

2015 - 2016



CEDAR PARK



CITY OF CEDAR PARK, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

CITY OF CEDAR PARK, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2016



PREPARED BY

FINANCE DEPARTMENT



CEDAR PARK

CITY OF CEDAR PARK, TEXAS

PRINCIPAL CITY OFFICIALS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

MATT POWELL – MAYOR

STEPHEN THOMAS – MAYOR PRO-TEM

CORBIN VAN ARSDALE – COUNCIL MEMBER

LYLE GRIMES – COUNCIL MEMBER

COBBY CAPUTO – COUNCIL MEMBER

JOHN LUX – COUNCIL MEMBER

KRISTYNE BOLLIER – COUNCIL MEMBER

BRENDA EIVENS – CITY MANAGER

JP LECOMPTE – CITY ATTORNEY

LEANN QUINN – CITY SECRETARY

REPORT PREPARED BY

FINANCE DEPARTMENT

**CITY OF CEDAR PARK, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year Ended September 30, 2016**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION (Unaudited)	
Letter of Transmittal	i
Organization Chart	vi
Certificate of Achievement for Excellence in Financial Reporting	vii
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis (Required Supplementary Information)	5
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements	
Balance Sheet – Governmental Funds	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	24
Statement of Net Position – Proprietary Funds	26
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	27
Statement of Cash Flows – Proprietary Funds	28
Notes to Basic Financial Statements	
Note 1 Summary of Significant Accounting Policies	
A. Reporting Entity	30
B. Government-wide and Fund Financial Statements	31
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	31
D. Deferred Outflows of Resources	33
E. Deferred Inflows of Resources	34
F. Net Position Flow Assumption	34
G. Fund Balance Flow Assumption	34
H. Cash and Cash Equivalents	34
I. Investments	34
J. Receivables and Payables	40
K. Inventories and Prepaid Items	40
L. Joint Venture	40
M. Capital Assets	40
N. Compensated Absences	41
O. Fund Balance	41
P. Estimates	41
Q. Pensions	42
Note 2 Stewardship, Compliance, and Accountability	43
Note 3 Detailed Notes On All Funds	
A. Deposits	44
B. Receivables	45
C. Investment in Joint Venture	47
D. Capital Assets	49
E. Interfund Receivables, Payables, and Transfers	53
F. Leases	53
G. Long-term Liabilities	54
H. Employees' Retirement System	59
I. Other Post Employment Benefits	64
J. Risk Management	66
K. Commitments / Contingent Liabilities	67
L. Component Units	68
M. Prior Year Restatement	69

CITY OF CEDAR PARK, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2016

TABLE OF CONTENTS

FINANCIAL SECTION, Continued	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	71
Schedule of Changes in Net Pension Liability and Related Ratios	77
Schedule of Contributions	78
Other Post Employment Benefits – Trend Information	79
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Debt Service Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	81
Nonmajor Governmental Funds	
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	83
Special Revenue Funds	
Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	86
Capital Projects Funds	
Combining Balance Sheet	88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	90
Component Units	
Statement of Net Position	92
Statement of Activities	93
Internal Service Funds	
Combining Statement of Net Position	94
Combining Statement of Revenues, Expenses, and Changes in Net Position	95
Combining Statement of Cash Flows	96
STATISTICAL SECTION (Unaudited)	<u>Table</u> <u>Page</u>
Financial Trends	
Net Position by Component	I 97
Changes in Net Position	II 98
Taxable Sales by Category	III 100
Fund Balances, Governmental Funds	IV 101
Changes in Fund Balances, Governmental Funds	V 102
Revenue Capacity	
Assessed and Estimated Actual Value of Taxable Property	VI 103
Property Tax Rates – Direct and Overlapping Governments	VII 104
Principal Property Taxpayers	VIII 105
Property Tax Levies and Collections	IX 106
Debt Capacity	
Ratios of Outstanding Debt by Type	X 107
Computation of Direct and Estimated Overlapping Bonded Debt	XI 108
Legal Debt Margin Information	XII 109
Ratios of General Bonded Debt Outstanding	XIII 110
Schedule of Revenue Bond Coverage	XIV 111
Demographic and Economic Information	
Principal Employers	XV 112
Demographic Statistics	XVI 113
Operating Information	
Full-Time Equivalent Employees by Function	XVII 114
Operating Indicators by Function	XVIII 115
Capital Asset Statistics by Function	XIX 116



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INTRODUCTORY SECTION



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March 31, 2017

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, 2016, 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 Belt Harris Pechacek LLLP, a firm of licensed certified public accountants. The independent auditors issued an unmodified opinion on the City of Cedar Park’s financial statements for the fiscal year ended September 30, 2016. 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 69,188, with an additional 17,438 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 is the latest major retail project being developed by Endeavor Real Estate. The 380,000 square foot retail center is located north of Costco on the west side of 183A. The project will be anchored by Whole Foods new 365 Store along with Dick's Sporting Goods, Field & Stream, DSW Shoes, Nordstrom Rack and Old Navy. The project is scheduled to open in April 2017.
- Serenova, a cloud based software development company, announced they were relocating their corporate headquarters and operations from California to Cedar Park creating over 150 jobs. Construction on their facility will commence in the spring 2017.
- Pediatric Subspecialty completed a 75,000 square foot Pediatric Center on the Cedar Park Regional Medical Center's campus the first quarter of 2016. The project will employ over 150 medical/healthcare professionals when fully operational.
- A 120 room Springhill Suites located in the Cedar Park Town Center development opened in November 2016.
- La Jaita Business Park completed a 65,000 square foot multi-tenant building which is the second of three buildings to be constructed in the development. Building #3 and #4 are under construction and will be completed the first quarter 2017. At completion, the development will have over 175,000 square feet of space.
- TIG broke ground on two speculative office buildings at Scottsdale Crossing totaling 55,000 square feet in May 2016.
- Comprehensive Healthcare Management relocated their headquarters and medical billing operations to Cedar Park creating 50 new jobs.
- Crosscreek Market a 200,000 square foot retail center located at the southeast corner of 183A Tollway and RM 1431 is under construction and will have as one of its tenants The Grove, an iconic Austin restaurant and wine bar.
- Industrial Group Southwest broke ground on 230,000 square feet of logistics/manufacturing/office space in Brushy Creek Corporate Park.
- Riverside Resources completed the construction of a two story 25,000 square foot office building in their Presidio development on Parmer lane.
- American Constructors relocated their regional administrative operations in to 12,500 square feet of space at the Presidio development representing 75 jobs.

- Revenue Cycle, Inc. announced they were relocating their headquarters for their oncology billing and consulting services to Cedar Park creating 110 jobs.

All of this recent commercial development activity has led to marked increases in the City's sales tax revenue over the past several years and, with a number of exciting developments under construction or currently in planning, we expect this trend to continue. Sales tax is received by the City at a rate of one percent of taxable sales to the general fund and one half percent each to the 4A and 4B Corporations.

Financial Planning:

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

In October 2011, the City of Cedar Park approved a set of 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 expansion to the Police Department. The Library bond category includes funding for construction, renovation, or other costs relating to the Public Library, 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 is expected to be completed in summer 2016.

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 \$522,580 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 LGIP's and increasing the variety and longevity of other investments in order to maximize interest earnings while keeping liquidity levels somewhat high. Our strategy is to increase the

weighted average maturity slightly 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, 2016 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, 2015. This was the 24th 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.

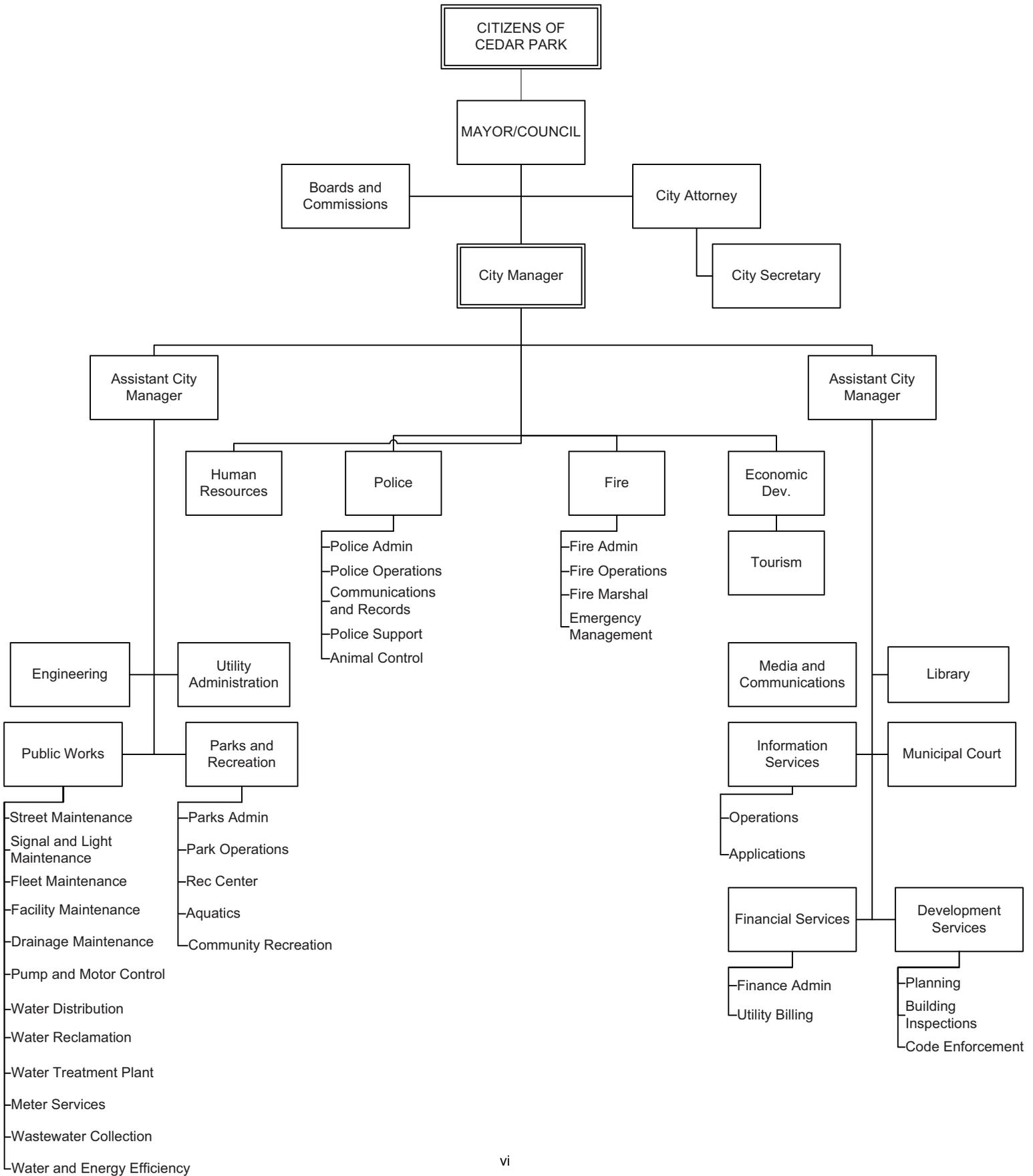
The preparation of the CAFR would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of the CAFR. Credit also must be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

A handwritten signature in blue ink that reads "Kent Meredith".

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, 2015

Executive Director/CEO



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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Park, Texas (the "City") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Change in Financial Statement

As discussed in Note 3.M. to the financial statements, the financial statements and the opinion letter on the financial statements for the fiscal year ending September 30, 2016 have been reissued based on a subsequently discovered fact. The independent auditors' report dated March 29, 2017 should not be relied upon by financial statement users.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
July 27, 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, 2016.

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

FINANCIAL HIGHLIGHTS

Government-wide Financial Statements

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the end of the fiscal year 2016, resulting in \$432,004,730 of net position. Net position for governmental activities totaled \$198,727,054, while net position for business-type activities is \$233,277,676. The largest portion of net position consists of net investment in capital assets, which is \$336,533,378.

The City's unrestricted net position, which may be used to meet the City's ongoing obligations, is \$28,459,960. A deficit of \$11,591,954 is reported as unrestricted for governmental activities, and \$21,447,628 is reported as unrestricted for business-type activities. Outstanding debt associated with governmental activities in the amount of \$18,604,286 is for capital assets associated with business-type activities.

The City's total net position increased \$17,545,666 or 4.2% during fiscal year 2016. The City's total increase in net position consists of an increase in governmental net position of \$9,331,611 or 4.9% and an increase in business-type activities 8,214,255 or 3.6%.

Total revenues for the City increased \$3,120,709. The increase is comprised of a \$592,627 increase in revenues for governmental activities and an increase of \$2,528,082 in revenues for business-type activities. Total expenses for the City increased \$8,962,088. Expenses for governmental activities increased \$6,203,934 while expenses for business-type activities increased \$2,758,154.

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 16 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, 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 26 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 81 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		Reconciliation		Totals	
	2016	2015	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 114,421,058	87,301,106	70,192,161	56,596,781	-	-	184,613,219	143,897,887
Capital assets	305,560,987	297,234,099	223,719,499	225,783,808	-	-	529,280,486	523,017,907
Total Assets	419,982,045	384,535,205	293,911,660	282,380,589	-	-	713,893,705	666,915,794
Deferred outflows of resources	15,359,663	12,075,521	3,977,082	3,910,836	-	-	19,336,745	15,986,357
Current liabilities	5,929,656	7,102,321	3,068,632	4,265,911	-	-	8,998,288	11,368,232
Noncurrent liabilities	230,684,998	200,112,962	61,542,434	56,962,093	-	-	292,227,432	257,075,055
Total Liabilities	236,614,654	207,215,283	64,611,066	61,228,004	-	-	301,225,720	268,443,287
Net position:								
Net investment in capital assets	179,658,850	163,181,577	175,478,814	173,954,391	(18,604,286)	(17,381,994)	336,533,378	319,753,974
Restricted	30,660,158	33,803,031	36,351,234	18,613,023	-	-	67,011,392	52,416,054
Unrestricted	(11,591,954)	(7,589,165)	21,447,628	32,496,007	18,604,286	17,381,994	28,459,960	42,288,836
Total Net Position	\$ 198,727,054	189,395,443	233,277,676	225,063,421	-	-	432,004,730	414,458,864

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, 2016, the City's assets and deferred outflows of resources exceeded liabilities by \$432,004,730. Total assets increased by \$46,977,911, while total liabilities increased by \$32,782,433. Governmental assets increased \$35,446,840 and business-type assets increased \$11,531,071. Governmental liabilities increased \$29,399,371 and business-type liabilities increased \$3,383,062.

The increase in governmental total assets of \$35,446,840 was primarily attributable to a change in net position of \$9,331,611, as provided by operating activities, a debt issuance of \$29,985,000 and premium of \$4,533,689, offset by cash payments to reduce liabilities, including \$1,500,000 of debt defeasance, and \$11,205,000 of bond principal payments. Governmental liabilities increased \$29,399,371 primarily due to a \$22,228,026 increase in bonds payable and a \$7,923,337 increase in the net pension liability.

The increase in business-type total assets of \$11,531,071 is primarily attributable to a change in net position of \$8,214,255, as provided by operating activities, a debt issuance of \$8,355,000 with a premium of \$970,154, all offset by \$5,740,000 in cash payments to reduce the bonds payable liability. The increase in business-type liabilities of \$3,383,062 is primarily attributable to an increase in bonds payable of \$3,107,511, an increase in the liability for compensated absences of \$88,312, and an increase of \$1,387,703 in the net pension liability, offset by a decrease of \$1,181,790 in customer deposits related to a change in policy regarding deposit retention.

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 \$336,533,378 or 77.9% 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, \$67,011,392, represents resources that are subject to restriction on how they may be used. The remaining balance of unrestricted net position, \$28,459,960, may be used to meet the City's obligations to citizens and creditors.

Changes in Net Position

Total net position of the City increased \$17,545,866. Governmental net position increased by \$9,331,611. Governmental revenues exceeded expenses by \$6,316,833, before net transfers of \$3,014,778 from Business-Type activities. Business-type activities net position increased \$8,214,255 due to revenues of \$41,978,036 exceeding expenses of \$30,749,003 by \$11,229,033 before net transfers to governmental activities of \$3,014,778.

The Governmental net position of the City increased by \$9,331,611, as provided by operating activities, while the City's Governmental unrestricted net position decreased by \$4,002,789 as the City's debt issuance shifted more of net position to net investment in capital assets. The Business-Type net position of the city increased by \$8,214,255, as provided by operating activities, while Business-Type unrestricted net position decreased by \$11,048,379 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, 2016:

	Changes in Net Position Information					
	September 30					
	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 7,385,496	6,389,567	33,742,270	33,778,291	41,127,766	40,167,858
Operating grants and contributions	3,599,722	3,560,990	-	-	3,599,722	3,560,990
Capital grants and contributions	6,758,817	11,210,475	7,905,978	5,325,824	14,664,795	16,536,299
General revenues:						
Property taxes	34,801,456	31,029,749	-	-	34,801,456	31,029,749
Sales taxes	11,948,321	11,186,774	-	-	11,948,321	11,186,774
Franchise taxes	4,447,120	4,453,374	-	-	4,447,120	4,453,374
Other taxes	945,035	845,835	-	-	945,035	845,835
Interest and other	1,032,940	1,649,516	329,788	345,839	1,362,728	1,995,355
Total revenues	70,918,907	70,326,280	41,978,036	39,449,954	112,896,943	109,776,234
Expenses:						
General government	22,822,078	17,985,786	-	-	22,822,078	17,985,786
Public safety	23,837,478	21,735,785	-	-	23,837,478	21,735,785
Culture and recreation	6,008,268	5,591,839	-	-	6,008,268	5,591,839
Streets and lighting	4,949,003	6,760,091	-	-	4,949,003	6,760,091
Interest on long-term debt	6,985,247	6,324,639	-	-	6,985,247	6,324,639
Water and sewer	-	-	27,120,392	24,303,635	27,120,392	24,303,635
Solid waste	-	-	3,628,611	3,687,214	3,628,611	3,687,214
Total expenses	64,602,074	58,398,140	30,749,003	27,990,849	95,351,077	86,388,989
Excess before transfers	6,316,833	11,928,140	11,229,033	11,459,105	17,545,866	23,387,245
Transfers	3,014,778	(14,164,655)	(3,014,778)	14,164,655	-	-
Special item-annexed net position	-	1,546,466	-	-	-	1,546,466
Increase (decrease) in net position	9,331,611	(690,049)	8,214,255	25,623,760	17,545,866	24,933,711
Net position, beginning	189,395,443	193,631,457	225,063,421	200,028,447	414,458,864	393,659,904
Prior period adjustment	-	(3,545,965)	-	(588,786)	-	(4,134,751)
Net position, beginning as restated	189,395,443	190,085,492	225,063,421	199,439,661	414,458,864	389,525,153
Net position, ending	198,727,054	189,395,443	233,277,676	225,063,421	432,004,730	414,458,864

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

Program Revenues and Expenses – Governmental Activities

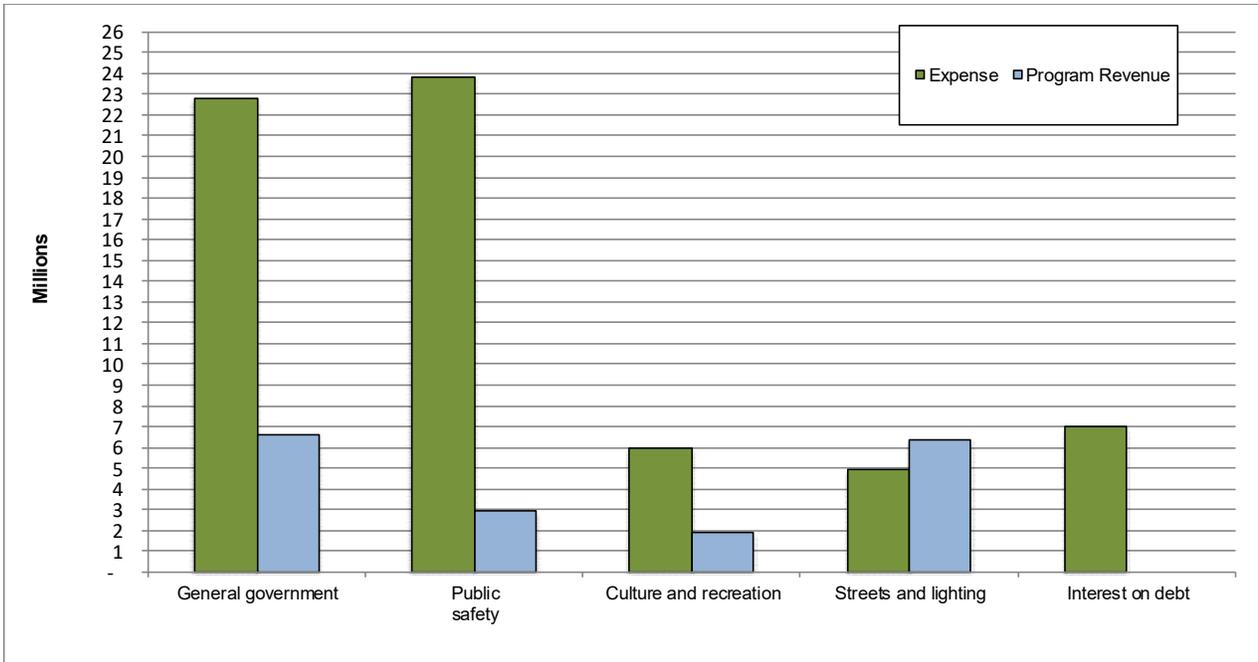
Governmental activities increased the City's net position by \$9,331,611 or 2.3% during fiscal year 2016. The increase was attributable to a number of factors, including:

- \$3,771,707 increase in property tax (ad valorem) collections. Although the City reduced the property tax rates for fiscal year 2016, an increase in assessed values and new development increased overall collections compared to the prior fiscal year.
- \$761,547 increase in sales tax collections due to continued economic growth.
- \$3,014,778 transfer from the business activities to the governmental activities for support provided to the utility systems compared to a \$14,164,655 transfer out in fiscal year 2015 for annexed assets that were transferred to the business activities.
- \$995,929 increase in charges for service (construction related fees and inspections, fire protection, parks and library, etc.).
- Governmental expenses increased by \$6,203,934. General government expenses increased \$4,836,292 due to increased personnel expenses. Public safety expenses increased by \$2,101,693 due to an increase in public safety personnel expenses, staffing increases, and a lower employee turnover rate from the prior year. Streets and lighting expenses decreased \$1,811,088 primarily due to an asset removal in the prior year which increased expenses beyond normal levels.

