	911	-	-	-	1,286
Restricted					
Enabling legislation	-	184,222	-	-	1,322,859
General government	632,803	-	392,362	1,100,000	2,167,822
Public safety	341,687	-	-	-	341,687
Unassigned	-	-	-	-	(1,104)
Total fund balances	<u>975,401</u>	<u>184,222</u>	<u>392,362</u>	<u>1,100,000</u>	<u>3,832,550</u>
Total liabilities and fund balance	<u>\$ 1,007,977</u>	<u>201,930</u>	<u>392,362</u>	<u>1,100,000</u>	<u>3,891,016</u>

**Nonmajor Governmental Funds-Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the Year Ended September 30, 2013**

	Occupancy Tax	Capital Metro Transit	Law Enforcement	Texas Capital
<b>REVENUES</b>				
Taxes	\$ 525,260	-	-	-
Intergovernmental	-	-	-	-
Interest earnings	263	13	22	-
Other	-	-	17,852	1,110
<b>Total revenues</b>	<u>525,523</u>	<u>13</u>	<u>17,874</u>	<u>1,110</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	32,635	1,110
Cultural and recreational	-	-	-	-
Economic development	357,241	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>357,241</u>	<u>-</u>	<u>32,635</u>	<u>1,110</u>
<b>Excess (Deficiency) Of Revenues Over (Under) Expenditures</b>	168,282	13	(14,761)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	-	-
<b>Total other financing (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change In Fund Balances</b>	<u>168,282</u>	<u>13</u>	<u>(14,761)</u>	<u>-</u>
<b>Fund Balances, Beginning</b>	908,887	42,644	76,604	(1,104)
<b>Fund Balances, Ending</b>	<u>\$ 1,077,169</u>	<u>42,657</u>	<u>61,843</u>	<u>(1,104)</u>

	Restricted Grant	Cable	Tax Increment Reinvestment Zone 1	Tax Increment Reinvestment Zone 2	Totals
<b>REVENUES</b>					
Taxes	\$ -	110,403	440,866	-	1,076,529
Intergovernmental	158,775	-	-	-	158,775
Interest earnings	319	46	127	-	790
Other	198,062	-	-	1,100,000	1,317,024
<b>Total revenues</b>	<b>357,156</b>	<b>110,449</b>	<b>440,993</b>	<b>1,100,000</b>	<b>2,553,118</b>
<b>EXPENDITURES</b>					
Current:					
General government	45,981	75,454	-	-	121,435
Public safety	165,917	-	-	-	199,662
Cultural and recreational	89,195	-	-	-	89,195
Economic development	11,286	-	532,592	-	901,119
Capital outlay	38,275	5,330	-	-	43,605
<b>Total expenditures</b>	<b>350,654</b>	<b>80,784</b>	<b>532,592</b>	<b>-</b>	<b>1,355,016</b>
<b>Excess (Deficiency) Of Revenues Over (Under) Expenditures</b>	<b>6,502</b>	<b>29,665</b>	<b>(91,599)</b>	<b>1,100,000</b>	<b>1,198,102</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(68,500)	-	-	-	(68,500)
<b>Total other financing (uses)</b>	<b>(68,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(68,500)</b>
<b>Net Change In Fund Balances</b>	<b>(61,998)</b>	<b>29,665</b>	<b>(91,599)</b>	<b>1,100,000</b>	<b>1,129,602</b>
<b>Fund Balances, Beginning</b>	<b>1,037,399</b>	<b>154,557</b>	<b>483,961</b>	<b>-</b>	<b>2,702,948</b>
<b>Fund Balances, Ending</b>	<b>\$ 975,401</b>	<b>184,222</b>	<b>392,362</b>	<b>1,100,000</b>	<b>3,832,550</b>

**Nonmajor Governmental Funds-Capital Projects Funds**  
**Combining Balance Sheet**  
**September 30, 2013**

	Parks and Recreation	Building & Facilities	2005 Certificate of Obligation Bonds	2006 General Obligation Bonds	2006 Certificate of Obligation Bonds	2007 General Obligation Bonds
<b>ASSETS</b>						
Cash and investments	\$ 1,582,359	1,134,969	58,580	346,430	33,756	872,777
<b>Total assets</b>	<u>1,582,359</u>	<u>1,134,969</u>	<u>58,580</u>	<u>346,430</u>	<u>33,756</u>	<u>872,777</u>
<b>LIABILITIES</b>						
Accounts payable	-	26,884	-	-	-	-
Other liabilities	50,961	-	-	-	-	-
<b>Total liabilities</b>	<u>50,961</u>	<u>26,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
Restricted	1,531,398	1,108,085	58,580	346,430	33,756	872,777
<b>Total fund balances</b>	<u>1,531,398</u>	<u>1,108,085</u>	<u>58,580</u>	<u>346,430</u>	<u>33,756</u>	<u>872,777</u>
<b>Total other financing sources (use)</b>	<u>\$ 1,582,359</u>	<u>1,134,969</u>	<u>58,580</u>	<u>346,430</u>	<u>33,756</u>	<u>872,777</u>

	2008 General Obligation Bonds	2008 Certificate of Obligation Bonds	2009 General Obligation Bonds	2011 General Obligation Bonds	2012 General Obligation Bonds	Totals
<b>ASSETS</b>						
Cash and investments	\$ 2,793,956	218,260	2,945,559	60,858	1,731,569	11,779,073
<b>Total assets</b>	<u>2,793,956</u>	<u>218,260</u>	<u>2,945,559</u>	<u>60,858</u>	<u>1,731,569</u>	<u>11,779,073</u>
<b>LIABILITIES</b>						
Accounts payable	-	-	-	-	-	26,884
Other liabilities	-	-	-	-	-	50,961
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,845</u>
<b>FUND BALANCES</b>						
Restricted	2,793,956	218,260	2,945,559	60,858	1,731,569	11,701,228
Total fund balances	<u>2,793,956</u>	<u>218,260</u>	<u>2,945,559</u>	<u>60,858</u>	<u>1,731,569</u>	<u>11,701,228</u>
<b>Total liabilities and fund balance</b>	<u>\$ 2,793,956</u>	<u>218,260</u>	<u>2,945,559</u>	<u>60,858</u>	<u>1,731,569</u>	<u>11,779,073</u>

**Nonmajor Governmental Funds-Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended September 30, 2013**

	<u>Parks and Recreation</u>	<u>Buildings &amp; Facilities</u>	<u>2005 Certificate of Obligation Bonds</u>	<u>2006 General Obligation Bonds</u>	<u>2006 Certificate of Obligation Bonds</u>	<u>2007 General Obligation Bonds</u>
<b>REVENUES</b>						
Interest earnings	\$ 439	342	28	105	11	643
Contributions	300,000	-	-	-	-	-
Other	6,901	-	-	-	-	-
<b>Total revenues</b>	<u>307,340</u>	<u>342</u>	<u>28</u>	<u>105</u>	<u>11</u>	<u>643</u>
<b>EXPENDITURES</b>						
Capital outlay	320,356	731,274	-	-	-	-
<b>Total expenditures</b>	<u>320,356</u>	<u>731,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) Of Revenues Over (Under) Expenditures</b>	<u>(13,016)</u>	<u>(730,932)</u>	<u>28</u>	<u>105</u>	<u>11</u>	<u>643</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	126,499	521,802	-	-	-	-
Transfers out	-	-	(34,322)	-	-	(1,247,329)
<b>Total other financing sources (uses)</b>	<u>126,499</u>	<u>521,802</u>	<u>(34,322)</u>	<u>-</u>	<u>-</u>	<u>(1,247,329)</u>
<b>Net Change In Fund Balances</b>	<u>113,483</u>	<u>(209,130)</u>	<u>(34,294)</u>	<u>105</u>	<u>11</u>	<u>(1,246,686)</u>
<b>Fund Balances, Beginning</b>	<u>1,417,915</u>	<u>1,317,215</u>	<u>92,874</u>	<u>346,325</u>	<u>33,745</u>	<u>2,119,463</u>
<b>Fund Balances, Ending</b>	<u>\$ 1,531,398</u>	<u>1,108,085</u>	<u>58,580</u>	<u>346,430</u>	<u>33,756</u>	<u>872,777</u>

