

2016 - 2017



CEDAR PARK



**CEDAR
PARK**

CITY OF CEDAR PARK, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2017

CITY OF CEDAR PARK, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2017



PREPARED BY

FINANCE DEPARTMENT



CEDAR PARK

**CITY OF CEDAR PARK, TEXAS
PRINCIPAL CITY OFFICIALS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

MATT POWELL – MAYOR

KRISTYNE BOLLIER – MAYOR PRO-TEM

COBBY CAPUTO – COUNCIL MEMBER

ANNE DUFFY – COUNCIL MEMBER

HEATHER JEFTS – COUNCIL MEMBER

STEPHEN THOMAS – COUNCIL MEMBER

CORBIN VAN ARSDALE – COUNCIL MEMBER

BRENDA EIVENS – CITY MANAGER

JP LECOMPTE – CITY ATTORNEY

LEANN QUINN – CITY SECRETARY

**CITY OF CEDAR PARK, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended September 30, 2017**

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INTRODUCTORY SECTION



August 22, 2018

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, 2017, 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 is 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 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 RSM US LLP, 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, 2017. 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 76,800, with an additional 20,100 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

Retail development experienced in previous years has led to a robust sales tax and property tax base and 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.

New Commercial Development:

- **The Parke**, a 400,000 square foot retail center developed by Endeavor Real Estate, opened in May 2017. The 380,000 square foot retail center is located north of Costco on the west side of 183A. The project is anchored by Whole Foods 365 Store, Dick's Sporting Goods, Field & Stream, DSW Shoes, Nordstrom Rack and Old Navy.
- **TIG Real Estate** broke ground on four speculative office buildings at Scottsdale Crossing totaling 100,000 square feet that are scheduled to be completed by August 2018.
- **Revenue Cycle Inc.**, moved in to their new 30,000 sf headquarters at Scottsdale Crossing in June where they employ over 100 people.
- **Visual Lighting Technology** relocated their operations from California to Hur Industrial Park where they purchased an existing 20,000 sf building. The project currently employs 35 people.
- **Swagelok** is completing construction on their 30,000 sf distribution/sales and service facility in Brushy Creek Corporate Park with completion projected for May 2018. The project will employ 25 people.
- **Innovative Funding Services** is under construction on their 30,000 sf headquarters at La Jaita Business Park which is projected to be completed by late spring 2018. At full ramp up the project will employ 200 people.
- **Fifteen Five Corporation** will build a 20,000 sf headquarters in two phases on Medical Parkway. The first phase is projected to be completed by late summer 2018. Fifteen Five will employ over 100 people at full ramp up.
- **Clear Cube** has purchased the 25,000 sf building at Scottsdale Crossing and are completing the interior build out. Once the build out is finished Clear Cube will be relocating their operations in to the building. The project will employ approximately 50 people.
- **Hyllion, Inc.**, is relocating their operations from Pennsylvania to Brushy Creek Corporate Park where they will employ over 200 people.

All of this recent commercial development activity has led to marked increases in the City's sales tax revenue over the past several years. There are a number of exciting developments that are

currently being worked on that will also have a positive impact on the City's economy. 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 type A and type B Economic Development 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 seven 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 five-year outlook of the General Fund and construction budgets to show the expenditure cost over time allowing the City to prepare for future funding challenges.

The budget process begins in March 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 five-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:

General Obligation Bonds

In Fiscal Year 2014-2015, City Council formed the Bond Advisory Task Force, a committee made up of board members and interested citizens who were charged with recommending a bond package to the Cedar Park City Council for consideration. In November 2015, a \$96.7 million bond package was approved by voters. This approved bond package contains funding for a variety of future projects in four categories: Streets and Roads, Public Safety, Public Library, and Parks and Recreation.

The Streets and Roads bond includes funding for a number of transportation projects, such as the construction of New Hope Road between Cottonwood Creek Trail and Ronald Regan Boulevard and Phase 2 of the Anderson Mill Road project, which will widen sections of that road to improve traffic flow and driver safety. This bond proposal also includes funding for design and right-of-way acquisition costs related to future Whitestone Boulevard improvements and a number of other potential road projects including the overlay of existing arterial roadways and a variety of turn lane improvements throughout the city. One of the most talked about items that will appear in the bond package is the redevelopment of Bell Boulevard, which is also included in the Streets and Roads category. This project plans to realign Bell Boulevard to make better use of the land in this area with plans to support redevelopment of the section of Bell Boulevard between Cypress Creek Road and Park Street into a vibrant mixed-use destination with retail establishments, residential units, and office spaces.

The Public Safety bond category includes funding for the construction of a fifth fire station on the North side of the City, as well as an expansion to the Police Department. The Library bond category includes funding for construction, renovation, or other costs relating to the Public Library system, and the Parks and Recreation bond category includes funding for a variety of projects, which could include the development of the new Lakeline Park, and the construction of additional trails and bike facilities, and other park amenities.

RM 1431 Pass-Through-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. Construction began in late FY14. This project is considered to be one of the largest transportation projects in the City's history. The City funded 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-through" the road once it is complete. Approximately \$21 million of bonds were issued to fund the significant project. Upon completion of the roadway widening, the City will recoup 80% of all construction related expenses from TX-DoT. This project was completed in 2017.

Quarry Purchase

In August 2015, Cedar Park purchased the rock quarry located along Anderson Mill Road from the City of Austin. As part of the purchase agreement, quarrying activities will begin to taper off and will be ceased entirely by 2019. Future planning efforts will determine the land use for the 215 acres purchased by the City.

Cash Management:

Cash temporarily idle during the year was invested in certificates of deposit, federal government securities, federal agencies, municipal securities, commercial paper, 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 \$1,676,775 from all investments during this reporting period.

Since the economic downturn, market interest rates are starting to pick back up. The City is reducing the level of its funds held in LGIPs and increasing the variety and longevity of other investments in order to maximize interest earnings while maintaining required liquidity levels. Our strategy is to increase the weighted average maturity in order to increase interest earnings but keep ourselves poised to take advantage of higher yielding opportunities as they become available.

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, 2017 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, 2016. This was the 25th 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.

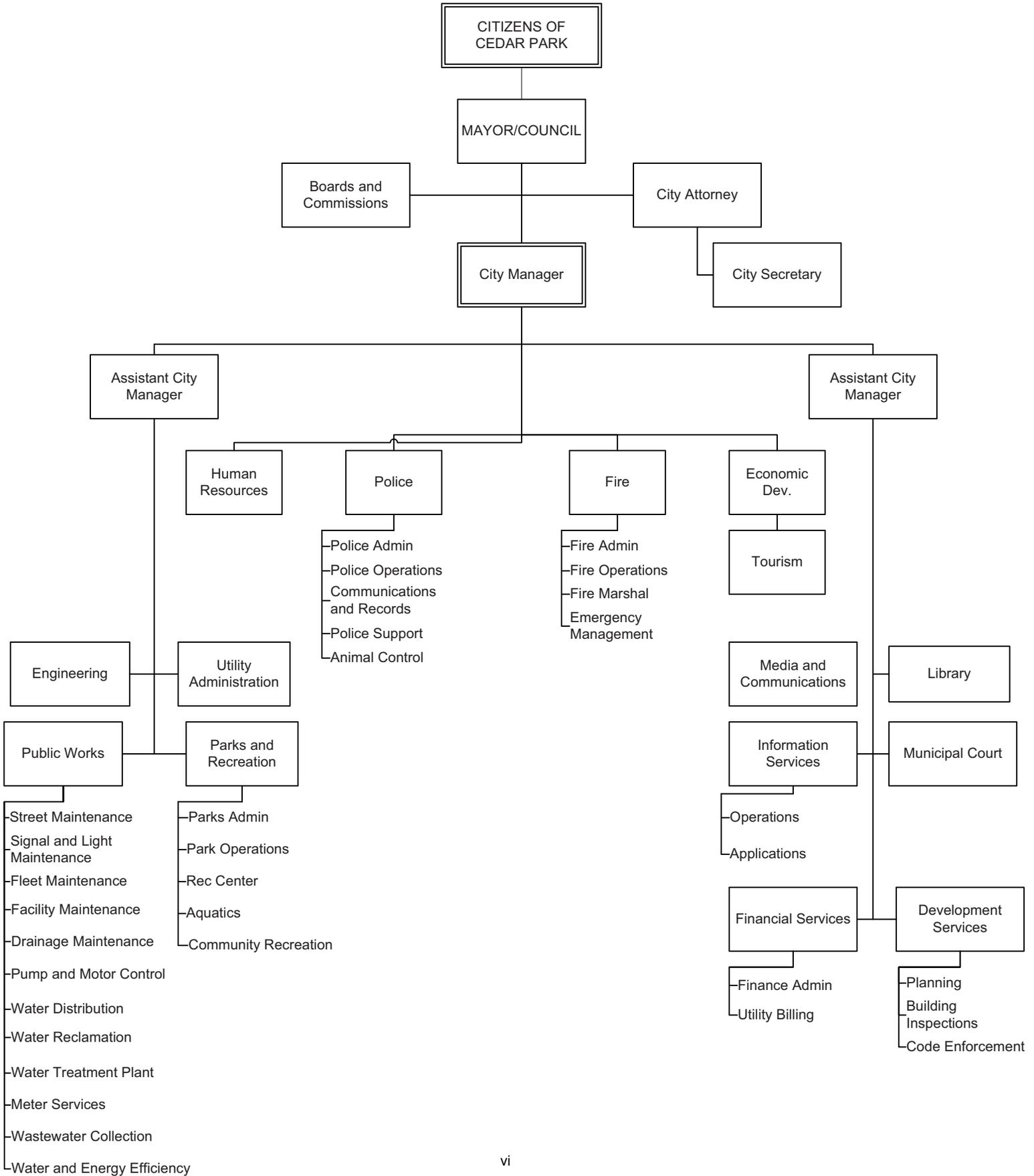
The preparation of the CAFR would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of the CAFR. Credit also must be 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,



Kent Meredith, CPA
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, 2016

Christopher P. Morrell

Executive Director/CEO



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FINANCIAL SECTION



RSM US LLP

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
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, 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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of September 30, 2017, 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; Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual—General Fund; Schedule of Changes in Net Pension Liability and Related Ratios; the Schedule of Contributions; and Other Postemployment Benefits—Trend Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual fund 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, 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.

RSM US LLP

Austin, Texas
August 21, 2018



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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, 2017.

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (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 2017, resulting in \$467,267,644 of net position. Net position for governmental activities totaled \$225,367,925, while net position for business-type activities is \$241,899,719. The largest portion of net position consists of net investment in capital assets, which is \$377,997,221.

The City's unrestricted net position, which may be used to meet the City's ongoing obligations, is \$17,325,909. A deficit of \$3,315,451 is reported as unrestricted for governmental activities, and \$20,641,360 is reported as unrestricted for business-type activities. The deficit in unrestricted governmental net position is attributable to outstanding debt related to business-type assets which resulted from improvement district annexations in fiscal year 2015.

The City's total net position increased \$35,262,914 or 8.2 during fiscal year 2017. The City's total increase in net position consists of an increase in governmental net position of \$26,640,871 or 13.4% and an increase in business-type activities \$8,622,043 or 3.7%.

Total revenues for the City increased \$19,902,927. The increase is comprised of a \$19,991,721 increase in revenues for governmental activities and a decrease of \$88,794 in revenues for business-type activities. Total expenses for the City increased \$2,185,879. Expenses for governmental activities increased \$ 2,936,356 while expenses for business-type activities decreased \$750,477.

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, and 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 Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service Fund, 2016 General Obligation Bond Fund, Municipal Facilities and Equipment 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 an internal service fund to account for maintenance and replacement costs of vehicles, computers and heavy equipment. 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 24 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 30 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 82 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	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 123,840,998	114,421,058	67,747,828	70,192,161	191,588,826	184,613,219
Capital assets	316,736,376	305,560,987	229,461,644	223,719,499	546,198,020	529,280,486
Total Assets	440,577,374	419,982,045	297,209,472	293,911,660	737,786,846	713,893,705
Deferred outflows of resources	14,348,411	15,359,663	3,700,340	3,977,082	18,048,751	19,336,745
Current liabilities	10,861,568	5,929,656	3,457,581	3,068,632	14,319,149	8,998,288
Noncurrent liabilities	218,691,986	230,684,998	55,551,762	61,542,434	274,243,748	292,227,432
Total Liabilities	229,553,554	236,614,654	59,009,343	64,611,066	288,562,897	301,225,720
Deferred inflows of resources	4,306	-	750	-	5,056	-
Net position:						
Net investment in capital assets	195,201,272	179,658,850	182,795,949	175,478,814	377,997,221	355,137,664
Restricted	33,482,104	30,660,158	38,462,410	36,351,234	71,944,514	67,011,392
Unrestricted	(3,315,451)	(11,591,954)	20,641,360	21,447,628	17,325,909	9,855,674
Total Net Position	\$ 225,367,925	198,727,054	241,899,719	233,277,676	467,267,644	432,004,730

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, 2017, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$467,267,644. Total assets increased by \$23,893,141, while total liabilities decreased by \$12,662,823. Governmental assets increased by \$20,595,329 and business-type assets increased by \$3,297,812. Governmental liabilities decreased by \$7,061,100 and business-type liabilities decreased by \$5,601,723.

The increase in governmental total assets of \$20,595,329 was primarily attributable to a change in net position of \$26,640,871, as provided by operating activities, offset by debt issuance and extinguishment transactions. Governmental liabilities decreased \$7,061,100 primarily due to a \$13,420,684 decrease in bonds payable, offset by increases in accounts payable of \$4,721,069, as well as increases to pension and other post-employment benefit activities.

The increase in business-type total assets of \$3,297,812 is primarily attributable to a change in net position of \$8,622,043, as provided by operating activities. The decrease in business-type liabilities of \$5,601,723 is primarily attributable to a decrease in bonds payable of \$6,157,691, offset by an increase in accounts payable of \$332,322.

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, is \$377,997,221 or 80.9% 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, \$71,944,514, represents resources that are subject to restriction on how they may be used. The remaining balance of unrestricted net position, \$17,325,909, may be used to meet the City's obligations to citizens and creditors.

Changes in Net Position

Total net position of the City increased \$35,262,914. Governmental net position increased by \$26,640,871. Governmental revenues exceeded expenses by \$23,372,198, before net transfers of \$3,268,673 from Business-Type activities. Business-type activities net position increased \$8,622,043 due to revenues of \$41,889,242 exceeding expenses of \$29,998,526 by \$11,890,716, before net transfers out to governmental activities of \$3,268,673.

The Governmental net position of the City increased by \$26,640,871 as provided by operating activities, while the City's Governmental unrestricted net position increased by \$8,276,503 primarily due to the contribution to net position provided by operating activities. The Business-Type net position of the city increased by \$8,622,043, as provided by operating activities, while Business-Type unrestricted net position decreased by \$806,268 primarily due to an increase in funds restricted for construction.

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, 2017:

	Changes in Net Position Information September 30					
	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 6,877,653	7,385,496	35,641,853	33,742,270	42,519,506	41,127,766
Operating grants and contributions	3,855,397	3,599,722	-	-	3,855,397	3,599,722
Capital grants and contributions	21,350,442	6,758,817	5,594,605	7,905,978	26,945,047	14,664,795
General revenues:						
Property taxes	37,656,349	34,801,456	-	-	37,656,349	34,801,456
Sales taxes	13,238,991	11,948,321	-	-	13,238,991	11,948,321
Franchise taxes	4,000,987	4,447,120	-	-	4,000,987	4,447,120
Other taxes	1,092,123	945,035	-	-	1,092,123	945,035
Interest and other	2,838,686	1,032,940	652,784	329,788	3,491,470	1,362,728
Total revenues	90,910,628	70,918,907	41,889,242	41,978,036	132,799,870	112,896,943
Expenses:						
General government	19,934,004	22,822,078	-	-	19,934,004	22,822,078
Public safety	25,806,426	23,837,478	-	-	25,806,426	23,837,478
Culture and recreation	6,135,495	6,008,268	-	-	6,135,495	6,008,268
Streets and lighting	8,256,997	4,949,003	-	-	8,256,997	4,949,003
Interest on long-term debt	7,405,508	6,985,247	-	-	7,405,508	6,985,247
Water and sewer	-	-	26,320,876	27,120,392	26,320,876	27,120,392
Solid waste	-	-	3,677,650	3,628,611	3,677,650	3,628,611
Total expenses	67,538,430	64,602,074	29,998,526	30,749,003	97,536,956	95,351,077
Excess before transfers	23,372,198	6,316,833	11,890,716	11,229,033	35,262,914	17,545,866
Transfers	3,268,673	3,014,778	(3,268,673)	(3,014,778)	-	-
Increase (decrease) in net position	26,640,871	9,331,611	8,622,043	8,214,255	35,262,914	17,545,866
Net position, beginning	198,727,054	189,395,443	233,277,676	225,063,421	432,004,730	414,458,864
Net position, ending	\$ 225,367,925	\$ 198,727,054	\$ 241,899,719	\$ 233,277,676	\$ 467,267,644	\$ 432,004,730

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

General/Program Revenues and Expenses – Governmental Activities

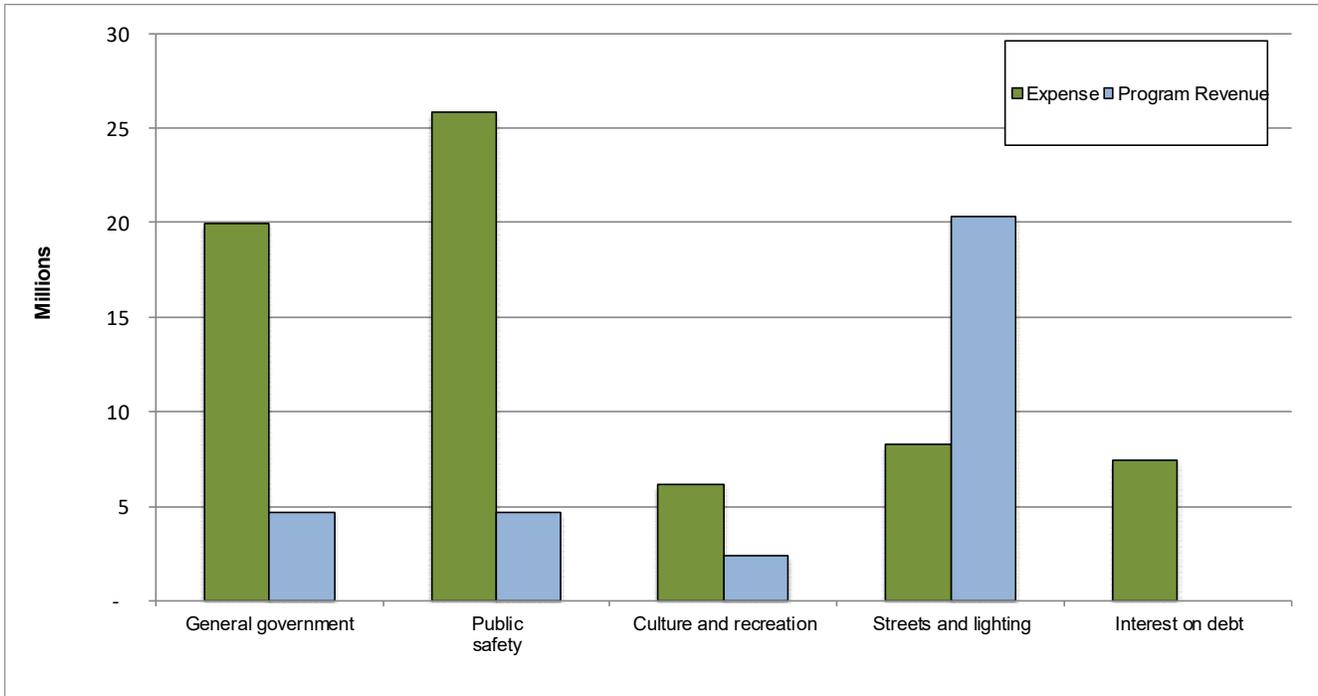
Governmental activities increased the City's net position by \$26,640,871 or 13.4% during fiscal year 2017. The increase was attributable to a number of factors, including:

- \$2,854,893 increase in property tax (ad valorem) collections. Although the City reduced the property tax rates for fiscal year 2017, an increase in assessed values and new development increased overall collections compared to the prior fiscal year. Fiscal year 2017 marked the fourth consecutive tax rate decrease.
- \$1,290,670 increase in sales tax collections due to continued economic growth.
- \$3,268,673 transfer from the business activities to the governmental activities for support provided to the utility systems.
- \$14,591,625 increase in capital grants and contributions and a \$1,805,746 increase in investment interest and other revenue.

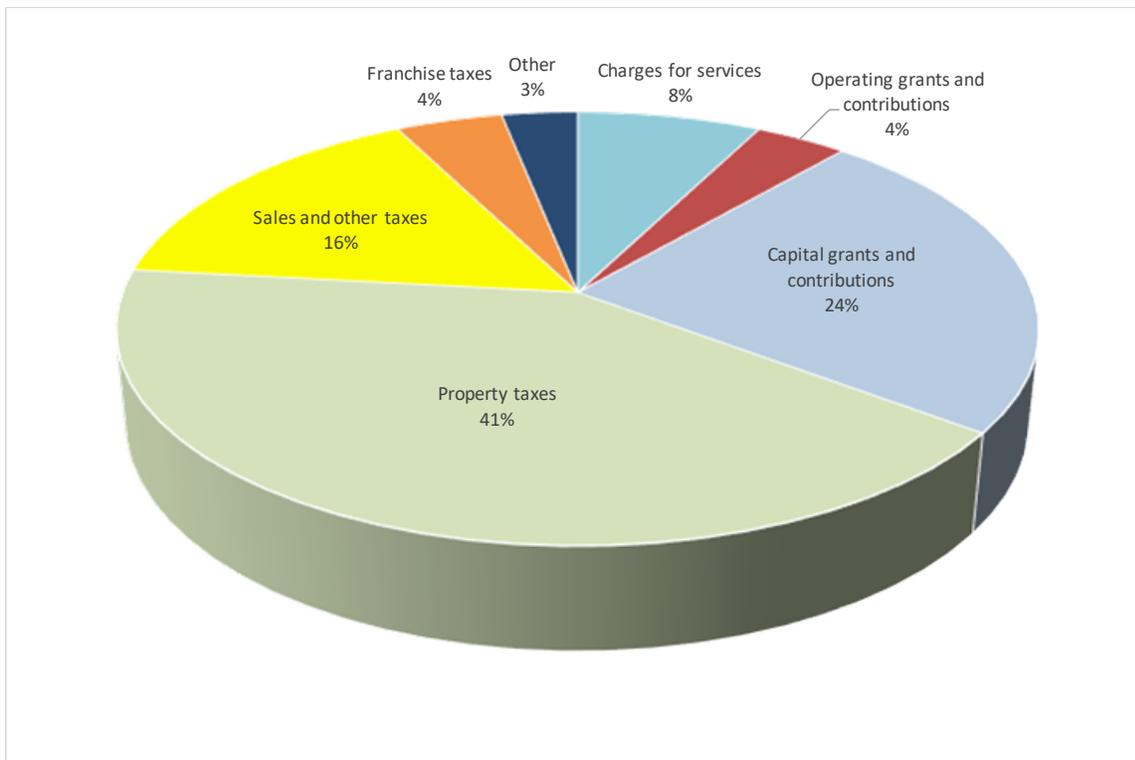
FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

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 sales and other taxes, charges for services, and capital grants and contributions.