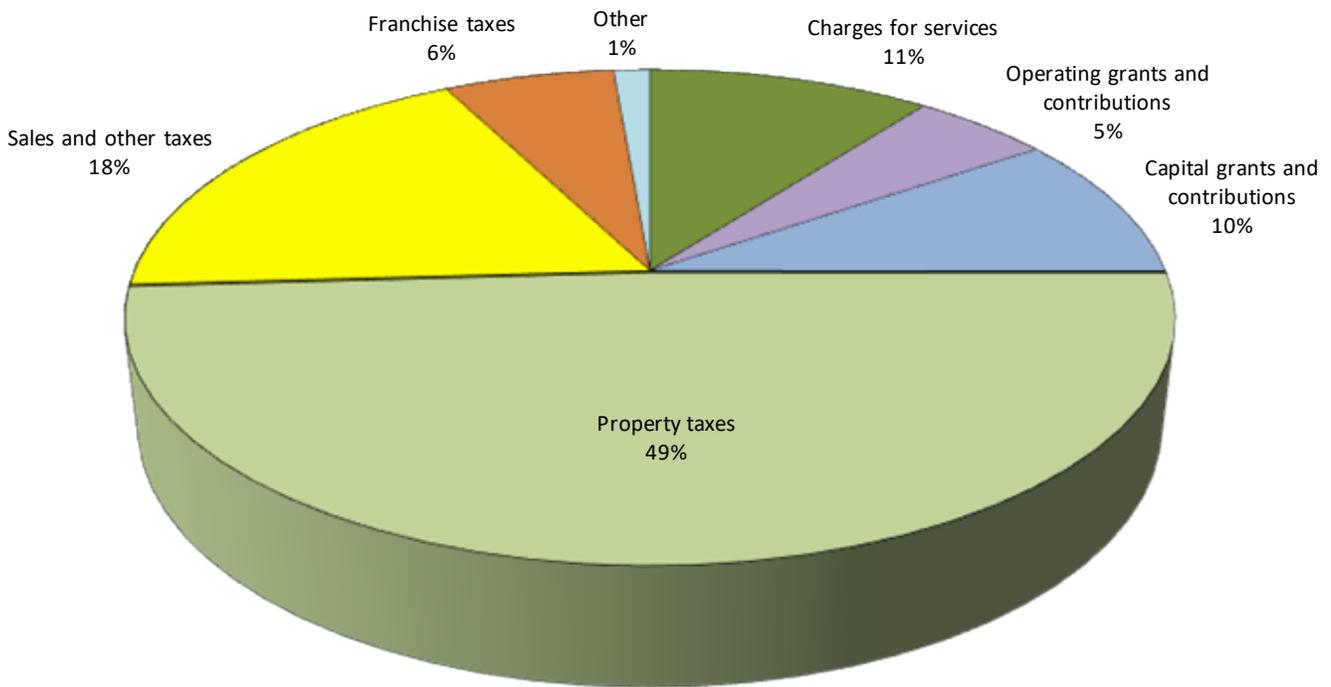
FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS, continued

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 \$8,214,255 or 2.0% during fiscal year 2016. 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 2016 was mostly as a result of new development, with \$5,550,241 Community Impact Fees, as well as \$2,355,737 in other developer contributions coming in higher than budgeted, along with \$970,782 more in fees for services as well as overall expenses in the water and sewer fund expenses \$586,930 less than anticipated.

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 \$88,460,267. Approximately 24.2% of this total amount, \$21,379,852, represents unassigned fund balance. The remainder of the fund balance, \$67,080,415, is nonspendable, committed, or restricted 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 \$21,379,852 at the end of the current fiscal year, while total fund balance was \$21,676,405. 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 51.2% and 51.9%, respectively, of total General Fund expenditures of \$41,746,331.

The General Fund fund balance increased \$2,293,649 during fiscal year 2016. Significant aspects of the increase include:

- Increase in property tax revenues of \$3,771,707 due to higher assessed values and new development;
- Increase in sales tax revenues of \$761,547 due to continued economic growth;
- Expenditures in the General Fund \$2,356,757 less than budgeted.

Fund balance in the Debt Service Fund increased \$840,524 for the fiscal year ended September 30, 2016. Significant factors contributing to the increase include an increase in property tax collections, as mentioned, a decrease in bond issuance costs of \$511,582, offset by an increase in principal payments of \$1,255,000.

Fund balance for the Streets and Lighting Fund decreased \$7,185,232 in the current year due to planned one-time capital expenditures.

In August 2016, the City issued \$42,775,000 of general obligation refunding and improvement bonds which provided funding of \$11,355,000 and \$22,845,000 for the construction of public safety facilities and road improvements, respectively. The issuance, combined with \$1,500,000 cash, provided a total of \$15,802,767 to refund \$15,000,000 in bonds, including \$11,375,000 in general obligation bonds and \$3,625,000 of unlimited tax bonds.

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

Proprietary Funds

The City's proprietary funds provide the same type of information found in the business-type activities of the government-wide financial statements, but in more detail. Overall, net position of the City's enterprise funds increased \$8,214,255.

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 2016, the General Fund revenue budget was amended to increase ad valorem taxes, sales tax revenues, building permit fees, franchise fees and other revenues to reflect year-end estimates. The General Fund expenditure budget was amended to increase the departmental budgets for Police, Fire, Parks and Recreation, Public Works, Development Services, Non-Departmental, Information Services, Library, Engineering, Human Resources, Legal Services, Municipal Court and Tourism with decreases in Police and Public Works.

The sales tax budget was increased by \$909,212 related to retail sales growth, ad valorem was increased by \$251,447 related to slightly higher collections than anticipated, building permit fees were increased by \$386,174 related to increased construction activities, and franchise fees were increased by \$171,418 also related to new development. Additional amendments to other revenue reflect updated projections based on year-to-date actuals.

With the additional revenue, General Fund appropriations were amended to fund various one-time expenditures and realign expenditures within divisions, and allow Finance to make personnel budget adjustments between departments to account for the final implementation of the Compensation Study approved by City Council earlier in the fiscal year. Finally, the General Fund budget was amended to distribute vacancy savings, to those departments that experienced vacancies throughout the fiscal year.

These one-time expenditure amendments included a new police training facility, equipment tracking software, shelving units, new conference room areas, an emergency management mobile command vehicle, CPR compression devices, forcible entry simulator, recreation center upgrades, an email archiving application, and contract management software.

Revenues for fiscal year 2016 were \$731,198 or 1.8% more than budgeted. Property tax collections totaled \$140,618 more than budget, primarily related to slightly higher than anticipated collections. Development-related licenses and permit fees exceeded the budget by \$153,355. Fees for service, including library, parks, municipal court, and fire protection fees came in at \$111,805 more than budget. Sales tax came in under the amended budget by \$1,347, or approximately 1/100 of one percent.

Actual expenditures, including transfers were \$2,356,757 or 5.4% less than budgeted for the fiscal year. The reduced expenditures were largely attributable to an across-the-board savings in services and charges and personnel services.

OTHER INFORMATION, continued

Capital Assets

The City's capital assets for governmental and business-type activities as of September 30, 2016, totaled \$529,280,486 (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	
	2016	2015	2016	2015	2016	2015
Land and other non-depreciable assets	21,762,621	20,655,235	3,948,355	3,774,354	25,710,976	24,429,589
Construction in progress	11,123,088	5,160,232	2,532,036	11,630,011	13,655,124	16,790,243
Intangible assets	7,643	18,448	48,779	74,230	56,422	92,678
Building and improvements	70,766,753	72,915,293	20,126,169	20,565,472	90,892,922	93,480,765
Machinery and equipment	11,144,607	11,305,553	2,183,438	2,500,036	13,328,045	13,805,589
Infrastructure	190,756,275	187,179,338	194,880,722	187,239,705	385,636,997	374,419,043
Total net capital assets	<u>\$ 305,560,987</u>	<u>297,234,099</u>	<u>223,719,499</u>	<u>225,783,808</u>	<u>529,280,486</u>	<u>523,017,907</u>

- Governmental capital assets increased \$8,326,888 primarily due to ongoing construction, acquisition of land, and completion of several streets projects during the year.
- Business-type capital assets decreased \$2,064,309 due to the completion of various water and sewer infrastructure projects.

Additional information on the City's capital assets can be found in note 3-D (page 49) of this report.

Debt Administration

At the end of the current fiscal year, the City of Cedar Park reported \$269,131,997 in outstanding debt. The table below reflects the outstanding debt at September 30.

Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Primary Government Debt						
General obligation bonds	\$ 135,465,000	111,820,000	4,375,000	5,360,000	139,840,000	117,180,000
Revenue bonds	-	-	48,215,000	44,830,000	48,215,000	44,830,000
Certificates of obligation	19,690,000	24,985,000	-	-	19,690,000	24,985,000
Economic development bonds	40,975,000	42,755,000	-	-	40,975,000	42,755,000
Premium on issuance of bonds	14,589,410	9,037,209	5,860,595	5,153,084	20,450,005	14,190,293
Discount on issuance of bonds	(38,008)	(143,833)	-	-	(38,008)	(143,833)
Total primary government	<u>\$ 210,681,402</u>	<u>188,453,376</u>	<u>58,450,595</u>	<u>55,343,084</u>	<u>269,131,997</u>	<u>243,796,460</u>

OTHER INFORMATION, continued

The City’s bond ratings changed from the prior year. Ratings at September 30, 2016 of the City’s general obligation and revenue bonds are as follows:

Debt	Moody's Investors Service, Inc.		Standard & Poor's	
	2016	2015	2016	2015
General obligation bonds	Aa2	Aa2	AA+	AA
Utility system revenue bonds	Aa3	Aa3	AA+	AA+
Community Dev Corp	-	-	AA	AA

Additional information on the City of Cedar Park’s long term-debt can be found in note 3-G (page 54) of this report.

Economic Factors and Next Year’s Budgets and Rates

The FY17 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 FY17 are budgeted at 5.2% over the year-end estimate, which was consistent with year-to-date monthly collections. Sales tax projections for FY17 include anticipated growth of 3.0% for increased activity at existing establishments and 2.2% 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 FY17 (Tax Year 2016) increased approximately 9.6%. As a result of increased assessed values, the ad valorem tax rate decreased from 47.95 cents per \$100 valuation to 47.00 cents per \$100 valuation for FY17. The outlook for FY18 is that new retail growth combined with an increase in existing property values will result in an increase of approximately 6% 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.

In August 2013, the City implemented a temporary water rate increase to offset decreased water consumption as the City moved to Stage 3 water restrictions. Regular water rates were reinstated effective December 2015, returning the water restrictions to Stage 2, which continue in place as of the printing of this document.



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BASIC FINANCIAL STATEMENTS



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**Statement of Net Position
September 30, 2016**

City of Cedar Park, Texas

	Primary Government			Total	Component Units
	Governmental Activities	Business-type Activities	Reconciliation		
ASSETS					
Cash and investments	\$ 30,671,961	8,168,524	-	38,840,485	20,388,144
Receivables (net of allowances):					
Taxes	3,192,221	-	-	3,192,221	2,086,092
Accounts	-	3,605,296	-	3,605,296	-
Other	445,707	87,641	-	533,348	-
Internal balances	(2,979,618)	2,979,618	-	-	-
Inventories and prepaid items	43,342	33,222	-	76,564	-
Cash and investments - restricted	68,035,253	47,945,906	-	115,981,159	743,641
Notes receivable	15,012,192	4,176,176	-	19,188,368	-
Investment in joint venture	-	3,195,778	-	3,195,778	-
Capital assets:					
Nondepreciable	32,885,709	6,480,391	-	39,366,100	-
Depreciable, net	272,675,278	217,239,108	-	489,914,386	-
Total capital assets	305,560,987	223,719,499	-	529,280,486	-
Total assets	419,982,045	293,911,660	-	713,893,705	23,217,877
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow - refunding losses	9,623,860	2,994,267	-	12,618,127	6,610
Deferred outflow - pension	5,735,803	982,815	-	6,718,618	-
Total Deferred Outflow of Resources	15,359,663	3,977,082	-	19,336,745	6,610
LIABILITIES					
Accounts payable	1,661,125	1,603,170	-	3,264,295	-
Accrued interest payable	876,835	228,902	-	1,105,737	10,410
Accrued liabilities	777,486	107,576	-	885,062	-
Customer deposits	37,346	1,061,763	-	1,099,109	-
Escrow deposits and other liabilities	2,576,864	67,221	-	2,644,085	-
Noncurrent liabilities:					
Due within one year					
Compensated absences	236,936	26,301	-	263,237	-
Notes payable	168,107	-	-	168,107	154,782
Bonds payable	12,905,000	5,665,000	-	18,570,000	660,000
Due in more than one year					
Compensated absences	4,249,898	635,944	-	4,885,842	-
Notes payable	621,487	-	-	621,487	582,620
Bonds payable	197,776,402	52,785,595	-	250,561,997	2,157,598
Other post employment benefits	876,782	57,740	-	934,522	-
Net pension liability	13,850,386	2,371,854	-	16,222,240	-
Total liabilities	236,614,654	64,611,066	-	301,225,720	3,565,410
NET POSITION					
Net investment in capital assets	179,658,850	175,478,814	(18,604,286)	336,533,378	-
Restricted for:					
Debt service	8,795,743	7,580,472	-	16,376,215	-
Construction	16,998,225	28,770,762	-	45,768,987	-
Other purposes	4,866,190	-	-	4,866,190	19,659,077
Unrestricted	(11,591,954)	21,447,628	18,604,286	28,459,960	-
Total net position	\$ 198,727,054	233,277,676	-	432,004,730	19,659,077

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

Statement of Activities
For the Year Ended September 30, 2016

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	\$ 22,822,078	3,177,871	3,394,123	-	(16,250,084)	-	(16,250,084)	-
Public safety	23,837,478	2,770,444	168,881	-	(20,898,153)	-	(20,898,153)	-
Culture and recreation	6,008,268	1,437,181	36,718	407,472	(4,126,897)	-	(4,126,897)	-
Streets and lighting	4,949,003	-	-	6,351,345	1,402,342	-	1,402,342	-
Interest on long-term debt	6,985,247	-	-	-	(6,985,247)	-	(6,985,247)	-
Total governmental activities	64,602,074	7,385,496	3,599,722	6,758,817	(46,858,039)	-	(46,858,039)	-
Business-type Activities:								
Water and sewer	27,120,392	30,093,078	-	7,905,978	-	10,878,664	10,878,664	-
Solid waste	3,628,611	3,649,192	-	-	-	20,581	20,581	-
Total business-type activities	30,749,003	33,742,270	-	7,905,978	-	10,899,245	10,899,245	-
Total Primary Government	\$ 95,351,077	41,127,766	3,599,722	14,664,795	(46,858,039)	10,899,245	(35,958,794)	-
Component units:								
Community development	4,559,401	-	-	-	-	-	-	(4,559,401)
Economic development	2,719,568	-	-	-	-	-	-	(2,719,568)
Total component units	\$ 7,278,969	-	-	-	-	-	-	(7,278,969)
General revenues:								
Property taxes					34,801,456	-	34,801,456	-
Sales taxes					11,948,321	-	11,948,321	11,947,678
Franchise taxes					4,447,120	-	4,447,120	-
Other taxes					945,035	-	945,035	-
Interest and other					1,032,940	329,788	1,362,728	61,124
Transfers					3,014,778	(3,014,778)	-	-
Total general revenues and transfers					56,189,650	(2,684,990)	53,504,660	12,008,802
Change in net position					9,331,611	8,214,255	17,545,866	4,729,833
Net position, beginning					189,395,443	225,063,421	414,458,864	14,929,244
Net position, ending					\$ 198,727,054	233,277,676	432,004,730	19,659,077

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

**Governmental Funds
Balance Sheet
September 30, 2016**

	General	Debt Service	Streets & Lighting	2016 General Obligation Bonds
ASSETS				
Cash and investments	22,371,388	-	-	-
Receivables (net of allowances)				
Property taxes	148,717	93,422	-	-
Sales taxes	1,182,520	-	-	-
Franchise taxes	720,453	-	-	-
Other taxes	-	-	-	-
Other receivables	1,329,418	-	-	-
Cash and investments - restricted	-	9,147,897	10,804,672	30,342,654
Notes Receivable	-	14,960,000	-	-
Due from other funds	172,736	-	-	-
Inventory and prepaid items	41,171	-	-	-
Total assets	25,966,403	24,201,319	10,804,672	30,342,654
LIABILITIES				
Accounts payable	891,971	-	607,300	-
Accrued liabilities	363,817	-	406,693	-
Due to other funds	339,920	153,736	-	-
Customer deposits	37,346	-	-	-
Escrow deposits and other liabilities	2,517,609	-	8,295	-
Total liabilities	4,150,663	153,736	1,022,288	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	139,335	138,104	-	-
Unavailable revenue - note receivable	-	14,960,000	-	-
Total deferred inflows of resources	139,335	15,098,104	-	-
FUND BALANCES				
Nonspendable:				
Inventory and prepaid items	41,171	-	-	-
Restricted:				
Debt service	-	8,949,479	-	-
Occupancy tax	-	-	-	-
Cable	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Construction	-	-	9,782,384	30,342,654
Committed:				
Operating projects	100,601	-	-	-
Assigned:				
State Comptroller note	154,781	-	-	-
Unassigned	21,379,852	-	-	-
Total fund balances	21,676,405	8,949,479	9,782,384	30,342,654
Total liabilities, deferred inflows of resources, and fund balances	25,966,403	24,201,319	10,804,672	30,342,654

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

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	-	22,371,388
Receivables (net of allowances)		
Property taxes	-	242,139
Sales taxes	-	1,182,520
Franchise taxes	-	720,453
Other taxes	163,398	163,398
Other receivables	-	1,329,418
Cash and investments - restricted	17,740,031	68,035,254
Notes Receivable	-	14,960,000
Due from other funds	-	172,736
Inventory and prepaid items	2,171	43,342
Total assets	<u>17,905,600</u>	<u>109,220,648</u>
LIABILITIES		
Accounts payable	119,319	1,618,590
Accrued liabilities	6,976	777,486
Due to other funds	19,000	512,656
Customer deposits	-	37,346
Escrow deposits and other liabilities	50,960	2,576,864
Total liabilities	<u>196,255</u>	<u>5,522,942</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	-	277,439
Unavailable revenue - note receivable	-	14,960,000
Total deferred inflows of resources	<u>-</u>	<u>15,237,439</u>
FUND BALANCES		
Nonspendable:		
Inventory and prepaid items	2,171	43,342
Restricted:		
Debt service	-	8,949,479
Occupancy tax	1,573,343	1,573,343
Cable	202,726	202,726
General government	1,698,411	1,698,411
Public safety	464,347	464,347
Construction	13,768,347	53,893,385
Committed:		
Operating projects	-	100,601
Assigned:		
State Comptroller note	-	154,781
Unassigned	-	21,379,852
Total fund balances	<u>17,709,345</u>	<u>88,460,267</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>17,905,600</u>	<u>109,220,648</u>