	2008 General Obligation Bonds	2008 Certificate of Obligation Bonds	2009 General Obligation Bonds	2011 General Obligation Bonds	2012 General Obligation Bonds	Totals
<b>REVENUES</b>						
Interest earnings	\$ 847	66	1,160	19	800	4,460
Contributions	-	-	-	-	-	300,000
Other	-	-	-	-	-	6,901
Total revenues	<u>847</u>	<u>66</u>	<u>1,160</u>	<u>19</u>	<u>800</u>	<u>311,361</u>
<b>EXPENDITURES</b>						
Capital Outlay	-	-	-	-	-	1,051,630
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,051,630</u>
<b>Excess (Deficiency) Of Revenues Over (Under) Expenditures</b>	<u>847</u>	<u>66</u>	<u>1,160</u>	<u>19</u>	<u>800</u>	<u>(740,269)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	648,301
Transfers out	-	-	(970,937)	-	(1,000,000)	(3,252,588)
Total other financing (uses)	<u>-</u>	<u>-</u>	<u>(970,937)</u>	<u>-</u>	<u>(1,000,000)</u>	<u>(2,604,287)</u>
<b>Net Change In Fund Balances</b>	<u>847</u>	<u>66</u>	<u>(969,777)</u>	<u>19</u>	<u>(999,200)</u>	<u>(3,344,556)</u>
<b>Fund Balances, Beginning</b>	<u>2,793,109</u>	<u>218,194</u>	<u>3,915,336</u>	<u>60,839</u>	<u>2,730,769</u>	<u>15,045,784</u>
<b>Fund Balances, Ending</b>	<u>\$ 2,793,956</u>	<u>218,260</u>	<u>2,945,559</u>	<u>60,858</u>	<u>1,731,569</u>	<u>11,701,228</u>

**Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended September 30, 2013**

**City of Cedar Park, Texas**

	Budgeted Amounts			Variance (1) Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes and penalties	\$ 10,738,789	10,738,789	11,158,862	420,073
Interest earnings	15,000	15,000	2,183	(12,817)
Contributions	3,743,779	3,743,779	3,481,679	(262,100)
<b>Total revenues</b>	<b>14,497,568</b>	<b>14,497,568</b>	<b>14,642,724</b>	<b>145,156</b>
<b>EXPENDITURES</b>				
Debt service:				
Principal	7,426,396	7,426,396	7,300,000	126,396
Interest and fiscal charges	7,019,672	7,019,672	6,862,681	156,991
Bond issuance costs	-	-	197,890	(197,890)
<b>Total expenditures</b>	<b>14,446,068</b>	<b>14,446,068</b>	<b>14,360,571</b>	<b>85,497</b>
<b>Excess Of Revenues Over Expenditures</b>	<b>51,500</b>	<b>51,500</b>	<b>282,153</b>	<b>230,653</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of bonds	-	-	15,865,000	15,865,000
Payment to refunded bond escrow agent	-	-	(15,667,110)	(15,667,110)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>197,890</b>	<b>197,890</b>
<b>Net Change In Fund Balance</b>	<b>51,500</b>	<b>51,500</b>	<b>480,043</b>	<b>428,543</b>
<b>Fund Balance, Beginning</b>	<b>3,122,288</b>	<b>3,537,853</b>	<b>3,537,853</b>	<b>-</b>
<b>Fund Balance, Ending</b>	<b>\$ 3,173,788</b>	<b>3,589,353</b>	<b>4,017,896</b>	<b>428,543</b>

(1) Variance is actual to final budget.

**Internal Service Funds**  
**Combining Statement of Net Position**  
**September 30, 2013**

**City of Cedar Park, Texas**

	Employee Benefits	Vehicle & Equipment Services	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 571,400	4,532,910	5,104,310
Inventories and prepaid expenses	-	3,338	3,338
Total current assets	<u>571,400</u>	<u>4,536,248</u>	<u>5,107,648</u>
Capital assets:			
Machinery and equipment	-	8,888,728	8,888,728
Intangible assets	-	40,346	40,346
Construction in progress	-	640,529	640,529
Less: Accumulated depreciation	-	(5,507,529)	(5,507,529)
Total capital assets	<u>-</u>	<u>4,062,074</u>	<u>4,062,074</u>
Total noncurrent assets	<u>-</u>	<u>4,062,074</u>	<u>4,062,074</u>
<b>Total assets</b>	<u>571,400</u>	<u>8,598,322</u>	<u>9,169,722</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	308,512	314,892	623,404
Total current liabilities	<u>308,512</u>	<u>314,892</u>	<u>623,404</u>
Total liabilities	<u>308,512</u>	<u>314,892</u>	<u>623,404</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	4,062,074	4,062,074
Unrestricted	262,888	4,221,356	4,484,244
Total net position	<u>\$ 262,888</u>	<u>8,283,430</u>	<u>8,546,318</u>

Internal Service Funds  
 Combining Statement of Revenues, Expenses, and Changes in Net Position  
 For the Year Ended September 30, 2013

City of Cedar Park, Texas

	Employee Benefits	Vehicle & Equipment Services	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,464,907	2,360,873	4,825,780
Total operating revenues	<u>2,464,907</u>	<u>2,360,873</u>	<u>4,825,780</u>
<b>OPERATING EXPENSES</b>			
Distribution services and charges	2,202,019	-	2,202,019
Supplies and materials	-	149,326	149,326
Depreciation	-	899,606	899,606
Total operating expenses	<u>2,202,019</u>	<u>1,048,932</u>	<u>3,250,951</u>
<b>OPERATING INCOME (LOSS)</b>	<u>262,888</u>	<u>1,311,941</u>	<u>1,574,829</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest earnings	-	1,273	1,273
Other nonoperating revenues (expenses)	-	49,408	49,408
Total nonoperating revenues (expenses)	<u>-</u>	<u>50,681</u>	<u>50,681</u>
<b>CHANGE IN NET POSITION</b>	<u>262,888</u>	<u>1,362,622</u>	<u>1,625,510</u>
<b>Total net position, beginning</b>	<u>-</u>	<u>6,920,808</u>	<u>6,920,808</u>
<b>Total net position, ending</b>	<u>\$ 262,888</u>	<u>8,283,430</u>	<u>8,546,318</u>

**Internal Service Funds  
Combining Statement of Cash Flows  
For the Year Ended September 30, 2013**

**City of Cedar Park, Texas**

	Employee Benefits	Vehicle & Equipment Services	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 2,464,907	2,360,873	4,825,780
Cash paid to suppliers for goods and services	(1,893,507)	(262,785)	(2,156,292)
Net cash provided by operating activities	<u>571,400</u>	<u>2,098,088</u>	<u>2,669,488</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	-	(1,908,719)	(1,908,719)
Proceeds from disposition of capital assets	-	65,450	65,450
Net cash (used) for capital and related financing activities	<u>-</u>	<u>(1,843,269)</u>	<u>(1,843,269)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Earnings on investments	-	1,273	1,273
Net cash provided by investing activities	<u>-</u>	<u>1,273</u>	<u>1,273</u>
Net increase (decrease) in cash and cash equivalents	571,400	256,092	827,492
Cash and cash equivalents, October 1	-	4,276,818	4,276,818
Cash and cash equivalents, September 30	<u>\$ 571,400</u>	<u>4,532,910</u>	<u>5,104,310</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
<b>Operating income (loss)</b>	\$ 262,888	1,311,941	1,574,829
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>			
Depreciation	-	899,606	899,606
Changes in assets and liabilities:			
Increase in assets:			
Inventories/prepaid expenses	-	(1,979)	(1,979)
Increase (decrease) in liabilities:			
Accounts payable	308,512	(111,480)	197,032
Net cash provided by operating activities	<u>\$ 571,400</u>	<u>2,098,088</u>	<u>2,669,488</u>
<b>Noncash capital activities</b>			
Contribution/transfer of capital assets	\$ -	14,202	14,202