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 \$8,622,043, or 3.7% during fiscal year 2017. Business activities budget to break even each year. In most cases, an increase to net position is a result of activities outperforming budget projections. The increase in net position in fiscal year 2017 was mostly as a result of new development, an increase of \$1,899,583 in Charges for Services.

FINANCIAL ANALYSIS OF FUND-LEVEL STATEMENTS

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 \$93,904,826. Approximately 21.9% of this total amount, \$20,610,497, represents unassigned fund balance. The remainder of the fund balance, \$73,294,329, is a combination of nonspendable, committed, assigned or restricted fund balance to indicate it is not available for new spending.

The General Fund is the chief operating account of the City. Unassigned fund balance for the General Fund was \$20,610,497 at the end of the current fiscal year, which also represents the total unrestricted fund balance for governmental funds. 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 45.3% and 46.0%, respectively, of total General Fund expenditures of \$45,494,844.

The General Fund fund balance decreased \$729,096 during fiscal year 2017 primarily due to General Fund cash transfer to the Municipal Facilities and Equipment Fund for the acquisition of new fire trucks.

Fund balance in the Debt Service Fund increased \$438,521 for the fiscal year ended September 30, 2017. Significant factors contributing to the increase include efficiencies related to the defeasance of debt and related interest savings.

Fund balance for the Streets and Lighting Fund increased \$24,041,620 in the current year due to capital contributions for capital expenditures.

Fund balance for the Municipal Facilities and Equipment fund increased \$14,732,249 in the current year primarily due to capital contributions and transfers for capital expenditures.

Fund balance for the 2016 General Obligation Bonds Fund decreased by \$25,551,778 due to transfers for construction funds for capital expenditures.

FINANCIAL ANALYSIS OF 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 increased \$8,426,270 (excluding internal service funds).

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

During fiscal year 2017, the General Fund revenue budget was amended to increase sales tax revenues and administrative fees to reflect year-end estimates. The General Fund expenditure budget was amended to increase the departmental budgets for City Attorney, City Secretary, Finance, Economic Development, Public Works, Police, Parks & Recreation and Library with decreases in General Administration, Animal Control, Building Inspection & Code Enforcement and Streets & Lighting.

The sales tax budget was increased by \$533,883 related to retail sales growth and administrative fees were increased slightly by \$14,192 related to new development.

With the additional revenue, General Fund appropriations were amended to fund various one-time expenditures and realign expenditures within divisions. Additionally, the General Fund budget was amended to distribute savings to for project improvements and reconfigurations throughout the fiscal year.

These expenditure amendments included a city hall building reconfiguration, operating master plan, additional personnel, US digital station alerting system improvements, vehicle egress signal, signal standardization, security camera replacement, office furniture replacement, slope mower, gym divider replacement, community room partitions repair, pool rehabilitation and library software upgrade.

Revenues for fiscal year 2017 were \$131,616 or 0.3% more than budgeted. Property tax collections totaled \$462,170 more than budget, primarily related to slightly higher than anticipated collections. Fees for service, including library, parks, municipal court, and fire protection fees came in at \$241,628 more than budget. Sales tax came in over the amended budget by \$132,207.

Actual expenditures were \$1,810,090 or 3.8% less than budgeted for the fiscal year. The reduced expenditures were largely attributable to an across-the-board savings in services and personnel.

OTHER INFORMATION, continued

Capital Assets

The City's capital assets for governmental and business-type activities as of September 30, 2017, totaled \$546,198,020 (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 Asset Information, Net
September 30

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land and other non-depreciable assets	\$ 23,108,071	21,762,621	3,948,355	3,948,355	27,056,426	25,710,976
Construction in progress	13,607,091	11,123,088	2,855,216	2,532,036	16,462,307	13,655,124
Intangible assets	-	7,643	23,329	48,779	23,329	56,422
Building and improvements	70,943,146	70,766,753	19,552,174	20,126,169	90,495,320	90,892,922
Machinery and equipment	11,563,333	11,144,607	7,024,403	2,183,438	18,587,736	13,328,045
Infrastructure	197,514,735	190,756,275	196,058,167	194,880,722	393,572,902	385,636,997
Total net capital assets	<u>\$ 316,736,376</u>	<u>305,560,987</u>	<u>229,461,644</u>	<u>223,719,499</u>	<u>546,198,020</u>	<u>529,280,486</u>

- Governmental capital assets increased \$11,175,388 primarily due to the completion of infrastructure projects and an increase in construction activity.
- Business-type capital assets increased \$5,742,147 primarily due to ongoing construction and completion of various water and sewer projects during the year.

Additional information on the City's capital assets can be found in note 3-D (page 48) of this report.

Debt Administration

At the end of the current fiscal year, the City of Cedar Park reported \$250,136,243 in outstanding debt. The table below reflects the outstanding debt at September 30.

Outstanding Debt Information

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Primary Government Debt						
General obligation bonds	\$ 124,710,000	135,465,000	3,525,000	4,375,000	128,235,000	139,840,000
Revenue bonds	-	-	42,880,000	47,535,000	42,880,000	47,535,000
Certificates of obligation	19,770,000	19,690,000	520,000	680,000	20,290,000	20,370,000
Economic development bonds	39,125,000	40,975,000	-	-	39,125,000	40,975,000
Premium on issuance of bonds	13,683,280	14,589,410	5,367,904	5,860,595	19,051,184	20,450,005
Discount on issuance of bonds	(27,562)	(38,008)	-	-	(27,562)	(38,008)
State Comptroller note	582,621	789,594	-	-	582,621	789,594
Total primary government	<u>\$ 197,843,339</u>	<u>211,470,996</u>	<u>52,292,904</u>	<u>58,450,595</u>	<u>250,136,243</u>	<u>269,921,591</u>

OTHER INFORMATION, continued

The City’s bond ratings changed from the prior year. Ratings at September 30, 2017 of the City’s general obligation and revenue bonds are as follows:

Debt	Moody’s Investors Service, Inc.		Standard & Poor’s	
	2017	2016	2017	2016
General obligation bonds	Aa2	Aa2	AA+	AA+
Utility system revenue bonds	Aa2	Aa2	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-F (page 54) of this report.

Economic Factors and Next Year’s Budgets and Rates

The FY18 Budget reflects the City Council priority to make Cedar Park a community of choice, and further develop Cedar Park’s reputation as one of the safest places in Texas, one of the best place to start a restaurant or business, and an ideal place to raise a family.

Sales tax collections for FY18 are budgeted at 5.0% over the year-end estimate, which was consistent with year-to-date monthly collections. Sales tax projections for FY18 include anticipated growth of 3.0% for increased activity at existing establishments and 2.0% associated with new business anticipated to open during the fiscal year. The consistency and growth of sales tax revenue has been largely due to the City’s proactive economic development approach.

Total assessed property values for FY18 (Tax Year 2017) increased approximately 7.5%. As a result of increased assessed values, the ad valorem tax rate decreased from 47.00 cents per \$100 valuation to 45.75 cents per \$100 valuation for FY18. The outlook for FY19 is that new retail growth combined with an increase in existing property values will result in an increase of approximately 6.0% in total assessed property values.

In November 2015 the voters ultimately approved a \$96.7 million bond package, creating funding for future projects in four categories: Streets and Roads, Public Safety, Public Library and Parks and Recreation. In July 2016, the City began the process to secure bond funds approved by voters to begin the implementation of the 2015 Bond Program. At this time, the rating agency S&P Global raised the City of Cedar Park’s General Obligation Bond debt from an AA rating to AA+, one category from the highest rating possible. This is the third rating increase in the past 10 years for the City. Additionally, S&P Global affirmed the City’s utility debt rating of AA+, which it has held since 2013. A higher bond rating enables the City to issue debt at a lower interest rate and allows the City the flexibility to refinance existing debt at a lower interest rate – ultimately saving taxpayers money. Receiving this bond rating upgrade at the beginning of the City’s bond program, resulting from the successful November 2015 bond election, maximizes the financial benefit to Cedar Park residents.



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BASIC FINANCIAL STATEMENTS

**Statement of Net Position
September 30, 2017**

City of Cedar Park, Texas

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 29,699,092	11,089,616	40,788,708	13,875,023
Receivables, net				
Taxes	3,116,604	-	3,116,604	2,387,219
Accounts	-	4,465,028	4,465,028	-
Other	2,483,489	225,916	2,709,405	-
Internal balances	(3,115,391)	3,115,391	-	-
Inventories and prepaid items	40,395	58,333	98,728	-
Note receivable - current portion	-	213,399	213,399	-
Cash and investments - restricted	76,256,809	41,500,828	117,757,637	743,641
Note receivable - noncurrent portion	15,360,000	3,755,593	19,115,593	-
Investment in Joint Venture	-	3,323,724	3,323,724	-
Capital assets:				
Nondepreciable	36,715,162	6,803,571	43,518,733	-
Depreciable, net	280,021,214	222,658,073	502,679,287	-
Total capital assets	316,736,376	229,461,644	546,198,020	-
Total assets	440,577,374	297,209,472	737,786,846	17,005,883
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - refunding losses	8,701,664	2,734,721	11,436,385	4,958
Deferred outflows - pension	5,646,747	965,619	6,612,366	-
Total Deferred Outflow of Resources	14,348,411	3,700,340	18,048,751	4,958
LIABILITIES				
Accounts payable	6,382,194	1,935,493	8,317,687	5,000
Accrued interest payable	878,554	227,467	1,106,021	8,123
Accrued liabilities	894,913	280,543	1,175,456	-
Customer deposits	39,606	947,302	986,908	-
Funds held in escrow and other liabilities	2,666,301	66,776	2,733,077	-
Noncurrent liabilities:				
Due within one year				
Compensated absences	198,292	40,840	239,132	-
Notes payable	154,781	-	154,781	154,781
Bonds payable	12,750,000	5,780,000	18,530,000	685,000
Due in more than one year				
Compensated absences	4,834,363	598,191	5,432,554	-
Notes payable	427,840	-	427,840	427,840
Bonds payable	184,510,718	46,512,904	231,023,622	1,467,037
Other post employment benefits	936,647	68,657	1,005,304	-
Net pension liability	14,879,345	2,551,170	17,430,515	-
Total liabilities	229,553,554	59,009,343	288,562,897	2,747,781
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow - Pensions	4,306	750	5,056	-
Total deferred inflows of resources	4,306	750	5,056	-
NET POSITION				
Net investment in capital assets	195,201,272	182,795,949	377,997,221	-
Restricted for:				
Debt service	9,108,080	13,838,733	22,946,813	743,641
Construction	19,884,335	24,623,677	44,508,012	-
Occupancy tax	1,795,341	-	1,795,341	-
Public safety	285,154	-	285,154	-
Cable equipment acquisition	216,520	-	216,520	-
General government	2,192,674	-	2,192,674	13,519,419
Unrestricted balance (deficit)	(3,315,451)	20,641,360	17,325,909	-
Total net position	\$225,367,925	241,899,719	467,267,644	14,263,060

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

Statement of Activities
For the Year Ended September 30, 2017

City of Cedar Park Texas

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary Government:								
Government activities:								
General government	\$ 19,934,004	1,037,911	3,346,412	291,138	(15,258,543)	-	(15,258,543)	-
Public safety	25,806,426	4,303,391	414,177	-	(21,088,858)	-	(21,088,858)	-
Culture and recreation	6,135,495	1,536,351	94,808	739,780	(3,764,556)	-	(3,764,556)	-
Streets and lighting	8,256,997	-	-	20,319,524	12,062,527	-	12,062,527	-
Interest on long-term debt	7,405,508	-	-	-	(7,405,508)	-	(7,405,508)	-
Total governmental activities	67,538,430	6,877,653	3,855,397	21,350,442	(35,454,938)	-	(35,454,938)	-
Business-type Activities:								
Water and sewer	26,320,876	31,940,324	-	5,594,605	-	11,214,053	11,214,053	-
Solid waste	3,677,650	3,701,529	-	-	-	23,879	23,879	-
Total business-type activities	29,998,526	35,641,853	-	5,594,605	-	11,237,932	11,237,932	-
Total Primary Government	\$ 97,536,956	42,519,506	3,855,397	26,945,047	(35,454,938)	11,237,932	(24,217,006)	-
Component units:								
Community development	14,363,875	-	-	-	-	-	-	(14,363,875)
Economic development	4,451,674	-	-	-	-	-	-	(4,451,674)
Total component units	\$ 18,815,549	-	-	-	-	-	-	(18,815,549)
General revenues:								
Property taxes					37,656,349	-	37,656,349	-
Sales taxes					13,238,991	-	13,238,991	13,238,990
Franchise taxes					4,000,987	-	4,000,987	-
Other taxes					1,092,123	-	1,092,123	-
Interest and other					2,838,686	652,784	3,491,470	180,542
Transfers					3,268,673	(3,268,673)	-	-
Total general revenues and transfers					62,095,809	(2,615,889)	59,479,920	13,419,532
Change in net position					26,640,871	8,622,043	35,262,914	(5,396,017)
Net position, beginning					198,727,054	233,277,676	432,004,730	19,659,077
Net position, ending					\$ 225,367,925	241,899,719	467,267,644	14,263,060

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

**Governmental Funds
Balance Sheet
September 30, 2017**

	General	Debt Service	Streets & Lighting	Municipal Facilities & Equipment
ASSETS				
Cash and investments	\$22,445,217	-	-	-
Receivables (net of allowances)				
Property taxes	96,512	92,362	-	-
Sales taxes	2,412,103	-	-	-
Franchise taxes	349,759	-	-	-
Other taxes	-	-	-	-
Other receivables	710,611	690	1,576,149	-
Cash and investments - restricted	-	9,382,656	36,585,989	17,656,839
Notes Receivable	-	14,960,000	-	400,000
Inventory and prepaid items	40,395	-	-	-
Total assets	<u>26,054,597</u>	<u>24,435,708</u>	<u>38,162,138</u>	<u>18,056,839</u>
LIABILITIES				
Accounts payable	1,663,890	840	4,081,183	452,965
Accrued liabilities	470,214	-	243,116	77,844
Customer deposits	39,606	-	-	-
Due to other funds	279,920	-	-	-
Escrow deposits and other liabilities	2,562,639	-	13,835	-
Total liabilities	<u>5,016,269</u>	<u>840</u>	<u>4,338,134</u>	<u>530,809</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	91,019	86,868	-	-
Unavailable revenue - note receivable	-	14,960,000	-	400,000
Total deferred inflows of resources	<u>91,019</u>	<u>15,046,868</u>	<u>-</u>	<u>400,000</u>
FUND BALANCES				
Nonspendable:				
Inventory and prepaid items	40,395	-	-	-
Restricted:				
Debt service	-	9,388,000	-	-
Occupancy tax	-	-	-	-
Cable equipment acquisition	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Construction	-	-	33,824,004	17,126,030
Committed:				
Operating projects	141,636	-	-	-
Assigned:				
State Comptroller note	154,781	-	-	-
Unassigned	20,610,497	-	-	-
Total fund balances	<u>20,947,309</u>	<u>9,388,000</u>	<u>33,824,004</u>	<u>17,126,030</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$26,054,597</u>	<u>24,435,708</u>	<u>38,162,138</u>	<u>18,056,839</u>

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

	2016 General Obligation Bonds	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ -	-	22,445,217
Receivables (net of allowances)			
Property taxes	-	-	188,874
Sales taxes	-	-	2,412,103
Franchise taxes	-	-	349,759
Other taxes	-	165,867	165,867
Other receivables	-	196,039	2,483,489
Cash and investments - restricted	4,790,876	7,840,449	76,256,809
Notes Receivable	-	-	15,360,000
Inventory and prepaid items	-	-	40,395
Total assets	<u>4,790,876</u>	<u>8,202,355</u>	<u>119,702,513</u>
LIABILITIES			
Accounts payable	-	180,182	6,379,060
Accrued liabilities	-	103,739	894,913
Customer deposits	-	-	39,606
Due to other funds	-	-	279,920
Escrow deposits and other liabilities	-	89,827	2,666,301
Total liabilities	<u>-</u>	<u>373,748</u>	<u>10,259,800</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	-	177,887
Unavailable revenue - note receivable	-	-	15,360,000
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>15,537,887</u>
FUND BALANCES			
Nonspendable:			
Inventory and prepaid items	-	-	40,395
Restricted:			
Debt service	-	-	9,388,000
Occupancy tax	-	1,795,341	1,795,341
Cable equipment acquisition	-	216,520	216,520
General government	-	2,192,674	2,192,674
Public safety	-	285,154	285,154
Construction	4,790,876	3,338,918	59,079,828
Committed:			
Operating projects	-	-	141,636
Assigned:			
State Comptroller note	-	-	154,781
Unassigned	-	-	20,610,497
Total fund balances	<u>4,790,876</u>	<u>7,828,607</u>	<u>93,904,826</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,790,876</u>	<u>8,202,355</u>	<u>119,702,513</u>

Governmental Funds
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
September 30, 2017

City of Cedar Park, Texas

Total fund balance - governmental funds \$ 93,904,826

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

Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds. 310,916,079

Deferred outflows of resources do not require current resources are not reported in the governmental funds

Deferred outflows - refunding loss	8,701,664	
Deferred outflows - pension	<u>5,646,747</u>	14,348,411

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds. (878,554)

Noncurrent liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.

Bonds payable	197,260,718	
Notes payable	582,621	
Compensated absences	5,032,655	
Net pension liability	14,879,345	
Other post-employment benefits	<u>936,647</u>	(218,691,986)

Revenues related to receivables that are unavailable for governmental funds are reported as deferred inflows of resources:

Unavailable revenues - property taxes	177,887	
Unavailable revenues - notes receivable	<u>15,360,000</u>	15,537,887

The difference between projected and actual gains on pension asset investments are not reported in the governmental funds

Deferred inflows from pension activity		(4,306)
--	--	---------

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 funds are not included in the governmental funds balance sheet.

10,235,568

Total net position - governmental activities \$ 225,367,925

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



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Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2017

	General	Debt Service	Streets & Lighting	Municipal Facilities & Equipment
REVENUES				
Taxes	\$35,655,643	18,780,983	-	-
Permits, licenses, and fees	1,775,523	-	-	-
Fines and forfeitures	676,567	-	-	-
Charges for services	4,369,414	-	-	-
Intergovernmental	60,000	3,222,113	-	-
Contributions	-	-	15,978,001	291,138
Interest earnings	252,753	126,297	279,466	131,673
Other	997,420	1,059	-	-
Total revenues	<u>43,787,320</u>	<u>22,130,452</u>	<u>16,257,467</u>	<u>422,811</u>
EXPENDITURES				
Current				
General government	10,873,820	-	-	-
Public safety	24,805,490	-	-	-
Culture and recreation	5,246,373	-	-	-
Streets and lighting	3,580,457	-	2,458,852	-
Economic development	-	-	-	-
Capital outlay	833,923	-	10,558,661	2,895,655
Debt service				
Principal	154,781	12,905,000	-	-
Interest and fiscal charges	-	7,316,965	-	-
Payment to bond escrow agent from current resources	-	1,454,831	-	-
Bond issuance costs	-	15,135	-	-
Total expenditures	<u>45,494,844</u>	<u>21,691,931</u>	<u>13,017,513</u>	<u>2,895,655</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(1,707,524)</u>	<u>438,521</u>	<u>3,239,954</u>	<u>(2,472,844)</u>
Other Financing Sources (Uses)				
Issuance of debt	-	-	-	-
Premium on bonds issued	-	-	-	-
Sale of general capital assets	87,755	-	-	-
Transfers in	3,368,673	-	20,801,666	17,214,333
Transfers out	(2,478,000)	-	-	-
Total other financing sources (uses)	<u>978,428</u>	<u>-</u>	<u>20,801,666</u>	<u>17,214,333</u>
Net Change In Fund Balances	(729,096)	438,521	24,041,620	14,741,489
Fund Balances, Beginning	21,676,405	8,949,479	9,782,384	2,384,541
Fund Balances, Ending	<u>\$20,947,309</u>	<u>9,388,000</u>	<u>33,824,004</u>	<u>17,126,030</u>

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

	2016 General Obligation Bonds	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ -	1,651,376	56,088,002
Permits, licenses, and fees	-	-	1,775,523
Fines and forfeitures	-	56,149	732,716
Charges for services	-	-	4,369,414
Intergovernmental	-	173,284	3,455,397
Contributions	-	739,780	17,008,919
Interest earnings	49,361	72,567	912,117
Other	-	406,819	1,405,298
Total revenues	<u>49,361</u>	<u>3,099,975</u>	<u>85,747,386</u>
EXPENDITURES			
Current			
General government	-	189,511	11,063,331
Public safety	-	159,893	24,965,383
Culture and recreation	-	42,137	5,288,510
Streets and lighting	-	-	6,039,309
Economic development	-	1,310,443	1,310,443
Capital outlay	-	2,508,864	16,797,103
Debt service			
Principal	-	-	13,059,781
Interest and fiscal charges	-	-	7,316,965
Payment to bond escrow agent from current resources	-	-	1,454,831
Bond issuance costs	-	47,557	62,692
Total expenditures	<u>-</u>	<u>4,258,405</u>	<u>87,358,348</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>49,361</u>	<u>(1,158,430)</u>	<u>(1,610,962)</u>
Other Financing Sources (Uses)			
Issuance of debt	-	1,735,000	1,735,000
Premium on bonds issued	-	9,094	9,094
Sale of general capital assets	-	-	87,755
Transfers in	-	77,572	41,462,244
Transfers out	(25,601,139)	(8,159,433)	(36,238,572)
Total other financing sources (uses)	<u>(25,601,139)</u>	<u>(6,337,767)</u>	<u>7,055,521</u>
Net Change In Fund Balances	(25,551,778)	(7,496,197)	5,444,559
Fund Balances, Beginning	<u>30,342,654</u>	<u>15,324,804</u>	<u>88,460,267</u>
Fund Balances, Ending	<u>\$ 4,790,876</u>	<u>7,828,607</u>	<u>93,904,826</u>

Governmental Funds
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, 2017

City of Cedar Park, Texas

Net change in fund balances - governmental funds \$ 5,444,559

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	16,797,103	
Depreciation	<u>(9,788,230)</u>	7,008,873

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

Developer contributions	4,341,523	
Unavailable revenues	<u>300,448</u>	4,641,971

The issuance of long-term debt (i.e., bonds) 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of the differences in the treatment of long-term debt and related items.