**Governmental Funds
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
September 30, 2016**

City of Cedar Park, Texas

Total fund balance - governmental funds		88,460,267
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 balance sheet.		299,975,323
Other long-term assets and deferred outflow of resources are not available as current period resources and are not reported in the funds		
Note receivable	15,012,192	
Deferred outflows from pension activity	5,735,803	
Deferred charges from bond issuance	<u>9,623,860</u>	30,371,855
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.		(876,835)
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	(210,681,402)	
Notes payable	(789,594)	
Compensated absences	(4,486,834)	
Net pension liability	(13,850,386)	
Other post-employment benefits	<u>(876,782)</u>	(230,684,998)
Revenues related to receivables that are unavailable for governmental funds are reported as deferred inflows of resources:		
Unavailable revenues - property taxes		277,439
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.		<u>11,204,003</u>
Total net position - governmental activities		<u><u>198,727,054</u></u>

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



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Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2016

	General	Debt Service	Streets & Lighting	General Obligation Bonds
REVENUES				
Taxes	33,405,599	17,271,574	-	-
Permits, licenses, and fees	2,234,096	-	-	-
Fines and forfeitures	752,329	-	-	-
Charges for services	4,092,393	-	-	-
Intergovernmental	-	-	54,170	-
Contributions	-	3,218,368	2,021,851	-
Interest earnings	81,724	41,486	34,245	20,988
Other	971,190	-	-	-
Total revenues	<u>41,537,331</u>	<u>20,531,428</u>	<u>2,110,266</u>	<u>20,988</u>
EXPENDITURES				
Current				
General government	10,215,965	-	-	-
Public safety	22,862,460	-	-	-
Culture and recreation	4,997,923	-	-	-
Streets and lighting	3,095,023	-	3,750	-
Economic development	-	-	-	-
Capital outlay	420,179	-	11,804,093	-
Debt service				
Principal	154,781	11,205,000	-	-
Payment to refunded bond escrow agent - current portion	-	5,129,791	-	-
Interest and fiscal charges	-	6,985,247	-	-
Total expenditures	<u>41,746,331</u>	<u>23,320,038</u>	<u>11,807,843</u>	<u>-</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures				
	<u>(209,000)</u>	<u>(2,788,610)</u>	<u>(9,697,577)</u>	<u>20,988</u>
Other Financing Sources (Uses)				
Issuance of debt	-	-	-	29,985,000
Issuance of refunding debt	-	12,790,000	-	-
Premium on bonds issued	-	1,637,217	-	4,533,689
Payment to bond escrow agent - advanced portion	-	(10,672,976)	-	-
Bond issuance costs	-	(125,107)	-	(318,689)
Contribution to the state	-	-	(1,526)	-
Transfers in	2,987,649	-	5,823,871	-
Transfers out	(485,000)	-	(3,310,000)	(3,878,334)
Total other financing sources (uses)	<u>2,502,649</u>	<u>3,629,134</u>	<u>2,512,345</u>	<u>30,321,666</u>
Net Change In Fund Balances	2,293,649	840,524	(7,185,232)	30,342,654
Fund Balances, Beginning	<u>19,382,756</u>	<u>8,108,955</u>	<u>16,967,616</u>	<u>-</u>
Fund Balances, Ending	<u>21,676,405</u>	<u>8,949,479</u>	<u>9,782,384</u>	<u>30,342,654</u>

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

	Other Governmental Funds	Total Governmental Funds
REVENUES		
Taxes	1,434,404	52,111,577
Permits, licenses, and fees	-	2,234,096
Fines and forfeitures	35,871	788,200
Charges for services	-	4,092,393
Intergovernmental	161,948	216,118
Contributions	620,295	5,860,514
Interest earnings	54,876	233,319
Other	105,821	1,077,011
Total revenues	<u>2,413,215</u>	<u>66,613,228</u>
EXPENDITURES		
Current		
General government	270,318	10,486,283
Public safety	180,449	23,042,909
Culture and recreation	171,870	5,169,793
Streets and lighting	-	3,098,773
Economic development	1,145,370	1,145,370
Capital outlay	1,323,005	13,547,277
Debt service		
Principal	-	11,359,781
Payment to refunded bond escrow agent - current portion	-	5,129,791
Interest and fiscal charges	-	6,985,247
Total expenditures	<u>3,091,012</u>	<u>79,965,224</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(677,797)</u>	<u>(13,351,996)</u>
Other Financing Sources (Uses)		
Issuance of debt	-	29,985,000
Issuance of refunding debt	-	12,790,000
Premium on bonds issued	-	6,170,906
Payment to bond escrow agent - advanced portion	-	(10,672,976)
Bond issuance costs	-	(443,796)
Contribution to the state	-	(1,526)
Transfers in	4,933,995	13,745,515
Transfers out	(3,057,403)	(10,730,737)
Total other financing sources (uses)	<u>1,876,592</u>	<u>40,842,386</u>
Net Change In Fund Balances	1,198,795	27,490,390
Fund Balances, Beginning	<u>16,510,550</u>	<u>60,969,877</u>
Fund Balances, Ending	<u><u>17,709,345</u></u>	<u><u>88,460,267</u></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, 2016

City of Cedar Park, Texas

Net change in fund balances - governmental funds \$ 27,490,390

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	13,547,277	
Depreciation	(10,038,035)	3,509,242

Contributions of capital assets do not provide current financial resources, therefore, they are not reported as revenues in the funds.

Developer contributions		4,275,324
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Unavailable revenues - property taxes	30,355	30,355

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

Issuance of long-term debt	(42,775,000)	
Bond premium and bond refunding difference	(6,170,906)	
Principal payments	11,205,000	
Payment to refunding bond escrow	15,802,767	
Loan/capital lease payment	154,781	(21,783,358)

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	(445,630)	
Pension costs, net	(4,579,483)	
Other post employment benefits	(77,633)	
Other expense	(283,146)	(5,385,892)

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

		1,195,550
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Change in net position of governmental activities

		\$ 9,331,611
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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, 2016**

City of Cedar Park, Texas

	Business Type Activities			Governmental Activities- Internal Service Funds
	Water and Sewer	Solid Waste	Total	
ASSETS				
Current assets:				
Cash and investments	\$ 55,736,724	377,706	56,114,430	8,300,572
Service receivables, net of allowance for doubtful accounts	3,348,715	344,222	3,692,937	-
Due from other funds	339,920	-	339,920	-
Inventories and prepaid expenses	33,222	-	33,222	-
Total current assets	59,458,581	721,928	60,180,509	8,300,572
Noncurrent assets:				
Notes receivable	4,176,176	-	4,176,176	-
Investment in joint venture	3,195,778	-	3,195,778	-
Capital assets:				
Nondepreciable	6,480,391	-	6,480,391	-
Depreciable, net	216,747,559	491,549	217,239,108	5,585,664
Total capital assets	223,227,950	491,549	223,719,499	5,585,664
Total noncurrent assets	230,599,904	491,549	231,091,453	5,585,664
Total assets	290,058,485	1,213,477	291,271,962	13,886,236
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	982,815	-	982,815	-
Deferred outflows - refunding	2,994,267	-	2,994,267	-
Total deferred outflow of resources	3,977,082	-	3,977,082	-
LIABILITIES				
Current liabilities:				
Accounts payable	1,326,990	276,180	1,603,170	42,535
Accrued interest payable	226,453	2,449	228,902	-
Accrued liabilities	107,576	-	107,576	-
Customer deposits	1,061,763	-	1,061,763	-
Other liabilities	67,221	-	67,221	-
Compensated absences	26,301	-	26,301	-
Bonds payable	5,505,000	160,000	5,665,000	-
Total current liabilities	8,321,304	438,629	8,759,933	42,535
Noncurrent liabilities:				
Compensated absences	635,944	-	635,944	-
Other post employment benefits	57,740	-	57,740	-
Net pension liability	2,371,854	-	2,371,854	-
Revenue bonds payable	52,265,595	520,000	52,785,595	-
Total noncurrent liabilities	55,331,133	520,000	55,851,133	-
Total liabilities	63,652,437	958,629	64,611,066	42,535
NET POSITION				
Net investment in capital assets	175,667,265	(188,451)	175,478,814	-
Restricted for debt service	7,402,999	177,473	7,580,472	-
Restricted for construction	28,770,762	-	28,770,762	-
Unrestricted	18,542,104	265,826	18,807,930	13,843,701
Total net position	\$ 230,383,130	254,848	230,637,978	13,843,701
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.	2,639,698	-	2,639,698	
Net position of business type activities	\$ 233,022,828	254,848	233,277,676	

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, 2016

City of Cedar Park, Texas

	Business Type Activities			Governmental Activities- Internal Service Funds
	Water and Sewer	Solid Waste	Total	
OPERATING REVENUES				
Charges for services	\$ 29,559,656	3,649,192	33,208,848	6,630,463
Total operating revenues	<u>29,559,656</u>	<u>3,649,192</u>	<u>33,208,848</u>	<u>6,630,463</u>
OPERATING EXPENSES				
Distribution services and charges	10,955,874	3,374,613	14,330,487	-
Personnel services	5,614,160	-	5,614,160	2,494,650
Maintenance and repair	588,531	-	588,531	-
Supplies and materials	744,480	86,655	831,135	1,292,413
Depreciation	7,357,988	146,384	7,504,372	1,545,023
Total operating expenses	<u>25,261,033</u>	<u>3,607,652</u>	<u>28,868,685</u>	<u>5,332,086</u>
OPERATING INCOME	<u>4,298,623</u>	<u>41,540</u>	<u>4,340,163</u>	<u>1,298,377</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and other revenue	857,296	5,914	863,210	65,652
Interest and fiscal charges	(2,027,838)	(20,959)	(2,048,797)	-
Total nonoperating revenues (expenses)	<u>(1,170,542)</u>	<u>(15,045)</u>	<u>(1,185,587)</u>	<u>65,652</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>3,128,081</u>	<u>26,495</u>	<u>3,154,576</u>	<u>1,364,029</u>
CONTRIBUTIONS AND TRANSFERS				
Contributions	2,355,737	-	2,355,737	-
Community impact fees	5,550,241	-	5,550,241	-
Net transfers out	(3,014,778)	-	(3,014,778)	-
Total contributions and transfers	<u>4,891,200</u>	<u>-</u>	<u>4,891,200</u>	<u>-</u>
CHANGE IN NET POSITION	<u>8,019,281</u>	<u>26,495</u>	<u>8,045,776</u>	<u>1,364,029</u>
Total net position, beginning	<u>222,363,849</u>	<u>228,353</u>	<u>222,592,202</u>	<u>12,479,672</u>
Total net position, ending	<u>\$ 230,383,130</u>	<u>254,848</u>	<u>230,637,978</u>	<u>13,843,701</u>
Reconciliation to government-wide statement of activities				
Change in net position	8,019,281	26,495	8,045,776	
Adjustment to consolidate internal service activities	168,479	-	168,479	
Change in net position - business-type activities	<u>\$ 8,187,760</u>	<u>26,495</u>	<u>8,214,255</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, 2016

City of Cedar Park, Texas

	Business-type Activities			Governmental Activities Internal Service Fund
	Water and Sewer	Solid Waste	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 29,598,739	3,713,339	33,312,078	6,630,463
Cash paid to suppliers for goods and services	(12,285,937)	(3,468,519)	(15,754,456)	(3,890,305)
Cash paid to employees for services	(4,726,976)	-	(4,726,976)	-
Net cash provided by operating activities	<u>12,585,826</u>	<u>244,820</u>	<u>12,830,646</u>	<u>2,740,158</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net transfers	(3,014,778)	-	(3,014,778)	-
Other revenues	-	4,688	4,688	-
Net cash (used) by noncapital financing activities	<u>(3,014,778)</u>	<u>4,688</u>	<u>(3,010,090)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash received for nonoperating activities	7,212,941	-	7,212,941	-
Acquisition of capital assets	(3,084,326)	-	(3,084,326)	(2,087,344)
Principal paid on debt	(5,585,000)	(155,000)	(5,740,000)	-
Interest and fiscal charges paid on debt	(1,880,459)	(21,415)	(1,901,874)	-
Proceeds from issuance of debt	16,400,000	-	16,400,000	-
Payment to refunded bond escrow agent	(8,465,364)	-	(8,465,364)	-
Bond premiums	1,477,012	-	1,477,012	-
Bond issuance costs	(202,845)	-	(202,845)	-
Net cash (used) by capital and related financing activities	<u>5,871,959</u>	<u>(176,415)</u>	<u>5,695,544</u>	<u>(2,087,344)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Earnings on investments	<u>276,574</u>	<u>1,227</u>	<u>277,801</u>	<u>65,652</u>
Net cash provided by investing activities	<u>276,574</u>	<u>1,227</u>	<u>277,801</u>	<u>65,652</u>
Net increase (decrease) in cash and cash equivalents	15,719,581	74,320	15,793,901	718,466
Cash and cash equivalents, October 1 (including \$24,035,284 for the Water and Sewer Fund in restricted accounts)	<u>40,017,143</u>	<u>303,386</u>	<u>40,320,529</u>	<u>7,582,106</u>
Cash and cash equivalents, September 30 (including \$47,767,906 for the Water and Sewer Fund in restricted accounts)	<u>\$ 55,736,724</u>	<u>377,706</u>	<u>56,114,430</u>	<u>8,300,572</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, 2016

City of Cedar Park, Texas
(Continued)

	Business-type Activities			Governmental Activities Internal Service Fund
	Water and Sewer	Solid Waste	Total	
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 4,298,623	41,540	4,340,163	1,298,377
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	7,357,988	146,384	7,504,372	1,545,023
Changes in assets and liabilities:				
Decrease (increase) in assets:				
Accounts receivable	1,160,873	64,147	1,225,020	-
Interfund receivable	60,000	-	60,000	-
Deferred outflows - pension	(585,646)	-	(585,646)	-
Increase (decrease) in liabilities:				
Accounts payable	276,268	(7,251)	269,017	(103,242)
Accrued liabilities	(232,807)	-	(232,807)	-
Compensated absences payable	88,312	-	88,312	-
Other post-employment benefits	(3,185)	-	(3,185)	-
Net pension liability	1,387,703	-	1,387,703	-
Customer deposits	(1,181,790)	-	(1,181,790)	-
Other liabilities	(40,513)	-	(40,513)	-
Net cash provided by operating activities	<u>\$ 12,585,826</u>	<u>244,820</u>	<u>12,830,646</u>	<u>2,740,158</u>
Noncash capital activities				
Contribution/transfer of capital assets	\$ 2,355,737	-	2,355,737	-

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

As required by generally accepted accounting principles, these 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.

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

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

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

The City reports the following major enterprise funds:

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

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

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

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

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

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

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. Likewise, general revenues include all taxes.

D. Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The City has five items that qualify for reporting in this category on the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience and for the changes in actuarial assumptions related to the City's defined benefit pension plan. These amounts are deferred and amortized over the average of the expected service lives of pension plan members. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made. Deferred outflows of resources are also recognized for the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

E. Deferred Inflows of Resources

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

F. Net Position Flow Assumption

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

G. Fund Balance Flow Assumption

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

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 balances purpose restrictions as of September 30, 2016:

	Governmental Activities	Business-type Activities
Debt service fund	\$ 9,147,897	13,349,433
Construction	55,075,206	34,418,473
Hotel tax	1,461,123	-
Tax Increment Reinvestment Zone 1	570,392	-
Tax Increment Reinvestment Zone 2	452	-
Other	1,780,184	-
	<u>\$ 68,035,254</u>	<u>47,767,906</u>

I. Investments

Investments, except for certain investment pools and commercial paper, are reported at fair value. The investment pool operates in accordance with appropriate state laws and regulations and is reported at amortized cost. Commercial paper is reported at amortized cost. Investments in nonparticipating interest-earning contracts, such as certificates of deposit, are reported at cost.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

I. Investments, (continued)

Credit Risk

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

State law and the City of Cedar Park's adopted Investment Policy restricts both time and demand deposits, including certificates of deposit (CD's) to those banks doing business in the State of Texas and further requires full insurance or collateralization from these depositories (banks only). Certificates of deposit are limited to a stated maturity of one year. 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 FDIC insurance weekly is required by the adopted Investment Policy. For all time and demand depository deposits, collateral is required at a 102% margin with securities priced at market on a daily basis as a contractual responsibility of the bank. Collateral is restricted to obligations of the US Government, its agencies or instrumentalities or direct obligations of any state, its subdivisions or agencies rated at least A, or equivalent, as to investment quality by two NRSROs. Independent safekeeping is required outside the bank holding company with monthly reporting.

Municipal obligations must be rated A or better by at least two (2) NRSROs.

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

The City's adopted Investment Policy restricts investment in funds to AAA rated, SEC registered money market mutual funds striving to maintain a \$1 net asset value.

Local government investment pools in Texas are required to be rated AAA, or equivalent by at least one NRSRO. The City Policy is restricted to AAA-rated, "2a-7 like" (constant dollar) local government investment pools.

As of September 30, 2016:

- Municipal obligations represented 6.34% of the total portfolio,
- fully insured or collateralized CDs represented 6.01% of the total portfolio,
- money market/demand deposit accounts represented 3.33% of the total portfolio,
- Commercial paper represented 8.48% of the total portfolio,
- investment in local government investment pools represented 43.86% of the total portfolio,
- US government agency securities represented 31.99% of the total portfolio.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

**I. Investments, (continued)
Concentration of Credit Risk**

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	1
- US Agencies/Instrumentalities	1
- State & Local Obligations	0
- CDs	0
- In any one bank	0
- Repurchase Agreements	1
- Flex in CIP Funds	1
- Local Government Investment Pools	1
- Money Market Mutual Funds	1
- Commercial Paper	0
- Any one issuer	0
- Brokered CD Securities	0

As of September 30, 2016 all parameters and limits of the policy diversification goals were met.

Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the City of Cedar Park's adopted Investment Policy sets a maximum stated maturity limit of three years. The weighted average maturity (WAM) of the total City portfolio is restricted to a maximum of twelve months and compared to the 1-year Treasury Bill.

As of September 30, 2016, the portfolio contained:

- no holding in the portfolio had a stated maturity date beyond 09/30/2019 or 1,094 days, and
- the dollar weighted average maturity of the total portfolio was 161 days.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

I. Investments, (continued)
Interest Rate Risk, (continued)

As of September 30, 2016, the portfolio held the following investments:

Investment Type	Value	% of Portfolio	Investment Maturities in Years			
			Less than 1 Year	1-2 Years	2-3 Years	3-5 Years
US Agencies*						
FFCB	\$ 5,000,455	2.84%	\$ -	5,000,455	-	-
FHLB	24,481,996	13.91%	19,483,216	4,998,780	-	-
FHLMC	13,090,343	7.44%	3,096,503	9,993,840	-	-
FNMA	5,000,145	2.84%	-	-	5,000,145	-
FAMCA	5,001,335	2.84%	5,001,335	-	-	-
FICO	3,958,270	2.25%	-	3,958,270	-	-
2a-7 like Local Government Pools	77,506,752	44.05%	77,506,752	-	-	-
Money Market/Demand Deposit Accounts	5,096,551	2.90%	5,889,469	-	-	-
Certificates of Deposit	10,613,693	6.03%	10,613,693	-	-	-
Commercial Paper	14,987,493	8.52%	14,987,493	-	-	-
Municipal Obligations	11,203,566	6.37%	11,203,566	-	-	-
Total Value	\$ 175,940,599		\$ 147,782,027	23,951,345	5,000,145	-
% of Total Portfolio		99.99%	84.00%	13.61%	2.84%	0.00%
Less pool participants excluded from primary government:						
Community Development	\$ (13,698,323)					
Economic Development	(7,433,462)					
Total Primary Government	\$ 154,808,814					

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
FICO Financing Corporation

* Includes investments that are not impacted by interest rate risk

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

I. Investments, (continued)

Interest Rate Risk, (continued)

As of September 30, 2016, the portfolio contained six (6) structured (callable) US agency notes which would have been impacted by interest rate risk.

Security	Par	Coupon	Purchase Date	Maturity Date	Call Date	Structure	Book Value	Market Value
<u>Discretely Callable Securities:</u>								
FHLMC	\$ 3,100,000	0.650%	06/30/16	09/29/17	12/19/16	Callable quarterly	3,100,000	3,096,503
FHLMC	5,000,000	0.800%	09/14/16	11/20/17	11/02/16	Callable quarterly	5,000,000	4,998,015
FHLB	5,000,000	1.000%	09/29/16	09/29/18	12/29/16	Callable quarterly	5,000,000	4,998,780
FNMA	5,000,000	1.300%	09/30/16	09/30/19	03/30/17	Callable quarterly	5,000,000	5,000,145
<u>Onetime Calls:</u>								
FHLMC	5,000,000	1.050%	09/28/16	09/28/18	03/28/17	Callable only once	5,000,000	4,995,825
<u>Continuously Callable:</u>								
FFCB	5,000,000	0.880%	09/26/16	03/20/18	12/20/16	Callable anytime	4,996,943	5,000,455
	<u>\$ 28,100,000</u>						<u>\$ 28,096,943</u>	<u>\$ 28,089,723</u>

Custodial Credit Risk

To control custody and safekeeping risk state law and the City of Cedar Park's adopted Investment Policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held by an independent party approved by the City and held in the City's name. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value. Repurchase agreements and all deposits must be collateralized to 102% and be executed under written agreements. Depository agreements are executed under the terms of FIRREA1. The counter-party of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

Portfolio disclosure as of September 30, 2016:

- the portfolio contained 3.15 % in fully collateralized or FDIC insured certificates of deposits,
- the portfolio contained 6.19 % 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. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

I. Investments, (continued)

Fair Value Measurement, (continued)

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, 2016 the securities to be priced in the portfolio were:

Security Type	Level 1	Total
US Government Agencies	\$56,532,544	56,532,544
Municipal Obligations	11,203,566	11,203,566
	<u>\$67,736,110</u>	<u>67,736,110</u>

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. 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 of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool "AAAm". As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less and weighted average lives of 120 days or less, investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

TexSTAR

The Texas Short Term Asset Reserve Fund (TexSTAR) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexSTAR was created in April 2002 by contract among its participating governmental units and is governed by a board of directors. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. act as co-administrators, providing investment management services, participant services, and marketing. JPMorgan Chase Bank and/or its subsidiary, J.P. Morgan Investor Services, Inc., provide custodial, transfer agency, fund accounting, and depository services.