**Discretely Presented Component Units-Special Revenue Funds  
Combining Balance Sheet  
September 30, 2013**

**City of Cedar Park, Texas**

	Community Development Corporation	Economic Development Corporation	Totals
<b>ASSETS</b>			
Cash and investments	\$ 12,869,498	4,973,133	17,842,631
Taxes receivable	833,308	833,307	1,666,615
Total assets	<u>13,702,806</u>	<u>5,806,440</u>	<u>19,509,246</u>
<b>LIABILITIES</b>			
Accounts payable	50	-	50
Other liabilities	16,140	-	16,140
Total liabilities	<u>16,190</u>	<u>-</u>	<u>16,190</u>
<b>FUND BALANCES</b>			
Restricted			
Community development	13,686,616	-	13,686,616
Economic development	-	5,806,440	5,806,440
Total fund balances	<u>13,686,616</u>	<u>5,806,440</u>	<u>19,493,056</u>
Total liabilities and fund balance	<u>\$ 13,702,806</u>	<u>5,806,440</u>	<u>19,509,246</u>
Amounts reported for component unit governmental activities in the statement of net position (page 26) are different because:			
Total fund balances - Component unit governmental activities	13,686,616	5,806,440	19,493,056
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	11,546	-	11,546
Long-term liabilities and deferred items are not due and payable in the current period and therefore are not reported in the funds.	(5,320,344)	(600,873)	(5,921,217)
Net position of component unit governmental activities	<u>\$ 8,377,818</u>	<u>5,205,567</u>	<u>13,583,385</u>

**Discretely Presented Component Units-Special Revenue Funds**  
**Combining Statement Of Revenues, Expenditures**  
**And Changes In Fund Balances**  
**For the Year Ended September 30, 2013**

**City of Cedar Park, Texas**

	Community Development Corporation	Economic Development Corporation	Totals
<b>REVENUES</b>			
Taxes	\$ 4,352,737	4,352,737	8,705,474
Interest earnings	3,739	1,543	5,282
Total revenues	<u>4,356,476</u>	<u>4,354,280</u>	<u>8,710,756</u>
<b>EXPENDITURES</b>			
Current:			
Community development	1,723,561	-	1,723,561
Economic development	-	4,175,796	4,175,796
Debt Service:			
Principal	585,000	-	585,000
Interest and fiscal charges	139,048	-	139,048
Total expenditures	<u>2,447,609</u>	<u>4,175,796</u>	<u>6,623,405</u>
<b>Net Change In Fund Balances</b>	<u>1,908,867</u>	<u>178,484</u>	<u>2,087,351</u>
<b>Fund Balances, as previously reported</b>	11,176,876	5,027,083	16,203,959
<b>Prior period adjustment (1)</b>	600,873	600,873	1,201,746
<b>Fund Balances, beginning as restated</b>	<u>11,777,749</u>	<u>5,627,956</u>	<u>17,405,705</u>
<b>Fund Balances, ending</b>	<u>\$ 13,686,616</u>	<u>5,806,440</u>	<u>19,493,056</u>
Net change in fund balances	\$ 1,908,867	178,484	2,087,351

Amounts reported for governmental activities in the statement of activities (page 27) are different because:

The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments	585,000	-	585,000
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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.

Interest and other	4,924	-	4,924
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Change in net position of governmental activities	<u>\$ 2,498,791</u>	<u>178,484</u>	<u>2,677,275</u>
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**(1) Beginning fund balance was restated to eliminate a long-term liability reported in prior years of \$600,873 for each component unit related to the repayment of sales tax overpayments to the State Comptroller consistent with modified accrual accounting for governmental funds.**



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**STATISTICAL SECTION**  
**(Unaudited)**

## **CITY OF CEDAR PARK, TEXAS**

### **STATISTICAL SECTION (Unaudited)**

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

#### **Contents:**

##### **Financial Trends**

These schedules contain information to assist the reader in obtaining a better understanding of how the City's financial performance and well-being have changed over time.

##### **Revenue Capacity**

These schedules contain information to assist the reader in obtaining a better understanding of the City's significant revenue source, the property tax.

##### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

##### **Demographic and Economic Information**

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

##### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting basic financial information include information beginning in that year.

**Net Position by Component**  
**Last Ten Fiscal Years (In thousands)**  
**(Accrual basis of accounting)**

**City of Cedar Park, Texas**  
**Table I**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Governmental activities</b>										
Net investment in capital assets	154,520	136,368	142,762	125,090	117,722	103,639	78,705	44,224	22,702	30,101
Restricted	11,372	10,656	5,961	8,169	4,816	19,553	18,364	30,026	20,579	888
Unrestricted	12,931	18,273	17,338	18,492	16,779	12,969	16,556	12,532	17,441	13,702
<b>Total governmental activities net position</b>	<b>178,823</b>	<b>165,297</b>	<b>166,061</b>	<b>151,751</b>	<b>139,317</b>	<b>136,161</b>	<b>113,625</b>	<b>86,782</b>	<b>60,722</b>	<b>44,691</b>
<b>Business-type activities</b>										
Net investment in capital assets	145,121	133,655	111,952	108,617	113,913	114,551	101,228	82,484	67,451	70,765
Restricted	16,193	14,811	13,449	12,967	13,348	18,966	11,538	22,107	14,047	2,286
Unrestricted	29,234	34,494	38,443	31,903	22,836	10,111	16,946	7,464	12,103	8,867
<b>Total business-type activities net position</b>	<b>190,548</b>	<b>182,960</b>	<b>163,844</b>	<b>153,487</b>	<b>150,097</b>	<b>143,628</b>	<b>129,712</b>	<b>112,055</b>	<b>93,601</b>	<b>81,918</b>
<b>Primary government</b>										
Net investment in capital assets	299,641	270,023	254,714	233,707	231,635	218,190	179,933	126,708	90,153	100,866
Restricted	27,565	25,467	19,410	21,136	18,164	38,519	29,902	52,133	34,626	3,174
Unrestricted	42,165	52,767	55,781	50,395	39,615	23,080	33,502	19,996	29,544	22,569
<b>Total primary government net position</b>	<b>369,371</b>	<b>348,257</b>	<b>329,905</b>	<b>305,238</b>	<b>289,414</b>	<b>279,789</b>	<b>243,337</b>	<b>198,837</b>	<b>154,323</b>	<b>126,609</b>