Bonds issued	(1,735,000)	
Premiums on bonds issued	(9,094)	
Amortization of bond premiums and refunding losses	(117,250)	
Accrued interest on bonds payable	(1,719)	
Principal retirements	13,059,781	
Payment to refunding bond escrow agent	<u>1,454,831</u>	12,651,549

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	(545,821)	
Pension costs	(1,028,959)	
Deferred outflow of resources - pension	(89,056)	
Deferred inflow of resources - pension	(4,306)	
Other post employment benefits	(59,865)	
Loss on capital asset disposal	<u>(409,638)</u>	(2,137,645)

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.

(968,436)

Change in net position of governmental activities

\$ 26,640,871

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



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**Proprietary Funds
Statement of Net Position
September 30, 2017**

City of Cedar Park, Texas

	Business-type Activities Enterprise Funds			Governmental Activities
	Water and Sewer	Solid Waste	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and investments	\$ 10,922,375	167,241	11,089,616	7,253,875
Accounts receivable, net	4,273,662	417,282	4,690,944	-
Due from other funds	279,920	-	279,920	-
Inventories and prepaid expenses	58,333	-	58,333	-
Notes receivable	213,399	-	213,399	-
Total current assets	<u>15,747,689</u>	<u>584,523</u>	<u>16,332,212</u>	<u>7,253,875</u>
Noncurrent assets:				
Cash and investments - restricted	41,322,827	178,001	41,500,828	-
Notes receivable	3,755,593	-	3,755,593	-
Investment in joint venture	3,323,724	-	3,323,724	-
Capital assets:				
Nondepreciable	6,803,571	-	6,803,571	69,824
Depreciable, net	222,312,909	345,164	222,658,073	5,750,473
Total capital assets	<u>229,116,480</u>	<u>345,164</u>	<u>229,461,644</u>	<u>5,820,297</u>
Total noncurrent assets	<u>277,518,624</u>	<u>523,165</u>	<u>278,041,789</u>	<u>5,820,297</u>
Total assets	<u>293,266,313</u>	<u>1,107,688</u>	<u>294,374,001</u>	<u>13,074,172</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - refunding losses	2,734,721	-	2,734,721	-
Deferred outflow - pension	965,619	-	965,619	-
Total deferred outflow of resources	<u>3,700,340</u>	<u>-</u>	<u>3,700,340</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,647,211	288,282	1,935,493	3,134
Accrued interest payable	225,548	1,919	227,467	-
Accrued liabilities	280,543	-	280,543	-
Customer deposits	947,302	-	947,302	-
Other liabilities	66,776	-	66,776	-
Compensated absences	40,840	-	40,840	-
Bonds payable	5,615,000	165,000	5,780,000	-
Total current liabilities	<u>8,823,220</u>	<u>455,201</u>	<u>9,278,421</u>	<u>3,134</u>
Noncurrent liabilities:				
Compensated absences	598,191	-	598,191	-
Other post employment benefits	68,657	-	68,657	-
Net pension liability	2,551,170	-	2,551,170	-
Bonds payable	46,157,904	355,000	46,512,904	-
Total noncurrent liabilities	<u>49,375,922</u>	<u>355,000</u>	<u>49,730,922</u>	<u>-</u>
Total liabilities	<u>58,199,142</u>	<u>810,201</u>	<u>59,009,343</u>	<u>3,134</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	750	-	750	-
NET POSITION				
Net investment in capital assets	182,970,785	(174,836)	182,795,949	5,820,297
Restricted for debt service	13,660,732	178,001	13,838,733	-
Restricted for construction	24,623,677	-	24,623,677	-
Unrestricted	17,511,567	294,322	17,805,889	7,250,741
Total net position	<u>\$ 238,766,761</u>	<u>297,487</u>	<u>239,064,248</u>	<u>13,071,038</u>
Reconciliation to government-wide statement of net position				
Adjustment to reflect the income of the internal service funds that was allocated to enterprise fund functions.	2,835,471	-	2,835,471	
Net position of business type activities	<u>\$ 241,602,232</u>	<u>297,487</u>	<u>241,899,719</u>	

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, 2017

City of Cedar Park, Texas

	Business-type Activities Enterprise Funds			Governmental Activities
	Water and Sewer	Solid Waste	Total	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 31,940,324	3,701,529	35,641,853	6,086,807
Total operating revenues	<u>31,940,324</u>	<u>3,701,529</u>	<u>35,641,853</u>	<u>6,086,807</u>
OPERATING EXPENSES				
Distribution services and charges	10,306,519	3,406,292	13,712,811	3,167,298
Personnel services	5,502,201	-	5,502,201	-
Maintenance and repair	758,729	-	758,729	-
Supplies and materials	791,133	100,305	891,438	435,908
Depreciation	7,786,932	146,384	7,933,316	1,734,780
Total operating expenses	<u>25,145,514</u>	<u>3,652,981</u>	<u>28,798,495</u>	<u>5,337,986</u>
OPERATING INCOME	<u>6,794,810</u>	<u>48,548</u>	<u>6,843,358</u>	<u>748,821</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and other revenue	634,024	18,760	652,784	433,516
Interest and fiscal charges	(1,371,135)	(24,669)	(1,395,804)	-
Total nonoperating revenues (expenses)	<u>(737,111)</u>	<u>(5,909)</u>	<u>(743,020)</u>	<u>433,516</u>
Income before contributions and transfers	<u>6,057,699</u>	<u>42,639</u>	<u>6,100,338</u>	<u>1,182,337</u>
CONTRIBUTIONS AND TRANSFERS				
Contributions	2,488,180	-	2,488,180	-
Community impact fees	3,106,425	-	3,106,425	-
Net transfer out	(3,268,673)	-	(3,268,673)	(1,955,000)
Total contributions and transfers	<u>2,325,932</u>	<u>-</u>	<u>2,325,932</u>	<u>(1,955,000)</u>
CHANGE IN NET POSITION	<u>8,383,631</u>	<u>42,639</u>	<u>8,426,270</u>	<u>(772,663)</u>
Total net position, beginning	<u>230,383,130</u>	<u>254,848</u>	<u>230,637,978</u>	<u>13,843,701</u>
Total net position, ending	<u>\$238,766,761</u>	<u>297,487</u>	<u>239,064,248</u>	<u>13,071,038</u>
Reconciliation to government-wide statement of activities				
Change in net position	\$ 8,383,631	42,639	8,426,270	
Adjustment to consolidate internal service activities	195,773	-	195,773	
Change in net position - business-type activities	<u>\$ 8,579,404</u>	<u>42,639</u>	<u>8,622,043</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, 2017

City of Cedar Park, Texas

	Business-type Activities Enterprise Funds			Governmental Activities
	Water and Sewer	Solid Waste	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 30,960,916	3,628,469	34,589,385	6,086,807
Cash paid to suppliers for goods and services	(12,005,087)	(3,494,495)	(15,499,582)	(3,642,607)
Cash paid to employees for services	(5,317,236)	-	(5,317,236)	-
Net cash provided by operating activities	<u>13,638,593</u>	<u>133,974</u>	<u>13,772,567</u>	<u>2,444,200</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	(3,268,673)	-	(3,268,673)	(1,955,000)
Net cash (used) by noncapital financing activities	<u>(3,268,673)</u>	<u>-</u>	<u>(3,268,673)</u>	<u>(1,955,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash received for nonoperating activities	3,324,165	15,050	3,339,215	431,715
Acquisition of capital assets	(10,700,047)	-	(10,700,047)	(2,034,122)
Principal paid on debt	(5,505,000)	(160,000)	(5,665,000)	-
Interest and fiscal charges paid on debt	(1,605,184)	(25,199)	(1,630,383)	-
Net cash (used) by capital and related financing activities	<u>(14,486,066)</u>	<u>(170,149)</u>	<u>(14,656,215)</u>	<u>(1,602,407)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Earnings on investments	624,624	3,710	628,334	66,510
Net cash provided by investing activities	<u>624,624</u>	<u>3,710</u>	<u>628,334</u>	<u>66,510</u>
Net increase (decrease) in cash and cash equivalents	(3,491,522)	(32,465)	(3,523,987)	(1,046,697)
Cash and cash equivalents, October 1 (including restricted cash accounts)	55,736,724	377,707	56,114,431	8,300,572
Cash and cash equivalents, September 30 (including restricted cash accounts)	<u>\$ 52,245,202</u>	<u>345,242</u>	<u>52,590,444</u>	<u>7,253,875</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, 2017

City of Cedar Park, Texas
(Continued)

	Business-type Activities Enterprise Funds			Governmental Activities
	Water and Sewer	Solid Waste	Total	Internal Service Fund
Reconciliation of cash and cash equivalents to proprietary fund statement of net position				
Cash and investments	\$ 10,922,375	167,241	11,089,616	7,253,875
Cash and investments - restricted	41,322,827	178,001	41,500,828	-
	<u>\$ 52,245,202</u>	<u>345,242</u>	<u>52,590,444</u>	<u>7,253,875</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 6,794,810	48,548	6,843,358	748,821
Adjustments to reconcile operating income to net cash provided by operating activities:				
Other revenues				
Depreciation	7,786,932	146,384	7,933,316	1,734,780
Changes in assets and liabilities:				
Decrease (increase) in assets and deferred outflows:				
Accounts receivable	(786,676)	(73,060)	(859,736)	-
Joint venture	(127,946)	-	(127,946)	-
Inventories/prepaid expenses	(25,111)	-	(25,111)	-
Interfund receivable	60,000	-	60,000	-
Other receivables	(138,271)	-	(138,271)	-
Deferred outflows - pensions	17,196	-	17,196	-
Increase (decrease) in liabilities and deferred inflows:				
Accounts payable	2,884	12,102	14,986	(39,401)
Accrued liabilities	1,912	-	1,912	-
Compensated absences payable	(23,214)	-	(23,214)	-
Other post-employment benefits	10,917	-	10,917	-
Changes in pension activity	179,316	-	179,316	-
Customer deposits	(114,461)	-	(114,461)	-
Other liabilities	(445)	-	(445)	-
Deferred inflows - pension	750	-	750	-
Net cash provided by operating activities	<u>\$ 13,638,593</u>	<u>133,974</u>	<u>13,772,567</u>	<u>2,444,200</u>
Noncash capital activities				
Contribution of capital assets	2,488,180	-	2,488,180	-

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

**Component Units
Statement of Net Position
September 30, 2017**

City of Cedar Park, Texas

	Community Development Corporation	Economic Development Corporation	Total
ASSETS			
Cash and investments	\$ 4,422,606	9,452,417	13,875,023
Receivables, net of allowances for uncollectibles:			
Sales tax receivable	1,193,609	1,193,610	2,387,219
Cash and investments - restricted	743,641	-	743,641
Total assets	<u>6,359,856</u>	<u>10,646,027</u>	<u>17,005,883</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges from bond issuance	4,958	-	4,958
LIABILITIES			
Accounts payable	5,000	-	5,000
Accrued interest payable	8,123	-	8,123
Noncurrent liabilities:			
Due within one year			
Notes payable	77,390	77,391	154,781
Bonds payable	685,000	-	685,000
Due in more than one year			
Notes payable	213,920	213,920	427,840
Bonds payable	1,467,037	-	1,467,037
Total liabilities	<u>2,456,470</u>	<u>291,311</u>	<u>2,747,781</u>
NET POSITION			
Restricted			
Debt service	743,641	-	743,641
General government	3,164,703	10,354,716	13,519,419
Total net position	<u>\$ 3,908,344</u>	<u>10,354,716</u>	<u>14,263,060</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, 2017**

City of Cedar Park, Texas

Functions/Programs		Net (Expense) Revenue and Changes in Net Position		
		Community Development Corporation	Economic Development Corporation	Total
Community development	\$ 14,363,875	(14,363,875)	-	(14,363,875)
Economic development	4,451,674	-	(4,451,674)	(4,451,674)
Total component units	\$ 18,815,549	(14,363,875)	(4,451,674)	(18,815,549)
General revenues:				
Sales tax		6,619,495	6,619,495	13,238,990
Interest and other		101,454	79,088	180,542
Total general revenues		6,720,949	6,698,583	13,419,532
Change in net position		(7,642,926)	2,246,909	(5,396,017)
Net position, beginning		11,551,270	8,107,807	19,659,077
Net position, ending		\$ 3,908,344	10,354,716	14,263,060

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 in the United States of America (GAAP), these basic 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 organization's 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 one-half cent sales tax to support their activities and the City. Separate financial statements are not prepared for either Corporation.

The 4A Corporation's purpose is the 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. While City management has operational responsibility for, and can impose its will on these component units, 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. Eighty 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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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."

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.

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 and fiduciary fund financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when 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 as a lien attaches to the real property by operation of law. Grants are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Interfund activities between governmental funds and between governmental and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and on Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position. All interfund transactions between governmental funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of activities as interfund transfers. Interfund activities between governmental and proprietary funds remain as due to/due from on the government-wide Statement of Net Position.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e. revenues and other financing sources and expenditures and other financing uses).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

The modified accrual basis of accounting recognizes revenues in the accounting period they are both measurable and available. Revenues, other than grants, are considered to be available by the City when they are available and expected to be collected within the current fiscal year or within 60 days thereafter, to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, regardless of the related cash flows. However, debt service expenditures, as well as expenditures related to compensated absences, pensions and claims and judgments, are recorded only when the liability is matured.

Revenues from local sources consist primarily of property taxes and sales taxes. Property, sales and other tax revenues and revenues received from the State are recognized under the "susceptible to accrual" concept, that is, when they are both measurable and available. The City's availability period is no more than 60 days beyond the end of the fiscal year. Revenues from state and federal grants are recorded as revenue when they are expected to be collected within the current fiscal year, or within 60 days thereafter, and all eligibility requirements have been met. Investment earnings are recorded as earned, since they are both measurable and available.

The Proprietary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred, regardless of the timing of the related cash flow. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted, and unrestricted net position.

D. Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and other debits, liabilities, fund balances and other credits, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the proceeds of revenue sources, those proceeds' restrictions or commitments for which they are to be spend and the means by which spending activities are controlled. The City has two types of funds: governmental and proprietary. The fund financial statements provide more detailed information about the City's most significant funds, but not on the City as a whole. Major governmental and enterprise funds are reported separately in the fund financial statements. Nonmajor funds are aggregated in the fund financial statements and independently presented in the combining statements. The criteria used to determine if a governmental or enterprise fund should be reported as a major fund are as follows: the total assets and deferred outflows of resources, the total liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual government or enterprise fund are at least 10% of the corresponding element total for all funds of that category or type (that is, total governmental or total enterprise funds), and the same element that met the 10% criterion above in the governmental or enterprise fund is at least 5.0% of the corresponding element total for all governmental and enterprise funds combined.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)
D. Fund Accounting, (continued)

Governmental Funds: Consist of the general fund, streets & lighting fund, municipal facilities & equipment 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.

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

Municipal Facilities & Equipment Fund - is a capital projects construction fund used to account for expenditures relating to construction or improvement of City facilities, as well as major equipment acquisitions.

2016 General Obligation Bond Fund - is used to account for the proceeds related to the issuance of the 2016 General Obligation Improvement bonds, and the ensuing fund allocations to capital projects,

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 or committed 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 Funds: Consist of enterprise funds and internal service funds.

The City reports the following major enterprise fund:

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

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

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 in a separate column as a non-major fund in the proprietary statements.

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)
D. Fund Accounting, (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 revenues.

E. Deferred Inflows and Outflows of Resources

Deferred inflows of resources represent 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 then. Deferred outflows of resources represent 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 has the following items that qualify for reporting in the government-wide statement of net position, governmental funds balance sheet, or the proprietary funds statement of net position:

- **Deferred outflows - refunding:** A deferred charge on refunding results from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunded debt or refunding debt, whichever is shorter.
- **Deferred outflows - pension:** Actuarial losses related to pensions are reported on the government-wide and the proprietary funds statements of net position. These losses are the result of differences between the expected and actual experience of the plan, changes in assumptions, and differences between projected and actual earnings on pension plan investments. A deferred outflow related to actuarial losses is reported in the government-wide and the proprietary funds statements of net position.
- **Deferred inflows - pension:** Actuarial gains related to pensions are reported on the government-wide and the proprietary funds statements of net position. This gain is the result of differences between the projected and actual earnings on pension plan investments.
- **Unavailable revenues - property taxes:** Unavailable revenues arise under the modified accrual basis of accounting, and are reported only in the governmental funds balance sheet. The City records unavailable revenues from uncollected property taxes and a note receivable, which are deferred and recognized as an inflow of resources in the period that the amounts become available.

F. Net Position Flow Assumption

Sometimes the City 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 City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

G. Fund Balance Flow Assumption

Sometimes the City 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 City'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)

H. 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 and investments balances purpose restrictions as of September 30, 2017:

	Governmental Activities	Business-type Activities	Component Unit Activities
Debt service	\$ 9,382,656	14,064,281	743,641
Construction	62,626,406	27,436,547	-
Occupancy tax	1,699,703	-	-
Tax increment reinvestment zones	575,923	-	-
Law enforcement	285,154	-	-
Restricted grant	1,422,599	-	-
Capital Metro transit	43,436	-	-
Cable equipment acquisition	220,932	-	-
Total restricted cash and investments	<u>\$ 76,256,809</u>	<u>41,500,828</u>	<u>743,641</u>

I. Investments

Investments, except for certain investment pools that meet the requirements of GASB Statement No. 79, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and strive to maintain a \$1 net asset value (NAV) and are reported at amortized cost. Investments in nonparticipating interest-earning contracts, such as certificates of deposit, are reported at cost.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the City. 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 the following:

- Obligations of the United States Government, its agencies and instrumentalities with a maximum stated maturity of three years.
- Obligations of the State of Texas or other states and the agencies, counties, cities and other political subdivisions, excluding capital appreciation bonds, of those states rated as investment grade by at least one nationally recognized rating agency.
- AAA-rated, constant-dollar Local Government Investment Pools as defined by the Act and authorized by City Council.
- Commercial paper rated A1/P1 or equivalent by two nationally recognized rating agencies with a maximum maturity of three six months. No more than 5% of the total portfolio may be invested in any one issuer's securities.
- AAA-rated, SEC registered money market mutual funds AAA-rated as defined by the Act and striving to maintain a \$1 NAV.
- Brokered CD's must be FDIC insured and delivered versus payment to the City's depository with a maximum maturity of one year. FDIC insurance must be verified for the CD before purchase. In addition, a procedure to monitor continued.
- 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.
- Fully FDIC or collateralized depository certificates of deposit of banks doing business in Texas, with a maturity of one year

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

I. Investments, (continued)

Credit Risk, (continued)

Securities are primarily rated by Standard & Poor's or Moody's. As of September 30, 2017:

- Municipal obligations represented 3.90% of the total portfolio, rated AA- to Aaa
- fully insured or collateralized CDs represented 14.99% of the total portfolio,
- money market/demand deposit accounts represented 4.35% of the total portfolio,
- Commercial paper represented 11.49% of the total portfolio, rated A-1
- investment in local government investment pools represented 19.26% of the total portfolio, rated AAA
- US government agency securities represented 43.14% of the total portfolio, rated AA+
- US Treasury notes and bills represented 2.87% of the total portfolio, rated Aaa

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of the City's investments in a single issuer.

The City of Cedar Park 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	35%
- CDs	40%
- In any one bank	20%
- Repurchase Agreements	50%
- Flex in CIP Funds	100%
- Local Government Investment Pools	100%
- Money Market Mutual Funds	100%
- Commercial Paper	25%
- Any one issuer	5%
- Brokered CD Securities	20%

Policy compliance is monitored on a monthly basis and reported to the City Council quarterly. As of September 30, 2017 all parameters and limits of the diversification policy were met.

Interest Rate Risk

Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment.

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 1-year Treasury Bill.

As of September 30, 2017, the portfolio contained:

- only 12.23% of the total portfolio had maturities longer than one year,
- no holding in the portfolio had a stated maturity date beyond 02/15/2020 or 867 days, and
- the dollar weighted average maturity of the total portfolio was 188 days.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

I. Investments, (continued)

Interest Rate Risk, (continued)

As of September 30, 2017, the portfolio held the following investments:

Investment Type	Balance	% of Portfolio	Investment Maturities in Years			
			Less than 1 Year	1-2 Years	2-3 Years	3-5 Years
US Treasury Notes and Bills	\$ 4,986,915	3.00%	\$ 4,986,915	-	-	-
US Agencies*						
FFCB	9,980,605	6.01%	9,980,605	-	-	-
FHLB	19,963,045	12.02%	9,991,980	4,985,040	4,986,025	-
FHLMC	14,963,910	9.01%	14,963,910	-	-	-
FNMA	9,764,950	5.88%	-	9,764,950	-	-
FAMCA	10,980,226	6.61%	7,991,689	2,988,537	-	-
OPIC	5,281,571	3.18%	5,281,571	-	-	-
FICO	3,992,376	2.40%	3,992,376	-	-	-
Local Government Investment Pools	33,432,124	20.12%	33,432,124	-	-	-
Certificates of Deposit	26,042,517	15.67%	26,042,517	-	-	-
Commercial Paper	19,963,156	12.02%	19,963,156	-	-	-
Municipal Obligations	6,774,300	4.08%	5,277,255	997,240	499,805	-
Total Value	\$ 166,125,695		\$ 141,904,098	18,735,767	5,485,830	-
% of Total Portfolio		100.00%	85.42%	11.28%	3.30%	0.00%

Abbreviations: FFCB Federal Farm Credit Bank
FHLB Federal Home Loan Bank
FHLMC Federal Home Loan Mortgage Corporation
FNMA Federal National Mortgage Association
FAMCA Federal Agricultural Mortgage Corporation
OPIC Overseas Private Investment Corporation
FICO Financing Corporation

* Includes investments that are not impacted by interest rate risk

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside third party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the City and are held by the counterparty, its trust or agent, but not in the City's name.