TexSTAR is measured at amortized cost. TexSTAR's strategy is to seek preservation of principal, liquidity, and current income through investment 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. TexSTAR's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national or state emergency that affects TexSTAR's liquidity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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, 2016.

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

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 purchase 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, using the purchase method, in both the government-wide and the fund financial statements.

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, 2016.

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 assets with a cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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) 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. A liability for these amounts is reported in governmental funds only if they have matured and the employee is eligible to receive this benefit.

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.

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-G (page 55).

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, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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 the basic financial statements:

- (1) Prior to August 31, the City Manager submits a proposed operating budget to the City Council for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) On or before September 30, the City Council holds public hearings and adopts the budget.
- (3) Any revisions that alter the total expenditures of any fund must be adopted by the City Council after formal public budget hearings.
- (4) Formal budgetary integration is employed as a management control device during the year for the General Fund, Debt Service Fund, Economic and Community Development Funds, and the Enterprise Fund at the fund and department level. Formal budgetary integration is integrated for eight the 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 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 2016, the General Fund expenditure budget was amended to increase departmental budgets for Administration, Finance, Information Technology, Human Resources, Municipal Court, Police Services, Engineering Services, Fire Services, Parks and Recreation, Library Services, Legal Services, and Tourism. The increases were related to transfers to capital projects of \$710,000, contract services of \$475,363, personnel services of \$142,228, repairs and maintenance of \$77,825, and materials and supplies of \$60,776. This \$1,466,192 increase in the expenditure budget was offset by an increase in the revenue budget of \$1,840,391.

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 collateralized at September 30, 2016, and throughout the year, by Federal Depository Insurance Corporation coverage and securities held by the City's agent bank in the City's name. A difference of \$905,312 exists between bank balance and book balance, primarily due to outstanding checks offset by deposits in transit.

Investments in United States government agency securities are considered short-term and all such investment activity is conducted through a depository bank. Investments are valued at their fair market value based upon quoted market prices. During the fiscal year ended September 30, 2016, the City did not invest through any security brokers or dealers.

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

<u>Primary Government</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Petty Cash	\$ 9,628	9,628
Cash in Bank (1)	5,096,551	5,096,551
TexPool	47,643,229	47,643,229
TexSTAR	8,731,738	8,731,738
Certificates of Deposit	10,613,693	10,613,693
Municipal Obligations	11,212,460	11,203,566
Commercial Paper	14,987,493	14,987,493
U. S. Government Securities	56,526,852	56,532,544
Primary Government Cash and Investments	<u>154,821,644</u>	<u>154,818,442</u>
 <u>Component Units</u>		
Texpool		
Community Development Corporation	13,698,323	13,698,323
Economic Development Corporation	7,433,462	7,433,462
	<u>\$ 21,131,785</u>	<u>21,131,785</u>

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

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:

Primary Government	Governmental Activities			Enterprise Funds		Total
	General	Debt Service	Other Funds	Water and Sewer	Solid Waste	
Property taxes	\$ 181,177	179,264	-	-	-	360,441
Sales taxes	27,492	-	-	-	-	27,492
Franchise taxes	62,861	-	-	-	-	62,861
Charges for services	-	-	-	5,102,871	455,188	5,558,059
Other	2,944,631	690	197,145	-	-	3,142,466
Notes receivable	-	14,960,000	-	4,377,325	-	19,337,325
Allowance for doubtful accounts	(1,242)	(1,255)	-	(593,283)	(46,819)	(642,599)
Net Receivables	<u>\$ 3,214,919</u>	<u>15,138,699</u>	<u>197,145</u>	<u>8,886,913</u>	<u>408,369</u>	<u>27,846,045</u>

The Water and Sewer Fund receivable balance includes a note receivable of \$4,176,176 from the City of Leander for Leander's share of the buy-in cost for the Brushy Creek Regional Waste Water System. Leander paid \$201,149 toward the note receivable during the fiscal year, and is scheduled to make annual principal and interest payments of \$332,469 through January 2032.

The Governmental Funds receivable balance includes a long-term receivable of \$14,960,000 from the Texas Department of Transportation for expenses incurred by the City in the improvement of a State highway. While this amount is measurable, it is not available, therefore, a corresponding deferred inflow of resources is also reported in the Governmental funds. Governmental funds report additional deferred inflows for unavailable revenues in connection with property taxes receivable. Deferred inflows are recognized as revenues as they become available to pay current liabilities.

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
General fund	\$ 139,335
Debt service fund	138,104
Total governmental funds	<u>\$ 277,439</u>

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

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

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

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, 2016, was \$0.236750 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, 2016 was \$0.24275 per \$100 of assessed valuation. The City levied taxes based on a combined tax rate of \$0.47950 per \$100 of assessed valuation for general governmental services and debt service.

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

In September 2009, the cities of Cedar Park, Round Rock, and Leander agreed to jointly pursue a regional water supply system that will ultimately provide treatment capacity for an additional 105.8 million gallons per day of potable water supply needed to meet future water demands of the three cities. In accordance with State law, the City Councils of the three cities authorized and approved the creation of the Brushy Creek Regional Utility Authority (BCRUA). The BCRUA intends to own, design, finance, construct, acquire, maintain, and operate the System in a manner that will allow the BCRUA to deliver potable water to the cities on a regional basis. Construction of Phase 1 of the project began during fiscal year 2010 and the plant opened in 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 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, 2016

ASSETS		LIABILITIES	
Current assets:		Current liabilities:	
Cash and cash equivalents	\$ 5,936,436	Accounts payable	\$ 147,632
Accounts receivable, net	122,267	Retainage payable	1,582,268
Accrued interest receivable	<u>4,392</u>	Due to partner cities	<u>150,474</u>
Total current assets	6,063,095	Total current liabilities	1,880,374
Noncurrent assets:		Current liabilities payable from	
Restricted cash and cash equivalents		restricted assets:	
and investments:		Current portion of revenue bond payable	4,780,000
Debt service	11,300	Accrued interest	<u>779,130</u>
Escrow	18,179,398	Total current liabilities payable from	
Reserve	6,347,089	restricted assets	5,559,130
Land, easements, and construction		Noncurrent liabilities:	
in progress	20,810,115	Revenue bonds payable	<u>174,361,559</u>
Capital assets, net of accumulated depreciation:		Total noncurrent liabilities	<u>174,361,559</u>
Buildings, infrastructure, and equipment	<u>140,990,087</u>	Total liabilities	<u>181,801,063</u>
Total noncurrent assets	<u>186,337,989</u>	NET POSITION	
Total assets	192,401,084	Net position	<u>\$ 19,471,253</u>
Deferred outflows of resources - refunding	<u>8,871,232</u>		
Total assets and deferred outflows of resources	<u>\$ 201,272,316</u>	Cedar Park share of net position:	<u>\$ 3,195,778</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, 2016

	BCRUA	Cedar Park Share
Operating revenues	\$ 688,730	144,281
Operating expenses	12,946,144	2,178,504
Change in net position	(12,257,414)	(2,034,223)
Other income	138,696	10,363
Bond issuance costs	(961,500)	(297,322)
Net position, October, 2015	20,753,872	4,076,608
Net contribution of capital	11,797,599	1,440,352
Net position, September, 2016	<u>\$ 19,471,253</u>	<u>3,195,778</u>

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

3. DETAILED NOTES ON ALL FUNDS, (continued)

D. Capital Assets

Governmental Activities

Capital asset activity for the year ended September 30, 2016, was as follows:

GOVERNMENTAL ACTIVITIES:	Beginning Balance	Increases	Decreases/ (Reclass)	Ending Balance
Capital assets, not depreciated:				
Land and other non-depreciable assets	\$ 20,655,235	1,107,386	-	21,762,621
Construction in progress	5,160,232	13,188,572	7,225,716	11,123,088
Total assets not being depreciated	<u>25,815,467</u>	<u>14,295,958</u>	<u>7,225,716</u>	<u>32,885,709</u>
Capital assets being depreciated:				
Intangible assets	592,042	-	-	592,042
Building and improvements	89,178,200	120,034	-	89,298,234
Machinery and equipment	34,182,908	3,255,284	341,492	37,096,700
Infrastructure	228,593,239	9,464,389	-	238,057,628
Total capital assets being depreciated	<u>352,546,389</u>	<u>12,839,707</u>	<u>341,492</u>	<u>365,044,604</u>
Less accumulated depreciation:				
Intangible assets	573,594	10,805	-	584,399
Building and improvements	16,262,907	2,268,574	-	18,531,481
Machinery and equipment	22,877,356	3,416,229	341,492	25,952,093
Infrastructure	41,413,901	5,887,452	-	47,301,353
Total accumulated depreciation	<u>81,127,758</u>	<u>11,583,060</u>	<u>341,492</u>	<u>92,369,326</u>
Total capital assets being depreciated, net	<u>271,418,631</u>	<u>1,256,647</u>	<u>-</u>	<u>272,675,278</u>
Total capital assets, net	<u>\$ 297,234,098</u>	<u>15,552,605</u>	<u>7,225,716</u>	<u>305,560,987</u>
				(156,961,097)
				(4,698,098)
				35,757,057
				<u>179,658,850</u>

Depreciation expense was charged to governmental activities as follows:

Governmental activities:	
General government	\$ 6,920,781
Public safety	1,924,635
Culture and recreation	805,378
Streets and lighting	387,243
Internal service	1,545,023
Total depreciation expense - governmental activities	<u>\$ 11,583,060</u>

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

Business-type Activities

Capital asset activity for the year ended September 30, 2016, was as follows:

	Beginning Balance	Increases	Decreases/ (Reclass)	Ending Balance
BUSINESS-TYPE ACTIVITIES:				
Capital assets, not being depreciated:				
Land and other non-depreciable assets	\$ 3,774,354	174,001	-	3,948,355
Construction in progress	11,630,011	3,024,739	12,122,714	2,532,036
Total assets not being depreciated	<u>15,404,365</u>	<u>3,198,740</u>	<u>12,122,714</u>	<u>6,480,391</u>
Capital assets, being depreciated				
Intangible assets	127,253	-	-	127,253
Building and improvements	29,325,164	336,725	-	29,661,889
Machinery and equipment	6,216,470	59,586	5,599	6,270,457
Infrastructure	249,860,603	13,967,726	-	263,828,329
Total capital assets being depreciated	<u>285,529,490</u>	<u>14,364,037</u>	<u>5,599</u>	<u>299,887,928</u>
Less accumulated depreciation:				
Intangible assets	53,023	25,451	-	78,474
Building and improvements	8,759,691	776,029	-	9,535,720
Machinery and equipment	3,716,434	376,184	5,599	4,087,019
Infrastructure	62,620,899	6,326,708	-	68,947,607
Total accumulated depreciation	<u>75,150,047</u>	<u>7,504,372</u>	<u>5,599</u>	<u>82,648,820</u>
Total capital assets being depreciated, net	210,379,443	6,859,665	-	217,239,108
Total capital assets, net	<u>\$ 225,783,808</u>	<u>10,058,405</u>	<u>12,122,714</u>	<u>223,719,499</u>
				(52,590,000)
				(2,866,328)
				7,215,643
				<u>175,478,814</u>

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

Business-type activities:	
Water and sewer	\$ 7,357,988
Solid waste	146,384
Total depreciation expense - business-type activities	<u>\$ 7,504,372</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, 2016 are as follows:

Project Description	Governmental Activities:		
	Authorized Project Amount	Project Expenditures To Date	Remaining Project Balance
ILSN Upgrade - Ph II	\$ 350,000	186,738	163,262
Brushy Creek East Overlay	290,000	216,176	73,824
CR 272 Overlay	270,000	212,123	57,877
RM 1431 Pedestrian Walkway	377,000	136,482	240,518
Anderson Mill Road	8,694,600	1,908,509	6,786,091
Little Elm Trail	7,060,000	4,398,873	2,661,127
Lakeline and Little Elm Signal Replacement	99,650	76,215	23,435
New Hope Road - West	2,600,000	986,827	1,613,173
Sidewalk Gap Ph. III	320,000	36,612	283,388
ILSN Sign Replacements and Upgrades	140,000	63,983	76,017
East 1890 Ranch Right Turn Lane	180,000	27,169	152,831
Right Turn Lakeline at Old Mill	250,000	17,049	232,951
Right Turn WB Brushy Creek and Vista Ridge	250,000	17,049	232,951
Right Turn WB Brushy Creek and Lynnwood	250,000	17,049	232,951
Discovery Blvd Median Break	200,000	17,050	182,950
Sidewalk Gap Ph. IV	350,000	29	349,971
Design and Install Pole Mounted Logo Signs	300,000	110,154	189,846
Rivera Springs Emergency Access	120,000	14,546	105,454
Arterial Overlay	4,333,333	1,863,423	2,469,910
Bell Boulevard District Redevelopment	15,565,000	9,397	15,555,603
Parks Maintenance Facility	2,000,000	379,522	1,620,478
Park Warning System	50,000	32,048	17,952
Brushy Creek Lake Improvements	325,000	8,710	316,290
Electricity at Sculpture Garden	80,713	52,929	27,784
Milburn Park Improvements	350,000	109,853	240,147
Buttercup Pool Bathhouse Renovations	150,000	130,294	19,706
Fire Station 5	4,590,000	12,508	4,577,492
Library Access Control	9,517	5,609	3,908
Library Master Plan	60,000	47,717	12,283
City Hall Bldg 6 Finishout	1,500,000	28,445	1,471,555
	<u>\$ 51,114,813</u>	<u>11,123,088</u>	<u>39,991,725</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, 2016 are as follows:

Business-Type Activities:		
Authorized Project Amount	Project Expenditures To Date	Remaining Project Balance
20,243,228	126,714	20,116,514
-	-	-
1,500,000	590,781	909,219
721,000	406,581	314,419
590,000	342,177	247,823
1,350,000	120,749	1,229,251
675,000	59,261	615,739
5,500,000	636,781	4,863,219
970,000	100	969,900
600,000	950	599,050
800,000	50,743	749,257
475,000	40,569	434,431
1,900,000	101,416	1,798,584
875,000	55,214	819,786
<u>\$ 36,199,228</u>	<u>2,532,036</u>	<u>33,667,192</u>

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

Interfund receivables, payables, and advances at September 30, 2016 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental funds:		
General fund	Debt service fund	\$ 153,736
	Nonmajor governmental funds	19,000
Business-type funds:		
Water and sewer fund	General fund	339,920
		<u>\$ 512,656</u>

Interfund receivables, payables, and advances reflect loans between funds. Of the above amount, \$339,920 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, 2016 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General	Water and sewer	\$ 2,987,649
Street	Nonmajor governmental	2,482,204
Street	2016 GO bond fund	3,341,667
Nonmajor governmental	Water and sewer	27,129
Nonmajor governmental	Street	3,310,000
Nonmajor governmental	2016 GO bond fund	536,667
Nonmajor governmental	Nonmajor governmental	575,199
Nonmajor governmental	General	485,000
Total transfers in		<u>\$ 13,745,515</u>

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

F. Leases

The City had no lease activity for the year ended September 30, 2016.

3. DETAILED NOTES ON ALL FUNDS (continued)

G. Long-term Liabilities

Long-term liability activity for the year ended September 30, 2016 was as follows:

	October 1, 2015	Increases	Decreases	September 30, 2016	Amounts Due Within One Year
<u>Governmental Activities</u>					
General obligation bonds	\$ 111,820,000	42,775,000	19,130,000	135,465,000	9,400,000
Certificates of obligation	24,985,000	-	5,295,000	19,690,000	1,655,000
Economic development bonds	42,755,000	-	1,780,000	40,975,000	1,850,000
Premium on issuance of bonds	9,037,209	6,170,906	618,705	14,589,410	-
Discount on issuance of bonds	(143,833)	-	(105,825)	(38,008)	-
General obligation bonds and other tax supported debt total*	<u>188,453,376</u>	<u>48,945,906</u>	<u>26,717,880</u>	<u>210,681,402</u>	<u>12,905,000</u>
Other long-term liabilities					
Compensated absences	4,041,203	638,586	192,955	4,486,834	236,936
Notes payable	892,183	52,192	154,781	789,594	168,107
Net pension liability	5,927,049	7,923,337	-	13,850,386	-
Other post-employment benefits	799,151	77,631	-	876,782	-
Other long-term liabilities total	<u>11,659,586</u>	<u>8,691,746</u>	<u>347,736</u>	<u>20,003,596</u>	<u>405,043</u>
Total governmental activities	<u>\$ 200,112,962</u>	<u>57,637,652</u>	<u>27,065,616</u>	<u>230,684,998</u>	<u>13,310,043</u>
<u>Business-type Activities</u>					
Water and Sewer activities					
Revenue bonds	\$ 43,995,000	16,400,000	12,860,000	47,535,000	4,655,000
General obligation bonds	5,360,000	-	985,000	4,375,000	850,000
Premium on issuance of bonds	5,153,084	1,477,012	769,501	5,860,595	-
General obligation bonds and other tax supported debt total	<u>54,508,084</u>	<u>17,877,012</u>	<u>14,614,501</u>	<u>57,770,595</u>	<u>5,505,000</u>
Compensated absences	573,933	118,451	30,139	662,245	26,301
Net pension liability	984,151	1,387,703	-	2,371,854	-
Other post-employment benefits	60,924	-	3,184	57,740	-
Other long-term liabilities total	<u>1,619,008</u>	<u>1,506,154</u>	<u>33,323</u>	<u>3,091,839</u>	<u>26,301</u>
Water and sewer activities total	<u>56,127,092</u>	<u>19,383,166</u>	<u>14,647,824</u>	<u>60,862,434</u>	<u>5,531,301</u>
Solid Waste activities					
Revenue bonds	835,000	-	155,000	680,000	160,000
Solid waste activities total	<u>835,000</u>	<u>-</u>	<u>155,000</u>	<u>680,000</u>	<u>160,000</u>
Business-type activities total	<u>\$ 56,962,092</u>	<u>19,383,166</u>	<u>14,802,824</u>	<u>61,542,434</u>	<u>5,691,301</u>
<u>Component Unit</u>					
Community development bonds	\$ 3,445,000	-	650,000	2,795,000	660,000
Premium on issuance of bonds	28,262	-	5,664	22,598	-
State Comptroller note	892,183	-	154,781	737,402	154,782
Component unit total	<u>\$ 4,365,445</u>	<u>-</u>	<u>810,445</u>	<u>3,555,000</u>	<u>814,782</u>

*There is currently \$21,568,746 of governmental activity supported debt that is related to business-type activity capital assets.

Employment-related liabilities attributable to the governmental activities will be liquidated primarily by the General Fund. Governmental liabilities include a note payable of \$789,594 to repay \$737,402 of sales tax revenues paid in error to the City in prior years, and \$52,192 from a conduit loan from the Texas Department of Agriculture. A summary of debt service requirements for the note repayments is shown on page 55.