**Changes in Net Position**  
**Last Ten Fiscal Years (In thousands)**  
**(Accrual basis of accounting)**

**City of Cedar Park, Texas**  
**Table II**

	2013	2012	2011	2010 (1)	2009 (2)	2008	2007	2006	2005	2004
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Expenses</b>										
Governmental activities										
General government	15,616	12,955	13,262	11,618	7,986	8,575	10,180	6,515	9,368	7,056
Public safety	18,278	16,463	15,759	14,996	15,347	13,736	11,635	10,185	9,710	10,541
Culture and recreation	4,773	4,732	4,670	4,136	4,437	2,769	3,148	2,884	2,706	3,394
Streets and lighting	3,439	4,805	4,554	4,066	3,634	4,700	3,735	3,354	5,067	2,773
Interest on long-term debt	6,792	6,987	6,983	7,212	6,995	5,298	3,493	3,501	2,936	2,838
Total governmental activities	48,898	45,942	45,228	42,028	38,399	35,078	32,191	26,439	29,787	26,602
Business-type activities										
Water and sewer	24,623	21,774	23,744	21,456	24,250	23,358	19,867	19,150	17,451	13,670
Solid waste	3,436	3,188	2,746	2,411	-	-	-	-	-	-
Total business-type activities	28,059	24,962	26,490	23,867	24,250	23,358	19,867	19,150	17,451	13,670
Total primary government expenses	76,957	70,904	71,718	65,895	62,649	58,436	52,058	45,589	47,238	40,272
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
General government	2,458	2,253	1,371	1,298	1,287	2,208	2,879	3,046	2,712	2,296
Public safety	2,737	2,556	2,932	2,650	2,563	2,683	2,409	1,844	1,735	1,253
Culture and recreation	1,318	1,215	1,129	1,023	759	618	540	515	474	417
Operating grants and contributions	3,640	3,604	734	997	4,133	768	293	369	278	533
Capital grants and contributions	9,956	8,201	18,250	13,708	13,376	11,941	15,511	17,670	12,916	5,354
Total governmental activities	20,109	17,829	24,416	19,676	22,118	18,218	21,632	23,444	18,115	9,853
Business-type activities										
Charges for services										
Water and sewer	28,197	29,055	31,038	25,297	28,404	26,689	20,257	21,290	19,090	20,672
Solid waste	3,339	3,111	2,773	2,463	-	-	-	-	-	-
Capital grants and contributions	7,610	4,905	5,701	3,438	4,255	11,872	17,282	16,351	11,359	1,403
Total business-type activities	39,146	37,071	39,512	31,198	32,659	38,561	37,539	37,641	30,449	22,075
Total primary government program revenues	59,255	54,900	63,928	50,874	54,777	56,779	59,171	61,085	48,564	31,928
Net (expense)/revenue										
Governmental activities	(28,789)	(28,113)	(20,812)	(22,352)	(16,281)	(16,860)	(10,559)	(2,995)	(11,672)	(16,749)
Business-type activities	11,087	12,109	13,022	7,331	8,409	15,203	17,672	18,491	12,998	8,405
Total primary government net revenue (expense)	(17,702)	(16,004)	(7,790)	(15,021)	(7,872)	(1,657)	7,113	15,496	1,326	(8,344)

**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

**City of Cedar Park, Texas**  
**Table II**

	2013	2012	2011	2010 (1)	2009 (2)	2008	2007	2006	2005	2004
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
Property taxes	23,802	21,222	20,103	20,036	19,626	17,097	14,085	12,354	10,795	9,422
Sales taxes	8,699	7,884	7,003	6,538	6,415	13,629	11,389	9,600	8,156	7,392
Franchise fees	3,940	3,843	3,637	3,249	3,193	2,919	2,583	2,518	2,158	1,410
Other taxes	643	504	481	351	289	308	296	243	188	168
Interest and other	1,953	1,104	922	880	2,387	3,101	6,756	2,392	4,494	355
Transfers	3,277	(6,941)	2,976	3,733	2,406	2,341	2,170	1,970	2,061	2,480
Total governmental activities	<u>42,314</u>	<u>27,616</u>	<u>35,122</u>	<u>34,787</u>	<u>34,316</u>	<u>39,395</u>	<u>37,279</u>	<u>29,077</u>	<u>27,852</u>	<u>21,227</u>
Business-type activities										
Interest and other	(222)	562	310	(209)	467	1,055	1,851	1,753	746	240
Transfers	(3,277)	6,941	(2,976)	(3,733)	(2,406)	(2,341)	(2,170)	(1,970)	(2,061)	(2,480)
Total business-type activities	<u>(3,499)</u>	<u>7,503</u>	<u>(2,666)</u>	<u>(3,942)</u>	<u>(1,939)</u>	<u>(1,286)</u>	<u>(319)</u>	<u>(217)</u>	<u>(1,315)</u>	<u>(2,240)</u>
Total primary government	<u>38,815</u>	<u>35,119</u>	<u>32,456</u>	<u>30,845</u>	<u>32,377</u>	<u>38,109</u>	<u>36,960</u>	<u>28,860</u>	<u>26,537</u>	<u>18,987</u>
<b>Changes in Net Position</b>										
Governmental activities	13,525	(497)	14,310	12,435	18,035	22,535	26,720	26,082	16,180	4,478
Business-type activities	7,588	19,612	10,356	3,389	6,470	13,917	17,353	18,274	11,683	6,165
Total primary government	<u>21,113</u>	<u>19,115</u>	<u>24,666</u>	<u>15,824</u>	<u>24,505</u>	<u>36,452</u>	<u>44,073</u>	<u>44,356</u>	<u>27,863</u>	<u>10,643</u>

(1) Beginning in fiscal year 2010, solid waste activities are reported as a separate activity. Prior to 2010, these activities were combined with water and sewer activities.

(2) Beginning in fiscal year 2009, the Community Development and Economic Development Corporation activities were reported as discretely presented component units. In fiscal year 2009, the City implemented an accounting change to present those corporations discretely.

**Taxable Sales by Category  
Last Ten Fiscal Years (In thousands)**

**City of Cedar Park, Texas  
Table III**

	2013	2012	2011	2010	2009 (1)	2008	2007	2006	2005	2004
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Agriculture, forestry, fishing	2,884	805	701	349	906	-	-	-	-	-
Construction	20,701	20,391	17,945	13,660	21,691	30,186	25,041	19,714	10,448	10,859
Finance, insurance, real estate	2,972	7,937	5,849	5,166	7,430	10,221	13,402	12,086	12,155	11,375
Manufacturing	27,636	11,738	10,006	7,964	6,909	12,164	9,488	13,137	8,557	6,019
Other	14,174	36,189	26,338	19,114	19,828	16,853	17,557	11,590	6,548	5,210
Retail trade	516,381	448,521	404,279	298,135	297,158	262,125	219,834	208,890	175,750	160,963
Services	237,723	215,568	200,221	144,573	133,723	143,346	101,485	87,789	77,367	66,992
Transportation, communications, utilities	1,891	332	406	522	308	219	156	-	297	-
Wholesale trade	34,041	29,943	21,889	18,084	8,637	16,282	14,926	12,124	10,862	12,866
Arts, entertainment, recreation	11,530	17,015	12,666	10,758	3,143	1,444	1,035	974	2,003	1,776
<b>Total</b>	<b>869,933</b>	<b>788,439</b>	<b>700,300</b>	<b>518,325</b>	<b>499,733</b>	<b>492,840</b>	<b>402,924</b>	<b>366,304</b>	<b>303,987</b>	<b>276,060</b>
City sales tax rate (primary government)	1%	1%	1%	1%	1%	2%	2%	2%	2%	2%

(1) Beginning in fiscal year 2009, primary government sales tax revenues do not include the Community Development Corporation and Economic Development Corporation sales tax data. In fiscal year 2009, the City implemented an accounting change to present those corporations discretely.

Source: Texas Comptroller of Public Accounts

**Fund Balances, Governmental Funds  
Last Ten Fiscal Years (In thousands)  
(Modified accrual basis of accounting)**

**City of Cedar Park, Texas  
Table IV**

	2013	2012	2011	2010	2009 (1)	2008	2007	2006	2005	2004
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General fund										
Reserved	N/A	N/A	N/A	24	531	58	39	1	20	35
Unreserved	N/A	N/A	N/A	16,999	14,665	14,436	13,293	9,727	6,697	5,260
Nonspendable	32	30	26	N/A						
Restricted	-	1,334	-	N/A						
Assigned	1,202	-	-	N/A						
Unassigned	14,432	13,615	11,935	N/A						
Total general fund	<u>15,666</u>	<u>14,979</u>	<u>11,961</u>	<u>17,023</u>	<u>15,196</u>	<u>14,494</u>	<u>13,332</u>	<u>9,728</u>	<u>6,717</u>	<u>5,295</u>
All other governmental funds										
Reserved	N/A	N/A	N/A	4,194	4,098	2,765	1,990	1,278	965	845
Unreserved, reported in:										
Special revenue funds	N/A	N/A	N/A	2,585	2,007	18,072	16,236	13,847	9,414	235
Capital projects funds	N/A	N/A	N/A	21,395	16,026	63,764	29,408	14,936	19,452	11,355
Nonspendable	1	-	-	N/A						
Restricted	22,006	24,110	27,191	N/A						
Total all other governmental funds	<u>22,007</u>	<u>24,110</u>	<u>27,191</u>	<u>28,174</u>	<u>22,131</u>	<u>84,601</u>	<u>47,634</u>	<u>30,061</u>	<u>29,831</u>	<u>12,435</u>
Total all governmental funds	<u><u>37,673</u></u>	<u><u>39,089</u></u>	<u><u>39,152</u></u>	<u><u>45,197</u></u>	<u><u>37,327</u></u>	<u><u>99,095</u></u>	<u><u>60,966</u></u>	<u><u>39,789</u></u>	<u><u>36,548</u></u>	<u><u>17,730</u></u>

Note: The City implemented GASB Statement No. 54, which changed the reporting requirements for fund balances, in fiscal year 2011.