The City's investment securities are not exposed to custodial risk because all securities held by the City's custodial banks are in the City's name.

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 provides original safekeeping receipts and monthly reporting of positions with position descriptions including market value. Repurchase agreements and all deposits must be collateralized to 102% and be executed under written agreements. Depository agreements are executed under the terms of the U.S. Financial Resource and Recovery Enforcement Act (FIRREA). The counter-party of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

I. Investments, (continued)

Custodial Credit Risk, (continued)

Portfolio disclosure as of September 30, 2017:

- all time and demand deposits were fully FDIC insured or collateralized in accordance with statute and policy,
- the portfolio contained 14.99 % in fully collateralized or FDIC insured certificates of deposits,
- the portfolio contained 4.35 % in demand deposit accounts that are fully collateralized or fully insured by the FDIC, and
- all pledged collateral was held by an independent institution outside the bank's holding company.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles in the United States of America (GAAP). GASB Statement No. 72, *Fair Value Measurement and Application*, provides framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

As of September 30, 2017 the securities to be priced in the portfolio were:

<u>Security Type</u>	<u>Level 2</u>	<u>Total</u>
Investments Measured at Fair Value:		
US Treasury Obligations	\$ 4,986,915	4,986,915
US Government Agencies	74,926,683	74,926,683
Municipal Obligations	6,774,300	6,774,300
	<u>86,687,898</u>	<u>86,687,898</u>
Investments Measured at Amortized Cost:		
TexPool	-	25,641,224
Commercial Paper	-	19,963,156
Certificates of Deposit	-	26,042,517
Investments Measured at Net Asset Value:		
TexSTAR	-	7,790,900
Total Investments	<u>\$ 86,687,898</u>	<u>166,125,695</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

I. Investments, (continued)

Texas Local Government Investment Pool

Texas Local Government Investment Pool (“TexPool”) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, TexPool is rated AAAM by Standard & Poor’s and had a weighted average maturity of 37 days as of September 30, 2017.

TexPool meets the requirements of GASB Statement No. 79, and as such, measures and reports its investments at amortized cost. The City carries its investment in TexPool at amortized cost.

TexSTAR Investment Pool

TexSTAR is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code, and the Public Funds Investment Act, chapter 2256, of the Texas Government Code. The pool was created through a contract among its participating governmental units, and is governed by a board of directors to provide for the joint investment of participants’ public funds and funds under their control. TexSTAR is managed by J.P. Morgan Investment Management, Inc., an affiliate of JP Morgan Chase Bank, N.A. a national banking association, and First Southwest Asset Management, Inc., an affiliate of Texas based First Southwest Company. TexSTAR’s investment manager will maintain the dollar-weighted average maturity of sixty (60) days or less, and the maximum stated maturity for any obligation of the United States, its agencies, or instrumentalities is limited to 397 days for fixed rate securities and 24 months for variable rate notes. TexSTAR is rated AAAM by Standard and Poor’s and had a weighted average maturity of 29 days at September 30, 2017.

TexSTAR does not meet the requirements of GASB Statement No. 79, and as such, measures and reports its investments at fair value. The City carries its investment in TexSTAR at fair value measured using NAV.

TexSTAR’s strategy is to seek preservation of principal, liquidity and current income through investments in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pools. TexSTAR has a redemption notice period of one day and may redeem daily.

J. 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 1% of outstanding property taxes at September 30, 2017.

K. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the consumption method). Inventories in the utility fund are also recorded in the same manner, however, inventory balances are recorded on the balance sheet at cost.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

L. 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, 2017.

M. 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 building and infrastructure additions and improvements with a cost of \$50,000 or more, vehicles, equipment, artworks and furniture with a cost of \$5,000 or more, land and right-of-way acquisitions of any value. In addition, items must have a useful life of at least two years, and ownership of the asset must clearly rest with the City. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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

N. 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, or 1,080 hours for shift-work firefighters) 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 ten years of continuous service at separation to be eligible for sick leave buyback. As of September 30, 2017, the City had accrued \$3,801,113 of sick-leave for employees that met the buy-back criteria, or 67% of the total liability accrued of \$5,671,686. The compensated absences liability is reported on the government-wide and proprietary funds statements of net position.

O. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

O. Fund Balance, (continued)

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. During the year, the City Council approved multi-year projects in the Operating Projects fund, the fund balance of which is reported as committed.

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. In September 2013, the City Council adopted a policy to grant the City manager or Finance Director authority to assign fund balances. During the year, a portion of General Fund fund balance was assigned by the City's Finance Director for the repayment of a long-term note payable to the State Comptroller. Additional information related to the State Comptroller note can be found in Note 3-F (page 56).

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.

P. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles in the United States of America (GAAP), requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from those estimates.

Q. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to, or deductions from, TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The City Council follows these procedures in establishing budgetary data reflected in as RSI:

- (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 employed for eight Special Revenue Funds, with the remainder excluded because the amount of revenue and expenditures vary depending on unpredictable availability of resources. Capital Project Funds 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, except as authorized by City Council action for capital and operating projects that typically have a life span beyond the end of the fiscal year.
- (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.
- (8) The budget to actual is presented for the general and debt service funds. The City's budget for these funds is presented in accordance with generally accepted accounting principles in the United States of America (GAAP) except for the exclusion of the perspective differences within the general fund. The perspective differences are related to operating project expenditures which are budgeted according to project life cycle rather than an annual basis.

During fiscal year 2017, the General Fund expenditure budget was amended to increase departmental budgets for City Secretary, Finance, Police Services, Economic Development, Engineering, Fire Services, Field Operations, Parks and Recreation, Library, and Legal Services. The increases were related to transfers to capital projects of \$469,104 and materials and supplies of \$4,100. This \$473,204 increase in the expenditure budget was offset by an increase in the revenue budget of \$548,075.

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.

The City's bank deposits were fully insured or collateralized by Federal Depository Insurance Corporation coverage and securities held by the City's agent bank in the City's name. The carrying value of bank deposits was \$7,030,804, including outstanding checks and deposits in transit of \$527,791.

Investments in United States government agency securities are considered short-term and all such investment activity is conducted through a depository bank. During the fiscal year ended September 30, 2017, 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>Amount</u>
Petty Cash	\$ 8,510
Cash in Bank (1)	7,030,804
TexPool	11,022,560
TexSTAR	7,790,900
Certificates of Deposit	26,042,517
Commercial Paper	19,963,156
Municipal Obligations	6,774,300
U. S. Government Securities	79,913,598
Primary Government Cash and Investments	<u>\$ 158,546,344</u>
 <u>Component Units</u>	
Texpool	
Community Development Corporation	\$ 5,166,247
Economic Development Corporation	9,452,417
	<u>\$ 14,618,664</u>

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

Reconciliation of cash and investments to the statement of net position cash and investments is as follows:

Cash in bank accounts	\$ 7,030,804
Petty cash accounts	8,510
Total portfolio value	166,125,695
Cash balance	<u>\$ 173,165,009</u>

Statement of net position presentation	
Cash and investments	\$ 54,663,731
Restricted cash and investments	118,501,278
Total cash and investments	<u>\$ 173,165,009</u>

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

	Governmental Funds				
	General	Debt Service	Streets & Lighting	Municipal Facilities & Equipment	Other Funds
Primary Government					
Property taxes	\$ 97,431	93,239	-	-	-
Sales taxes	2,412,103	-	-	-	-
Franchise taxes	349,759	-	-	-	-
Other taxes	-	-	-	-	165,867
Charges for services	-	-	-	-	-
Other	710,611	690	1,576,149	-	196,039
Due from other funds	-	-	-	-	-
Notes receivable	-	14,960,000	-	400,000	-
Allowance for doubtful accounts	(919)	(877)	-	-	-
Net Receivables	<u>\$ 3,568,985</u>	<u>15,053,052</u>	<u>1,576,149</u>	<u>400,000</u>	<u>361,906</u>

	Enterprise Funds		Total
	Water and Sewer	Solid Waste	Governmental & Enterprise Funds
Primary Government, (continued)			
Property taxes	\$ -	-	190,670
Sales taxes	-	-	2,412,103
Franchise taxes	-	-	349,759
Other taxes	-	-	165,867
Charges for services	4,866,410	464,553	5,330,963
Other	-	-	2,483,489
Due from other funds	279,920	-	279,920
Notes receivable	3,968,992	-	19,328,992
Allowance for doubtful accounts	(592,748)	(47,271)	(641,815)
Net Receivables	<u>\$ 8,522,574</u>	<u>417,282</u>	<u>29,899,948</u>

The Water and Sewer Fund receivable balance includes a note receivable of \$3,968,992 from the City of Leander for their share of the buy-in cost for the Brushy Creek Regional Waste Water System with a stated interest rate of 3.0%. The City of Leander paid \$207,184 toward the note receivable during the fiscal year, and is scheduled to make annual principal and interest payments of \$332,469 through January 2032.

Governmental funds report deferred inflows for deferred revenue in connection with receivables for revenue that are 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:

Deferred inflows	Delinquent property taxes	Notes receivable
General fund	\$ 91,019	-
Debt service fund	86,868	14,960,000
Municipal facilities & equipment fund	-	400,000
Total governmental funds	<u>\$ 177,887</u>	<u>15,360,000</u>

3. DETAILED NOTES ON ALL FUNDS, (continued)
B. Receivables, (continued)

In accordance with Texas statutes, the City approves a tax rate and an order to levy property taxes in October of each year. Property taxes are billed by the county tax assessor collector as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are payable on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of the year following the City's order to levy taxes (the assessment date), a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. The assessment date represents the date on which an enforceable legal claim arises and attaches as a lien on the assessed property. In the government-wide financial statements, property tax revenue is recognized in the year for which the taxes are levied, net of an allowance for uncollectible taxes. In the Governmental Fund financial statements, property tax revenues are considered available when they become due and receivable within the current period.

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% 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, 2017, was \$0.231250 per \$100 of 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, 2017 was \$0.238750 per \$100 of assessed valuation. The City levied taxes based on a combined tax rate of \$0.47000 per \$100 of assessed valuation for general governmental services and debt service.

In fiscal year 2012, the City entered into a pass-through funding agreement with the Texas Department of Transportation (TxDOT). Consequently, the City established a receivable from TxDOT which will be payable over future periods as follows:

- TxDOT will pay the City \$0.035 for each vehicle mile traveled on the project during the previous year;
- The number of vehicle-miles traveled on the project will be based on actual traffic data, to the extent available;
- TxDOT's payments will be no less than \$680,000 and no more than \$1,360,000 per year.
- As of September 30, 2017, the Debt Service Fund receivable balance is \$14,960,000.

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 July 2012. Operation of the plant was halted temporarily in August 2013, due to low lake levels resulting from an ongoing drought. Mandatory decreased water withdrawals ordered by the Lower Colorado River Authority, and conservation efforts undertaken by the three partner cities have reduced system demand, which allowed the BCRUA facilities to remain off-line throughout 2015. Plant operations resumed in October 2015. The plant has remained in continuous operation since that time, expanding operational staffing in 2017 to allow for 24/7 operations during the 2017 summer peak demand period. 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, 2017

ASSETS		LIABILITIES	
Current assets:		Current liabilities:	
Cash and cash equivalents	\$ 5,660,423	Accounts payable	\$ 638,992
Accounts receivable, net	<u>89,553</u>	Retainage payable	1,595,370
Total current assets	5,749,976	Due to partner cities	<u>226,634</u>
		Total current liabilities	2,460,996
Noncurrent assets:		Current liabilities payable from	
Restricted cash and cash equivalents		restricted assets:	
and investments:		Current portion of revenue bond payable	4,470,000
Debt service	17,341	Accrued interest	<u>1,044,503</u>
Escrow	18,301,624	Total current liabilities payable from	
Reserve	6,696	restricted assets	5,514,503
Land, easements, and construction		Noncurrent liabilities:	
in progress	22,351,333	Revenue bonds payable	<u>169,702,705</u>
Capital assets, net of accumulated depreciation:		Total noncurrent liabilities	<u>169,702,705</u>
Buildings, infrastructure, and equipment	<u>137,012,881</u>	Total liabilities	<u>177,678,204</u>
Total noncurrent assets	<u>177,689,875</u>	NET POSITION	
Total assets	183,439,851	Net position	<u>\$ 21,319,648</u>
Deferred outflows of resources - refunding	<u>15,558,001</u>		
Total assets and deferred outflows of resources	<u>\$ 198,997,852</u>	Cedar Park share of net position:	<u>\$ 3,323,724</u>

3. DETAILED NOTES ON ALL FUNDS, (continued)
C. Investment in Joint Venture, (continued)

**STATEMENT OF ACTIVITIES
AND CHANGES IN NET POSITION**
For the Year Ended September 30, 2017

	BCRUA	Cedar Park Share
Operating revenues	\$ 2,302,665	692,550
Operating expenses	11,755,292	2,128,696
Change in net position	(9,452,627)	(1,436,146)
Other income	269,404	24,878
Bond issuance costs	(764,888)	-
Net position, October, 2015	19,471,253	3,196,445
Net contribution of capital	11,796,506	1,538,547
Net position, September, 2016	\$ 21,319,648	3,323,724

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, 2017, was as follows:

GOVERNMENTAL ACTIVITIES:	Beginning Balance	Increases	Decreases/ (Reclass)	Ending Balance
Capital assets, not depreciated:				
Land and other non-depreciable assets	\$ 21,762,621	1,703,762	358,312	23,108,071
Construction in progress	11,123,088	16,101,438	13,617,435	13,607,091
Total assets not being depreciated	<u>32,885,709</u>	<u>17,805,200</u>	<u>13,975,747</u>	<u>36,715,162</u>
Capital assets being depreciated:				
Intangible assets	592,042	-	-	592,042
Building and improvements	89,298,234	2,497,551	-	91,795,785
Machinery and equipment	37,096,698	3,547,210	2,297,894	38,346,014
Infrastructure	238,057,627	12,989,011	302,634	250,744,004
Total capital assets being depreciated	<u>365,044,601</u>	<u>19,033,772</u>	<u>2,600,528</u>	<u>381,477,845</u>
Less accumulated depreciation:				
Intangible assets	584,399	7,644	-	592,043
Building and improvements	18,531,481	2,321,158	-	20,852,639
Machinery and equipment	25,952,093	2,522,177	1,691,589	26,782,681
Infrastructure	47,301,350	6,672,031	744,113	53,229,268
Total accumulated depreciation	<u>92,369,323</u>	<u>11,523,010</u>	<u>2,435,702</u>	<u>101,456,631</u>
Total capital assets being depreciated, net	<u>272,675,278</u>	<u>7,510,762</u>	<u>164,826</u>	<u>280,021,214</u>
Total capital assets, net	<u>\$ 305,560,987</u>	<u>25,315,963</u>	<u>14,140,573</u>	<u>316,736,376</u>
				Related debt (169,001,960)
				Debt-related deferred outflows 8,271,363
				Unspent bond proceeds 39,195,493
				<u>Net investment in capital assets 195,201,272</u>

Depreciation expense was charged to governmental activities as follows:

Governmental activities:	
General government	\$ 6,401,240
Public safety	373,707
Culture and recreation	812,146
Streets and lighting	2,201,137
Internal service	1,734,780
Total depreciation expense - governmental activities	<u>\$ 11,523,010</u>

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

Business-type Activities

Capital asset activity for the year ended September 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases/ (Reclass)	Ending Balance
<u>BUSINESS-TYPE ACTIVITIES:</u>				
Capital assets, not being depreciated:				
Land and other non-depreciable assets	\$ 3,948,355	-	-	3,948,355
Construction in progress	2,532,036	10,800,194	10,477,014	2,855,216
Total assets not being depreciated	<u>6,480,391</u>	<u>10,800,194</u>	<u>10,477,014</u>	<u>6,803,571</u>
Capital assets, being depreciated				
Intangible assets	127,253	-	-	127,253
Building and improvements	29,661,889	11,148	-	29,673,037
Machinery and equipment	6,270,457	5,500,841	85,839	11,685,459
Infrastructure	263,828,329	7,841,447	-	271,669,776
Total capital assets being depreciated	<u>299,887,928</u>	<u>13,353,436</u>	<u>85,839</u>	<u>313,155,525</u>
Less accumulated depreciation:				
Intangible assets	78,473	25,451	-	103,924
Building and improvements	9,373,824	781,263	-	10,155,087
Machinery and equipment	4,248,918	462,598	84,685	4,626,831
Infrastructure	68,947,606	6,664,004	-	75,611,610
Total accumulated depreciation	<u>82,648,821</u>	<u>7,933,316</u>	<u>84,685</u>	<u>90,497,452</u>
Total capital assets being depreciated, net	<u>217,239,107</u>	<u>5,420,120</u>	<u>1,154</u>	<u>222,658,073</u>
Total capital assets, net	<u>\$ 223,719,498</u>	<u>16,220,314</u>	<u>10,478,168</u>	<u>229,461,644</u>
				(53,745,399)
				2,734,721
				4,344,983
				<u>182,795,949</u>

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

Business-type activities:	
Water and sewer	\$ 7,786,932
Solid waste	146,384
Total depreciation expense - business-type activities	<u>\$ 7,933,316</u>

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, 2017 are as follows:

Project Description	Authorized Project Amount	Project Expenditures To Date	Remaining Project Balance
Anderson Mill Road	\$ 9,894,600	5,264,785	4,595,921
Sidewalk Gap Ph. III	320,000	194,667	125,333
ILSN Sign Replacements and Upgrades	140,000	63,983	76,017
Way-Finding/Community Identification	285,000	199,370	85,630
Right Turn Lakeline at Old Mill	250,000	25,005	224,995
Brushy Creek Regional Trail Connection Project	450,000	8,686	441,314
Right Turn WB Brushy Creek and Vista Ridge	250,000	156,528	93,472
Right Turn WB Brushy Creek and Lynnwood	250,000	155,126	94,874
Discovery Blvd Median Break	200,000	157,469	42,531
Sidewalk Gap Ph. IV	350,000	6,755	343,245
Arterial Overlay	4,333,333	2,876,084	1,457,249
Bell Boulevard District Redevelopment	19,565,000	1,034,710	18,530,290
New Hope (Cottonwood Creek to Ronald Reagan)	9,400,000	648,914	8,751,086
Fire Station 2 Emergency Vehicle Egress Signal	150,000	4,000	146,000
Park Warning System	50,000	32,048	17,952
Milburn Park Improvements	350,000	136,614	213,386
Dog Park #2	265,000	6,782	258,218
Veteran's Memorial Park Improvements	500,000	2,343	497,657
Milburn Pool Rehabilitation	58,000	1,823	56,177
Fire Station 5	5,955,000	541,898	5,413,102
Library Access Control	9,517	5,609	3,908
Library Master Plan	60,000	47,717	12,283
Police Dept Phase II Expansion	6,806,000	348,358	6,457,642
City Hall Bldg 6 Finishout	1,875,000	1,569,565	305,435
Quint #2 - VES Replacement	1,125,000	48,428	1,076,572
Quint #5	1,125,000	48,428	1,076,572
Mobile Command Unit - Fire	830,000	21,396	808,604
	<u>\$ 64,846,450</u>	<u>13,607,091</u>	<u>51,205,465</u>

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

Construction in progress and remaining commitments under related construction contracts for business-type activities at September 30, 2017 are as follows:

Project Description	Business-Type Activities:		
	Authorized Project Amount	Project Expenditures To Date	Remaining Project Balance
Reg Water Plant Phase II	\$ 20,243,228	126,714	20,116,514
Little Elm 16" Waterline	721,000	406,581	314,419
Anderson Mill Road Waterline	375,000	98,956	276,044
New Hope 16" TM (Cottonwood to Ronald Reagan)	1,457,000	30,960	1,426,040
Water Infrastructure Rehab/Relocation	673,125	350,601	322,524
Capitalized Interest on water projects	-	246,093	-
Cottonwood Wastewater Interceptor Phase II	3,520,000	49,537	3,470,463
Ronald Reagan Westside	570,000	40,182	529,818
BCRWWS East Plant Re-Rate Improvements	1,890,000	70,986	1,819,014
1431 LS Influent Line	475,000	279,815	195,185
Lone Star WW Line Replacement	2,015,000	788,423	1,226,577
Anderson Mill Road Waterline	375,000	229,446	145,554
New Hope WW (Cottonwood to Ronald Reagan)	923,000	30,960	892,040
Wastewater Infrastructure Rehab/Relocation	673,125	64,621	608,504
Capitalized Interest on wastewater projects	-	41,341	-
	<u>\$ 33,910,478</u>	<u>2,855,216</u>	<u>31,342,696</u>

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

Interfund receivables, payables, and advances at September 30, 2017 are as follows:

Receivable Fund	Payable Fund	Amount
Water and Sewer Fund	General Fund	279,920
		<u>\$ 279,920</u>

Interfund receivables, payables, and advances reflect loans between funds. The amount of \$279,920 represents a loan from the Water and Sewer Fund for construction costs related to the City Hall facility.

Interfund transfers for the year ended September 30, 2017 consisted of the following:

Transfers In	Transfers Out	Amount
General	Water and Sewer	\$ 3,268,673
General	Nonmajor governmental	100,000
Street	Capital project funds	6,348,860
Street	2016 GO bond fund	14,182,806
Street	General	270,000
Facilities	Capital project funds	1,691,000
Facilities	General	2,150,000
Facilities	2016 GO bond fund	11,418,333
Facilities	Internal Service Fund	1,955,000
Capital project funds	General	58,000
Capital project funds	Nonmajor governmental	19,572
Total transfers in		<u>\$ 41,462,244</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.