3. DETAILED NOTES ON ALL FUNDS (continued)

G. Long-term Liabilities, (continued)

Governmental activities bonds payable at September 30, 2016, consisted of the following:	
\$1,535,000 Series 2006 Combination Tax and Revenue Certificates of Obligation, with one remaining installment of \$80,000 due on February 15, 2017; interest at 4.0%	80,000
\$19,615,000 Series 2008 General Obligation Bonds, with one remaining installments of \$1,025,000 due on February 15, 2017; interest at 4.00%	1,025,000
\$43,905,000 Series 2008 Combination Tax and Revenue Certificates of Obligation due in annual installments of \$1,300,000 to \$1,440,000 through August 15, 2019; interest at 5.18% to 5.40%	4,110,000
\$1,360,000 Series 2009 General Obligation Refunding due in installments of \$65,000 to \$80,000 through February 15, 2019; interest at 3.50% to 4.00%	215,000
\$11,985,000 Series 2009 General Obligation Bonds due in installments of \$565,000 to \$630,000 through February 15, 2018; interest at 5.0%	1,195,000
\$7,555,000 Series 2011 General Obligation Refunding and Improvement Bonds due in annual installments of \$215,000 to \$460,000 through February 15, 2031; interest at 3.0% to 4.0%	4,565,000
\$3,645,000 Series 2011 General Obligation Bonds with one remaining installments of \$395,000 through September 01, 2017; interest at 3.00%	395,000
\$3,215,000 Series 2012 General Obligation Refunding due in installments of \$230,000 to \$235,000 through September 01, 2018; interest at 2.75% to 2.95%	465,000
\$29,475,000 Series 2012 General Obligation Refunding and Improvement Bonds due in installments of \$180,000 to \$3,925,000 through February 15, 2032; interest at 3.25% to 5.0%	22,290,000
\$12,115,000 Series 2012 General Obligation Bonds due in installments of \$345,000 to \$770,000 through February 15, 2030; interest at 2.0% to 3.75%	7,090,000
\$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 1.076% to 3.195%	10,980,000
\$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%	8,355,000
\$4,175,000 Series 2013 Unlimited Tax Bonds due in installments \$100,000 through September 01, 2019; interest at 3.00%	300,000
\$8,585,000 Series 2014 General Obligation Bonds due in installments of \$100,000 to \$670,000 through March 1, 2034; interest at 3.0% to 3.75%	8,585,000
\$12,225,000 Series 2014 Pass-Through Toll Revenue and Limited Tax Bonds due in installments of \$450,000 to \$855,000 through March 1, 2034; interest at 3.0% to 4.0%	11,360,000
\$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%	35,480,000
\$37,410,000 Series 2015 General Obligation Refunding Bonds due in installments of \$550,000 to \$3,095,000 through March 1, 2033; interest at 1.05% to 4.00%	36,865,000
\$42,775,000 Series 2016 General Obligation Refunding and Improvements Bonds due in installments of \$180,000 to \$2,815,000 through February 15, 2040; interest at 2.0% to 5.00%	42,775,000
Total governmental activities	\$ 196,130,000

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

Business-type activities bonds payable at September 30, 2016, consisted of the following:

Water and Sewer activities

\$7,705,000 Series 2009 General Obligation Refunding bonds due in annual installments of \$245,000 to \$315,000 through February 15, 2019; interest at 3.5% to 4.0%	845,000
\$23,195,000 Series 2009 Utility System Revenue Bonds due in installments of \$1,205,000 to \$1,240,000 through August 15, 2018; interest at 3.0% to 5.125%	2,445,000
\$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%	3,530,000
\$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 1.096% to 2.895%	9,350,000
\$19,760,000 Series 2015 Utility System Revenue Refunding Bonds due in installments of \$270,000 to \$2,395,000 through August 15, 2030; interest at 3.0% to 5.0%	19,340,000
\$16,400,000 Series 2016 Utility System Revenue Refunding Bonds due in installments of \$465,000 to \$2,605,000 through August 15, 2036; interest at 2.0% to 4.0%	16,400,000
Total Water and Sewer activities	<u>\$ 51,910,000</u>
<u>Solid Waste activities</u>	
\$5,600,000 Series 2010 Combination Tax and Revenue Certificates of Obligation due in annual installments of \$160,000 to \$180,000 through February 15, 2020; interest at 2.65% to 3.0%	680,000
Total Business-type activities	<u><u>\$ 52,590,000</u></u>

Discretely presented component unit bonds payable at September 30, 2016, consisted of the following:

Component Unit debt

\$5,600,000 Series 2010 Combination Tax and Revenue Certificates of Obligation due in annual installments of \$430,000 to \$480,000 through February 15, 2020; interest at 2.35% to 3.0%	\$ 1,815,000
\$2,425,000 Series 2010 Senior Lien Sales Tax Revenue Refunding Bonds due in annual installments of \$230,000 to \$260,000 through August 15, 2020; interest at 3.0% to 3.325%	980,000
Total Component Unit activities	<u><u>\$ 2,795,000</u></u>

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

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

Annual debt service requirements for bonds outstanding are as follows:

September 30,	Governmental Activities		Business-type activities		Component Unit	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 12,905,000	7,313,639	5,665,000	1,915,471	660,000	77,580
2018	12,515,000	6,967,713	5,780,000	1,798,278	685,000	58,641
2019	12,470,000	6,519,770	5,960,000	1,615,696	710,000	38,200
2020	11,445,000	6,039,151	6,195,000	1,449,967	740,000	15,975
2021	11,435,000	5,598,161	3,235,000	1,294,148	-	-
2022-2026	59,435,000	20,924,196	13,615,000	4,582,843	-	-
2027-2031	47,785,000	9,677,367	9,430,000	1,543,100	-	-
2032-2036	26,455,000	2,245,076	2,710,000	325,425	-	-
2037-2040	1,685,000	91,269	-	-	-	-
	<u>\$ 196,130,000</u>	<u>65,376,342</u>	<u>52,590,000</u>	<u>14,524,928</u>	<u>2,795,000</u>	<u>190,396</u>

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

Fiscal Year	Governmental Activities	Component Unit	Total
	Principal	Principal	Principal
Sales Tax Repayment			
2017	\$ 154,781	154,781	309,562
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>737,402</u>	<u>737,402</u>	<u>1,474,804</u>
Conduit Loan Repayment			
2017	13,326	-	13,326
2018	13,326	-	13,326
2019	13,326	-	13,326
2020	12,214	-	12,214
Total Conduit Loan Repayment	<u>52,192</u>	<u>-</u>	<u>52,192</u>
Total Notes Payable	<u>\$ 789,594</u>	<u>737,402</u>	<u>1,526,996</u>

During the fiscal year, the City defeased certain certificates of obligation and revenue and general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On September 30, 2016, defeased bonds remaining unredeemed or unmatured are provided below:

Refunded Bonds	Escrow Maturity	Balance (1)
Bella Vista MUD Unlimited Tax Refunding Bonds, Series 2012	09/01/18	\$ 2,275,000
Combination Tax & Revenue Certificates of Obligation, Series 2008	08/15/18	31,915,000
General Obligation Bonds, Series 2008	02/15/17	14,660,000
General Obligation Bonds, Series 2009	02/15/18	9,075,000
Unlimited Tax Refunding Bonds, Series 2012	09/01/18	3,535,000
Utility System Revenue Bonds, Series 2009	08/15/18	18,210,000
WCID 1F Unlimited Tax Bonds, Series 2013	09/01/19	3,625,000
		<u>\$ 83,295,000</u>

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

3. DETAILED NOTES ON ALL FUNDS, (continued)

G. Long-term Liabilities, (continued)

In August 2016, the City issued \$42,775,000 of general obligation refunding and improvement bonds which provided funding of \$11,355,000 and \$22,845,000 for the construction of public safety facilities and road improvements, respectively. The issuance, combined with \$1,500,000 cash, provided a total of \$15,802,767 to refund \$15,000,000 in bonds, including \$11,375,000 in general obligation bonds and \$3,625,000 of unlimited tax bonds. The current refunding portion provided debt service payments of \$4,775,000 to refund the 2006 series bonds, and the advance portion 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 \$11,051,791 for the outstanding 2008, 2009, and 2013 bond series. The reacquisition price exceeded the net carrying amount of the refunded debt by \$766,409, with \$586,799 attributable to general obligation bonds and \$179,610 attributable to the unlimited tax bonds. The refunding difference will be amortized over the remaining life of the refunded bonds or the refunding bonds, whichever is shorter. The refundings were undertaken to reduce total future general obligation debt service payments by \$1,906,860 and resulted in an economic gain of \$1,346,883.

In August 2016, the City issued \$16,400,000 of utility system revenue and refunding bonds. The issuance provided construction funding of \$8,355,000 for water and sewer systems, in addition to and refunding of \$8,260,000 of utility revenue bonds. The current refunding portion provided debt service payments of \$5,629,310 to refund the 2007 series bonds, and the advance portion 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 \$2,872,800 for the outstanding 2009 series bonds. The reacquisition price was less than the carrying value of the refunded debt by \$220,289, all attributable to the utility system revenue bonds. The refunding difference will be amortized over the remaining life of the refunded bonds, or refunding bonds, whichever is shorter. The refundings were undertaken to reduce total future general obligation debt service payments by \$577,136 and resulted in an economic gain of \$553,034.

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, 2016, there was no liability for arbitrage rebate.

In November 2015, the City was authorized to issue additional general obligation debt of \$96,700,000. As of September 30, 2016, general obligation bonds authorized and unissued amounted to \$69,332,000. The City is compliant with all bond ordinances. In addition, the City does not have any outstanding special assessment debt and is not obligated in any manner for special assessment debt.

Pledged Revenues

The net revenue of the Water and Sewer Fund is pledged for the payment of interest and principal on the outstanding revenue bonds. Water and sewer bonds are payable through 2036. The table below represents the pledged amounts at September 30, 2016:

	Gross Revenue (1)	Operating Expenses (2)	Net Revenue	Debt Service Requirement	Revenue Bond Coverage
Water and Sewer	\$ 30,416,952	17,903,045	12,513,907	7,402,999	1.690

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

(2) Excludes depreciation.

3. DETAILED NOTES ON ALL FUNDS, (continued)

H. Employees' Retirement System

Plan Description

The City participates as one of 866 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, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	95
Inactive employees entitled to but not yet receiving benefits	196
Active employees	401
Total	<u>692</u>

3. DETAILED NOTES ON ALL FUNDS, (continued)
H. 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 9.25 percent and 11.54 percent in calendar years 2015 and 2016, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2016 were \$2,848,789, which were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2015, 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, 2015 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, 2015 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. No additional changes were made for the 2015 valuation.

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)
H. Employees' Retirement System, (continued)
Actuarial Assumptions, (continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic equity	17.50%	4.55%
International equity	17.50%	6.10%
Core fixed income	10.00%	1.00%
Non-core fixed income	20.00%	3.65%
Real return	10.00%	4.03%
Real estate	10.00%	5.00%
Absolute return	10.00%	4.00%
Private equity	5.00%	8.00%
Total	100.00%	

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)
H. Employees' Retirement System, (continued)
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 3,320,371	\$ -	\$ 3,320,371
Interest	4,347,515	-	4,347,515
Change of benefit terms	4,561,227	-	4,561,227
Difference between expected and actual experience	176,330	-	176,330
Changes of assumptions	750,653	-	750,653
Contributions - employer	-	2,173,630	(2,173,630)
Contributions - employee	-	1,644,911	(1,644,911)
Net investment income	-	73,466	(73,466)
Benefit payments, including refunds of employee contributions	(1,610,912)	(1,610,912)	-
Administrative expense	-	(44,741)	44,741
Other changes	-	(2,210)	2,210
Net changes	11,545,184	2,234,144	9,311,040
Balance at 12/31/2014	56,691,394	49,780,194	6,911,200
Balance at 12/31/2015	68,236,578	52,014,338	16,222,240

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 \$	28,258,360	\$ 16,222,240	\$ 6,537,561

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.tmrs.org.

3. DETAILED NOTES ON ALL FUNDS, (continued)

H. 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, 2016, the City recognized pension expense of \$8,230,329.

At September 30, 2016, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 755,106
Changes in actuarial assumptions	630,549
Difference between projected and actual investment earnings	3,072,646
Current year contributions subsequent to the measurement date	2,260,317
Total	<u>\$ 6,718,618</u>

\$2,260,317 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, 2017. Other amounts reported as deferred outflows related to pensions will be recognized in pension expense as follows:

Year Ended September 30	Pension Expense Amount
2017	\$ 1,083,790
2018	1,083,790
2019	1,083,790
2020	969,212
2021	200,638
Thereafter	37,081
Total	<u>\$ 4,458,301</u>

3. DETAILED NOTES ON ALL FUNDS, (continued)

I. Other Post-Employment Benefits

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, 2016, 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 2016, 2015 and 2014 were \$2,595, \$2,326, and \$2,194 respectively, which equaled the required contributions for each year.

	2016	2015	2014
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%

Post-Employment Healthcare Plan

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

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

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

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

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

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

Funding Policy

The contribution requirements of the employees/retirees and the City are established in the annual operating budget and may be amended in subsequent years. During 2016, 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 2016 totaled \$96,034. Premiums contributed for the City's cost of existing retirees' coverage was approximately 0.37% of gross payroll. There is no retiree contribution to the OPEB plan other than the retiree share of insurance premiums paid monthly, which totaled \$42,438 in fiscal year 2016.

As of September 30, 2016, there were 15 retired employees receiving benefits from the plan. The City finances the plan on a pay-as-you-go basis.

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, 2016 is as follows:

	Governmental Activities	Business-type Activities	Total OPEB Plan
Annual required contribution (ARC)	\$ 172,826	25,760	198,586
Interest on net OPEB obligation	31,966	2,437	34,403
Adjustment to ARC	(58,079)	(4,428)	(62,507)
Annual OPEB Cost	146,713	23,769	170,482
Contributions made	(69,081)	(26,953)	(96,034)
Change in net OPEB obligation	77,632	(3,184)	74,448
Net obligation-beginning of year	799,150	60,924	860,074
Net obligation-end of year	\$ 876,782	57,740	934,522

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, 2016 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
2016	\$ 170,482	96,034	56.33%	\$ 934,522
2015	177,461	85,373	48.11%	860,074
2014	174,350	83,964	48.16%	767,987

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

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 payroll for fiscal year 2016 was \$25,974,737 and the UAAL as a percentage of covered payroll was 8.4 percent.

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.

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.

J. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties and through the Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool (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. Any losses reported but unsettled or incurred and not reported are believed to be insignificant to the City's financial statements. Settled claims have not exceeded insurance coverage limits for the past three years.

3. DETAILED NOTES ON ALL FUNDS, (continued)
K. Commitments / Contingent Liabilities

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

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

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

Activity for the fiscal year ended September 30, 2016 for the Economic Development and Community Development Corporation's is summarized as follows:

	Community Development	Economic Development
Revenues		
Sales tax	\$ 5,973,829	5,973,849
Interest earnings	39,430	21,694
Total Revenues	<u>6,013,259</u>	<u>5,995,543</u>
Expenditures		
Community development programs	2,664,008	-
Economic development programs	-	1,301,057
Payments for/to primary government		
City support services	55,560	39,976
City sponsored debt	-	3,218,368
Total Expenditures	<u>2,719,568</u>	<u>4,559,401</u>
Change in net position	<u>\$ 3,293,691</u>	<u>1,436,142</u>

Community Development Debt

Revenue bonds payable for the Community Development Corporation totaled \$2,795,000 at year-end. The Community Development Corporation has pledged future sales tax revenues to service the debt. Bond ratings for the Community Development Corporation were "AA+" (Standard & Poor's) at September 30, 2016.

Economic Development Corporation Revenues Pledged

The Economic Development Corporation has pledged future sales tax revenues equal to the principal and interest due on certificates of obligation issued by the City, as they become due and payable. Proceeds from the bonds provided financing for the construction of the Cedar Park Center. The total principal and interest remaining at September 30, 2016 is \$54,747,772, payable over the next 17 years.

3. DETAILED NOTES ON ALL FUNDS, (continued)

L. Component Units

Contingent Liabilities

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

	Maximum Commitment 9/30/2016
<u>Community Development Corporation</u>	
Fallbrook Technology	\$ 500,000
Dana Holding Corporation	305,712
VUV Analytics	351,374
Pecan Grove (Scottsdale Crossing)	622,566
LiveOps	802,333
Endeavor (The Parke)	1,500,000
 <u>Economic Development Corporation</u>	
BMC West Corporation	300,000
HEB	500,000
Comprehensive Healthcare Management	70,000
Riverside Resources	413,000
Firefly Space Systems	365,625
Delaware CPI (La Jaita Business Park)	676,251
Swagelok	150,000
Revenue Cycle, Inc.	433,200
	<u>\$ 6,990,061</u>

M. Net Position Restatement

The financial statements have been reissued as of July 28, 2018 for the fiscal years ending September 30, 2014, 2015 and 2016. The City had expended \$19,532,220 related to a State highway which was originally reported as a capital project / capital outlay, but subsequently concluded that the contribution should have recorded as a receivable of \$14,960,000 for the reimbursable portion, and as an expense of \$4,572,220 for the non-reimbursable portion. Of these totals, \$1,526 incurred for fiscal year ending 2016 was recorded as capital outlay instead of expense. The remaining amounts were incurred in fiscal years 2014 and 2015 and were incorporated into the reissued statements of those respective years. Amounts previously attributed to depreciation of the former asset have also been removed.

Net Position Restatement			
	Governmental Activities	Business- Type	Total Net Position
Net position as of September 30, 2016, as previously reported	\$203,079,323	233,277,676	436,356,999
Adjustments:			
Fiscal year 2014 net position restatement adjustment	(2,040,519)	-	(2,040,519)
Fiscal year 2015 net position restatement adjustment	(2,398,947)	-	(2,398,947)
Capital asset reduction	(1,527)	-	(1,527)
Accumulated depreciation	-	-	-
Depreciation expense	88,724	-	88,724
Net position as of September 30, 2016, as restated	<u>\$198,727,054</u>	<u>233,277,676</u>	<u>432,004,730</u>



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REQUIRED SUPPLEMENTARY INFORMATION

**General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
For the Year Ended September 30, 2016**

City of Cedar Park, Texas

	Budgeted Amounts		Actual	Variance (1)
	Original	Final		Positive (Negative)
REVENUES				
Taxes and penalties				
Current ad valorem	\$ 16,436,557	\$ 16,688,004	\$ 16,828,622	\$ 140,618
Delinquent ad valorem	123,958	75,425	37,317	(38,108)
Franchise	3,956,874	4,128,292	4,343,044	214,752
Sales	11,040,456	11,949,668	11,948,321	(1,347)
Beverage	150,000	186,663	248,295	61,632
Total taxes and penalties	31,707,845	33,028,052	33,405,599	377,547
Licenses and permits				
Building permits	1,257,826	1,644,000	1,824,073	180,073
Planning and zoning	147,856	157,403	112,139	(45,264)
Engineering review	38,320	18,295	20,210	1,915
Professional fee recovery	27,884	36,425	40,225	3,800
Construction inspection fees	216,835	224,618	237,449	12,831
Total licenses and permits	1,688,721	2,080,741	2,234,096	153,355
Fines and forfeitures				
Traffic violations	997,248	715,000	747,119	32,119
Municipal court security fees	6,629	5,622	5,210	(412)
Total fines and forfeitures	1,003,877	720,622	752,329	31,707
Charges for services				
Fire protection fees	1,429,533	1,486,775	1,553,297	66,522
Parks and recreation fees	1,242,296	1,337,489	1,325,115	(12,374)
Library fines	109,685	87,201	102,931	15,730
Animal control fees	8,595	3,025	3,431	406
Police services	408,969	405,555	395,517	(10,038)
Administrative fees	714,214	660,543	712,102	51,559
Total charges for services	3,913,292	3,980,588	4,092,393	111,805
Interest earnings	55,000	55,000	80,526	25,526
Miscellaneous				
Other	352,718	696,842	728,100	31,258
Total miscellaneous	352,718	696,842	728,100	31,258
Total Revenues	\$ 38,721,453	\$ 40,561,845	\$ 41,293,043	\$ 731,198

(1) Variance is actual to final budget.

(Continued)

**General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
For the Year Ended September 30, 2016**

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

	Budgeted Amounts		Actual	Variance (1)
	Original	Final		Positive (Negative)
EXPENDITURES				
GENERAL GOVERNMENT				
General Administration				
Gen Personnel services	(167,717)	129,701	119,668	10,033
Gen Supplies and materials	21,060	21,060	22,426	(1,366)
Gen Maintenance and repairs	1,500	1,500	54,088	(52,588)
Gen Services and charges	1,120,629	900,645	869,219	31,426
Gen Loan payments	154,782	154,782	154,781	1
Gen Capital outlay	-	23,000	-	23,000
Total General Administration	1,130,254	1,230,688	1,220,182	10,506
Mayor and City Council				
Supplies and materials	3,500	3,500	2,428	1,072
Services and charges	64,162	64,162	65,050	(888)
Total Mayor and City Council	67,662	67,662	67,478	184
City Manager				
Personnel services	545,453	545,453	510,158	35,295
Supplies and materials	2,500	2,500	2,499	1
Services and charges	39,870	39,870	37,281	2,589
Total City Manager	587,823	587,823	549,938	37,885
City Attorney				
Personnel services	408,176	428,176	396,787	31,389
Supplies and materials	3,136	3,136	1,892	1,244
Services and charges	193,269	193,269	218,997	(25,728)
Total City Attorney	604,581	624,581	617,676	6,905
City Secretary				
Personnel services	97,443	97,443	94,106	3,337
Supplies and materials	750	750	487	263
Services and charges	147,697	147,697	86,931	60,766
Total City Secretary	245,890	245,890	181,524	64,366
Finance				
Fin Personnel services	613,144	613,144	553,702	59,442
Fin Supplies and materials	3,000	3,000	2,601	399
Fin Services and charges	297,789	297,789	299,093	(1,304)
Total Finance	913,933	913,933	855,396	58,537
Information Technology				
Personnel services	724,824	724,824	727,256	(2,432)
Supplies and materials	6,810	41,810	19,260	22,550
Maintenance and repairs	23,675	23,675	20,139	3,536
Services and charges	632,744	632,744	624,023	8,721
Capital outlay	-	-	22,044	(22,044)
Total Information Technology	1,388,053	1,423,053	1,412,722	10,331

(1) Variance is actual to final budget.