(1) In FY2009, an accounting change was implemented to discretely present the Community Development Corporation and the Economic Development Corporation. These funds were previously classified as Unreserved Fund Balance reported in Special Revenue funds.

**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years (In thousands)**  
**(Modified accrual basis of accounting)**

**City of Cedar Park, Texas**  
**Table V**

	2013	2012	2011	2010	2009 (1)	2008	2007	2006	2005	2004
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUES</b>										
Taxes	37,112	33,445	31,342	30,132	29,532	33,986	28,300	24,617	21,322	14,599
Permits, licenses and fees	1,913	1,739	1,346	1,273	1,163	2,087	2,767	2,949	2,659	2,374
Fines and forfeitures	933	963	976	677	753	1,001	1,155	939	886	781
Charges for services	3,666	3,323	3,436	3,350	2,832	2,429	1,863	1,412	1,148	867
Intergovernmental	403	4,768	5,473	852	553	420	203	426	342	327
Interest earnings	129	178	148	235	995	2,435	2,938	1,609	934	239
Contributions	4,880	4,730	4,487	7,988	14,461	996	-	-	-	-
Other	1,835	800	837	537	684	981	1,616	866	3,734	415
<b>Total revenues</b>	<b>50,871</b>	<b>49,946</b>	<b>48,045</b>	<b>45,044</b>	<b>50,973</b>	<b>44,335</b>	<b>38,842</b>	<b>32,818</b>	<b>31,025</b>	<b>19,602</b>
<b>EXPENDITURES</b>										
General government	8,047	7,236	6,827	6,944	6,095	6,728	5,542	4,904	5,409	4,131
Public safety	18,388	16,834	15,383	14,795	14,273	13,206	11,198	9,837	9,177	8,141
Culture and recreation	4,061	3,878	3,715	3,459	3,960	3,522	2,864	2,656	2,525	2,444
Streets and lighting	2,597	2,110	1,996	1,859	1,638	2,610	1,455	1,577	1,089	1,091
Economic development	901	753	1,709	351	301	739	1,244	659	3,544	188
Capital outlay	7,044	17,153	18,600	11,654	58,998	35,670	11,684	8,512	11,911	4,816
Debt service:										
Principal	7,300	7,575	5,610	5,573	4,631	4,460	3,259	2,839	2,572	2,449
Interest and fiscal charges	6,863	7,253	7,068	7,156	7,822	3,924	3,328	3,380	2,910	2,742
Bond issuance costs	198	-	-	-	-	1,258	427	72	557	-
<b>Total expenditures</b>	<b>55,399</b>	<b>62,792</b>	<b>60,908</b>	<b>51,791</b>	<b>97,718</b>	<b>72,117</b>	<b>41,001</b>	<b>34,436</b>	<b>39,694</b>	<b>26,002</b>
<b>Deficiency of revenues over expenditures</b>	<b>(4,528)</b>	<b>(12,846)</b>	<b>(12,863)</b>	<b>(6,747)</b>	<b>(46,745)</b>	<b>(27,782)</b>	<b>(2,159)</b>	<b>(1,618)</b>	<b>(8,669)</b>	<b>(6,400)</b>
<b>Other financing sources (uses)</b>										
Issuance of debt	15,865	25,195	(65)	13,345	-	63,520	29,850	2,770	34,965	6,590
Bond premiums (discounts)	-	3,942	(23)	102	-	49	653	(16)	2,024	103
Payment to bond escrow agent	(15,667)	(26,616)	3,929	(1,362)	-	-	(9,335)	-	(22,003)	-
Transfers in	7,801	14,388	16,195	9,524	51,224	34,959	12,968	10,423	8,777	5,186
Transfers out	(4,886)	(9,922)	(13,219)	(6,991)	(48,818)	(32,617)	(10,800)	(8,443)	(6,717)	(2,706)
Other	-	1,589	-	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>3,113</b>	<b>8,576</b>	<b>6,817</b>	<b>14,618</b>	<b>2,406</b>	<b>65,911</b>	<b>23,336</b>	<b>4,734</b>	<b>17,046</b>	<b>9,173</b>
<b>Net change in fund balances</b>	<b>(1,415)</b>	<b>(4,270)</b>	<b>(6,046)</b>	<b>7,871</b>	<b>(44,339)</b>	<b>38,129</b>	<b>21,177</b>	<b>3,116</b>	<b>8,377</b>	<b>2,773</b>
Debt service as a percentage of noncapital expenditures	29.60%	32.49%	29.97%	31.71%	32.16%	23.00%	22.47%	23.99%	19.73%	24.50%

(1) In FY2009, an accounting change was implemented to discretely present the Community Development Corporation and the Economic Development Corporation.

**Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

**City of Cedar Park, Texas  
Table VI**

Fiscal Year	Real Property		Personal Property		Total Assessed Value	Total Estimated Actual Value	Direct Tax Rate	Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
	\$	\$	\$	\$				
2004	1,830,222,538	1,830,222,538	133,977,244	133,977,244	1,964,199,782	1,964,199,782	0.468070	100%
2005	2,000,786,014	2,000,786,014	156,388,487	156,388,487	2,157,174,501	2,157,174,501	0.488070	100%
2006	2,158,882,934	2,158,882,934	176,003,548	176,003,548	2,334,886,482	2,334,886,482	0.518070	100%
2007	2,473,349,254	2,473,349,254	200,799,156	200,799,156	2,674,148,410	2,674,148,410	0.518070	100%
2008	3,034,100,645	3,034,100,645	236,137,255	236,137,255	3,270,237,900	3,270,237,900	0.508070	100%
2009	3,688,102,645	3,688,102,645	292,200,548	292,200,548	3,980,303,193	3,980,303,193	0.489001	100%
2010	3,748,717,862	3,748,717,862	314,529,746	314,529,746	4,063,247,608	4,063,247,608	0.489001	100%
2011	3,967,805,242	3,967,805,242	277,609,702	277,609,702	4,245,414,944	4,245,414,944	0.493501	100%
2012	4,139,882,394	4,139,882,394	295,446,592	295,446,592	4,435,328,986	4,435,328,986	0.493501	100%
2013	4,431,117,106	4,431,117,106	324,906,758	324,906,758	4,756,023,864	4,756,023,864	0.493501	100%

Source: Williamson Central Appraisal District  
Travis Central Appraisal District

**Property Tax Rates – Direct and Overlapping Governments  
Last Ten Fiscal Years**

**City of Cedar Park, Texas  
Table VII**

Fiscal Year	City of Cedar Park			Leander Independent School District	Round Rock Independent School District	Travis County	Williamson County
	General Fund	Debt Service Fund	Total City				
	\$	\$	\$	\$	\$	\$	\$
2004	0.223220	0.244850	0.468070	1.8300	1.8643	0.4872	0.4818
2005	0.248170	0.239900	0.488070	1.7900	1.8572	0.4993	0.5122
2006	0.258160	0.259910	0.518070	1.7500	1.8334	0.4993	0.4997
2007	0.260000	0.258070	0.518070	1.6438	1.6406	0.4216	0.4997
2008	0.244870	0.263200	0.508070	1.3334	1.3238	0.4216	0.4891
2009	0.243140	0.245861	0.489001	1.3792	1.3324	0.4122	0.4683
2010	0.248783	0.240218	0.489001	1.4223	1.3800	0.4215	0.4900
2011	0.251408	0.242093	0.493501	1.4548	1.3800	0.4658	0.4900
2012	0.261739	0.231762	0.493501	1.4998	1.3350	0.4855	0.4877
2013	0.258464	0.235037	0.493501	1.5119	1.3800	0.5001	0.4890

Source: Tax office of the respective entities

\*Note: Tax rates are set as an amount per \$100 assessed value.  
The boundaries of the City of Cedar Park fall within two Counties and two School Districts.  
Property taxes are assessed according to each taxing authority's jurisdiction.