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

Long-term liability activity for the year ended September 30, 2017 was as follows:

	October 1, 2016	Increases	Decreases	September 30, 2017	Amounts Due Within One Year
<u>Governmental Activities</u>					
General obligation bonds	\$135,465,000	-	10,755,000	124,710,000	9,145,000
Certificates of obligation	19,690,000	1,735,000	1,655,000	19,770,000	1,680,000
Economic development bonds	40,975,000	-	1,850,000	39,125,000	1,925,000
Premium on issuance of bonds	14,589,410	9,094	915,224	13,683,280	-
Discount on issuance of bonds	(38,008)	-	(10,446)	(27,562)	-
Total bonds	210,681,402	1,744,094	15,164,778	197,260,718	12,750,000
Other long-term liabilities					
Compensated absences	4,486,834	673,375	127,554	5,032,655	198,292
State Comptroller note	789,594	-	206,973	582,621	154,781
Net pension liability	13,850,386	1,028,959	-	14,879,345	-
Other post employment benefits	876,782	59,865	-	936,647	-
Other long-term liabilities total	20,003,596	1,762,199	334,527	21,431,268	353,073
Total governmental activities	\$230,684,998	3,506,293	15,499,305	218,691,986	13,103,073
<u>Business-type Activities</u>					
Water and Sewer activities					
Revenue bonds	\$ 47,535,000	-	4,655,000	42,880,000	4,660,000
General obligation bonds	4,375,000	-	850,000	3,525,000	955,000
Premium on issuance of bonds	5,860,595	-	492,691	5,367,904	-
General obligation bonds and other tax supported debt total	57,770,595	-	5,997,691	51,772,904	5,615,000
Compensated absences	662,245	65,240	88,454	639,031	40,840
Net pension liability	2,371,854	179,316	-	2,551,170	-
Other post employment benefits	57,740	10,917	-	68,657	-
Other long-term liabilities total	3,091,839	255,473	88,454	3,258,858	40,840
Water and sewer activities total	60,862,434	255,473	6,086,145	55,031,762	5,655,840
Solid Waste activities					
Certificates of obligation	680,000	-	160,000	520,000	165,000
Solid waste activities total	680,000	-	160,000	520,000	165,000
Business-type activities total	\$ 61,542,434	255,473	6,246,145	55,551,762	5,820,840
<u>Component Unit</u>					
Certificates of obligation	\$ 2,795,000	-	660,000	2,135,000	685,000
Premium on issuance of certificates of obligation	22,598	-	5,561	17,037	-
State Comptroller note	737,402	-	154,781	582,621	154,781
Component unit total	\$ 3,555,000	-	820,342	2,734,658	839,781

Governmental liabilities include a note payable of \$582,621 to repay sales tax revenues paid in error to the City in prior years. The related decrease in notes payable includes the reclassification of an account receivable of \$52,192. A summary of debt service requirements for the note repayments is shown on page 56.

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

Governmental activities bonds and certificates of obligation payable at September 30, 2017, consisted of the following:

\$43,905,000 Series 2008 Combination Tax & Revenue Obligation Bonds due in annual installments of \$1,370,000 to \$1,440,000 through August 15, 2019; interest at 5.28% to 5.40%	2,810,000
\$7,705,000 Series 2009 General Obligation Refunding due in installments of \$65,000 to \$70,000 through February 15, 2019; interest at 4.00%	135,000
\$11,985,000 Series 2009 General Obligation Bonds with one installments of \$630,000 due February 15, 2018; interest at 5.0%	630,000
\$8,420,000 Series 2011 General Obligation Refunding & Improvement Bonds due in annual installments of \$70,000 to \$460,000 through February 15, 2027; interest at 3.0% to 4.0%	2,890,000
\$3,215,000 Series 2012 General Obligation Refunding with one installments \$235,000 due September 1, 2018; interest at 2.95%	235,000
\$29,475,000 Series 2012 General Obligation Refunding & Improvement Bonds due in installments of \$180,000 to \$2,925,000 through February 15, 2032; interest at 3.25% to 5.0%	20,450,000
\$12,115,000 Series 2012 General Obligation Bonds due in installments of \$345,000 to \$770,000 through February 15, 2030; interest at 2.7% to 3.75%	6,690,000
\$15,865,000 Series 2013 General Obligation Refunding Bonds due in installments of \$350,000 to \$2,455,000 through February 15, 2027; interest at 1.276% to 3.195%	9,490,000
\$9,055,000 Series 2013A General Obligation Refunding Bonds due in installments of \$195,000 to \$975,000 through February 15, 2030; interest at 2.709%	7,765,000
\$4,175,000 Series 2013 Unlimited Tax Bonds due in installments \$100,000 through September 15, 2019; interest at 3.00%	200,000
\$8,585,000 Series 2014 General Obligation Bonds due in installments of \$375,000 to \$670,000 through March 1, 2034; interest at 3.0% to 3.75%	8,485,000
\$12,225,000 Series 2014 Pass-Through Toll Revenue and Limited Tax Bonds due in installments of \$465,000 to \$855,000 through March 1, 2034; interest at 3.0% to 4.0%	10,910,000
\$36,260,000 Series 2015 General Obligation Refunding and Improvement Bonds due in installments of \$70,000 to \$3,535,000 through March 1, 2039; interest at 3.0% to 5.0%	33,745,000
\$37,410,000 Series 2015 General Obligation Refunding Bonds due in installments of \$555,000 to \$3,095,000 through March 1, 2033; interest at 1.43% to 4.00%	36,315,000
\$42,775,000 Series 2016 General Obligation Refunding and Improvement Bonds due in installments of \$175,000 to \$2,815,000 through February 15, 2040; interest at 3.0% to 5.0%	41,120,000
\$1,735,000 Series 2017 Limited Tax Notes due in installments \$235,000 to \$260,000 through February 15, 2024; interest at 1.5% to 2.0%	1,735,000
Total governmental activities	\$ 183,605,000

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

Business-type activities bonds and certificates of obligation payable at September 30, 2017, consisted of the following:

<u>Water and Sewer activities</u>	
\$7,705,000 Series 2009 General Obligation Refunding bonds due in annual installments of \$285,000 to \$315,000 through February 15, 2019; interest at 4.0%	600,000
\$23,195,000 Series 2009 Utility System Revenue Bonds, with one installment of \$1,240,000 due August 15, 2018; interest at 5.125%	1,240,000
\$29,475,000 Series 2012 General Obligation Refunding and Improvement Bonds due in installments of \$125,000 to \$870,000 through February 15, 2025; interest at 4.0% to 5.0%	2,925,000
\$14,915,000 Series 2013 Utility System Revenue Refunding Bonds due in installments of \$305,000 to \$2,245,000 through August 15, 2025; interest at 1.296% to 2.895%	7,620,000
\$19,760,000 Series 2015 Utility System Revenue Refunding Bonds due in installments of \$275,000 to \$2,395,000 through August 15, 2030; interest at 3.0% to 5.0%	19,070,000
\$16,400,000 Series 2016 Utility System Revenue Refunding Bonds due in installments of \$355,000 to \$2,605,000 through August 15, 2035; interest at 3.0% to 4.0%	14,950,000
Total Water and Sewer activities	<u>\$ 46,405,000</u>
<u>Solid Waste activities</u>	
\$5,600,000 Series 2010 Combination Tax and Revenue Certificates of Obligation due in annual installments of \$165,000 to \$180,000 through February 15, 2020; interest at 2.85% to 3.0%	520,000
Total Business-type activities	<u>\$ 46,925,000</u>
<u>Component Unit debt</u>	
\$5,600,000 Series 2010 Combination Tax and Revenue Certificates of Obligation due in annual installments of \$445,000 to \$480,000 through February 15, 2020; interest at 2.85% to 3.0%	\$ 1,385,000
\$2,425,000 Series 2010 Senior Lien Sales Tax Revenue Refunding Bonds due in annual installments of \$240,000 to \$260,000 through August 15, 2020; interest at 3.0% to 3.375%	750,000
Total Component Unit activities	<u>\$ 2,135,000</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)
F. Long-term Liabilities, (continued)

Annual debt service requirements for bonds and certificates of obligation outstanding are as follows:

September 30,	Governmental Activities		Business-type activities		Component Unit	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 12,750,000	6,942,893	5,780,000	1,798,278	685,000	58,641
2019	12,710,000	6,488,845	5,960,000	1,615,696	710,000	38,200
2020	11,690,000	6,004,589	6,195,000	1,449,967	740,000	15,975
2021	11,685,000	5,559,886	3,235,000	1,294,148	-	-
2022	12,175,000	5,089,293	3,045,000	1,164,335	-	-
2023-2027	59,805,000	18,278,120	13,150,000	3,966,727	-	-
2028-2032	42,310,000	7,791,470	7,350,000	1,100,555	-	-
2033-2037	19,275,000	1,338,713	2,210,000	219,750	-	-
2038-2040	1,205,000	45,938	-	-	-	-
	<u>\$ 183,605,000</u>	<u>57,539,745</u>	<u>46,925,000</u>	<u>12,609,456</u>	<u>2,135,000</u>	<u>112,816</u>

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

Fiscal Year	Governmental	Component	Total
	Activities	Unit	
	Principal	Principal	Principal
Sales tax repayment			
2018	\$ 154,781	154,781	309,562
2019	154,781	154,781	309,562
2020	154,781	154,781	309,562
2021	118,278	118,278	236,556
Total sales tax repayment	<u>582,621</u>	<u>582,621</u>	<u>1,165,242</u>

During the current and prior fiscal years, the City defeased certain general obligation bonds, revenue bonds and certificates of obligation by placing funds in an irrevocable trust for the sole purpose of extinguishing the debt. The trust is required to hold only monetary assets that are essentially risk-free. Since the transactions meet the requirements of an in-substance defeasance, the City has removed the debt from its books. In addition, GASB Statement No. 86 requires the City to disclose the amount of defeased debt outstanding. On September 30, 2017, defeased bonds and certificates of obligation outstanding are shown below:

Refunded Bonds	Escrow Maturity	Balance (1)
Combination Tax and Revenue Certificates of Obligation, Series 2008	8/15/2018	\$ 31,915,000
General Obligation Bonds, Series 2009	2/15/2018	4,650,000
Utility System Revenue Bonds, Series 2009	8/15/2018	15,550,000
General Obligation Refunding & Improvement Bonds, Series 2011	2/15/2020	1,355,000
WCID 1 G Unlimited Tax Refunding Bonds, Series 2012	9/1/2018	3,535,000
Bella Vista MUD Unlimited Tax Refunding Bonds, Series 2012	9/1/2018	2,275,000
WCID 1F Unlimited Tax Bonds, Series 2013	9/1/2019	3,625,000
		<u>\$ 62,905,000</u>

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

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

Effective October 1, 2016, the City implemented GASB Statement No. 86, Certain Debt Extinguishment Issues.

In February 2017, the City defeased \$1,355,000 of 2011 series general obligation refunding and improvement bonds, which constituted an advance refunding with current resources. This refunding provided resources to purchase direct obligations of the United States of America that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$1,517,600 for the outstanding bonds. The acquisition price of \$1,454,831 exceeded the net carrying value of \$1,384,989, which resulted in a refunding loss of \$69,842 that was reported in the government wide statements as a current-year loss as required by GASB 86. The City used its existing debt service capacity for the debt defeased which resulted in a savings of approximately \$560,000 to the City.

In July 2017, the City issued \$1,735,000 in limited tax notes which, combined with a premium of \$9,094, provided funding of \$1,744,094 for the enhancement and construction of a municipal facility at City Hall, public safety facilities and related equipment.

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, 2017, there was no arbitrage rebate liability.

In November 2015, the City was authorized to issue additional general obligation debt of \$96,700,000. As of September 30, 2017, general obligation bonds authorized and unissued amounted to \$69,332,000. 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 City has pledged future operating revenues net of specified operating expenses of the Water and Sewer Fund for the payment of interest and principal on the outstanding revenue bonds. The bonds are payable from the Water and Sewer fund net revenues, and payable through 2036. The total principal and interest remaining to be paid on the bonds is \$58,990,730. Annual principal and interest payments on the bonds for current year were \$7,402,999, and net revenues available were \$14,581,742.

3. DETAILED NOTES ON ALL FUNDS, (continued)
G. Employees' Retirement System
Plan Description

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas.

TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.com. All eligible employees of the City are required to participate in TMRS.

Benefits Provided

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

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

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

	Plan Year 2015	Plan Year 2016
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Retirement eligibility (Age / Service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	30% of CPI Repeating	30% of CPI Repeating
Supplemental death benefit to active employees	Yes	Yes
Supplemental death benefit to retirees	Yes	Yes

Employees Covered by Benefit Terms

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	106
Inactive employees entitled to but not yet receiving benefits	209
Active employees	423
Total	738

3. DETAILED NOTES ON ALL FUNDS, (continued)
G. Employees' Retirement System, (continued)
Contributions

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

Employees for the City were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 11.65 percent and 12.69 percent in calendar years 2016 and 2017, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2017 were \$3,368,577, which were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Overall payroll growth	3.0%

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

Actuarial assumptions used in the December 31, 2016 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the EAN actuarial cost method. Assumptions are reviewed annually. Actuarial assumptions were modified as of the December 31, 2015 valuations. No additional changes were made for the 2016 valuation.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

3. DETAILED NOTES ON ALL FUNDS, (continued)
G. Employees' Retirement System, (continued)
Long-Term Expected Rate of Return, (continued)

The long-term rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the City's actuarial service provider, Gabriel, Roeder, Smith & Company, focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in TMRS fiscal year 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	4.15%
Real Return	10.0%	4.15%
Real Estate	10.0%	4.75%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	7.75%
Total	100.0%	

Discount Rate

The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

3. DETAILED NOTES ON ALL FUNDS, (continued)
G. Employees' Retirement System, (continued)
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 4,067,173	\$ -	\$ 4,067,173
Interest	4,695,392	-	4,695,392
Change of benefit terms	-	-	-
Difference between expected and actual experience	690,138	-	690,138
Changes of assumptions	-	-	-
Contributions - employer	-	2,969,345	(2,969,345)
Contributions - employee	-	1,799,634	(1,799,634)
Net investment income	-	3,517,288	(3,517,288)
Benefit payments, including refunds of employee contributions	(1,417,599)	(1,417,599)	-
Administrative expense	-	(39,700)	39,700
Other changes	-	(2,139)	2,139
Net changes	8,035,104	6,826,829	1,208,275
Balance at 12/31/2015	68,236,578	52,014,338	16,222,240
Balance at 12/31/2016	<u>76,271,682</u>	<u>58,841,167</u>	<u>17,430,515</u>

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the City, calculated using the discount rate of seven percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or higher (7.75%):

	1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
City's Net Pension Liability \$	30,859,518	\$ 17,430,515	\$ 6,629,340

Pension Plan Fiduciary Net Position

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

3. DETAILED NOTES ON ALL FUNDS, (continued)

G. Employees' Retirement System, (continued)

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

For the fiscal year ended September 30, 2017, the City recognized pension expense of \$4,688,182:

Total service cost	\$ 4,067,173
Interest on the total pension liability	4,695,392
Employee contributions (reduction of expense)	(1,799,634)
Projected earnings on plan investments (reduction of expense)	(3,510,968)
Administrative expense	39,700
Other changes in fiduciary net position	2,139
Recognition of current year outflow (inflow) of resources-liabilities	111,854
Recognition of current year outflow (inflow) of resources-assets	(1,264)
Amortization of prior year outflows (inflows) of resources-liabilities	286,984
Amortization of prior year outflows (inflows) of resources-assets	796,806
Total pension expense	<u>\$ 4,688,182</u>

At September 30, 2017, the City reported deferred outflow and inflow of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual economic experience	\$ 1,166,510	
Changes in actuarial assumptions	510,445	
Difference between projected and actual investment earnings	2,275,840	5,056
Current year contributions subsequent to the measurement date	2,659,571	
Total	<u>\$ 6,612,366</u>	<u>5,056</u>

\$2,659,571 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2018. Other amounts reported as deferred outflows related to pensions will be recognized in pension expense (outflow) or pension revenue (inflow) as follows:

Year Ended September 30	Deferred Outflow of Resources	Deferred Inflow of Resources
2018	\$ 1,195,644	1,264
2019	1,195,644	1,264
2020	1,081,066	1,264
2021	312,492	1,264
2022	148,935	
Thereafter	19,014	
Total	<u>\$ 3,952,795</u>	<u>5,056</u>

3. DETAILED NOTES ON ALL FUNDS, (continued)
H. Other Post-Employment Benefits
Supplemental Death Benefits Fund
Plan Description

The City also participates in the cost-sharing multiple-employer defined benefit group-term life insurance plan operated by the 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; this coverage is an "other post-employment benefit," or OPEB. The obligations of this plan are payable only from the SDBF and are not an obligation of, or a claim against, the pension trust fund. For the year ended September 30, 2017, the City offered the supplemental death benefit to both active and retired employees.

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 on behalf of retirees to the TMRS SDBF for the years ended 2017, 2016 and 2015 were \$2,729, \$2,595, and \$2,326 respectively, which equaled the required contributions for each year.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual required contribution rate	0.01%	0.01%	0.01%
Actual contribution rate	0.01%	0.01%	0.01%
Percentage of ARC contributed	100.00%	100.00%	100.00%

TMRS issues a publicly available CAFR that includes financial and supplementary information for the SDBF. That report may be obtained from the TMRS website at www.tmrs.com.

3. DETAILED NOTES ON ALL FUNDS, (continued)
H. Other Post-Employment Benefits, (continued)
Post-Employment Healthcare Plan
Plan Description

The City’s post-employment healthcare benefits plan is a single-employer defined-benefit plan and is available for retirees through the Texas Municipal League Intergovernmental Employee Benefits Pool (TML). 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.

Membership in the Plan consisted of the following at September 30, 2017:

Retirees and beneficiaries receiving bene	12
Active plan members	451
	<u>463</u>

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 2017, 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 2017 totaled \$103,228. Premiums contributed for the City’s cost of existing retirees’ coverage was approximately 0.38% of covered employee payroll. There is no retiree contribution to the OPEB plan other than the retirees’ share of insurance premiums paid monthly, which totaled \$39,783 in fiscal year 2017.

As of September 30, 2017, there were 12 retired employees and beneficiaries and receiving benefits from the plan, with 451 active plan members. The City has not established a trust for pre-funding; accordingly, it finances the plan on a pay-as-you-go basis.

3. DETAILED NOTES ON ALL FUNDS, (continued)
H. Other Post-Employment Benefits, (continued)
Post-Employment Healthcare Plan, (continued)
Annual OPEB Cost

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed 30 years.

The City's annual OPEB cost for the fiscal year ending September 30, 2017 is as follows:

	Governmental Activities	Business- type Activities	Total OPEB Plan
Annual required contribution (ARC)	174,442	30,102	204,544
Interest on net OPEB obligation	35,072	2,310	37,382
Adjustment to ARC	(63,721)	(4,196)	(67,917)
Annual OPEB Cost	145,793	28,216	174,010
Contributions made	(85,928)	(17,300)	(103,228)
Change in net OPEB obligation	59,865	10,916	70,782
Net obligation-beginning of year	876,782	57,740	934,522
Net obligation-end of year	936,647	68,656	1,005,304

A separate audited GAAP-basis OPEB plan report is not available.

The City's annual OPEB cost, the amount contributed by the employer, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2017 and the preceding two fiscal years were as follows:

Fiscal Year Ended September 30	Annual OPEB Cost	Annual Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 174,008	103,228	59.32%	\$ 1,005,302
2016	170,482	96,034	56.33%	934,522
2015	177,461	85,373	48.11%	860,074

Funded Status and Funding Progress

As of December 31, 2015, the most recent actuarial valuation date, the Plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$2,123,015, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,123,015. The annual covered employee payroll for fiscal year 2017 was \$27,285,166 and the UAAL as a percentage of covered employee payroll was 7.8 percent.

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 the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

The Projected Unit Credit Cost Method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The actuarial cost method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

3. DETAILED NOTES ON ALL FUNDS, (continued)
H. Other Post-Employment Benefits, (continued)
Post-Employment Healthcare Plan, (continued)
Actuarial Methods and Assumptions, (continued)

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the City's employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial Methods and Assumptions:

Inflation rate	2.50% per annum
Investment rate of return	4.00% per annum, net of expenses
Actuarial cost method	Projected unit credit cost method
Amortization method	Level as percentage of employee payroll
Amortization period	15-year open amortization
Payroll growth	3.00% per annum
Medical trend	Initial rate of 7.50%, declining to an ultimate rate of 4.25% after 15 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

3. DETAILED NOTES ON ALL FUNDS, (continued)

I. 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 (the "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. Settled claims have not exceeded insurance coverage limits for the past three years.

3. DETAILED NOTES ON ALL FUNDS, (continued)
J. Commitments and 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. Legal counsel and City management are of the opinion that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Leases

The City is committed under a lease agreement for printer/copier machines. For accounting purposes, the lease is considered an operating lease in the general and utility funds. Lease expenses for the fiscal year ended September 30, 2017 amounted to \$32,812. Future minimum lease payments are as follows:

Fiscal year 2018	\$32,812
Fiscal year 2019	13,672

3. DETAILED NOTES ON ALL FUNDS, (continued)
K. Tax Abatements

The City enters into economic development agreements with local businesses under Chapter 380 of the Local Government Code, which provides for the offering of grants from any source to promote state and local economic development and to stimulate business and commercial activity.

The agreements are performance based, and rebate of a portion of sales taxes generated by the development, and/or a portion of incremental property taxes.

The City has defined certain criteria that allows for the recipients to be eligible to receive a tax abatement through repayment of collected taxes. The recipient condition for eligibility includes a commitment by the recipient to fund public improvements which allow for reimbursement of specific project costs targeted at commercial and residential improvements that are reimbursed via month, quarterly or annual tax abatements.

For the fiscal year ended September 30, 2017, the City abated sales and property taxes as follows:

Tax Abatement Detail			
Entity	Sales Tax	AV Tax	Total
Costco Wholesale	334,229	47,636	381,866
Cedar Park Town Center LP	43,953	18,470	62,424
1890 Holdings Ltd	708,665	164,660	873,325
CP New Hope Ltd	106,984	-	106,984
	1,193,832	230,767	1,424,599

As previously discussed on page 30 of this report, the City has entered into two Tax Increment Reinvestment Zone agreements. These agreements were established under The Texas Property Redevelopment and Tax Abatement Act, Chapter 312, Tax Code, V.A.T.S as amended, allowing localities to abate taxes for economic development purposes. During fiscal year 2017, the City rebated property taxes totaling \$706,232 related to TIRZ #1. There were no reimbursements related to TIRZ #2.

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

Community Development Corporation

Revenue bonds payable for the Community Development Corporation totaled \$2,135,000 at year-end. Total principal and interest of \$2,247,816 is payable over the next three years. 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, 2017.

In fiscal year 2017, the Community Development Corporation contributed funds to the City for operating and capital projects in the following governmental funds:

General fund operating projects	\$	60,000
Municipal facilities & equipment fund		665,000
Streets & lighting fund		11,868,263
	\$	<u>12,593,263</u>

Economic Development Corporation

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. Bonds payable at year end totaled \$39,125,000. The total principal and interest remaining at September 30, 2017 is \$51,525,659, payable over the next 16 years. In fiscal year 2017, the Economic Development Corporation contributed an amount equal to its debt service requirement of \$3,222,113 to the City’s Debt Service Fund in meeting its obligation.