(Continued)

General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
For the Year Ended September 30, 2016

City of Cedar Park, Texas
(Continued)

	Budgeted Amounts		Actual	Variance (1)
	Original	Final		Positive (Negative)
EXPENDITURES (Continued)				
GENERAL GOVERNMENT (Continued)				
Human Resources				
Personnel services	409,398	439,398	389,239	50,159
Supplies and materials	3,000	3,000	2,538	462
Services and charges	161,256	161,256	174,709	(13,453)
Total Human Resources	573,654	603,654	566,486	37,168
Public Information				
Personnel services	244,982	244,982	211,342	33,640
Supplies and materials	5,269	5,269	2,907	2,362
PI Maintenance and repairs	-	-	20	(20)
Services and charges	68,747	68,747	70,803	(2,056)
Total Public Information	318,998	318,998	285,072	33,926
Economic Development				
Personnel services	265,051	265,051	233,681	31,370
Supplies and materials	1,000	1,000	1,106	(106)
Services and charges	1,901,230	1,901,230	1,321,140	580,090
Total Economic Development	2,167,281	2,167,281	1,555,927	611,354
Public Works				
Personnel services	756,918	776,918	713,759	63,159
Supplies and materials	7,000	7,000	4,899	2,101
Maintenance and repairs	700	700	1,367	(667)
Services and charges	264,633	239,633	301,524	(61,891)
Total Public Works	1,029,251	1,024,251	1,021,549	2,702
Planning and Transportation				
Personnel services	559,524	529,524	485,137	44,387
Supplies and materials	6,100	6,100	5,651	449
Maintenance and repairs	1,000	1,000	-	1,000
Services and charges	80,685	80,685	125,275	(44,590)
Total Planning and Transportation	647,309	617,309	616,063	1,246
Maintenance				
Maint Personnel services	520,286	520,286	535,809	(15,523)
Maint Supplies and materials	30,823	30,823	25,038	5,785
Maint Maintenance and repairs	73,025	73,025	68,503	4,522
Maint Services and charges	57,889	57,889	50,872	7,017
Total Maintenance	682,023	682,023	680,222	1,801
Tourism				
Tourism Personnel services	87,913	92,913	88,607	4,306
Tourism Supplies and materials	1,000	1,000	-	1,000
Tourism Maintenance and repairs	1,207	1,207	-	1,207
Tourism Services and charges	8,308	8,308	8,167	141
Total Tourism	98,428	103,428	96,774	6,654
Total General Government	10,455,140	10,610,574	9,727,009	883,565

(1) Variance is actual to final budget.

(Continued)

**General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
For the Year Ended September 30, 2016**

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

	Budgeted Amounts		Actual	Variance (1)
	Original	Final		Positive (Negative)
EXPENDITURES (Continued)				
PUBLIC SAFETY				
Municipal Court				
Court Personnel services	475,609	505,609	489,587	16,022
Court Supplies and materials	3,700	3,700	2,090	1,610
Court Maintenance and repairs	10,000	10,000	8,223	1,777
Court Services and charges	102,325	102,325	66,584	35,741
Total Municipal Court	591,634	621,634	566,484	55,150
Police				
PD Personnel services	9,844,755	9,744,755	9,352,120	392,635
PD Supplies and materials	422,930	409,040	334,476	74,564
PD Maintenance and repairs	176,000	176,000	201,003	(25,003)
PD Services and charges	1,825,687	1,848,577	1,828,943	19,634
PD Capital outlay	77,000	88,500	93,270	(4,770)
Total Police	12,346,372	12,266,872	11,809,812	457,060
Animal Control				
Personnel services	191,704	191,704	179,560	12,144
Supplies and materials	30,455	30,455	9,504	20,951
Maintenance and repairs	4,050	4,050	6,592	(2,542)
Services and charges	292,886	292,886	167,994	124,892
Total Animal Control	519,095	519,095	363,650	155,445
Building Inspection				
Personnel services	566,148	566,148	490,404	75,744
Supplies and materials	12,742	12,742	7,826	4,916
Maintenance and repairs	3,910	3,910	750	3,160
Services and charges	104,742	104,742	90,798	13,944
Capital outlay	17,000	17,000	22,221	(5,221)
Total Building Inspection	704,542	704,542	611,999	92,543
Fire				
Personnel services	7,067,582	6,895,125	6,852,355	42,770
Supplies and materials	198,486	230,861	125,957	104,904
Maintenance and repairs	328,551	358,551	315,599	42,952
Services and charges	1,207,188	2,227,645	2,183,961	43,684
Capital outlay	357,500	-	29,405	(29,405)
Total Fire	9,159,307	9,712,182	9,507,277	204,905
Code Enforcement				
Personnel services	157,223	157,223	124,234	32,989
Supplies and materials	8,600	8,600	2,380	6,220
Maintenance and repairs	2,200	2,200	1,060	1,140
Services and charges	28,627	28,627	20,460	8,167
Total Code Enforcement	196,650	196,650	148,134	48,516
Total Public Safety	23,517,600	24,020,975	23,007,356	1,013,619

(1) Variance is actual to final budget.

(Continued)

General Fund
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balances - Budget and Actual
 For the Year Ended September 30, 2016

City of Cedar Park, Texas
 (Continued)

	Budgeted Amounts		Actual	Variance (1)
	Original	Final		Positive (Negative)
EXPENDITURES (Continued)				
CULTURE AND RECREATION				
Parks and Recreation				
Personnel services	2,237,184	2,264,734	2,156,574	108,160
Supplies and materials	202,292	202,292	201,373	919
Maintenance and repairs	207,794	255,619	292,129	(36,510)
Services and charges	1,025,087	1,025,087	913,202	111,885
Total Park and Recreation	3,672,357	3,747,732	3,563,278	184,454
Library				
Personnel services	918,179	980,613	950,874	29,739
Supplies and materials	23,808	31,099	92,311	(61,212)
Maintenance and repairs	98,529	98,529	89,140	9,389
Services and charges	300,988	300,988	302,320	(1,332)
Capital outlay	60,500	60,500	-	60,500
Total Library	1,402,004	1,471,729	1,434,645	37,084
Total Culture and Recreation	5,074,361	5,219,461	4,997,923	221,538

(1) Variance is actual to final budget.

(Continued)

General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
For the Year Ended September 30, 2016

City of Cedar Park, Texas
(Continued)

	Budgeted Amounts		Actual	Variance (1) Positive (Negative)
	Original	Final		
<u>EXPENDITURES (Continued)</u>				
STREETS AND LIGHTING				
Streets and Lighting				
Personnel services	1,349,458	1,301,741	1,228,088	73,653
Supplies and materials	773,159	773,159	675,897	97,262
Maintenance and repairs	365,231	365,231	231,562	133,669
Services and charges	951,469	951,469	959,476	(8,007)
Capital outlay	74,663	74,663	133,205	(58,542)
Total Streets and Lighting	3,513,980	3,466,263	3,228,228	238,035
TOTAL EXPENDITURES	42,561,081	43,317,273	40,960,516	2,356,757
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,839,628)	(2,755,428)	332,527	3,087,955
<u>OTHER FINANCING SOURCES</u>				
Transfers in	2,987,649	2,987,649	2,987,649	-
Transfers out CIP	-	(485,000)	(485,000)	-
Total Other Financing Sources (Uses)	2,987,649	2,502,649	2,502,649	-
Excess (Deficiency) of Revenues and other sources over expenditures	\$ (851,979)	\$ (252,779)	2,835,176	\$ 3,087,955
Fund balance, beginning of year			19,382,756	
Reconciliation of fund balance (GAAP basis)				
Perspective differences				
Net effect on consolidated fund excluded from the annual budget			(541,527)	
Fund balance, end of year			<u>\$ 21,676,405</u>	

(1) Variance is actual to final budget.

**Schedule of Changes in Net Pension Liability and Related Ratios
Texas Municipal Retirement System
For the Year Ended September 30, 2016**

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

	Measurement Year	
	2015	2014
Total Pension Liability		
Service cost	\$ 3,320,371	2,912,024
Interest (on the Total Pension Liability)	4,347,515	3,589,114
Changes of benefit terms	4,561,227	-
Difference between expected and actual experience	176,330	884,323
Change of assumptions	750,653	-
Benefit payments, including refunds of employee contributions	(1,610,912)	(1,022,223)
Net Change in Total Pension Liability	11,545,184	6,363,238
Beginning total pension liability	56,691,394	50,328,156
Ending Total Pension Liability	\$ 68,236,578	56,691,394
Plan Fiduciary Net Position		
Contributions - employer	\$ 2,173,630	1,877,572
Contributions - employee	1,644,911	1,555,387
Net investment income	73,466	2,565,431
Benefit payments, including refunds of employee contributions	(1,610,912)	(1,022,223)
Administrative expense	(44,741)	(26,777)
Other	(2,210)	(2,202)
Net Change in Plan Fiduciary Net Position	2,234,144	4,947,188
Beginning plan fiduciary net position	49,780,194	44,833,006
Ending Plan Fiduciary Net Position	\$ 52,014,338	49,780,194
Net Pension Liability	\$ 16,222,240	6,911,200
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.23%	87.81%
Covered Employee Payroll	\$ 23,498,730	22,219,816
Net Pension Liability as a Percentage of Covered Employee Payroll	69.03%	31.10%

Notes to Schedule:

Only two years of information are currently available. The City will build this schedule over the next eight years.

**Schedule of Contributions
Texas Municipal Retirement System
For the Year Ended September 30, 2016**

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

	Fiscal Year			
	2013	2014	2015	2016
Actuarially determined contribution	1,715,640	1,831,299	2,130,241	2,848,789
Contributions in relation to the actuarially determined contribution	1,715,640	1,831,299	2,130,241	2,848,789
Contribution deficiency (excess)	-	-	-	-
Covered employee payroll	20,340,592	21,938,845	23,257,262	25,948,666
Contributions as a percentage of covered employee payroll	8.43%	8.35%	9.16%	10.98%

Notes to Schedule:

Only four years of information are currently available. The City will build this schedule over the next six year period.

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	28 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:

Adopted 30% repeating COLA

**Required Supplementary Information
Other Post Employment Benefits Trend Information
September 30, 2016**

City of Cedar Park, Texas

Other Post Employment Benefits-Trend Information

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

Fiscal Year Ended September 30	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	UAAL	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
2016	December 31, 2015	\$ -	\$ 2,123,015	\$ 2,123,015	0.0%	\$ 25,974,737	8.37%
2015	December 31, 2013	-	1,954,023	1,954,023	0.0%	23,257,262	8.40%
2014	December 31, 2013	-	1,954,023	1,954,023	0.0%	22,219,816	8.79%



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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.

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

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

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

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

2014 Tax and Revenue Bonds – to account for the bond proceeds restricted for improvement, construction and extension of City streets, bridges and intersections. As the projects progress in the construction fund, transfers from this fund will reimburse them.

2015 General Obligation Bonds – to account for the bond proceeds restricted for improvement, construction and extension of City streets, bridges and intersections. As the projects progress in the construction fund, transfers from this fund will reimburse them.

Debt Service Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the Year Ended September 30, 2016

City of Cedar Park, Texas

	Budgeted Amounts		Actual	Variance (1) Positive (Negative)
	Original	Final		
REVENUES				
Taxes and penalties	\$ 17,167,489	17,167,489	17,271,574	104,085
Interest earnings	16,500	16,500	41,486	24,986
Contributions	3,218,367	3,218,368	3,218,368	-
Total revenues	<u>20,402,356</u>	<u>20,402,357</u>	<u>20,531,428</u>	<u>129,071</u>
EXPENDITURES				
Debt service:				
Principal	11,205,000	11,205,000	11,205,000	-
Payment to refunded bond escrow agent - current portion	-	5,129,791	5,129,791	-
Interest and fiscal charges	7,098,654	7,098,654	6,985,247	113,407
Bond issuance costs	2,063,815	2,063,815	125,107	1,938,708
Total expenditures	<u>20,367,469</u>	<u>25,497,260</u>	<u>23,445,145</u>	<u>2,052,115</u>
Excess Of Revenues Over Expenditures	<u>34,887</u>	<u>(5,094,903)</u>	<u>(2,913,717)</u>	<u>2,181,186</u>
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	12,790,000	12,790,000	-
Premium from issuance of debt	-	1,637,217	1,637,217	-
Payment to refunded bond escrow agent - advance portion	(9,000)	(10,681,976)	(10,672,976)	9,000
Total other financing sources (uses)	<u>(9,000)</u>	<u>3,745,241</u>	<u>3,754,241</u>	<u>9,000</u>
Net Change In Fund Balance	<u>25,887</u>	<u>(1,349,662)</u>	<u>840,524</u>	<u>2,190,186</u>
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>8,108,955</u>	<u>8,108,955</u>
Fund Balance, Ending	<u>\$ 25,887</u>	<u>(1,349,662)</u>	<u>8,949,479</u>	<u>10,299,141</u>

(1) Variance is actual to final budget.

**Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2016**

City of Cedar Park, Texas

	Special Revenue	Capital Projects	Totals
ASSETS			
Cash and investments	\$ 3,812,151	13,927,880	17,740,031
Other	163,398	-	163,398
Inventory and prepaid items	2,171	-	2,171
Total assets	<u>3,977,720</u>	<u>13,927,880</u>	<u>17,905,600</u>
LIABILITIES			
Accounts payable	17,722	101,597	119,319
Accrued liabilities	-	6,976	6,976
Due to other funds	19,000	-	19,000
Other liabilities	-	50,960	50,960
Total liabilities	<u>36,722</u>	<u>159,533</u>	<u>196,255</u>
FUND BALANCES			
Nonspendable:			
Restricted			
Inventory and prepaid items	2,171	-	2,171
Occupancy tax	1,573,343	-	1,573,343
Cable	202,726	-	202,726
General government	1,127,567	-	1,127,567
Public safety	464,347	-	464,347
Economic development	570,844	-	570,844
Capital projects	-	13,768,347	13,768,347
Total fund balances	<u>3,940,998</u>	<u>13,768,347</u>	<u>17,709,345</u>
Total liabilities and fund balances	<u>\$ 3,977,720</u>	<u>13,927,880</u>	<u>17,905,600</u>

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended September 30, 2016**

City of Cedar Park, Texas

	Special Revenue	Capital Projects	Totals
REVENUES			
Taxes	\$ 1,434,404	-	1,434,404
Fines and forfeitures	35,871	-	35,871
Intergovernmental	161,948	-	161,948
Interest earnings	11,298	43,578	54,876
Contributions	270,295	350,000	620,295
Other	105,821	-	105,821
Total revenues	<u>2,019,637</u>	<u>393,578</u>	<u>2,413,215</u>
EXPENDITURES			
Current:			
General government	270,318	-	270,318
Public safety	180,449	-	180,449
Culture and recreation	171,870	-	171,870
Economic development	1,145,370	-	1,145,370
Capital outlay	70,110	1,252,895	1,323,005
Total expenditures	<u>1,838,117</u>	<u>1,252,895</u>	<u>3,091,012</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>181,520</u>	<u>(859,317)</u>	<u>(677,797)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	4,933,995	4,933,995
Transfers out	-	<u>(3,057,403)</u>	<u>(3,057,403)</u>
Total other financing sources (uses)	<u>-</u>	<u>1,876,592</u>	<u>1,876,592</u>
Net Change In Fund Balances	181,520	1,017,275	1,198,795
Fund Balances, Beginning	<u>3,759,478</u>	<u>12,751,072</u>	<u>16,510,550</u>
Fund Balances, End of Year	<u>\$ 3,940,998</u>	<u>13,768,347</u>	<u>17,709,345</u>

**Nonmajor Governmental Funds-Special Revenue Funds
Combining Balance Sheet
September 30, 2016**

	Occupancy Tax	Capital Metro Transit	Law Enforcement	Texas Capital
ASSETS				
Cash and investments	\$ 1,461,123	43,054	107,224	-
Other receivable	124,454	-	-	-
Inventory and prepaid items	-	-	-	-
Total assets	<u>1,585,577</u>	<u>43,054</u>	<u>107,224</u>	<u>-</u>
LIABILITIES				
Accounts payable	12,234	-	506	-
Due to other funds	-	-	-	-
Total liabilities	<u>12,234</u>	<u>-</u>	<u>506</u>	<u>-</u>
FUND BALANCES				
Inventory and prepaid items	-	-	-	-
Restricted				
Occupancy tax	1,573,343	-	-	-
Cable	-	-	-	-
General government	-	43,054	-	-
Public safety	-	-	106,718	-
Economic development	-	-	-	-
Total fund balances	<u>1,573,343</u>	<u>43,054</u>	<u>106,718</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,585,577</u>	<u>43,054</u>	<u>107,224</u>	<u>-</u>

	Restricted Grant	Cable	Tax Increment Reinvestment Zone 1	Tax Increment Reinvestment Zone 2	Totals
ASSETS					
Cash and investments	1,424,551	205,355	570,392	452	3,812,151
Other receivable	38,944	-	-	-	163,398
Inventory and prepaid items	-	2,171	-	-	2,171
Total assets	<u>1,463,495</u>	<u>207,526</u>	<u>570,392</u>	<u>452</u>	<u>3,977,720</u>
LIABILITIES					
Accounts payable	2,353	2,629	-	-	17,722
Due to other funds	19,000	-	-	-	19,000
Total liabilities	<u>21,353</u>	<u>2,629</u>	<u>-</u>	<u>-</u>	<u>36,722</u>
FUND BALANCES					
Inventory and prepaid items	-	2,171	-	-	2,171
Restricted					
Occupancy tax	-	-	-	-	1,573,343
Cable	-	202,726	-	-	202,726
General government	1,084,513	-	-	-	1,127,567
Public safety	357,629	-	-	-	464,347
Economic development	-	-	570,392	452	570,844
Total fund balances	<u>1,442,142</u>	<u>204,897</u>	<u>570,392</u>	<u>452</u>	<u>3,940,998</u>
Total liabilities and fund balances	<u>1,463,495</u>	<u>207,526</u>	<u>570,392</u>	<u>452</u>	<u>3,977,720</u>

Nonmajor Governmental Funds-Special Revenue Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended September 30, 2016

	Occupancy Tax	Capital Metro Transit	Law Enforcement	Texas Capital
REVENUES				
Taxes	\$ 696,740	-	-	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	5,812	-
Interest earnings	4,306	130	201	-
Contributions	-	-	-	-
Other	-	-	82,859	-
Total revenues	<u>701,046</u>	<u>130</u>	<u>88,872</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	6
Public safety	-	-	23,595	-
Culture and recreation	-	-	-	-
Economic development	549,063	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>549,063</u>	<u>-</u>	<u>23,595</u>	<u>6</u>
Net Change In Fund Balances	<u>151,983</u>	<u>130</u>	<u>65,277</u>	<u>(6)</u>
Fund Balances, Beginning	<u>1,421,360</u>	<u>42,924</u>	<u>41,441</u>	<u>6</u>
Fund Balances, Ending	<u>\$ 1,573,343</u>	<u>43,054</u>	<u>106,718</u>	<u>-</u>

	Restricted Grant	Cable	Tax Increment Reinvestment Zone 1	Tax Increment Reinvestment Zone 2	Totals
REVENUES					
Taxes	-	104,076	633,588	-	1,434,404
Fines and forfeitures	35,871	-	-	-	35,871
Intergovernmental	156,136	-	-	-	161,948
Interest earnings	4,394	617	1,649	1	11,298
Contributions	270,295	-	-	-	270,295
Other	22,962	-	-	-	105,821
Total revenues	<u>489,658</u>	<u>104,693</u>	<u>635,237</u>	<u>1</u>	<u>2,019,637</u>
EXPENDITURES					
Current:					
General government	146,421	123,891	-	-	270,318
Public safety	156,854	-	-	-	180,449
Culture and recreation	171,870	-	-	-	171,870
Economic development	-	-	596,307	-	1,145,370
Capital outlay	70,110	-	-	-	70,110
Total expenditures	<u>545,255</u>	<u>123,891</u>	<u>596,307</u>	<u>-</u>	<u>1,838,117</u>
Net Change In Fund Balances	<u>(55,597)</u>	<u>(19,198)</u>	<u>38,930</u>	<u>1</u>	<u>181,520</u>
Fund Balances, Beginning	<u>1,497,739</u>	<u>224,095</u>	<u>531,462</u>	<u>451</u>	<u>3,759,478</u>
Fund Balances, Ending	<u><u>1,442,142</u></u>	<u><u>204,897</u></u>	<u><u>570,392</u></u>	<u><u>452</u></u>	<u><u>3,940,998</u></u>

Nonmajor Governmental Funds-Capital Projects Funds
Combining Balance Sheet
September 30, 2016