**Principal Property Taxpayers  
Current year and Nine Years Ago**

**City of Cedar Park, Texas  
Table VIII**

Name of Taxpayer	Type of Property	2013			2004		
		Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
		\$		%	\$		%
Inland Western Cedar Park 1890 Ranch LP	Commercial	95,508,877	1	2.00			
Northland Lakeline LLC	Real estate	28,417,350	2	0.60			
AMFP I Altea LLC	Real estate	25,140,000	3	0.53			
Ranger Excavating	Industrial	24,409,300	4	0.51			
National Oilwell Varco LP	Industrial	31,293,437	5	0.66			
Mid-America Apartments LP	Real estate	24,001,498	6	0.50			
UDR Red Stone Ranch LLC	Real estate	23,873,446	7	0.50			
Colonial Realty LP	Real estate	22,711,680	8	0.48			
G&E Apartment Reit Arboleda	Real estate	21,500,000	9	0.45			
UDR Lakeline Villas LLC	Real estate	21,458,954	10	0.45			
Metropolitan Tower Realty Co.	Real estate				16,703,929	1	0.85
8 Heritage - 1440 Montfort LP	Real estate				14,891,694	2	0.76
Wal-Mart	Retail				12,617,043	3	0.64
Lakeline Properties	Real estate				9,623,410	4	0.49
M-D Totco Instrumentation	Industrial				5,210,640	5	0.27
Wal-Mart Stores East	Retail				8,021,641	6	0.41
Lumbermans Investment	Real estate				7,525,546	7	0.38
H. E. Butt, Inc.	Retail				7,265,322	8	0.37
Randall's Food & Drug, Inc.	Retail				7,161,510	9	0.36
Cedar Park Townhouses	Real estate				7,119,000	10	0.36
	Subtotal	318,314,542		6.68	96,139,735		4.89
All Other		4,437,709,322		93.32	1,868,060,047		95.11
	Total	4,756,023,864		100.00	1,964,199,782		100.00

Source: Williamson Central Appraisal District

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

**City of Cedar Park, Texas  
Table IX**

Fiscal Year	Total Tax Levy \$	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years \$	Total Collections to Date	
		Current Tax Collections \$	Percentage of Levy Collected		Amount \$	Percentage of Levy
2004	9,330,899	9,131,709	97.87%	193,561	9,325,270	99.940%
2005	10,675,442	10,508,787	98.44%	157,913	10,666,700	99.918%
2006	12,267,523	12,033,510	98.09%	223,998	12,257,508	99.918%
2007	13,853,961	13,745,716	99.22%	98,001	13,843,717	99.926%
2008	16,615,098	16,491,985	99.26%	103,929	16,595,914	99.885%
2009	19,478,993	19,252,453	98.84%	206,434	19,458,886	99.897%
2010	19,867,593	19,668,121	99.00%	171,104	19,839,225	99.857%
2011	19,956,358	19,802,782	99.23%	121,366	19,924,148	99.839%
2012*	21,810,370	21,705,277	99.52%	63,722	21,768,999	99.810%
2013	23,471,025	23,387,579	99.64%	N/A	23,387,579	99.644%

Source: Williamson County Tax Assessor  
Travis County Tax Office

\* Includes annexed area of WCID 1D.

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

**City of Cedar Park, Texas  
Table X**

Governmental Activities								
Fiscal Year	General Obligation Bonds	Certificates of Obligations	Community Development Bonds (1)	Economic Development Bonds (1)	Deferred Charges	Capital Lease Payable	State Comptroller Note	Total Governmental Activities
	\$	\$	\$	\$	\$	\$	\$	\$
2004	46,222,562	9,410,000	-	-	54,457	517,266	-	56,204,285
2005	62,589,075	4,320,000	2,975,000	-	879,719	425,854	-	71,189,648
2006	60,300,151	6,675,000	2,840,000	-	807,316	328,976	92,848	71,044,291
2007	77,107,828	7,571,250	2,700,000	-	833,093	143,730	81,206	88,437,107
2008	93,727,690	6,256,250	2,550,000	43,905,000	829,524	110,970	66,909	147,446,343
2009	89,940,002	5,712,500	-	43,605,000	775,310	90,019	42,818	140,165,649
2010	97,900,000	5,130,000	-	42,655,000	765,659	61,329	43,105	146,555,093
2011	99,325,000	2,765,000	-	41,670,000	833,637	31,342	29,926	144,654,905
2012	108,110,000	1,955,000	-	40,640,000	4,889,408	-	1,350,313	156,944,721
2013	103,245,000	1,680,000	-	39,565,000	3,975,134	-	1,204,158	149,669,292

Business-Type Activities								
Fiscal Year	General Obligation Bonds	Certificates of Obligations	Revenue Bonds	Tax and Revenue Bonds	Deferred Charges	Capital Lease Payable	State Comptroller Note	Total Business-type Activities
	\$	\$	\$	\$	\$	\$	\$	\$
2004	675,000	-	42,495,000	11,065,646	(385,862)	-	-	53,849,784
2005	600,000	-	29,006,000	30,124,926	194,239	-	-	59,925,165
2006	9,569,849	-	47,495,000	-	233,822	-	-	57,298,671
2007	7,897,174	-	46,363,750	-	49,253	-	-	54,310,177
2008	7,127,312	-	43,878,750	-	72,542	-	-	51,078,604
2009	6,230,000	-	41,397,500	-	94,817	-	-	47,722,317
2010	11,395,000	-	55,830,000	-	913,222	-	-	68,138,222
2011	5,660,000	-	57,855,000	-	897,006	-	-	64,412,006
2012	8,535,000	-	50,525,000	-	2,238,969	-	-	61,298,969
2013	7,095,000	-	48,480,000	-	1,706,089	-	-	57,281,089

Fiscal Year	Total Primary Government	Personal Income	Percentage of Personal Income	Population	Debt per Capita
	\$	\$			\$
2004	56,204,285	1,007,584,713	5.58%	37,347	1,505
2005	71,189,648	1,200,890,004	5.93%	42,618	1,670
2006	71,044,291	1,369,142,226	5.19%	45,594	1,558
2007	88,437,107	1,449,449,640	6.10%	50,220	1,761
2008	147,446,343	1,666,510,524	8.85%	52,731	2,796
2009	140,165,649	1,924,716,495	7.28%	54,015	2,595
2010	146,555,093	1,561,324,840	9.39%	56,072	2,614
2011	144,654,905	2,325,288,345	6.22%	58,035	2,493
2012	218,243,690	2,325,288,345	9.39%	58,450	3,734
2013	206,950,381	2,589,921,367	7.99%	60,446	3,424

(1) In FY2009, an accounting change was implemented to discretely present the Community Development Corporation and Economic Development Corporation. Community Development Corporation debt was issued in its name and is not considered debt of the primary government. Economic Development bonds are issued in the City's name and are considered debt of the primary government.

Source: Income per Capita - City of Cedar Park Economic Development Department  
Personal income is the factor of population and income per capita.