3. DETAILED NOTES ON ALL FUNDS, (continued)

L. Component Units, (continued)

Contingent Liabilities

The City's Economic Development and Community Development Corporations enter into economic development agreements with various entities for payment of incentive amounts to promote the development of new or expanded enterprises, eliminate unemployment and underemployment, and to promote public welfare within the City of Cedar Park. Payments are contingent upon the entities meeting the specific agreement goals, and are not made in advance of performance.

The Economic Development and Community Development Corporations had \$4,920,901 of outstanding commitments at September 30, 2017, which were expected to be paid, pending performance, over the next six years. Outstanding commitments for each entity were as follows:

	Outstanding Commitment	Fiscal Year 2017 Payments
<u>Economic Development Corporation</u>		
HEB	\$ 500,000	-
BMC West Corporation	-	251,294
Comprehensive Healthcare Management	35,000	35,000
Delaware CPI (La Jaita Business Park)	676,251	-
Endeavor (The Parke)	-	1,500,000
ETS Lindgren	50,000	-
Swagelok	150,000	-
Visual Lighting Technologies	100,000	-
Revenue Cycle, Inc.	433,200	-
Riverside Resources	-	413,000
Hyllion	1,145,000	-
Innovative Funding Services	652,500	-
<u>Community Development Corporation</u>		
Fallbrook Technology	250,000	-
Dana Corporation	122,284	101,904
VUV	184,000	-
Pecan Grove (Scottsdale Crossing)	622,566	-
	<u>\$ 4,920,801</u>	<u>2,301,198.00</u>

M. Subsequent Events

BCRUA Contract Revenue Bonds

In November 2017, the Brushy Creek Regional Utility Authority (BCRUA) received a \$16,995,000 State Water Implementation Fund for Texas (SWIFT) loan to finance the Phase 1C expansion of the regional utility authority water treatment plant. The expansion will increase plant capacity treatment from 17 million gallons per day (MGD) to 30 MGD. Equity interest in the plant is based on each participating city's (Cedar Park, Round Rock and Leander) share of plant capacity. Based on the equity plant usage, Cedar Park's portion of the loan payable is \$4,430,000.



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REQUIRED SUPPLEMENTARY INFORMATION

General Fund
Schedule Of Revenues, Expenditures, and Changes in
Fund Balances - Budgetary Basis
For the Year Ended September 30, 2017

City of Cedar Park, Texas

	Budgeted Amounts		Actual	Variance (1)
	Original	Final		Positive (Negative)
REVENUES				
Taxes and penalties				
Current ad valorem	17,679,939	17,679,939	18,142,109	462,170
Delinquent ad valorem	75,425	75,425	126,615	51,190
Franchise	4,427,067	4,427,067	3,867,713	(559,354)
Sales	12,572,901	13,106,784	13,238,991	132,207
Beverage	188,530	188,530	280,215	91,685
Total taxes and penalties	<u>34,943,862</u>	<u>35,477,745</u>	<u>35,655,644</u>	<u>177,899</u>
Licenses and permits				
Building permits	1,660,440	1,660,440	1,430,814	(229,626)
Planning and zoning	156,907	156,907	148,682	(8,225)
Engineering review	18,478	18,478	44,423	25,945
Professional fee recovery	36,789	36,789	34,492	(2,297)
Construction inspection fees	226,864	226,864	117,112	(109,752)
Total licenses and permits	<u>2,099,478</u>	<u>2,099,478</u>	<u>1,775,523</u>	<u>(323,955)</u>
Fines and forfeitures				
Traffic violations	715,000	715,000	671,444	(43,556)
Municipal court security fees	5,678	5,678	5,123	(555)
Total fines and forfeitures	<u>720,678</u>	<u>720,678</u>	<u>676,567</u>	<u>(44,111)</u>
Charges for services				
Fire protection fees	1,511,647	1,511,647	1,735,087	223,440
Parks and recreation fees	1,382,614	1,382,614	1,447,856	65,242
Library fines	93,299	93,299	86,895	(6,404)
Animal control fees	3,055	3,055	2,951	(104)
Police services	419,525	419,525	403,474	(16,051)
Administrative fees	701,183	715,375	690,880	(24,495)
Total charges for services	<u>4,111,323</u>	<u>4,125,515</u>	<u>4,367,143</u>	<u>241,628</u>
Interest earnings	90,550	90,550	249,696	159,146
Miscellaneous				
Other	734,471	734,471	659,202	(75,269)
Total miscellaneous	<u>734,471</u>	<u>734,471</u>	<u>659,202</u>	<u>(75,269)</u>
Total Revenues	<u>42,700,362</u>	<u>43,248,437</u>	<u>43,383,774</u>	<u>135,337</u>

(1) Variance is actual to final budget.

(Continued)

General Fund
Schedule Of Revenues, Expenditures, and Changes in
Fund Balances - Budgetary Basis
For the Year Ended September 30, 2017

City Of Cedar Park, Texas
(Continued)

	Budgeted Amounts		Actual	Variance (1) Positive (Negative)
	Original	Final		
EXPENDITURES				
GENERAL GOVERNMENT				
General Administration				
Personnel services	367,969	-	-	-
Supplies and materials	20,804	20,804	24,784	(3,980)
Maintenance and repairs	31,500	31,500	14,688	16,812
Services and charges	1,289,653	1,289,653	1,223,748	65,905
Loan payments	154,782	154,782	154,781	1
Total General Administration	1,864,708	1,496,739	1,418,001	78,738
Mayor and City Council				
Supplies and materials	3,500	3,500	2,385	1,115
Services and charges	64,162	64,162	55,745	8,417
Total Mayor and City Council	67,662	67,662	58,130	9,532
City Manager				
Personnel services	681,850	681,850	571,132	110,718
Supplies and materials	8,850	8,850	3,651	5,199
Services and charges	43,520	43,520	50,070	(6,550)
Total City Manager	734,220	734,220	624,854	109,366
City Attorney				
Personnel services	424,217	460,168	448,818	11,350
Supplies and materials	3,121	3,121	799	2,322
Services and charges	223,284	223,284	213,669	9,615
Total City Attorney	650,622	686,573	663,286	23,287
City Secretary				
Personnel services	99,780	102,398	101,679	719
Supplies and materials	750	750	709	41
Services and charges	72,697	72,697	50,480	22,217
Total City Secretary	173,227	175,845	152,868	22,977
Finance				
Personnel services	651,141	679,634	667,514	12,120
Supplies and materials	3,000	3,000	4,803	(1,803)
Services and charges	355,175	355,175	325,805	29,370
Total Finance	1,009,316	1,037,809	998,122	39,687
Information Technology				
Personnel services	753,494	753,494	723,364	30,130
Supplies and materials	6,670	6,670	4,664	2,006
Maintenance and repairs	23,675	23,675	23,162	513
Services and charges	655,494	655,494	661,472	(5,978)
Capital outlay	-	-	13,742	(13,742)
Total Information Technology	1,439,333	1,439,333	1,426,403	12,930

(1) Variance is actual to final budget.

(Continued)

General Fund
Schedule Of Revenues, Expenditures, and Changes in
Fund Balances - Budgetary Basis
For the Year Ended September 30, 2017

City Of Cedar Park, Texas
(Continued)

	Budgeted Amounts		Actual	Variance (1) Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
GENERAL GOVERNMENT (Continued)				
Human Resources				
Personnel services	437,050	437,050	314,970	122,080
Supplies and materials	3,000	3,000	3,954	(954)
Services and charges	186,256	186,256	208,803	(22,547)
Total Human Resources	<u>626,306</u>	<u>626,306</u>	<u>527,727</u>	<u>98,579</u>
Public Information				
Personnel services	351,158	351,158	242,491	108,667
Supplies and materials	1,772	1,772	12,651	(10,879)
Services and charges	80,294	80,294	100,173	(19,879)
Capital outlay	5,000	5,000	-	(5,000)
Total Public Information	<u>438,224</u>	<u>438,224</u>	<u>355,315</u>	<u>72,909</u>
Economic Development				
Personnel services	257,310	258,406	248,798	9,608
Supplies and materials	1,000	1,000	-	1,000
Services and charges	1,967,376	1,967,376	1,612,055	355,321
Total Economic Development	<u>2,225,686</u>	<u>2,226,782</u>	<u>1,860,853</u>	<u>365,929</u>
Public Works, Fleet & Buildings				
Personnel services	1,411,337	1,433,806	1,413,612	20,194
Supplies and materials	39,015	39,015	40,956	(1,941)
Maintenance and repairs	73,925	73,925	89,629	(15,704)
Services and charges	408,472	408,472	302,491	105,981
Total Public Works, Fleet & Buildings	<u>1,932,749</u>	<u>1,955,218</u>	<u>1,846,687</u>	<u>108,531</u>
Planning and Transportation				
Personnel services	631,076	631,076	596,618	34,458
Supplies and materials	9,600	9,600	13,511	(3,911)
Maintenance and repairs	500	500	-	500
Services and charges	87,365	87,365	78,718	8,647
Total Planning and Transportation	<u>728,541</u>	<u>728,541</u>	<u>688,847</u>	<u>39,694</u>
Tourism				
Personnel services	98,171	98,171	60,226	37,945
Supplies and materials	1,000	1,000	-	1,000
Maintenance and repairs	1,207	1,207	-	1,207
Services and charges	8,308	8,308	8,945	(637)
Total Tourism	<u>108,686</u>	<u>108,686</u>	<u>69,171</u>	<u>39,515</u>
Total General Government	<u>11,999,280</u>	<u>11,721,938</u>	<u>10,690,263</u>	<u>1,021,675</u>

(1) Variance is actual to final budget.

(Continued)

General Fund
Schedule Of Revenues, Expenditures, and Changes in
Fund Balances - Budgetary Basis
For the Year Ended September 30, 2017

City Of Cedar Park, Texas
(Continued)

	Budgeted Amounts		Actual	Variance (1) Positive (Negative)
	Original	Final		
<u>EXPENDITURES (Continued)</u>				
PUBLIC SAFETY				
Municipal Court				
Personnel services	500,226	500,226	497,791	2,435
Supplies and materials	3,700	3,700	3,341	359
Maintenance and repairs	10,000	10,000	9,634	366
Services and charges	88,533	88,533	60,520	28,013
Total Municipal Court	<u>602,459</u>	<u>602,459</u>	<u>571,286</u>	<u>31,173</u>
Police				
Personnel services	10,639,760	10,653,050	10,429,741	223,309
Supplies and materials	607,664	607,664	610,758	(3,094)
Maintenance and repairs	203,300	203,300	253,001	(49,701)
Services and charges	1,900,536	1,900,536	1,883,924	16,612
Capital outlay	47,000	47,000	129,578	(82,578)
Total Police	<u>13,398,260</u>	<u>13,411,550</u>	<u>13,307,003</u>	<u>104,547</u>
Animal Control				
Personnel services	196,658	196,658	201,106	(4,448)
Supplies and materials	29,055	29,055	14,743	14,312
Maintenance and repairs	4,050	4,050	(1,444)	5,494
Services and charges	792,886	292,886	247,205	45,681
Total Animal Control	<u>1,022,649</u>	<u>522,649</u>	<u>461,610</u>	<u>61,039</u>
Building Inspection & Code Enforcement				
Personnel services	753,855	753,855	739,144	14,711
Supplies and materials	16,981	16,981	11,198	5,783
Maintenance and repairs	6,110	6,110	3,318	2,792
Services and charges	133,731	133,731	132,726	1,005
Total Building Inspection & Code Enforcement	<u>910,677</u>	<u>910,677</u>	<u>886,385</u>	<u>24,292</u>
Fire				
Personnel services	7,801,987	7,933,307	7,548,693	384,614
Supplies and materials	265,574	265,574	308,443	(42,869)
Maintenance and repairs	358,579	388,579	439,140	(50,561)
Services and charges	1,584,283	1,234,283	1,196,036	38,247
Capital outlay	1,445,000	145,000	185,926	(40,926)
Total Fire	<u>11,455,423</u>	<u>9,966,743</u>	<u>9,678,238</u>	<u>288,505</u>

(1) Variance is actual to final budget.

(Continued)

General Fund
Schedule Of Revenues, Expenditures, and Changes in
Fund Balances - Budgetary Basis
For the Year Ended September 30, 2017

City Of Cedar Park, Texas
(Continued)

	Budgeted Amounts		Actual	Variance (1) Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Emergency Management				
Personnel services	86,544	86,544	69,258	17,286
Supplies and materials	14,625	14,625	9,709	4,916
Maintenance and repairs	5,500	5,500	569	4,931
Services and charges	140,458	140,458	136,937	3,521
Total Emergency Management	247,127	247,127	216,472	30,655
Total Public Safety	27,636,595	25,661,205	25,120,994	540,211
CULTURE AND RECREATION				
Parks and Recreation				
Personnel services	2,234,434	2,351,608	2,243,150	108,458
Supplies and materials	221,577	225,677	222,645	3,032
Maintenance and repairs	294,449	336,553	367,138	(30,585)
Services and charges	1,022,342	1,029,342	949,417	79,925
Capital outlay	-	47,000	47,259	(259)
Total Parks and Recreation	3,772,802	3,990,180	3,829,608	160,572
Library				
Personnel services	1,017,261	1,032,819	1,009,991	22,828
Supplies and materials	31,671	31,671	33,622	(1,951)
Maintenance and repairs	79,106	79,106	55,674	23,432
Services and charges	355,528	370,528	364,736	5,792
Capital outlay	-	-	23,830	(23,830)
Total Library	1,483,566	1,514,124	1,487,853	26,271
Total Culture and Recreation	5,256,368	5,504,304	5,317,462	186,842

(1) Variance is actual to final budget.

(Continued)

General Fund
Schedule Of Revenues, Expenditures, and Changes in
Fund Balances - Budgetary Basis
For the Year Ended September 30, 2017

City Of Cedar Park, Texas
(Continued)

	Budgeted Amounts		Actual	Variance (1) Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
STREETS AND LIGHTING				
Streets and Lighting				
Personnel services	1,569,393	1,569,393	1,536,225	33,168
Supplies and materials	948,452	948,452	852,676	95,776
Maintenance and repairs	370,231	241,096	316,951	(75,855)
Services and charges	906,983	906,983	874,604	32,379
Capital outlay	231,500	351,500	394,739	(43,239)
Total Streets and Lighting	<u>4,026,559</u>	<u>4,017,424</u>	<u>3,975,196</u>	<u>42,228</u>
TOTAL EXPENDITURES	<u>48,918,802</u>	<u>46,904,871</u>	<u>45,103,916</u>	<u>1,790,955</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(6,218,440)</u>	<u>(3,656,434)</u>	<u>(1,720,142)</u>	<u>1,936,292</u>
OTHER FINANCING SOURCES				
Transfers in	3,268,673	3,268,673	3,268,673	-
Transfers out	-	(2,478,000)	(2,478,000)	-
Total other financing sources	<u>3,268,673</u>	<u>790,673</u>	<u>790,673</u>	<u>-</u>
Excess (Deficiency) Of Revenues and other sources over expenditures	<u>(2,949,767)</u>	<u>(2,865,761)</u>	<u>(929,469)</u>	<u>1,936,292</u>
Fund balance, beginning of year			21,676,405	
Reconciliation of fund balance (GAAP basis)				
Perspective differences				
Net effect on consolidated fund excluded from the annual budget			200,373	
Fund balance, end of year			<u>20,947,309</u>	

(1) Variance is actual to final budget.

Required Supplementary Information
Schedule of Changes in the Net Position Liability and Related Ratios
For the Year Ended September 30, 2017

City of Cedar Park, Texas

	Measurement Year Ended December 31,		
	2016	2015	2014
Total Pension Liability			
Service cost	\$ 4,067,173	3,320,371	2,912,024
Interest (on the Total Pension Liability)	4,695,392	4,347,515	3,589,114
Changes of benefit terms	-	4,561,227	-
Difference between expected and actual experience	690,138	176,330	884,323
Change of assumptions	-	750,653	-
Benefit payments, including refunds of employee contributions	(1,417,599)	(1,610,912)	(1,022,223)
Net Change in Total Pension Liability	8,035,104	11,545,184	6,363,238
Beginning total pension liability	<u>68,236,578</u>	<u>56,691,394</u>	<u>50,328,156</u>
Ending Total Pension Liability	\$ 76,271,682	68,236,578	56,691,394
Plan Fiduciary Net Position			
Contributions - employer	\$ 2,969,345	2,173,630	1,877,572
Contributions - employee	1,799,634	1,644,911	1,555,387
Net investment income	3,517,288	73,466	2,565,431
Benefit payments, including refunds of employee contributions	(1,417,599)	(1,610,912)	(1,022,223)
Administrative expense	(39,700)	(44,741)	(26,777)
Other	(2,139)	(2,210)	(2,202)
Net Change in Plan Fiduciary Net Position	6,826,829	2,234,144	4,947,188
Beginning plan fiduciary net position	<u>52,014,338</u>	<u>49,780,194</u>	<u>44,833,006</u>
Ending Plan Fiduciary Net Position	\$ 58,841,167	52,014,338	49,780,194
Net Pension Liability	\$ 17,430,515	16,222,240	6,911,200
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	77.15%	76.23%	87.81%
Covered Employee Payroll	\$ 25,709,056	23,498,730	22,219,816
Net Pension Liability as a Percentage of Covered Employee Payroll	67.80%	69.03%	31.10%

Notes to Schedule:

Only three years of information is currently available. The City will build this schedule over the next seven years.

**Required Supplementary Information
Schedule of Contributions
For the Year Ended September 30, 2017**

City of Cedar Park, Texas

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2017	\$ 3,368,557	3,368,557	-	27,285,166	12.35%
2016	2,848,789	2,848,789	-	25,948,666	10.98%
2015	2,130,241	2,130,241	-	23,257,262	9.16%
2014	1,831,299	1,831,299	-	21,938,845	8.35%
2013	1,715,640	1,715,640	-	20,340,592	8.43%
2012	1,634,226	1,634,226	-	19,226,185	8.50%
2011	1,607,207	1,607,207	-	18,123,061	8.87%
2010	1,681,910	1,681,910	-	18,121,935	9.28%
2009	1,603,017	1,603,017	-	16,881,577	9.50%
2008	1,102,985	1,102,985	-	14,019,736	7.87%

Notes to Required Supplementary Information:

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 Year smoothed market, 15% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rate multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

There were no benefit changes during the year.

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:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
December 31, 2015	\$ -	\$ 2,123,015	\$ 2,123,015	0.0%	\$ 27,285,166	7.78%
December 31, 2013	-	1,954,023	1,954,023	0.0%	23,257,262	8.40%
December 31, 2011	-	1,020,510	1,020,510	0.0%	19,226,185	5.31%



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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, or committed, 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.

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.

2011 General Obligation Bonds – to account for the bond proceeds restricted for improvement, construction and extension of City streets, bridges and intersections.

2012 General Obligation Bonds – to account for the bond proceeds restricted for improvement, construction and extension of City streets, bridges and intersections.

2014 Tax and Revenue Bonds – to account for the bond proceeds restricted for improvement, construction and extension of City streets, bridges and intersections.

2015 General Obligation Bonds – to account for the bond proceeds restricted for improvement, construction and extension of City streets, bridges and intersections.

2017 Limited Tax Notes – to account for the bond proceeds restricted for improvement, construction and extension of municipal buildings in the City Hall complex, public safety facilities and related equipment.

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.