	Parks and Recreation	Building & Facilities	2009 General Obligation Bonds	2011 General Obligation Bonds	2012 General Obligation Bonds
ASSETS					
Cash and investments	\$ 4,981,592	2,393,781	874,468	183,904	260,533
Total assets	<u>4,981,592</u>	<u>2,393,781</u>	<u>874,468</u>	<u>183,904</u>	<u>260,533</u>
LIABILITIES					
Accounts payable	92,357	9,240	-	-	-
Accrued liabilities	6,976	-	-	-	-
Other liabilities	50,960	-	-	-	-
Total liabilities	<u>150,293</u>	<u>9,240</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	4,831,299	2,384,541	874,468	183,904	260,533
Total fund balances	<u>4,831,299</u>	<u>2,384,541</u>	<u>874,468</u>	<u>183,904</u>	<u>260,533</u>
Total liabilities and fund balances	<u>\$ 4,981,592</u>	<u>2,393,781</u>	<u>874,468</u>	<u>183,904</u>	<u>260,533</u>

	2014 Tax & Revenue Bonds	2015 General Obligation Bonds	Totals
ASSETS			
Cash and investments	2,559,976	2,673,626	13,927,880
Total assets	<u>2,559,976</u>	<u>2,673,626</u>	<u>13,927,880</u>
LIABILITIES			
Accounts payable	-	-	101,597
Accrued liabilities	-	-	6,976
Other liabilities	-	-	50,960
Total liabilities	<u>-</u>	<u>-</u>	<u>159,533</u>
FUND BALANCES			
Restricted	2,559,976	2,673,626	13,768,347
Total fund balances	<u>2,559,976</u>	<u>2,673,626</u>	<u>13,768,347</u>
Total liabilities and fund balances	<u>2,559,976</u>	<u>2,673,626</u>	<u>13,927,880</u>

**Nonmajor Governmental Funds-Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended September 30, 2016**

	<u>Parks and Recreation</u>	<u>Building & Facilities</u>	<u>2009 General Obligation Bonds</u>	<u>2011 General Obligation Bonds</u>	<u>2012 General Obligation Bonds</u>
REVENUES					
Interest earnings	\$ 14,887	5,207	4,724	553	763
Contributions	350,000	-	-	-	-
Total revenues	<u>364,887</u>	<u>5,207</u>	<u>4,724</u>	<u>553</u>	<u>763</u>
EXPENDITURES					
Current:					
Capital outlay	533,302	719,593	-	-	-
Total expenditures	<u>533,302</u>	<u>719,593</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(168,415)</u>	<u>(714,386)</u>	<u>4,724</u>	<u>553</u>	<u>763</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	1,623,995	-	-	-
Transfers out	(91,371)	-	(1,666,032)	-	-
Total other financing sources (uses)	<u>(91,371)</u>	<u>1,623,995</u>	<u>(1,666,032)</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balances	<u>(259,786)</u>	<u>909,609</u>	<u>(1,661,308)</u>	<u>553</u>	<u>763</u>
Fund Balances, Beginning	<u>5,091,085</u>	<u>1,474,932</u>	<u>2,535,776</u>	<u>183,351</u>	<u>259,770</u>
Fund Balances, Ending	<u>\$ 4,831,299</u>	<u>2,384,541</u>	<u>874,468</u>	<u>183,904</u>	<u>260,533</u>

	2014 General Obligation Bonds	2015 General Obligation Bonds	Total Non-Major Capital Project Funds
REVENUES			
Interest earnings	7,635	9,809	43,578
Contributions	-	-	350,000
Total revenues	<u>7,635</u>	<u>9,809</u>	<u>393,578</u>
EXPENDITURES			
Current:			
Capital outlay	-	-	1,252,895
Total expenditures	<u>-</u>	<u>-</u>	<u>1,252,895</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>7,635</u>	<u>9,809</u>	<u>(859,317)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	3,310,000	4,933,995
Transfers out	-	(1,300,000)	(3,057,403)
Total other financing sources (uses)	<u>-</u>	<u>2,010,000</u>	<u>1,876,592</u>
Net Change In Fund Balances	7,635	2,019,809	1,017,275
Fund Balances, Beginning	<u>2,552,341</u>	<u>653,817</u>	<u>12,751,072</u>
Fund Balances, Ending	<u><u>2,559,976</u></u>	<u><u>2,673,626</u></u>	<u><u>13,768,347</u></u>



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DISCRETELY PRESENTED COMPONENT UNITS

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

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

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

**Component Units
Statement of Net Position
September 30, 2016**

City of Cedar Park, Texas

	<u>Community Development</u>	<u>Economic Development</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 13,698,323	7,433,462	21,131,785
Receivables, net of allowances for uncollectibles:			
Taxes	1,043,046	1,043,046	2,086,092
Total assets	<u>14,741,369</u>	<u>8,476,508</u>	<u>23,217,877</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges from bond issuance	6,610		6,610
LIABILITIES			
Accrued interest payable	10,410		10,410
Noncurrent liabilities:			
Due within one year			
Notes payable	77,391	77,391	154,782
Bonds payable	660,000		660,000
Due in more than one year			
Notes payable	291,310	291,310	582,620
Bonds payable	2,157,598		2,157,598
Total liabilities	<u>3,196,709</u>	<u>368,701</u>	<u>3,565,410</u>
NET POSITION			
Restricted	11,551,270	8,107,807	19,659,077
Total net position	<u>\$ 11,551,270</u>	<u>8,107,807</u>	<u>19,659,077</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, 2016**

City of Cedar Park, Texas

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position		
		Community Development Corporation	Economic Development Corporation	Total
Community development	\$ 2,719,568	(2,719,568)	-	(2,719,568)
Economic development	4,559,401	-	(4,559,401)	(4,559,401)
Total component units	<u>\$ 7,278,969</u>	<u>(2,719,568)</u>	<u>(4,559,401)</u>	<u>(7,278,969)</u>
General revenues:				
Taxes:				
Sales		5,973,829	5,973,849	11,947,678
Interest and other		39,430	21,694	61,124
Total general revenues and transfers		<u>6,013,259</u>	<u>5,995,543</u>	<u>12,008,802</u>
Change in net position		3,293,691	1,436,142	4,729,833
Net position, beginning		8,257,579	6,671,665	14,929,244
Net position, ending		<u>\$ 11,551,270</u>	<u>8,107,807</u>	<u>19,659,077</u>

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



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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.

Internal Service Funds
 Combining Statement of Net Position
 September 30, 2016

City of Cedar Park, Texas

	Employee Benefits	Vehicle & Equipment Services	Total
ASSETS			
Current assets:			
Cash and investments	\$ 1,136,922	7,163,650	8,300,572
Total current assets	<u>1,136,922</u>	<u>7,163,650</u>	<u>8,300,572</u>
Noncurrent assets:			
Depreciable, net	-	5,585,664	5,585,664
Total capital assets	-	5,585,664	5,585,664
Total noncurrent assets	-	5,585,664	5,585,664
Total assets	<u>1,136,922</u>	<u>12,749,314</u>	<u>13,886,236</u>
LIABILITIES			
Current liabilities:			
Accounts payable	41,086	1,449	42,535
Total current liabilities	<u>41,086</u>	<u>1,449</u>	<u>42,535</u>
Total liabilities	<u>41,086</u>	<u>1,449</u>	<u>42,535</u>
NET ASSETS			
Unrestricted	1,095,836	12,747,865	13,843,701
Total net position	<u>\$ 1,095,836</u>	<u>12,747,865</u>	<u>13,843,701</u>

Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended September 30, 2016

City of Cedar Park, Texas

	Employee Benefits	Vehicle & Equipment Services	Total
OPERATING REVENUES			
Charges for services	\$ 2,481,526	4,148,937	6,630,463
Total operating revenues	<u>2,481,526</u>	<u>4,148,937</u>	<u>6,630,463</u>
OPERATING EXPENSES			
Personnel services	2,494,650	-	2,494,650
Supplies and materials	-	1,292,413	1,292,413
Depreciation	-	1,545,023	1,545,023
Total operating expenses	<u>2,494,650</u>	<u>2,837,436</u>	<u>5,332,086</u>
OPERATING INCOME (LOSS)	<u>(13,124)</u>	<u>1,311,501</u>	<u>1,298,377</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and other revenue	3,349	62,303	65,652
Total nonoperating revenues (expenses)	<u>3,349</u>	<u>62,303</u>	<u>65,652</u>
CHANGE IN NET POSITION	<u>(9,775)</u>	<u>1,373,804</u>	<u>1,364,029</u>
Total net position, beginning	<u>1,105,611</u>	<u>11,374,061</u>	<u>12,479,672</u>
Total net position, ending	<u>\$ 1,095,836</u>	<u>12,747,865</u>	<u>13,843,701</u>

**Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2016**

City of Cedar Park, Texas

	Employee Benefits	Vehicle & Equipment Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,481,526	4,148,937	6,630,463
Cash paid to suppliers for goods and services	(2,455,176)	(1,435,129)	(3,890,305)
Net cash provided by operating activities	<u>26,350</u>	<u>2,713,808</u>	<u>2,740,158</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(2,087,344)	(2,087,344)
Net cash (used) for capital and related financing activities	<u>-</u>	<u>(2,087,344)</u>	<u>(2,087,344)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Earnings on investments	3,349	62,303	65,652
Net cash provided by investing activities	<u>3,349</u>	<u>62,303</u>	<u>65,652</u>
Net increase (decrease) in cash and cash equivalents	29,699	688,767	718,466
Cash and cash equivalents, October 1	<u>1,107,223</u>	<u>6,474,883</u>	<u>7,582,106</u>
Cash and cash equivalents, September 30	<u>\$ 1,136,922</u>	<u>7,163,650</u>	<u>8,300,572</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (13,124)	1,311,501	1,298,377
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	1,545,023	1,545,023
Changes in assets and liabilities:			
Increase (decrease) in liabilities:			
Accounts payable	39,474	(142,716)	(103,242)
Net cash provided by operating activities	<u>\$ 26,350</u>	<u>2,713,808</u>	<u>2,740,158</u>



CEDAR

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STATISTICAL SECTION
(Unaudited)

CITY OF CEDAR PARK, TEXAS

STATISTICAL SECTION (Unaudited)

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

Contents:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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



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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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governmental activities										
Net investment in capital assets	161,055	145,800	164,866	154,520	136,368	142,762	125,090	117,722	103,639	78,705
Restricted	30,660	33,803	21,333	11,372	10,656	5,961	8,169	4,816	19,553	18,364
Unrestricted	7,012	9,793	7,432	12,931	18,273	17,338	18,492	16,779	12,969	16,556
Total governmental activities net position	198,727	189,396	193,631	165,297	166,061	166,061	151,751	139,317	136,161	113,625
Business-type activities										
Net investment in capital assets	175,479	173,954	154,336	145,121	133,655	111,952	108,617	113,913	114,551	101,228
Restricted	36,351	18,613	18,658	16,193	14,811	13,449	12,967	13,348	18,966	11,538
Unrestricted	21,448	32,496	27,034	29,234	34,494	38,443	31,903	22,836	10,111	16,946
Total business-type activities net position	233,278	225,063	200,028	182,960	163,844	163,844	153,487	150,097	143,628	129,712
Primary government										
Net investment in capital assets	336,534	319,754	319,202	299,641	270,023	254,714	233,707	231,635	218,190	179,933
Restricted	67,011	52,416	39,991	27,565	25,467	19,410	21,136	18,164	38,519	29,902
Unrestricted	28,460	42,289	34,466	42,165	52,767	55,781	50,395	39,615	23,080	33,502
Total primary government net position	432,005	414,459	393,659	348,257	329,905	329,905	305,238	289,414	279,789	243,337

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

City of Cedar Park, Texas
Table II

	2016	2015	2014	2013	2012	2011	2010 (1)	2009 (2)	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expenses										
Governmental activities										
General government	22,822	17,986	16,663	15,616	12,955	13,262	11,618	7,986	8,575	10,180
Public safety	23,838	21,736	19,105	18,278	16,463	15,759	14,996	15,347	13,736	11,635
Culture and recreation	6,008	5,592	5,029	4,773	4,732	4,670	4,136	4,437	2,769	3,148
Streets and lighting	4,949	6,760	5,769	3,439	4,805	4,554	4,066	3,634	4,700	3,735
Interest on long-term debt	6,985	6,324	6,353	6,792	6,987	6,983	7,212	6,995	5,298	3,493
Total governmental activities	<u>64,602</u>	<u>58,398</u>	<u>52,919</u>	<u>45,942</u>	<u>45,228</u>	<u>45,228</u>	<u>42,028</u>	<u>38,399</u>	<u>35,078</u>	<u>32,191</u>
Business-type activities										
Water and sewer	27,120	24,304	23,413	24,623	21,774	23,744	21,456	24,250	23,358	19,867
Solid waste	3,629	3,687	3,602	3,436	3,188	2,746	2,411	-	-	-
Total business-type activities	<u>30,749</u>	<u>27,991</u>	<u>27,015</u>	<u>24,962</u>	<u>26,490</u>	<u>26,490</u>	<u>21,456</u>	<u>24,250</u>	<u>23,358</u>	<u>19,867</u>
Total primary government expenses	<u>95,351</u>	<u>86,389</u>	<u>79,934</u>	<u>70,904</u>	<u>71,718</u>	<u>71,718</u>	<u>63,484</u>	<u>62,649</u>	<u>58,436</u>	<u>52,058</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	3,178	2,444	2,428	2,458	2,253	1,371	1,298	1,287	2,208	2,879
Public safety	2,770	2,506	2,949	2,737	2,556	2,932	2,650	2,563	2,683	2,409
Culture and recreation	1,437	1,439	1,356	1,318	1,215	1,129	1,023	759	618	540
Operating grants and contributions	3,600	3,561	3,573	3,640	3,604	734	997	4,133	768	293
Capital grants and contributions	6,759	11,211	11,849	9,956	8,201	18,250	13,708	13,376	11,941	15,511
Total governmental activities	<u>17,744</u>	<u>21,161</u>	<u>22,155</u>	<u>17,829</u>	<u>24,416</u>	<u>24,416</u>	<u>19,676</u>	<u>22,118</u>	<u>18,218</u>	<u>21,632</u>
Business-type activities										
Charges for services										
Water and sewer	30,093	29,968	28,216	28,197	29,055	31,038	25,297	28,404	26,689	20,257
Solid waste	3,649	3,810	3,623	3,339	3,111	2,773	2,463	-	-	-
Capital grants and contributions	7,906	5,326	7,579	7,610	4,905	5,701	3,438	4,255	11,872	17,282
Total business-type activities	<u>41,648</u>	<u>39,104</u>	<u>39,418</u>	<u>37,071</u>	<u>39,512</u>	<u>39,512</u>	<u>31,198</u>	<u>32,659</u>	<u>38,561</u>	<u>37,539</u>
Total primary government program revenues	<u>59,392</u>	<u>60,265</u>	<u>61,573</u>	<u>54,900</u>	<u>63,928</u>	<u>63,928</u>	<u>50,874</u>	<u>54,777</u>	<u>56,779</u>	<u>59,171</u>
Net (expense)/revenue										
Governmental activities	(46,858)	(37,237)	(30,764)	(28,113)	(20,812)	(20,812)	(22,352)	(16,281)	(16,860)	(10,559)
Business-type activities	10,899	11,113	12,403	12,109	13,022	13,022	9,742	8,409	15,203	17,672
Total primary government net revenue (expense)	<u>(35,959)</u>	<u>(26,124)</u>	<u>(18,361)</u>	<u>(16,004)</u>	<u>(7,790)</u>	<u>(7,790)</u>	<u>(12,610)</u>	<u>(7,872)</u>	<u>(1,657)</u>	<u>7,113</u>

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

City of Cedar Park, Texas
Table II

	2016	2015	2014	2013	2012	2011	2010 (1)	2009 (2)	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General Revenues and Other Changes in Net Position										
Governmental activities										
Property taxes	34,801	31,030	25,839	23,802	21,222	20,103	20,036	19,626	17,097	14,085
Sales taxes	11,948	11,187	10,165	8,699	7,884	7,003	6,538	6,415	13,629	11,389
Franchise fees	4,447	4,453	4,252	3,940	3,843	3,637	3,249	3,193	2,919	2,583
Other taxes	945	846	721	643	504	481	351	289	308	296
Interest and other	1,033	1,649	1,478	1,953	1,104	922	880	2,387	3,101	6,756
Transfers	3,015	(14,164)	3,117	3,277	(6,941)	2,976	3,733	2,406	2,341	2,170
Special item	-	1,546	-	-	-	-	-	-	-	-
Total governmental activities	56,189	36,547	45,572	27,616	35,122	35,122	34,787	34,316	39,395	37,279
Business-type activities										
Interest and other	330	346	195	(222)	562	310	(209)	467	1,055	1,851
Transfers	(3,015)	14,164	(3,117)	(3,277)	6,941	(2,976)	(3,733)	(2,406)	(2,341)	(2,170)
Total business-type activities	(2,685)	14,510	(2,922)	7,503	(2,666)	(2,666)	(3,942)	(1,939)	(1,286)	(319)
Total primary government	53,504	51,057	42,650	35,119	32,456	32,456	30,845	32,377	38,109	36,960
Changes in Net Position										
Governmental activities	9,331	(690)	14,808	(3,148)	7,009	14,310	13,975	11,964	23,114	20,419
Business-type activities	8,214	25,624	9,481	19,906	9,443	10,356	9,080	7,803	7,123	14,884
Total primary government	17,545	24,934	24,289	19,115	24,666	24,666	23,055	19,767	30,237	35,303

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

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

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

City of Cedar Park, Texas
Table III

	2016	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Agriculture, forestry, fishing	68	20	39	29	8	7	3	9	-	-
Construction	499	465	266	207	204	179	137	217	604	500
Finance, insurance, real estate	39	40	29	30	79	58	52	74	204	268
Manufacturing	237	201	626	276	117	100	80	69	244	190
Other	448	476	481	142	362	263	191	198	338	352
Retail trade	6,917	6,623	5,116	5,164	4,485	4,043	2,981	2,972	5,242	4,396
Services	3,148	2,821	2,506	2,377	2,156	2,002	1,446	1,337	2,866	2,030
Transportation, communications, utilities	19	4	637	19	3	4	5	3	4	4
Wholesale trade	217	184	308	340	299	219	181	86	326	298
Arts, entertainment, recreation	356	353	159	115	170	127	108	31	28	20
Total	11,948	11,187	10,167	8,699	7,883	7,002	5,184	4,996	9,856	8,058
City sales tax rate (primary government)	1%	1%	1%	1%	1%	1%	1%	2%	2%	2%

100

(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**

	2016	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General fund										
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	24	531	58	39
Unreserved	N/A	N/A	N/A	N/A	N/A	N/A	16,999	14,665	14,436	13,293
Nonspendable	41	53	24	32	30	26	N/A	N/A	N/A	N/A
Restricted	-	-	-	-	1,334	-	N/A	N/A	N/A	N/A
Committed	101	329	-	-	-	-	N/A	N/A	N/A	N/A
Assigned	155	(0)	1,047	1,202	-	-	N/A	N/A	N/A	N/A
Unassigned	21,380	18,847	16,954	14,432	13,615	11,935	N/A	N/A	N/A	N/A
Total general fund	<u>21,677</u>	<u>19,229</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>	<u>13,332</u>
All other governmental funds										
Reserved	N/A	N/A	N/A	N/A	N/A	N/A	4,194	4,098	2,765	1,990
Unreserved, reported in:										
Special revenue funds	N/A	N/A	N/A	N/A	N/A	N/A	2,585	2,007	18,072	16,236
Capital projects funds	N/A	N/A	N/A	N/A	N/A	N/A	21,395	16,026	63,764	29,408
Nonspendable	-	-	-	1	12	-	N/A	N/A	N/A	N/A
Restricted	66,782	41,587	31,968	22,007	24,097	17,724	N/A	N/A	N/A	N/A
Committed	-	329	-	-	-	540	N/A	N/A	N/A	N/A
Assigned	-	-	-	-	-	4,954	N/A	N/A	N/A	N/A
Unassigned	-	-	-	(1)	-	N/A	N/A	N/A	N/A	N/A
Total all other governmental funds	<u>66,782</u>	<u>41,916</u>	<u>31,968</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>	<u>47,634</u>
Total all governmental funds	<u>88,459</u>	<u>61,145</u>	<u>49,993</u>	<u>37,673</u>	<u>39,088</u>	<u>35,179</u>	<u>45,197</u>	<u>37,327</u>	<u>99,095</u>	<u>60,966</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