**Computation of Direct and Estimated Overlapping Bonded Debt  
As of September 30, 2013**

**City of Cedar Park, Texas  
Table XI**

Name of Governmental Unit	Net General Obligation Debt Outstanding as of September 30, 2013	Estimated Percent Applicable to the City of Cedar Park	City's Overlapping Tax Supported Debt
	\$		\$
<u>Governmental Activities</u>			
General obligation bonds	106,085,422		
Certificates of obligations	1,726,219		
Economic Development bonds	40,653,492		
Total governmental activities debt	<u>148,465,133</u> (1)	100.00%	<u>148,465,133</u>
<u>Other Taxing Jurisdictions</u>			
Austin Community College District	91,139,785	3.79%	3,454,198
Leander ISD	938,273,782	29.45%	276,321,629
Round Rock ISD	735,302,720	0.83%	6,103,013
Travis County	614,487,432	0.05%	307,244
Travis County Healthcare District	15,070,000	0.05%	7,535
Williamson County	763,887,486	11.68%	89,222,058
Williamson-Travis MUD #1	7,001,315	3.93%	275,152
Total other taxing jurisdictions	<u>3,165,162,520</u>		<u>375,690,829</u>
Total Direct and Overlapping Tax Supported Debt			<u>524,155,962</u>
Ratio of Direct and Overlapping Tax Supported Debt to Assessed Valuation (2)		11.02%	
Per Capita Overlapping Tax Supported Debt (3)			8,671

Source: Taxing jurisdictions, Williamson Central Appraisal District, Travis Central Appraisal District, and Municipal Advisory Council of Texas

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the City residents and businesses. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt 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.

(1) Excludes general obligation debt reported in proprietary funds.

(2) Based on assessed valuation of \$4,756,023,864 provided by the Williamson Central Appraisal District and Travis Central Appraisal District.

(3) Based on estimated population of 60,446.

**Legal Debt Margin Information  
Last Ten Fiscal Years**

**City of Cedar Park, Texas  
Table XII**

Fiscal Year	Assessed Taxable Value \$	Debt Limit (1) \$	Amount Expended for General Obligation Debt Service \$	Legal Debt Margin \$	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2004	1,964,199,782	29,462,997	4,908,147	24,554,850	16.66%
2005	2,157,174,501	32,357,618	5,322,533	27,035,085	16.45%
2006	2,334,886,482	35,023,297	6,058,656	28,964,641	17.30%
2007	2,674,148,410	40,112,226	6,433,654	33,678,572	16.04%
2008	3,270,237,900	49,053,569	8,238,728	40,814,841	16.80%
2009	3,980,303,193	59,704,548	12,453,668	47,250,880	20.86%
2010	4,063,247,608	60,948,714	12,728,201	48,220,513	20.88%
2011	4,245,414,944	63,681,224	13,862,680	49,818,544	21.77%
2012	4,435,328,986	66,529,935	15,114,421	51,415,514	22.72%
2013	4,756,023,864	71,340,358	14,360,571	56,979,787	20.13%

Note: The City Charter limits general obligation debt of the City of Cedar Park to 10% of the net taxable value of property on the tax rolls of the City. The general obligation debt is further limited by the State of Texas. The State limit is established by Article VI, Section 5 of the Texas Constitution. Article XI, Section 5 limits the maximum ad valorem tax rate to \$2.50 per \$100 per assessed valuation (for all City purposes). Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the maximum tax rate for general obligation debt service.

(1) Debt limit of \$1.50 per \$100 of assessed valuation as established by State Statute.

**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years**

**City of Cedar Park, Texas  
Table XIII**

Fiscal Year	General Bonded Debt Outstanding				Population	Assessed Value	Ratio of General Bonded Debt to Assessed Value	General Bonded Debt per Capita
	General Obligation Bonds	Certificates of Obligation	Deferred Charges	Net General Bonded Debt				
	\$	\$	\$	\$		\$		\$
2004	46,897,562	9,410,000	49,655	56,357,217	37,347	1,964,199,782	2.9%	1,509
2005	63,189,075	4,320,000	844,220	68,353,295	42,618	2,157,174,501	3.2%	1,604
2006	69,870,000	6,675,000	813,688	77,358,688	45,594	2,334,886,482	3.3%	1,697
2007	85,005,002	7,571,250	814,519	93,390,771	50,220	2,674,148,410	3.5%	1,860
2008	100,855,002	6,256,250	576,510	107,687,762	52,731	3,270,237,900	3.3%	2,042
2009	96,170,002	5,712,500	544,944	102,427,446	54,015	3,980,303,193	2.6%	1,896
2010	109,295,000	5,130,000	696,278	115,121,278	56,072	4,063,247,608	2.8%	2,053
2011	104,985,000	2,765,000	671,935	108,421,935	58,035	4,245,414,944	2.6%	1,868
2012	113,770,000	1,955,000	3,650,836	119,375,836	58,450	4,435,328,986	2.7%	2,042
2013	110,340,000	1,680,000	3,104,450	115,124,450	60,446	4,756,023,864	2.4%	1,905

Source: Population from Planning Department, City of Cedar Park, Texas  
Assessed Valuation from Williamson Central Appraisal District  
and Travis Central Appraisal District

**Schedule Of Revenue Bond Coverage  
Last Ten Fiscal Years**

**City of Cedar Park, Texas  
Table XIV**

Water and Sewer Bonds					
Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements- Principal and Interest	Revenue Bond Coverage
	\$	\$	\$	\$	
2004	20,911,807	8,411,826	12,499,981	5,132,776	2.435
2005	19,575,384	10,989,747	8,585,637	5,417,483	1.585
2006	23,038,386	12,404,424	10,633,962	5,687,848	1.870
2007	22,119,760	13,303,900	8,815,860	5,801,453	1.520
2008	27,743,576	16,166,582	11,576,994	5,769,894	2.006
2009	28,791,190	17,254,766	11,536,424	5,766,902	2.000
2010	25,365,706	13,278,417	12,087,289	5,466,750	2.211
2011	31,038,423	15,318,995	15,719,428	5,624,413	2.795
2012	29,055,461	13,537,541	15,517,920	7,167,738	2.165
2013	28,196,601	16,349,924	11,846,677	7,048,161	1.681

Solid Waste Bonds (3)					
Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements- Principal and Interest	Revenue Bond Coverage
	\$	\$	\$	\$	
2010	2,464,085	2,296,579	167,506	162,096	1.033
2011	2,772,596	2,563,116	209,480	168,654	1.242
2012	3,110,633	2,973,965	136,668	175,685	0.778
2013	3,338,590	3,259,261	79,329	177,735	0.446

(1) Gross revenue includes revenues from operations and interest income.

(2) Operating expenses, excluding depreciation

(3) The Solid Waste Fund was created in fiscal year 2010.