**Nonmajor Governmental Funds-Special Revenue and Capital Project Funds
Combining Balance Sheet
September 30, 2017**

City of Cedar Park, Texas

	Special Revenue	Capital Projects	Totals
ASSETS			
Taxes receivable	\$ 165,867	-	165,867
Other receivable	196,039	-	196,039
Cash and investments			
- restricted	4,247,747	3,592,702	7,840,449
Note receivable	-	-	-
Total assets	<u>4,609,653</u>	<u>3,592,702</u>	<u>8,202,355</u>
LIABILITIES			
Accounts payable	81,097	99,085	180,182
Accrued liabilities	-	103,739	103,739
Other liabilities	38,867	50,960	89,827
Total liabilities	<u>119,964</u>	<u>253,784</u>	<u>373,748</u>
FUND BALANCES			
Restricted			
Occupancy Tax	1,795,341	-	1,795,341
Cable	216,520	-	216,520
General government	2,192,674	-	2,192,674
Public safety	285,154	-	285,154
Construction	-	3,338,918	3,338,918
Total fund balances	<u>4,489,689</u>	<u>3,338,918</u>	<u>7,828,607</u>
Total liabilities and fund balance	<u>\$ 4,609,653</u>	<u>3,592,702</u>	<u>8,202,355</u>

**Nonmajor Governmental Funds-Special Revenue and Capital Project Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended September 30, 2017**

City of Cedar Park, Texas

	Special Revenue	Capital Projects	Totals
REVENUES			
Taxes	1,651,376	-	1,651,376
Fines and forfeitures	56,149	-	56,149
Intergovernmental	173,284	-	173,284
Interest earnings	36,622	35,945	72,567
Contributions	74,780	665,000	739,780
Other	406,819	-	406,819
Total revenues	<u>2,399,030</u>	<u>700,945</u>	<u>3,099,975</u>
EXPENDITURES			
General government	189,511	-	189,511
Public safety	159,893	-	159,893
Cultural and recreational	42,137	-	42,137
Economic development	1,310,443	-	1,310,443
Capital outlay	28,783	2,480,081	2,508,864
Total expenditures	<u>1,730,767</u>	<u>2,480,081</u>	<u>4,210,848</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>668,263</u>	<u>(1,779,136)</u>	<u>(1,110,873)</u>
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	1,735,000	1,735,000
Premium from issuance of debt	-	9,094	9,094
Bond issuance costs	-	(47,557)	(47,557)
Transfers in	-	77,572	77,572
Transfers out	(119,572)	(8,039,861)	(8,159,433)
Total other financing sources (uses)	<u>(119,572)</u>	<u>(6,265,752)</u>	<u>(6,385,324)</u>
Net Change In Fund Balances	<u>548,691</u>	<u>(8,044,888)</u>	<u>(7,496,197)</u>
Fund Balances, Beginning	<u>3,940,998</u>	<u>11,383,806</u>	<u>15,324,804</u>
Fund Balances, Ending	<u><u>4,489,689</u></u>	<u><u>3,338,918</u></u>	<u><u>7,828,607</u></u>

**Nonmajor Governmental Funds-Special Revenue Funds
Combining Balance Sheet
September 30, 2017**

	Occupancy Tax	Capital Metro Transit	Law Enforcement	Texas Capital	Restricted Grant
ASSETS					
Taxes receivable	\$ 165,867	-	-	-	-
Other receivable	-	-	-	38,867	157,172
Cash and investments					
- restricted	1,699,703	43,436	285,154	1,110	1,421,489
Total assets	<u>1,865,570</u>	<u>43,436</u>	<u>285,154</u>	<u>39,977</u>	<u>1,578,661</u>
LIABILITIES					
Accounts payable	70,229	-	-	1,110	5,346
Other liabilities	-	-	-	38,867	-
Total liabilities	<u>70,229</u>	<u>-</u>	<u>-</u>	<u>39,977</u>	<u>5,346</u>
FUND BALANCES					
Restricted					
Occupancy Tax	1,795,341	-	-	-	-
Cable equipment acquisition					
General government	-	43,436	-	-	1,573,315
Public safety	-	-	285,154	-	-
Total fund balances	<u>1,795,341</u>	<u>43,436</u>	<u>285,154</u>	<u>-</u>	<u>1,573,315</u>
Total liabilities and fund balance	<u>\$ 1,865,570</u>	<u>43,436</u>	<u>285,154</u>	<u>39,977</u>	<u>1,578,661</u>

	Cable	Tax Increment Reinvestment Zone 1	Tax Increment Reinvestment Zone 2	Totals
ASSETS				
Taxes receivable	-	-	-	165,867
Other receivable	-	-	-	196,039
Cash and investments				
- restricted	\$ 220,932	575,467	456	4,247,747
Total assets	<u>220,932</u>	<u>575,467</u>	<u>456</u>	<u>4,609,653</u>
LIABILITIES				
Accounts payable	4,412	-	-	81,097
Other liabilities				38,867
Total liabilities	<u>4,412</u>	<u>-</u>	<u>-</u>	<u>119,964</u>
FUND BALANCES				
Restricted				
Occupancy Tax	-	-	-	1,795,341
Cable equipment acquisition	216,520			216,520
General government	-	575,467	456	2,192,674
Public safety	-	-	-	285,154
Total fund balances	<u>216,520</u>	<u>575,467</u>	<u>456</u>	<u>4,489,689</u>
Total liabilities and fund balance	<u>\$ 220,932</u>	<u>575,467</u>	<u>456</u>	<u>4,609,653</u>

**Nonmajor Governmental Funds-Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended September 30, 2017**

	Occupancy Tax	Capital Metro Transit	Law Enforcement	Texas Capital	Restricted Grant
REVENUES					
Taxes	811,908	-	-	-	-
Fines and forfeitures	-	-	-	-	56,149
Intergovernmental	-	-	5,739	-	167,545
Contributions	-	-	-	-	74,780
Interest earnings	14,301	382	1,463	-	13,373
Other	-	-	228,599	-	178,220
Total revenues	<u>826,209</u>	<u>382</u>	<u>235,801</u>	<u>-</u>	<u>490,067</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	71,066
Public safety	-	-	33,774	-	126,119
Cultural and recreational	-	-	-	-	42,137
Economic development	604,211	-	-	-	-
Capital outlay	-	-	23,591	-	-
Total expenditures	<u>604,211</u>	<u>-</u>	<u>57,365</u>	<u>-</u>	<u>239,322</u>
Excess Of Revenues Over Expenditures	<u>221,998</u>	<u>382</u>	<u>178,436</u>	<u>-</u>	<u>250,745</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	-	-	(119,572)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(119,572)</u>
Net Change In Fund Balances	<u>221,998</u>	<u>382</u>	<u>178,436</u>	<u>-</u>	<u>131,173</u>
Fund Balances, Beginning	<u>1,573,343</u>	<u>43,054</u>	<u>106,718</u>	<u>-</u>	<u>1,442,142</u>
Fund Balances, Ending	<u><u>1,795,341</u></u>	<u><u>43,436</u></u>	<u><u>285,154</u></u>	<u><u>-</u></u>	<u><u>1,573,315</u></u>

	Cable	Tax Increment Reinvestment Zone 1	Tax Increment Reinvestment Zone 2	Total
REVENUES				
Taxes	133,274	706,194	-	1,651,376
Fines and forfeitures	-	-	-	56,149
Intergovernmental	-	-	-	173,284
Contributions	-	-	-	74,780
Interest earnings	1,986	5,113	4	36,622
Other	-	-	-	406,819
Total revenues	135,260	711,307	4	2,399,030
EXPENDITURES				
Current:				
General government	118,445	-	-	189,511
Public safety	-	-	-	159,893
Cultural and recreational	-	-	-	42,137
Economic development	-	706,232	-	1,310,443
Capital outlay	5,192	-	-	28,783
Total expenditures	123,637	706,232	-	1,730,767
Excess Of Revenues Over Expenditures	11,623	5,075	4	668,263
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	(119,572)
Total other financing sources (uses)	-	-	-	(119,572)
Net Change In Fund Balances	11,623	5,075	4	548,691
Fund Balances, Beginning	204,897	570,392	452	3,940,998
Fund Balances, Ending	216,520	575,467	456	4,489,689

**Nonmajor Governmental Funds-Capital Project Funds
Combining Balance Sheet
September 30, 2017**

	Parks and Recreation	2009 General Obligation	2011 General Obligation	2012 General Obligation
ASSETS				
Cash and investments				
- restricted	\$ 3,381,561	205,594	-	-
Total assets	<u>3,381,561</u>	<u>205,594</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Accounts payable	99,085	-	-	-
Accrued liabilities	103,739	-	-	-
Other liabilities	50,960	-	-	-
Total liabilities	<u>253,784</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted				
Construction	3,127,777	205,594	-	-
Total fund balances	<u>3,127,777</u>	<u>205,594</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 3,381,561</u>	<u>205,594</u>	<u>-</u>	<u>-</u>

	2014 Tax & Revenue Bonds	2015 General Obligation	2017 Limited Tax Notes	Totals
ASSETS				
Cash and investments				
- restricted	\$ -	-	5,547	3,592,702
Total assets	<u>-</u>	<u>-</u>	<u>5,547</u>	<u>3,592,702</u>
LIABILITIES				
Accounts payable	-	-	-	99,085
Accrued liabilities	-	-	-	103,739
Other liabilities	-	-	-	50,960
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>253,784</u>
FUND BALANCES				
Restricted				
Construction	-	-	5,547	3,338,918
Total fund balances	<u>-</u>	<u>-</u>	<u>5,547</u>	<u>3,338,918</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>-</u>	<u>5,547</u>	<u>3,592,702</u>

Nonmajor Governmental Funds-Capital Project Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended September 30, 2017

	Parks and Recreation	2009 General Obligation Bonds	2011 General Obligation Bonds	2012 General Obligation Bonds
REVENUES				
Contributions	\$ 665,000	-	-	-
Interest earnings	33,987	1,845	4	4
Total revenues	698,987	1,845	4	4
EXPENDITURES				
Capital outlay	2,480,081	-	-	-
Bond issuance costs	-	-	-	-
Total expenditures	2,480,081	-	-	-
Excess (Deficiency) Of Revenues Over Expenditures	(1,781,094)	1,845	4	4
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Transfers in	77,572	-	-	-
Transfers out	-	(670,719)	(183,908)	(260,537)
Total other financing sources (uses)	77,572	(670,719)	(183,908)	(260,537)
Net Change In Fund Balances	(1,703,522)	(668,874)	(183,904)	(260,533)
Fund Balances, Beginning	4,831,299	874,468	183,904	260,533
Fund Balances, Ending	\$ 3,127,777	205,594	-	-

	2014 Tax & Revenue Bonds	2015 General Obligation Bonds	2017 Limited Tax Notes	Total
REVENUES				
Contributions	\$ -	-	-	665,000
Interest earnings	42	53	10	35,945
Total revenues	42	53	10	700,945
EXPENDITURES				
Capital outlay	-	-	-	2,480,081
Bond issuance costs	-	-	47,557	47,557
Total expenditures	-	-	47,557	2,527,638
Excess (Deficiency) Of Revenues Over Expenditures	42	53	(47,547)	(1,826,693)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	1,735,000	1,735,000
Premium on bonds issued	-	-	9,094	9,094
Transfers in	-	-	-	77,572
Transfers out	(2,560,018)	(2,673,679)	(1,691,000)	(8,039,861)
Total other financing sources (uses)	(2,560,018)	(2,673,679)	53,094	(6,218,195)
Net Change In Fund Balances	(2,559,976)	(2,673,626)	5,547	(8,044,888)
Fund Balances, Beginning	2,559,976	2,673,626	-	11,383,806
Fund Balances, Ending	\$ -	-	5,547	3,338,918

Debt Service Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2017

City of Cedar Park, Texas

	Budgeted Amounts			Variance (1) Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes and penalties	\$ 18,350,190	18,350,190	18,780,983	430,793
Intergovernmental	3,222,113	3,222,113	3,222,113	-
Interest earnings	32,500	32,500	126,297	93,797
Contributions	-	-	-	-
Other income	-	-	1,059	1,059
Total revenues	21,604,803	21,604,803	22,130,452	525,649
EXPENDITURES				
Debt service:				
Principal	12,905,000	12,905,000	12,905,000	-
Interest and fiscal charges	7,403,032	7,403,032	7,332,100	70,933
Payment to bond escrow agent from current resources	1,572,538	1,572,538	1,454,831	117,707
Total expenditures	21,880,570	21,880,570	21,691,931	188,640
Excess Of Revenues Over Expenditures	(275,767)	(275,767)	438,521	714,288
Net Change In Fund Balance	(275,767)	(275,767)	438,521	714,288
Fund Balance, Beginning	8,949,479	8,949,479	8,949,479	-
Fund Balance, Ending	\$ 8,673,712	8,673,712	9,388,000	714,288

(1) Variance is actual to final budget.



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**Internal Service Funds
Combining Statement of Net Position
September 30, 2017**

City of Cedar Park, Texas

	Employee Benefits	Vehicle & Equipment Services	Total
ASSETS			
Current assets:			
Cash and investments	\$ 855,013	6,398,862	7,253,875
Total current assets	<u>855,013</u>	<u>6,398,862</u>	<u>7,253,875</u>
Capital assets:			
Nondepreciable	-	69,824	69,824
Depreciable, net	-	5,750,473	5,750,473
Total capital assets	<u>-</u>	<u>5,820,297</u>	<u>5,820,297</u>
Total assets	<u>855,013</u>	<u>12,219,159</u>	<u>13,074,172</u>
LIABILITIES			
Current liabilities:			
Accounts payable	3,134	-	3,134
Total current liabilities	<u>3,134</u>	<u>-</u>	<u>3,134</u>
Total liabilities	<u>3,134</u>	<u>-</u>	<u>3,134</u>
Net investment in capital assets			
Unrestricted	-	5,820,297	5,820,297
Total net position	<u>\$ 851,879</u>	<u>12,219,159</u>	<u>13,071,038</u>

Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2017

City of Cedar Park, Texas

	Employee Benefits	Vehicle & Equipment Services	Total
OPERATING REVENUES			
Charges for services	2,916,155	3,170,652	6,086,807
Total operating revenues	<u>2,916,155</u>	<u>3,170,652</u>	<u>6,086,807</u>
OPERATING EXPENSES			
Personnel services	-	-	-
Distribution services and charges	3,167,298	-	3,167,298
Maintenance and repair	-	-	-
Supplies and materials	-	435,908	435,908
Depreciation	-	1,734,780	1,734,780
Total operating expenses	<u>3,167,298</u>	<u>2,170,688</u>	<u>5,337,986</u>
OPERATING INCOME (LOSS)	<u>(251,143)</u>	<u>999,964</u>	<u>748,821</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenue	<u>7,186</u>	<u>426,330</u>	<u>433,516</u>
NET INCOME/(LOSS) BEFORE TRANSFERS	(243,957)	1,426,294	1,182,337
Transfers out	-	(1,955,000)	(1,955,000)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(1,955,000)</u>	<u>(1,955,000)</u>
CHANGE IN NET POSITION	<u>(243,957)</u>	<u>(528,706)</u>	<u>(772,663)</u>
Total net position, beginning	<u>1,095,836</u>	<u>12,747,865</u>	<u>13,843,701</u>
Total net position, ending	<u><u>851,879</u></u>	<u><u>12,219,159</u></u>	<u><u>13,071,038</u></u>

**Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2017**

City of Cedar Park, Texas

	Employee Benefits	Vehicle & Equipment Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,916,155	3,170,652	6,086,807
Cash paid to suppliers for goods and services	(3,205,250)	(437,357)	(3,642,607)
Net cash provided (used) by operating activities	<u>(289,095)</u>	<u>2,733,295</u>	<u>2,444,200</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	-	-
Transfers out	-	(1,955,000)	(1,955,000)
Net cash (used) by noncapital financing activities	<u>-</u>	<u>(1,955,000)</u>	<u>(1,955,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from nonoperating activities	-	431,715	431,715
Acquisition of capital assets	-	(2,034,122)	(2,034,122)
Net cash (used) for capital and related financing activities	<u>-</u>	<u>(1,602,407)</u>	<u>(1,602,407)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Earnings on investments	7,186	59,324	66,510
Net cash provided by investing activities	<u>7,186</u>	<u>59,324</u>	<u>66,510</u>
Net increase (decrease) in cash and cash equivalents	(281,909)	(764,788)	(1,046,697)
Cash and cash equivalents, October 1	<u>1,136,922</u>	<u>7,163,650</u>	<u>8,300,572</u>
Cash and cash equivalents, September 30	<u>\$ 855,013</u>	<u>6,398,862</u>	<u>7,253,875</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (251,143)	999,964	748,821
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	1,734,780	1,734,780
Increase (decrease) in liabilities:			
Accounts payable	(37,952)	(1,449)	(39,401)
Net cash provided by operating activities	<u>\$ (289,095)</u>	<u>2,733,295</u>	<u>2,444,200</u>



CEDAR

PARK

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.



CEDAR

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

City of Cedar Park, Texas
Table I

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governmental activities										
Net investment in capital assets	195,201	161,055	145,800	164,866	154,520	136,368	142,762	125,090	117,722	103,639
Restricted	33,482	30,660	33,803	21,333	11,372	10,656	5,961	8,169	4,816	19,553
Unrestricted	(3,315)	7,012	9,793	7,432	12,931	18,273	17,338	18,492	16,779	12,969
Total governmental activities net position	225,368	198,727	189,396	193,631	178,823	165,297	166,061	151,751	139,317	136,161
Business-type activities										
Net investment in capital assets	182,796	175,479	173,954	154,336	145,121	133,655	111,952	108,617	113,913	114,551
Restricted	38,175	36,351	18,613	18,658	16,193	14,811	13,449	12,967	13,348	18,966
Unrestricted	20,929	21,448	32,496	27,034	29,234	34,494	38,443	31,903	22,836	10,111
Total business-type activities net position	241,900	233,278	225,063	200,028	190,548	182,960	163,844	153,487	150,097	143,628
Primary government										
Net investment in capital assets	377,997	336,534	319,754	319,202	299,641	270,023	254,714	233,707	231,635	218,190
Restricted	71,657	67,011	52,416	39,991	27,565	25,467	19,410	21,136	18,164	38,519
Unrestricted	17,614	28,460	42,289	34,466	42,165	52,767	55,781	50,395	39,615	23,080
Total primary government net position	467,268	432,005	414,459	393,659	348,257	329,905	329,905	305,238	289,414	279,789

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

City of Cedar Park, Texas
Table II

	2017	2016	2015	2014	2013	2012	2011	2010 (1)	2009 (2)	2008
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expenses										
Governmental activities										
General government	19,934	22,822	17,986	16,663	15,616	12,955	13,262	11,618	7,986	8,575
Public safety	25,806	23,838	21,736	19,105	18,278	16,463	15,759	14,996	15,347	13,736
Culture and recreation	6,136	6,008	5,592	5,029	4,773	4,732	4,670	4,136	4,437	2,769
Streets and lighting	8,257	4,949	6,760	5,769	3,439	4,805	4,554	4,066	3,634	4,700
Interest on long-term debt	7,406	6,985	6,324	6,353	6,792	6,987	6,983	7,212	6,995	5,298
Total governmental activities	67,539	64,602	58,398	52,919	45,942	45,228	45,228	42,028	38,399	35,078
Business-type activities										
Water and sewer	26,321	27,120	24,304	23,413	24,623	21,774	23,744	21,456	24,250	23,358
Solid waste	3,678	3,629	3,687	3,602	3,436	3,188	2,746	2,411	-	-
Total business-type activities	29,999	30,749	27,991	27,015	24,962	26,490	26,490	21,456	24,250	23,358
Total primary government expenses	97,537	95,351	86,389	79,934	70,904	71,718	71,718	63,484	62,649	58,436
Program Revenues										
Governmental activities										
Charges for services										
General government	1,038	3,178	2,444	2,428	2,458	2,253	1,371	1,298	1,287	2,208
Public safety	4,303	2,770	2,506	2,949	2,737	2,556	2,932	2,650	2,563	2,683
Culture and recreation	1,536	1,437	1,439	1,356	1,318	1,215	1,129	1,023	759	618
Operating grants and contributions	3,855	3,600	3,561	3,573	3,640	3,604	734	997	4,133	768
Capital grants and contributions	21,350	6,759	11,211	11,849	9,956	8,201	18,250	13,708	13,376	11,941
Total governmental activities	32,082	17,744	21,161	22,155	17,829	24,416	24,416	19,676	22,118	18,218
Business-type activities										
Charges for services										
Water and sewer	31,940	30,093	29,968	28,216	28,197	29,055	31,038	25,297	28,404	26,689
Solid waste	3,702	3,649	3,810	3,623	3,339	3,111	2,773	2,463	-	-
Capital grants and contributions	5,595	7,906	5,326	7,579	7,610	4,905	5,701	3,438	4,255	11,872
Total business-type activities	41,237	41,648	39,104	39,418	37,071	39,512	39,512	31,198	32,659	38,561
Total primary government program revenues	73,319	59,392	60,264	61,573	54,900	63,928	63,928	50,874	54,777	56,779
Net (expense)/revenue										
Governmental activities	(35,457)	(46,858)	(37,237)	(30,764)	(28,113)	(20,812)	(20,812)	(22,352)	(16,281)	(16,860)
Business-type activities	11,238	10,899	11,113	12,403	12,109	13,022	13,022	9,742	8,409	15,203
Total primary government net revenue (expense)	(24,219)	(35,959)	(26,124)	(18,361)	(16,004)	(7,790)	(7,790)	(12,610)	(7,872)	(1,657)

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

City of Cedar Park, Texas
Table II

	2017	2016	2015	2014	2013	2012	2011	2010 (1)	2009 (2)	2008
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General Revenues and Other Changes in Net Position										
Governmental activities										
Property taxes	37,656	34,801	31,030	25,839	23,802	21,222	20,103	20,036	19,626	17,097
Sales taxes	13,239	11,948	11,187	10,165	8,699	7,884	7,003	6,538	6,415	13,629
Franchise fees	4,001	4,447	4,453	4,252	3,940	3,843	3,637	3,249	3,193	2,919
Other taxes	1,092	945	846	721	643	504	481	351	289	308
Interest and other	2,839	1,033	1,649	1,478	1,953	1,104	922	880	2,387	3,101
Transfers	3,269	3,015	(14,164)	3,117	3,277	(6,941)	2,976	3,733	2,406	2,341
Special item	-	-	1,546	-	-	-	-	-	-	-
Total governmental activities	<u>62,096</u>	<u>56,189</u>	<u>36,547</u>	<u>45,572</u>	<u>42,314</u>	<u>27,616</u>	<u>35,122</u>	<u>34,787</u>	<u>34,316</u>	<u>39,395</u>
Business-type activities										
Interest and other	653	330	346	195	(222)	562	310	(209)	467	1,055
Transfers	(3,269)	(3,015)	14,164	(3,117)	(3,277)	6,941	(2,976)	(3,733)	(2,406)	(2,341)
Total business-type activities	<u>(2,616)</u>	<u>(2,685)</u>	<u>14,510</u>	<u>(2,922)</u>	<u>(3,499)</u>	<u>7,503</u>	<u>(2,666)</u>	<u>(3,942)</u>	<u>(1,939)</u>	<u>(1,286)</u>
Total primary government	<u>59,480</u>	<u>53,504</u>	<u>51,057</u>	<u>42,650</u>	<u>38,815</u>	<u>35,119</u>	<u>32,456</u>	<u>30,845</u>	<u>32,377</u>	<u>38,109</u>
Changes in Net Position										
Governmental activities	26,641	9,331	(690)	14,808	7,476	(1,108)	7,009	13,975	13,504	17,043
Business-type activities	8,622	8,214	25,624	9,481	7,614	19,906	9,443	9,080	11,083	8,456
Total primary government	<u>35,263</u>	<u>17,545</u>	<u>24,934</u>	<u>24,289</u>	<u>15,090</u>	<u>18,798</u>	<u>16,452</u>	<u>23,055</u>	<u>24,587</u>	<u>25,499</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.

Sales Tax by Category
Last Ten Fiscal Years (In thousands)

City of Cedar Park, Texas
Table III

	2017	2016	2015	2014	2013	2012	2011	2010	2009 (1)	2008
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Agriculture, forestry, fishing	55	68	20	39	29	8	7	3	9	-
Construction	435	499	465	266	207	204	179	137	217	604
Finance, insurance, real estate	30	39	40	29	30	79	58	52	74	204
Manufacturing	435	237	201	626	276	117	100	80	69	244
Other	383	448	476	481	142	362	263	191	198	338
Retail trade	6,727	6,917	6,623	5,116	5,164	4,485	4,043	2,981	2,972	5,242
Services	4,057	3,148	2,821	2,506	2,377	2,156	2,002	1,446	1,337	2,866
Transportation, communications, utilities	24	19	4	637	19	3	4	5	3	4
Wholesale trade	208	217	184	308	340	299	219	181	86	326
Arts, entertainment, recreation	885	356	353	159	115	170	127	108	31	28
Total	13,239	11,948	11,187	10,167	8,699	7,883	7,002	5,184	4,996	9,856
City sales tax rate (primary government)	1%	1%	1%	1%	1%	1%	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.