**Principal Employers  
Current Year and Nine Years Ago**

**City of Cedar Park, Texas  
Table XV**

Employer	2013		Percentage of Total City Employment	2004
	Employees	Rank		Employees
Leander Independent School District	4,137	1	16%	1,076
HEB Grocery	495	2	2%	390
National Oilwell Varco (MD Totco)	480	3	2%	230
City of Cedar Park	405	4	2%	300
Cedar Park Regional Medical Center	355	5	1%	N/A
BMC Corporation	275	6	1%	N/A
ETS Lindgren	270	7	1%	170
CoreSlab	250	8	1%	200
Wal-Mart	225	9	1%	200
Baker Drywall	120	10	0%	160

Source: Economic Development Department, City of Cedar Park

**Demographic Statistics  
Last Ten Fiscal Years**

**City of Cedar Park, Texas  
Table XVI**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Income Per Capita</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
		\$	\$		
2004	37,347	1,096,246,491	29,353	18,116	4.2%
2005	42,618	1,371,617,712	32,184	19,877	3.0%
2006	45,594	1,549,740,060	33,990	22,114	4.0%
2007	50,220	1,813,996,620	36,121	24,230	3.3%
2008	52,731	1,989,751,554	37,734	26,443	4.0%
2009	54,015	1,976,462,865	36,591	28,364	5.8%
2010	56,072	2,118,007,656	37,773	30,321	5.7%
2011	58,035	2,325,288,345	40,067	32,034	6.4%
2012	58,450	2,427,194,700	41,526	34,122	5.6%
2013	60,446	2,589,921,367	42,847	34,381	5.1%

Sources: Unemployment Rate from Texas Workforce Commission  
 Population - City of Cedar Park Planning Department  
 Personal income is the factor of population and income per capita.  
 Income per Capita - City of Cedar Park Economic Development Department  
 School Enrollment from Population & Survey Analysts

**Full-Time Equivalent Employees by Function  
Last Ten Fiscal Years**

**City of Cedar Park, Texas  
Table XVII**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Function</b>										
<b>Governmental Activities</b>										
General Government										
City Manager	4	4	4	4	4	4	4	6	5	3
City Secretary	1	1	1	1	1	1	1	1	1	1
Finance	7	7	7	7	7	7	5	4	4	4
Information Technology	6	5	5	5	5	4	4	3	3	3
Human Resources	5	4	4	4	4	4	4	4	4	4
Public Information	2.5	2.5	2.5	2.5	2.5	2.5	2.5	-	-	-
Economic Development	2	2	3	2	2	2	2	1	1	-
Public Works/Engineering	8	8	9	8	8	8	8	7	10	11
Planning and Transportation	6	5	7	8	8	8	8	8	8	8
Maintenance	7	7	6	6	5	5	4	4	4	3
Legal Services	4	4	4	3	3	3	3	2	-	-
Public Safety										
Municipal Court	9.5	9.5	9.5	9.5	9.5	8.5	7.5	7.5	7.5	7.5
Police	107	101	100	101	101	94	84	74	72	72
Animal Control	4	3	3	3	3	3	3	3	2.5	2.5
Building Inspection	11	10	11	11	11	11	11	10	11	11
Fire	69	72	71	74	74	73.5	66.5	61.5	54.5	54.5
Code Enforcement	3	3	3	-	-	-	-	-	-	-
Emergency Management	1	1	1	-	-	-	-	-	-	-
Cultural and Recreational										
Parks and Recreation	33	30.5	30.5	30.5	30.5	22	21	20	20	20
Library	17.75	16.75	17.75	17.75	18.75	18.25	17.75	17.75	16.75	16.75
Tourism	2	2	-	-	-	-	-	-	-	-
Streets and Lighting										
Streets	13	13	13	12	12	12	12	12	12	12
Signal and Light Maintenance	4	4	2	-	-	-	-	-	-	-
<b>Total governmental employees</b>	<b>326.75</b>	<b>315.25</b>	<b>314.25</b>	<b>309.25</b>	<b>309.25</b>	<b>290.75</b>	<b>268.25</b>	<b>245.75</b>	<b>236.25</b>	<b>233.25</b>
<b>Business-type activities</b>										
Water and Sewer	78	78	74	70	69	68	67	69	66	67
<b>Total business-type employees</b>	<b>78</b>	<b>78</b>	<b>74</b>	<b>70</b>	<b>69</b>	<b>68</b>	<b>67</b>	<b>69</b>	<b>66</b>	<b>67</b>
<b>Total full-time equivalent employees</b>	<b>404.75</b>	<b>393.25</b>	<b>388.25</b>	<b>379.25</b>	<b>378.25</b>	<b>358.75</b>	<b>335.25</b>	<b>314.75</b>	<b>302.25</b>	<b>300.25</b>

Source: Budget document of the City of Cedar Park

**Operating Indicators by Function  
Last Ten Fiscal Years**

**City of Cedar Park, Texas  
Table XVIII**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b><u>General Government</u></b>										
Ordinances/resolutions enrolled	219	256	246	251	320	322	275	299	272	229
Accounts payable checks issued	6,703	7,151	7,571	7,640	7,569	10,929	7,500	7,176	7,576	7,419
Technology assistance calls	5,035	1,038	3,780	2,500	2,400	1,900	1,873	1,370	1,200	1,511
Budgeted positions	404.75	393.25	388.25	379.25	378.25	358.75	335	315	302	300
Site development plans reviewed	29	28	23	21	31	25	31	27	20	20
Vehicles maintained	217	207	203	181	158	151	189	176	176	160
<b><u>Public Safety</u></b>										
Citations filed	12,470	13,635	13,788	10,112	12,558	11,631	17,329	12,734	12,434	11,118
Fire Department emergency calls	4,537	4,384	4,433	4,283	4,070	4,040	3,857	3,417	3,241	3,039
Cases filed	13,600	14,754	14,763	13,341	12,664	11,680	17,369	12,775	12,488	11,158
Residential building permits	618	678	626	611	556	702	1,022	1,363	1,075	1,011
Nonresidential building permits	102	103	122	90	114	182	208	145	133	125
<b><u>Culture and Recreation</u></b>										
Park acres maintained (1)	722	722	525	495	487	487	452	452	455	458
Recreation programs offered	54	45	40	40	34	29	28	27	27	23
Circulation of volumes	689,237	687,669	725,151	781,663	795,325	678,843	573,685	560,000	496,109	475,151
Catalogued items in library	120,302	116,419	112,859	108,354	95,273	94,000	96,407	93,475	87,122	79,746
Library visits	286,546	292,623	278,358	302,479	327,962	300,000	336,000	318,024	300,546	273,991
<b><u>Streets</u></b>										
Miles of paved streets (excluding ETJ)	281	281	261	222	217	213	200	195	195	161
Miles of drainage ways	172	172	172	172	172	172	163	149	149	115
<b><u>Water and Sewer</u></b>										
Treated gallons of water (in millions)	4,461	4,642	5,770	4,524	4,560	4,700	4,000	4,250	3,400	3,264
Gallons wastewater treated (in millions)-Cedar Park	806	803	801	803	814	814	814	780	832	840
Gallons wastewater treated (in millions)-Regional Plant	909	1,071	1,070	1,100	811	788	751	550	242	220
Retail water accounts	21,005	20,275	19,612	18,981	18,434	18,017	17,524	16,340	14,760	13,724
Retail wastewater accounts	19,908	19,042	18,430	17,811	17,276	16,870	16,420	15,254	13,986	12,799

Source: City of Cedar Park

(1) Beginning in 2012, data includes Detention Pond Parks (44 acres) and Cave Preserves (153 acres)

**Capital Asset Statistics by Function  
Last Ten Fiscal Years**

**City of Cedar Park, Texas  
Table XIX**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Function</b>										
Public Safety										
Number of Police stations	1	1	1	1	1	1	1	1	1	1
Number of Fire stations	4	4	4	4	4	4	3	3	3	3
Streets										
Area in square miles	24.09	23.05	23.05	23.05	23.21	23.16	23.15	23.05	20.49	18.26
Paved streets in miles (excluding ETJ)	281	223	223	223	217	213	200	190	157	157
Culture and Recreation										
Number of public libraries	1	1	1	1	1	1	1	1	1	1
Number of swimming pools	4	4	4	4	4	4	3	3	3	2
Water										
Number of water treatment plants	2	1	1	1	1	1	1	1	1	1
Number of miles of water main	348	348	348	348	313	300	300	300	295	230
Number of booster pumps	14	14	14	14	14	14	14	14	14	14
Rated peak capacity (millions of gallons/day)	31	26	26	26	26	26	26	23	23	23
Wastewater										
Number of wastewater treatment plants	3	2	2	2	2	2	2	2	2	2
Number of miles of sewer main	292	285	285	285	250	240	240	230	227	176
Number of lift stations	18	18	18	18	18	18	18	20	20	19
Treatment capacity (millions of gallons/day)	6	6	6	6	6	6	5	5	5	5

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Source: The City of Cedar Park