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009 (1)	2008
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General fund										
Reserved	N/A	24	531	58						
Unreserved	N/A	16,999	14,665	14,436						
Nonspendable	40	41	53	24	32	30	26	N/A	N/A	N/A
Restricted	-	-	-	-	-	1,334	-	N/A	N/A	N/A
Committed	142	101	329	-	-	-	-	N/A	N/A	N/A
Assigned	155	155	155	1,047	1,202	-	-	N/A	N/A	N/A
Unassigned	20,610	21,380	18,846	16,954	14,432	13,615	11,935	N/A	N/A	N/A
Total general fund	<u>20,947</u>	<u>21,677</u>	<u>19,383</u>	<u>18,025</u>	<u>15,666</u>	<u>14,979</u>	<u>11,961</u>	<u>17,023</u>	<u>15,196</u>	<u>14,494</u>
All other governmental funds										
Reserved	N/A	4,194	4,098	2,765						
Unreserved, reported in:										
Special revenue funds	N/A	2,585	2,007	18,072						
Capital projects funds	N/A	21,395	16,026	63,764						
Nonspendable	-	-	-	-	1	12	-	N/A	N/A	N/A
Restricted	72,958	66,782	41,587	31,967	22,007	24,097	17,724	N/A	N/A	N/A
Committed	142	-	29,719	-	-	-	540	N/A	N/A	N/A
Assigned	-	-	-	-	-	-	4,954	N/A	N/A	N/A
Unassigned	-	-	-	-	(1)	-	N/A	N/A	N/A	N/A
Total all other governmental funds	<u>72,958</u>	<u>66,782</u>	<u>41,587</u>	<u>31,967</u>	<u>22,007</u>	<u>24,109</u>	<u>23,218</u>	<u>28,174</u>	<u>22,131</u>	<u>84,601</u>
Total all governmental funds	<u><u>93,905</u></u>	<u><u>88,459</u></u>	<u><u>60,970</u></u>	<u><u>49,992</u></u>	<u><u>37,673</u></u>	<u><u>39,088</u></u>	<u><u>35,179</u></u>	<u><u>45,197</u></u>	<u><u>37,327</u></u>	<u><u>99,095</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

	2017	2016	2015	2014	2013	2012	2011	2010	2009 (1)	2008
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES										
Taxes	56,088	52,112	47,540	40,933	37,112	33,445	31,342	30,132	29,532	33,986
Permits, licenses and fees	1,776	2,234	1,849	1,826	1,913	1,739	1,346	1,273	1,163	2,087
Fines and forfeitures	733	788	720	1,209	933	963	976	677	753	1,001
Charges for services	4,369	4,092	3,821	3,697	3,666	3,323	3,436	3,350	2,832	2,429
Intergovernmental	3,455	216	1,428	2,885	403	4,768	5,473	852	553	420
Interest earnings	912	233	378	172	129	178	148	235	995	2,435
Contributions	17,009	5,861	6,304	6,357	4,880	4,730	4,487	7,988	14,461	996
Other	1,405	1,077	1,286	1,916	1,835	800	837	537	684	981
Total revenues	85,747	66,613	63,326	58,995	49,946	48,045	48,045	45,044	50,973	44,335
EXPENDITURES										
General government	11,063	10,486	11,066	8,619	8,047	7,236	6,827	6,944	6,095	6,728
Public safety	24,965	23,043	21,498	19,793	18,388	16,834	15,383	14,795	14,273	13,206
Culture and recreation	5,289	5,170	5,117	4,379	4,061	3,878	3,715	3,459	3,960	3,522
Streets and lighting	6,039	3,099	2,874	2,567	2,597	2,110	1,996	1,859	1,638	2,610
Economic development	1,310	1,145	948	859	901	753	1,709	351	301	739
Capital outlay	16,797	13,549	10,629	20,115	7,044	17,153	18,600	11,654	58,998	35,670
Debt service:										
Principal	13,060	11,360	9,950	8,445	7,300	7,575	5,610	5,573	4,631	4,460
Payment to bond escrow - current	1,455	5,130								
Interest and fiscal charges	7,317	6,985	6,303	6,258	6,863	7,253	7,068	7,156	7,822	3,924
Bond issuance costs	63	-	754	468	198	-	-	-	-	1,258
Total expenditures	87,358	79,967	69,139	71,503	62,792	60,908	60,908	51,791	97,718	72,117
Deficiency of revenues over expenditures	(1,611)	(13,354)	(5,813)	(12,508)	(12,846)	(12,863)	(12,863)	(6,747)	(46,745)	(27,782)
Other financing sources (uses)										
Issuance of debt	1,735	42,775	73,670	29,865	15,865	25,195	(65)	13,345	-	63,520
Bond premiums (discounts)	9	6,171	5,042	820	-	3,942	(23)	102	-	49
Payment to bond escrow agent	-	(10,673)	(67,893)	(8,974)	(15,667)	(26,616)	3,929	(1,362)	-	-
Bond issuance costs	-	(444)	-	-	-	-	-	-	-	-
Sale of general capital assets	88	-	-	-	-	-	-	-	-	-
Transfers in	41,462	13,746	21,847	23,259	7,801	14,388	16,195	9,524	51,224	34,959
Transfers out	(36,239)	(10,731)	(19,089)	(20,142)	(4,886)	(9,922)	(13,219)	(6,991)	(48,818)	(32,617)
Other	-	-	3,213	-	-	1,589	-	-	-	-
Total other financing sources	7,055	40,844	16,790	24,828	8,576	6,817	6,817	14,618	2,406	65,911
Net change in fund balances	5,444	27,490	10,977	12,320	(4,270)	(6,046)	(6,046)	7,871	(44,339)	38,129
Debt service as a percentage of noncapital expenditures	28.90%	27.62%	27.78%	28.61%	25.41%	29.97%	29.97%	31.71%	32.16%	23.00%

(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 (1)	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				
	\$	\$	\$	\$	\$	\$	\$	
2008	3,034,100,645	3,096,774,155	236,137,255	236,137,255	3,270,237,900	3,270,237,900	0.508070	100%
2009	3,688,102,645	3,671,296,868	292,200,548	292,200,548	3,980,303,193	3,980,303,193	0.489001	100%
2010	3,748,717,862	3,684,982,934	314,529,746	314,529,746	4,063,247,608	4,063,247,608	0.489001	100%
2011	3,967,805,242	3,710,745,479	277,609,702	277,609,702	4,245,414,944	4,245,414,944	0.493501	100%
2012	4,139,882,394	3,904,593,732	295,446,592	295,446,592	4,435,328,986	4,435,328,986	0.493501	100%
2013	4,431,117,106	4,382,163,626	324,906,758	324,906,758	4,756,023,864	4,756,023,864	0.493501	100%
2014	4,557,237,308	4,752,830,024	346,454,226	346,454,226	4,903,691,534	4,903,691,534	0.492500	100%
2015	4,658,071,476	5,591,478,822	392,935,063	392,935,063	5,051,006,539	5,051,006,539	0.485000	100%
2016	6,671,486,982	6,251,352,852	445,703,847	445,703,847	7,117,190,829	7,117,190,829	0.479500	100%
2017	7,159,666,608	7,159,666,608	469,082,444	469,082,444	7,628,749,052	7,628,749,052	0.470000	100%

Source: Williamson Central Appraisal District
Travis Central Appraisal District

(1) Excludes over-65 property value freeze and values in the designated TIRZ

**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				
	\$	\$	\$	\$	\$	\$	\$
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
2014	0.252839	0.239661	0.492500	1.5119	1.3674	0.4563	0.4890
2015	0.242250	0.242750	0.485000	1.5119	1.3643	0.4169	0.4815
2016	0.236750	0.242750	0.479500	1.5119	1.3325	0.3838	0.4765
2017	0.231250	0.238750	0.470000	1.5119	1.3325	0.4943	0.4365

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	2017			2008		
		Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
		\$		%	\$		%
BRE RC 1890 Ranch TX LP	Commercial	98,984,324	1	1.30			
Cedar Park Health Systems LP	Medical	86,032,807	2	1.13			
MUIR Lake LTD	Real estate	54,083,279	3	0.71			
Allure Acquisition LLC	Real estate	44,256,648	4	0.58			
CP New Hope LTD	Commercial	44,158,071	5	0.58			
Northland Lakeline II LLC	Real estate	42,871,891	6	0.56			
RPAI Cedar Park Town Center LLC	Commercial	38,700,795	7	0.51			
WMCi Austin I LLC	Real estate	38,385,276	8	0.50			
Mid-America Apartments LP	Real estate	37,769,418	9	0.50			
UDR Red Stone Ranch LLC	Real estate	37,538,273	10	0.49			
Northland Lakeline LP	Real estate				28,080,583	1	0.71
Ranger Excavating	Industrial				27,098,206	2	0.68
Mid-America Apartments of Texas LP	Real estate				27,033,041	3	0.68
Cedar Park Health Systems LP	Medical				26,050,335	4	0.65
Colonial Realty LP	Real estate				23,547,036	5	0.59
Heritage 1440 Montfort LP	Retail				21,715,320	6	0.55
AB Middle Brook LP	Real estate				19,851,115	7	0.50
UDR Lakeline LP	Real estate				19,271,380	8	0.48
Whitestone Market	Retail				18,905,898	9	0.47
Colonial Realty LP	Real estate				18,733,447	10	0.47
	Subtotal	522,780,782		6.86	230,286,361		578.00%
All Other		7,105,968,270		93.15	3,750,016,832		94.20
	Total	7,628,749,052		100.01	3,980,303,193		99.98

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 (1) \$	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
2009	19,480,306	19,253,183	98.84%	201,407	19,468,600	99.910%
2010	19,873,264	19,668,121	99.00%	156,712	19,854,856	99.904%
2011	19,953,506	19,803,078	99.23%	127,043	19,943,950	99.891%
2012	21,874,620	21,772,469	99.52%	61,900	21,792,575	99.883%
2013	23,388,661	23,304,583	99.86%	49,458	23,339,633	99.860%
2014	25,371,231	25,285,881	99.65%	50,682	24,129,723	99.654%
2015	31,239,785	31,135,198	99.78%	71,505	29,793,188	99.777%
2016	34,556,044	34,495,678	99.82%	34,466	32,068,184	99.862%
2017	37,486,948	37,448,767	99.90%	N/A	37,419,005	99.819%

Source: Williamson County Tax Assessor
Travis County Tax Office

(1) Levy includes anticipated collection from taxable value plus levy from eligible frozen properties.

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

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
	\$	\$	\$	\$	\$	\$	\$	\$
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
2014	105,940,000	13,015,000	-	38,440,000	4,526,799	-	1,046,964	162,968,763
2015	111,820,000	24,985,000	-	42,755,000	8,893,376	-	892,183	189,345,559
2016	135,465,000	19,690,000	-	40,975,000	14,551,402	-	737,402	211,418,804
2017	124,710,000	19,770,000	-	39,125,000	13,655,718	-	582,621	197,843,339

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
	\$	\$	\$	\$	\$	\$	\$	\$
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
2014	5,600,000	-	45,920,000	-	1,422,194	-	-	52,942,194
2015	5,360,000	-	43,995,000	-	10,513,084	-	-	98,503,084
2016	4,375,000	-	47,535,000	-	5,860,595	-	-	57,770,595
2017	3,525,000	-	42,880,000	-	5,309,572	-	-	51,714,572

Fiscal Year	Total Primary Government	Personal Income	Percentage of Personal Income	Population	Debt per Capita
	\$	\$			\$
2007	147,446,343	1,449,449,640	10.17%	50,220	2,936
2008	140,165,649	1,666,510,524	8.41%	51,856	2,658
2009	146,555,093	1,924,716,495	7.61%	54,015	2,713
2010	144,654,905	1,561,324,840	9.26%	54,279	2,580
2011	156,944,721	2,325,288,345	6.75%	55,928	2,704
2012	206,950,381	2,325,288,345	8.90%	58,705	3,541
2013	215,910,957	2,586,242,556	8.35%	60,446	3,572
2014	287,848,643	2,586,242,556	11.13%	65,890	4,706
2015	269,189,399	2,674,061,651	10.07%	67,500	3,986
2016	269,189,399	3,022,582,790	8.91%	69,188	3,891
2017	249,557,911	3,171,496,827	7.87%	76,800	3,249

(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, 2017**

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

Name of Governmental Unit	Net General Obligation Debt Outstanding as of September 30, 2017	Estimated Percent Applicable to the City of Cedar Park	City's Overlapping Tax Supported Debt
	\$		\$
<u>Governmental Activities</u>			
General obligation bonds	134,187,558		
Certificates of obligations	20,308,891		
Economic Development bonds	42,764,269		
Note Payable	582,621		
Total governmental activities debt	197,843,339 (1)	100.00%	197,843,339
<u>Other Taxing Jurisdictions</u>			
Austin Community College District	297,583,965	4.51%	13,421,037
Leander ISD	992,698,034	32.97%	327,292,542
Round Rock ISD	727,880,000	2.46%	17,905,848
Travis County	684,531,179	0.53%	3,628,015
Travis County Healthcare District	10,380,000	0.49%	50,862
Williamson County	872,279,942	12.46%	108,686,081
Williamson-Travis MUD #1	2,610,000	4.52%	117,972
Total other taxing jurisdictions	3,587,963,120		471,102,357
Total Direct and Overlapping Tax Supported Debt			668,945,696
Ratio of Direct and Overlapping Tax Supported Debt to Assessed Valuation (2)		9.40%	
Per Capita Overlapping Tax Supported Debt (3)			8,710

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 of \$3,958,900 reported in proprietary funds which are not tax supported, but are supported by utility system revenues.
- (2) Based on assessed valuation of \$4,903,691,534 provided by the Williamson Central Appraisal District and Travis Central Appraisal District.
- (3) Based on estimated population of 76,800.

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

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
	\$	\$	\$	\$	
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	14,703,102	48,978,122	23.09%
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%
2014	4,903,691,534	73,555,373	11,221,303	62,334,070	15.26%
2015	5,051,006,539	75,765,098	12,770,672	62,994,426	16.89%
2016	7,117,190,829	106,757,862	16,459,898	90,297,964	15.42%
2017	7,628,749,052	114,431,236	20,237,099	94,194,137	17.68%

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**

General Bonded Debt Outstanding								
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Less: Amounts available in Debt Service Fund (1)	Net General Bonded Debt	Population	Assessed Value	Ratio of General Bonded Debt to Assessed Value	General Bonded Debt per Capita
	\$	\$	\$	\$		\$		\$
2008	93,727,690	6,256,250	2,460,099	99,983,940	52,731	3,270,237,900	3.0%	1,891
2009	89,940,002	5,712,500	3,223,496	95,652,502	54,015	3,980,303,193	2.4%	1,747
2010	97,900,000	5,130,000	3,466,006	103,030,000	56,072	4,063,247,608	2.5%	1,809
2011	99,325,000	2,765,000	3,973,542	102,090,000	58,035	4,245,414,944	2.4%	1,722
2012	108,110,000	1,955,000	3,537,853	110,065,000	58,450	4,435,328,986	2.5%	1,906
2013	103,245,000	1,680,000	4,017,896	104,925,000	60,446	4,756,023,864	2.2%	1,735
2014	105,940,000	13,015,000	5,124,654	118,955,000	61,163	4,903,691,534	2.4%	1,935
2015	111,820,000	24,985,000	8,108,955	136,805,000	67,537	5,051,006,539	2.7%	2,037
2016	135,465,000	19,690,000	8,949,479	155,155,000	69,188	7,117,190,829	2.3%	2,323
2017	124,710,000	19,770,000	9,384,291	144,480,000	76,800	7,628,749,052	1.9%	1,881

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

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.
General obligation debt of business-type activities is revenue supported and, therefore, excluded from this calculation.

(1) The General Debt Service fund maintains a reserve that will typically be equivalent to an interest only debt service payment.

**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
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
2014	28,216,004	15,890,533	12,325,471	7,065,336	1.744
2015	29,968,170	16,265,690	30,812,040	7,463,350	1.836
2016	30,416,952	17,903,045	12,513,907	7,402,999	1.690
2017	32,574,348	17,358,582	15,215,766	7,400,276	2.056

(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	2017			2008	
	Employees	Rank	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Leander Independent School District	5,025	1	14%	1,076	16%
Cedar Park Regional Medical Center	650	2	2%	N/A	N/A
HEB Grocery	575	3	2%	560	8%
Wal-Mart	560	4	2%	379	5%
National Oilwell Varco	429	5	1%	230	3%
City of Cedar Park	415	6	1%	305	4%
ETS Lindgren	270	7	1%	100	1%
CoreSlab	250	8	1%	200	3%
BMC Corporation	220	9	1%	200	3%
Costco	200	10	1%	N/A	N/A

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>
		\$	\$		
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	2,586,242,556	42,786	34,381	4.8%
2014	61,163	2,674,061,651	43,720	36,192	3.8%
2015	67,537	3,022,582,790	44,754	37,042	3.0%
2016	69,188	3,171,496,827	45,839	37,158	3.0%
2017	76,800	3,621,828,023	47,159	38,226	3.1%

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**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Function										
Governmental Activities										
General Government										
City Manager	5	4	4	4	4	4	4	4	4	4
City Secretary	1	1	1	1	1	1	1	1	1	1
Finance	7	7	7	7	7	7	7	7	7	7
Information Technology	10.5	10	7	6	6	5	5	5	5	4
Human Resources	5	5	5	5	5	4	4	4	4	4
Public Information	4.5	3.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Economic Development	2	2	2	2	2	2	3	2	2	2
Public Works/Engineering	11	8	8	8	8	8	9	8	8	8
Planning and Transportation	7	7	7	7	7	5	7	8	8	8
Maintenance	7	7	7	7	7	7	6	6	5	5
Legal Services	4	4	4	4	4	4	4	3	3	3
Public Safety										
Municipal Court	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	8.5
Police	128	125	120	112	107	101	100	101	101	94
Animal Control	4	4	4	4	4	3	3	3	3	3
Building Inspection	12	12	12	12	11	10	11	11	11	11
Fire	82	77	72	70	70	72	71	74	74	74.0
Code Enforcement	3	3	3	3	3	3	3	-	-	-
Emergency Management	1	1	1	1	1	1	1	-	-	-
Cultural and Recreational										
Parks and Recreation	35	35	35	33	33	30.5	31.0	31.0	31.0	22
Library	19.5	19	19	18.25	18.25	17.75	17.75	17.75	18.75	18.25
Tourism	1.5	1.5	1.5	1.5	1.5	1.5	-	-	-	-
Streets and Lighting										
Streets	17	13	13	13	13	13	13	12	12	12
Signal and Light Maintenance	5	5	5	5	5	5	2	-	-	-
Total governmental employees	381.5	363.5	349.5	335.75	329.75	316.75	314.75	309.75	309.75	291.25
Business-type activities										
Water and Sewer	83.5	82.5	78	78	78	78	74	70	69	68
Total business-type employees	83.5	82.5	78	78	78	78	74	70	69	68
Total full-time equivalent employees	465	446	427.5	413.75	407.75	394.75	388.75	379.75	378.75	359.25

Source: Budget document of the City of Cedar Park

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>General Government</u>										
Ordinances/resolutions enrolled	220	233	226	248	219	256	246	251	320	322
Accounts payable payments issued	22,802	22,465	5,009	5,996	6,703	7,151	7,571	7,640	7,569	10,929
Technology assistance calls	5,622	4,391	4,141	3,568	3,162	1,038	3,780	2,500	2,400	1,900
Budgeted positions	465.00	446.00	425.75	427.50	413.75	407.75	393.75	388.25	379.25	378
Site development plans reviewed	46	42	46	51	48	28	23	21	31	25
Vehicles maintained	250	237	227	227	217	207	203	181	158	151
<u>Public Safety</u>										
Citations filed	6,054	6,276	6,426	8,718	12,470	13,635	13,788	10,112	12,558	11,631
Fire Department emergency calls	5,815	5,673	5,366	4,821	4,537	4,384	4,433	4,283	4,070	4,040
Cases filed	11,888	11,714	9,134	10,097	13,600	14,754	14,763	13,341	12,664	11,680
Residential building permits	4,103	4,249	4,499	648	618	678	626	611	556	702
Nonresidential building permits	1,397	1,196	1,082	124	102	103	122	90	114	182
<u>Culture and Recreation</u>										
Park acres maintained (1)	722	722	722	734	722	722	525	495	487	487
Recreation programs offered	57	60	59	54	54	45	40	40	34	29
Circulation of volumes	621,542	689,427	460,759	678,832	689,237	687,669	725,151	781,663	795,325	678,843
Catalogued items in library	121,806	121,122	120,248	120,313	120,302	116,419	112,859	108,354	95,273	94,000
Library visits	279,482	284,357	293,419	283,901	286,546	292,623	278,358	302,479	327,962	300,000
<u>Streets</u>										
Miles of paved streets (excluding ETJ)	291	291	291	281	281	281	261	222	217	213
Miles of drainage ways	172	172	172	172	172	172	172	172	172	172
<u>Water and Sewer</u>										
Treated gallons of water (in millions)	4,819	4,422	4,256	4,038	4,461	4,642	5,770	4,524	4,560	4,700
Gallons wastewater treated (in millions)-Cedar Park	850	806	808	798	806	803	801	803	814	814
Gallons wastewater treated (in millions)-Regional Plant	1,294	1,220	1,072	944	909	1,071	1,070	1,100	811	788
Retail water accounts	22,748	22,007	21,841	21,459	21,005	20,275	19,612	18,981	18,434	18,017
Retail wastewater accounts	21,396	20,957	20,588	20,361	19,908	19,042	18,430	17,811	17,276	16,870

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**

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	4	4	4	4
Streets										
Area in square miles	24.09	24.09	24.09	24.09	24.09	23.05	23.05	23.05	23.21	23.16
Paved streets in miles (excluding ETJ)	291	291	291	281	281	223	223	223	217	213
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	4	4	4	4
Water										
Number of water treatment plants	2	2	2	2	2	1	1	1	1	1
Number of miles of water main	386	350	350	374	348	348	348	348	313	300
Number of booster pumps	14	14	14	14	14	14	14	14	14	14
Rated peak capacity (millions of gallons/day)	31	31	31	31	31	26	26	26	26	26
Wastewater										
Number of wastewater treatment plants	3	3	3	3	3	2	2	2	2	2
Number of miles of sewer main	305	292	287	294	292	285	285	285	250	240
Number of lift stations	18	18	18	18	18	18	18	18	18	18
Treatment capacity (millions of gallons/day)	6	6	6	6	6	6	6	6	6	6

Source: The City of Cedar Park



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