	2016	2015	2014	2013	2012	2011	2010	2009 (1)	2008	2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES										
Taxes	52,112	47,540	40,933	37,112	33,445	31,342	30,132	29,532	33,986	28,300
Permits, licenses and fees	2,234	1,849	1,826	1,913	1,739	1,346	1,273	1,163	2,087	2,767
Fines and forfeitures	788	720	1,209	933	963	976	677	753	1,001	1,155
Charges for services	4,092	3,821	3,697	3,666	3,323	3,436	3,350	2,832	2,429	1,863
Intergovernmental	216	1,428	2,885	403	4,768	5,473	852	553	420	203
Interest earnings	233	378	172	129	178	148	235	995	2,435	2,938
Contributions	5,861	6,304	6,357	4,880	4,730	4,487	7,988	14,461	996	-
Other	1,077	1,286	1,916	1,835	800	837	537	684	981	1,616
Total revenues	66,613	63,326	58,995	49,946	48,045	48,045	45,044	50,973	44,335	38,842
EXPENDITURES										
General government	10,486	11,066	8,619	8,047	7,236	6,827	6,944	6,095	6,728	5,542
Public safety	23,043	21,498	19,793	18,388	16,834	15,383	14,795	14,273	13,206	11,198
Culture and recreation	5,170	5,117	4,379	4,061	3,878	3,715	3,459	3,960	3,522	2,864
Streets and lighting	3,099	2,874	2,567	2,597	2,110	1,996	1,859	1,638	2,610	1,455
Economic development	1,145	948	859	901	753	1,709	351	301	739	1,244
Capital outlay	13,549	10,629	20,115	7,044	17,153	18,600	11,654	58,998	35,670	11,684
Debt service:										
Principal	11,360	9,950	8,445	7,300	7,575	5,610	5,573	4,631	4,460	3,259
Payment to bond escrow - current	5,130	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	6,985	6,303	6,258	6,863	7,253	7,068	7,156	7,822	3,924	3,328
Bond issuance costs	-	754	468	198	-	-	-	-	1,258	427
Total expenditures	79,967	69,139	71,503	62,792	60,908	60,908	51,791	97,718	72,117	41,001
Deficiency of revenues over expenditures	(13,354)	(5,813)	(12,508)	(12,846)	(12,863)	(12,863)	(6,747)	(46,745)	(27,782)	(2,159)
Other financing sources (uses)										
Issuance of debt	42,775	73,670	29,865	15,865	25,195	(65)	13,345	-	63,520	29,850
Bond premiums (discounts)	6,171	5,042	820	-	3,942	(23)	102	-	49	653
Payment to bond escrow - advance	(10,673)	(67,893)	(8,974)	(15,667)	(26,616)	3,929	(1,362)	-	-	(9,335)
Bond issuance costs	(444)									
Transfers in	13,746	21,847	23,259	7,801	14,388	16,195	9,524	51,224	34,959	12,968
Transfers out	(10,731)	(19,089)	(20,142)	(4,886)	(9,922)	(13,219)	(6,991)	(48,818)	(32,617)	(10,800)
Other	-	3,213	-	-	1,589	-	-	-	-	-
Total other financing sources	40,844	16,790	24,828	8,576	6,817	6,817	14,618	2,406	65,911	23,336
Net change in fund balances	27,490	10,977	12,320	(4,270)	(6,046)	(6,046)	7,871	(44,339)	38,129	21,177
Debt service as a percentage of noncapital expenditures	27.62%	27.78%	28.61%	29.97%	33.89%	29.97%	31.71%	32.16%	23.00%	22.47%

(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				
	\$	\$	\$	\$	\$	\$	\$	
2007	2,473,349,254	2,485,504,239	200,799,156	200,799,156	2,686,303,395	2,686,303,395	0.51807	100%
2008	3,034,100,645	3,096,774,155	236,137,255	236,137,255	3,332,911,410	3,332,911,410	0.50807	100%
2009	3,688,102,645	3,671,296,868	292,200,548	292,200,548	3,963,497,416	3,963,497,416	0.48900	100%
2010	3,748,717,862	3,684,982,934	314,529,746	314,529,746	3,999,512,680	3,999,512,680	0.48900	100%
2011	3,967,805,242	3,710,745,479	277,609,702	277,609,702	3,988,355,181	3,988,355,181	0.49350	100%
2012	4,139,882,394	3,904,593,732	295,446,592	295,446,592	4,200,040,324	4,200,040,324	0.49350	100%
2013	4,431,117,106	4,382,163,626	324,906,758	324,906,758	4,707,070,384	4,707,070,384	0.49350	100%
2014	4,557,237,308	4,752,830,024	346,454,226	346,454,226	5,099,284,250	5,099,284,250	0.49250	100%
2015	4,658,071,476	5,593,024,688	392,935,063	392,935,063	5,985,959,751	5,985,959,751	0.48500	100%
2016	6,671,486,982	6,251,352,852	445,703,847	445,703,847	6,697,056,699	6,697,056,699	0.47950	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	Round Rock	Travis	Williamson
	General Fund	Debt Service Fund	Total City	Independent School District	Independent School District	County	County
	\$	\$	\$	\$	\$	\$	\$
2007	0.26000	0.25807	0.51807	1.6438	1.6406	0.4216	0.4997
2008	0.24487	0.26320	0.50807	1.3334	1.3238	0.4216	0.4891
2009	0.24314	0.24586	0.48900	1.3792	1.3324	0.4122	0.4683
2010	0.24878	0.24022	0.48900	1.4223	1.3800	0.4215	0.4900
2011	0.25141	0.24209	0.49350	1.4548	1.3800	0.4658	0.4900
2012	0.26174	0.23176	0.49350	1.4998	1.3350	0.4855	0.4877
2013	0.25846	0.23504	0.49350	1.5119	1.3800	0.5001	0.4890
2014	0.25284	0.23966	0.49250	1.5119	1.3674	0.4563	0.4890
2015	0.24225	0.24275	0.48500	1.5119	1.3643	0.4169	0.4815
2016	0.23675	0.24275	0.47950	1.5119	1.3325	0.3838	0.4765

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	2016			2007		
		Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
		\$		%	\$		%
Bre RC 1890 Ranch TX L.P.	Commercial	103,059,341	1	1.45%			
Cedar Park Health System L.P.	Commercial	85,592,361	2	1.20%			
Muir Lake LTD	Real estate	50,895,749	3	0.72%			
Allure Acquisition LLC	Commercial	45,110,743	4	0.63%			
Northland Lakeline II LLC	Real estate	41,000,000	5	0.58%			
WMCi Austin I LLC	Real estate	39,950,838	6	0.56%			
Mid-America Apartments L.P.	Industrial	37,489,018	7	0.53%			
Ranger Excavating	Real estate	37,323,328	8	0.52%			
RPAI Cedar Park Town Center LLC	Real estate	36,150,796	9	0.51%			
UDR Red Stone Ranch LLC	Industrial	35,786,348	10	0.50%			
Northland Lakeline L.P.	Real estate				\$ 26,455,642	1	0.99%
V-S Cedar Park Ltd.	Real estate				\$ 22,325,716	2	0.83%
MidAmerica Apartments of Texas L.P.	Real estate				\$ 22,053,264	3	0.82%
Ranger Excavating	Real estate				\$ 21,133,903	4	0.79%
Heritage 1440 Montfort L.P.	Real estate				\$ 20,165,777	5	0.75%
Whitestone Market Inc.	Retail				\$ 18,475,483	6	0.69%
UDR Lakeline L.P.	Real estate				\$ 18,417,445	7	0.69%
AB Middlebrook L.P.	Retail				\$ 18,020,823	8	0.67%
Colonial Realty L.P.	Real estate				\$ 17,389,414	9	0.65%
WalMart Stores Texas L.P.	Real estate				\$ 16,121,946	10	0.60%
	Subtotal	512,358,522		7.20%	200,559,413		7.50%
All Other		6,604,832,307		92.80%	2,473,588,997		92.50%
	Total	7,117,190,829		100.00%	2,674,148,410		100.00%

Source: Williamson Central Appraisal District

Property Tax Levies and Collections
Last Ten Fiscal Years

City of Cedar Park, Texas
Table IX

Fiscal Year	Total Tax Levy (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
	\$	\$		\$	\$	
2008	16,615,098	16,491,985	99.26%	99,002	\$ 16,590,987	99.938%
2009	19,478,993	19,252,453	98.84%	216,147	\$ 19,468,600	99.910%
2010	19,867,593	19,668,121	99.00%	186,735	\$ 19,854,856	99.904%
2011	19,956,358	19,802,782	99.23%	141,168	\$ 19,943,950	99.891%
2012	21,810,370	21,705,277	99.52%	87,298	\$ 21,792,575	99.883%
2013	23,359,105	23,326,490	99.86%	13,143	\$ 23,339,633	99.860%
2014	24,150,681	24,067,234	99.65%	62,489	\$ 24,129,723	99.913%
2015	29,819,351	29,752,786	99.78%	40,402	\$ 29,793,188	99.912%
2016	34,126,930	34,067,892	99.83%	-	\$ 32,068,184	93.967%

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**

Fiscal Year	Governmental Activities							
	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
	\$	\$	\$	\$	\$	\$	\$	\$
2007	77,107,828	7,571,250	2,700,000	-	833,093	143,730	81,206	88,437,107
2008	93,727,690	6,256,250	2,550,000	43,905,000	829,524	110,970	66,909	147,446,343
2009	89,940,002	5,712,500	-	43,605,000	775,310	90,019	42,818	140,165,649
2010	97,900,000	5,130,000	-	42,655,000	765,659	61,329	43,105	146,555,093
2011	99,325,000	2,765,000	-	41,670,000	833,637	31,342	29,926	144,654,905
2012	108,110,000	1,955,000	-	40,640,000	4,889,408	-	1,350,313	156,944,721
2013	103,245,000	1,680,000	-	39,565,000	3,975,134	-	1,204,158	149,669,292
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	-	789,594	211,470,996

Fiscal Year	Business-Type Activities							
	General Obligation Bonds	Certificates of Obligations	Revenue Bonds	Tax and Revenue Bonds	Deferred Charges	Capital Lease Payable	State Comptroller Note	Total Business-type Activities
	\$	\$	\$	\$	\$	\$	\$	\$
2007	7,897,174	-	46,363,750	-	49,253	-	-	54,310,177
2008	7,127,312	-	43,878,750	-	72,542	-	-	51,078,604
2009	6,230,000	-	41,397,500	-	94,817	-	-	47,722,317
2010	11,395,000	-	55,830,000	-	913,222	-	-	68,138,222
2011	5,660,000	-	57,855,000	-	897,006	-	-	64,412,006
2012	8,535,000	-	50,525,000	-	2,238,969	-	-	61,298,969
2013	7,095,000	-	48,480,000	-	1,706,089	-	-	57,281,089
2014	5,600,000	-	45,920,000	-	1,422,194	-	-	52,942,194
2015	5,360,000	-	43,995,000	-	5,153,084	-	-	54,508,084
2016	4,375,000	-	47,535,000	-	5,860,595	-	-	57,770,595

Fiscal Year	Total Primary Government	Personal Income	Percentage of Personal Income	Population	Debt per Capita
	\$	\$			\$
2006	71,044,291	1,369,142,226	5.19%	45,594	1,558
2007	88,437,107	1,449,449,640	6.10%	50,220	1,761
2008	147,446,343	1,666,510,524	8.85%	52,731	2,796
2009	140,165,649	1,924,716,495	7.28%	54,015	2,595
2010	146,555,093	1,561,324,840	9.39%	56,072	2,614
2011	144,654,905	2,325,288,345	6.22%	58,035	2,493
2012	218,243,690	2,325,288,345	9.39%	58,450	3,734
2013	206,950,381	2,586,242,556	8.00%	60,446	3,424
2014	215,910,957	2,586,242,556	8.35%	61,163	3,530
2015	287,848,643	2,674,061,651	10.76%	67,537	4,262
2016	269,189,399	3,022,582,790	8.91%	69,188	3,891

(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, 2016**

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

Name of Governmental Unit	Net General Obligation Debt Outstanding as of September 30, 2016 \$	Estimated Percent Applicable to the City of Cedar Park	City's Overlapping Tax Supported Debt \$
<u>Governmental Activities</u>			
General obligation bonds	145,525,506		
Certificates of obligations	21,150,853		
Economic Development bonds	44,015,043		
Note Payable	789,594		
Total governmental activities debt	<u>211,480,996</u>	(1) 100.00%	211,480,996
<u>Other Taxing Jurisdictions</u>			
Austin Community College District	304,153,659	4.59%	13,960,653
Leander ISD	1,032,727,661	32.97%	340,490,310
Round Rock ISD	787,475,000	2.46%	19,371,885
Travis County	3,495,000	4.52%	157,974
Travis County Healthcare District	707,826,497	0.49%	3,468,350
Williamson County	11,355,000	0.49%	55,640
Williamson-Travis MUD #1	<u>931,599,942</u>	12.46%	<u>116,077,353</u>
Total other taxing jurisdictions	<u>3,778,632,759</u>		<u>493,582,165</u>
Total Direct and Overlapping Tax Supported Debt			<u>705,000,969</u>
Ratio of Direct and Overlapping Tax Supported Debt to Assessed Valuation (2)		11.47%	
Per Capita Overlapping Tax Supported Debt (3)			10,190

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

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

- (1) Excludes general obligation debt reported in proprietary funds.
- (2) Based on assessed valuation of \$4,903,691,534 provided by the Williamson Central Appraisal District and Travis Central Appraisal District.
- (3) Based on estimated population of 69,188.

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

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

Fiscal Year	Assessed Taxable Value	Debt Limit (1)	Amount Expended for General Obligation Debt Service	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
	\$	\$	\$	\$	
2007	2,674,148,410	40,112,226	6,433,654	33,678,572	16.04%
2008	3,270,237,900	49,053,569	8,238,728	40,814,841	16.80%
2009	3,980,303,193	59,704,548	12,453,668	47,250,880	20.86%
2010	4,063,247,608	60,948,714	12,728,201	48,220,513	20.88%
2011	4,245,414,944	63,681,224	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	16.86%
2016	7,117,190,829	106,757,862	14,962,724	91,795,138	14.02%

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

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

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

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

Fiscal Year	General Bonded Debt Outstanding				Net General Bonded Debt	Population	Assessed Value	Ratio of General Bonded Debt to Assessed Value	General Bonded Debt per Capita
	General Obligation Bonds	Certificates of Obligation	Deferred Charges	Less: Restricted Fund Balance, Debt Service Fund					
	\$	\$	\$	\$	\$		\$		\$
2007	85,005,002	7,571,250	2,339,634	1,698,143	93,217,743	50,220	2,674,148,410	3.5%	1,856
2008	93,727,689	6,256,250	2,171,942	2,460,099	99,695,782	52,731	3,270,237,900	3.0%	1,891
2009	89,940,000	5,712,500	1,953,606	3,223,496	94,382,610	54,015	3,980,303,193	2.4%	1,747
2010	97,900,000	5,130,000	1,846,547	3,466,006	101,410,541	56,072	4,063,247,608	2.5%	1,809
2011	99,325,000	2,765,000	1,812,981	3,973,542	99,929,439	58,035	4,245,414,944	2.4%	1,722
2012	108,110,000	1,955,000	4,889,408	3,537,853	111,416,555	58,450	4,435,328,986	2.5%	1,906
2013	103,245,000	1,680,000	3,975,134	4,017,896	104,882,238	60,446	4,756,023,864	2.2%	1,735
2014	105,940,000	13,015,000	4,526,799	5,124,654	118,357,145	61,163	4,903,691,534	2.4%	1,935
2015	111,820,000	24,985,000	8,893,376	8,108,955	137,589,421	67,537	5,051,006,539	2.7%	2,037
2016	135,465,000	19,690,000	14,551,402	8,949,479	160,756,923	69,188	7,117,190,829	2.3%	2,323

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

**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
	\$	\$	\$	\$	
2007	22,119,760	13,303,900	8,815,860	5,801,453	1.520
2008	27,743,576	16,166,582	11,576,994	5,769,894	2.006
2009	28,791,190	17,254,766	11,536,424	5,766,902	2.000
2010	25,365,706	13,278,417	12,087,289	5,466,750	2.211
2011	31,038,423	15,318,995	15,719,428	5,624,413	2.795
2012	29,055,461	13,537,541	15,517,920	7,167,738	2.165
2013	28,196,601	16,349,924	11,846,677	7,048,161	1.681
2014	28,216,004	15,890,533	12,325,471	7,065,336	1.744
2015	29,968,170	16,265,690	13,702,480	7,463,350	1.836
2016	30,416,952	17,903,045	12,513,907	7,402,999	1.690
Solid Waste Bonds (3)					
Fiscal Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements- Principal and Interest	Revenue Bond Coverage
	\$	\$	\$	\$	
2012	3,110,633	2,973,965	136,668	175,685	0.778
2013	3,338,590	3,259,261	79,329	177,735	0.446
2014	3,623,250	3,428,930	194,320	174,735	1.112
2015	3,810,121	3,516,470	293,651	176,414	1.665
2016	3,655,106	3,461,268	193,838	177,473	1.092

- (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	2016			2007	
	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	600	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	N/A
City of Cedar Park	415	6	1%	305	N/A
ETS Lindgren	270	7	1%	100	1%
CoreSlab	250	8	1%	200	3%
BMC Corporation	220	9	1%	N/A	N/A
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>
2007	50,220	1,813,996,620	36,121	24,230	3.3%
2008	52,731	1,989,751,554	37,734	26,443	4.0%
2009	54,015	1,976,462,865	36,591	28,364	5.8%
2010	56,072	2,118,007,656	37,773	30,321	5.7%
2011	58,035	2,325,288,345	40,067	32,034	6.4%
2012	58,450	2,427,194,700	41,526	34,122	5.6%
2013	60,446	2,586,242,556	42,786	34,381	4.8%
2014	61,163	2,674,046,360	43,720	36,192	3.8%
2015	67,537	3,022,550,898	44,754	37,042	3.0%
2016	69,188	3,171,508,732	45,839	37,158	3.0%

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**

Function	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities										
General Government										
City Manager	4	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	5
Information Technology	10	7	6	6	5	5	5	5	4	4
Human Resources	5	5	5	5	4	4	4	4	4	4
Public Information	3.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Economic Development	2	2	2	2	2	3	2	2	2	2
Public Works/Engineering	8	8	8	8	8	9	8	8	8	8
Planning and Transportation	7	7	7	7	5	7	8	8	8	8
Maintenance	7	7	7	7	7	6	6	5	5	4
Legal Services	4	4	4	4	4	4	3	3	3	3
Public Safety										
Municipal Court	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	8.5	7.5
Police	125	120	112	107	101	100	101	101	94	84
Animal Control	4	4	4	4	3	3	3	3	3	3
Building Inspection	12	12	12	11	10	11	11	11	11	11
Fire	77	72	70	70	72	71	74	74	74	67
Code Enforcement	3	3	3	3	3	3	-	-	-	-
Emergency Management	1	1	1	1	1	1	-	-	-	-
Cultural and Recreational										
Parks and Recreation	35	35	33	33	31	31	31	31	22	21
Library	19	19	18.25	18.25	17.75	17.75	17.75	18.75	18.25	17.75
Tourism	1.5	1.5	1.5	1.5	1.5	-	-	-	-	-
Streets and Lighting										
Streets	13	13	13	13	13	13	12	12	12	12
Signal and Light Maintenance	5	5	5	5	4	2	-	-	-	-
Total governmental employees	<u>363.5</u>	<u>349.5</u>	<u>335.75</u>	<u>329.75</u>	<u>316.25</u>	<u>314.75</u>	<u>309.75</u>	<u>309.75</u>	<u>291.25</u>	<u>268.75</u>
Business-type activities										
Water and Sewer	<u>82</u>	<u>78</u>	<u>78</u>	<u>78</u>	<u>78</u>	<u>74</u>	<u>70</u>	<u>69</u>	<u>68</u>	<u>67</u>
Total business-type employees	<u>82</u>	<u>78</u>	<u>78</u>	<u>78</u>	<u>78</u>	<u>74</u>	<u>70</u>	<u>69</u>	<u>68</u>	<u>67</u>
Total full-time equivalent employees	<u>445.5</u>	<u>427.5</u>	<u>413.75</u>	<u>407.75</u>	<u>394.25</u>	<u>388.75</u>	<u>379.75</u>	<u>378.75</u>	<u>359.25</u>	<u>335.75</u>

Source: Budget document of the City of Cedar Park

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

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>General Government</u>										
Ordinances/resolutions enrolled	233	226	248	219	256	246	251	320	322	275
Accounts payable payments issued	22,465	5,009	5,996	6,703	7,151	7,571	7,640	7,569	10,929	7,500
Technology assistance calls	4,391	4,141	3,568	3,162	1,038	3,780	2,500	2,400	1,900	1,873
Budgeted positions	446	426	428	414	408	394	388	379	378	359
Site development plans reviewed	42	46	51	48	28	23	21	31	25	31
Vehicles maintained	237	227	227	217	207	203	181	158	151	189
<u>Public Safety</u>										
Citations filed	6,276	6,426	8,718	12,470	13,635	13,788	10,112	12,558	11,631	17,329
Fire Department emergency calls	5,673	5,347	4,822	4,537	4,384	4,433	4,283	4,070	4,040	3,857
Cases filed	11,714	9,134	10,097	13,600	14,754	14,763	13,341	12,664	11,680	17,369
Residential building permits	4,249	4,499	648	618	678	626	611	556	702	1,022
Nonresidential building permits	1,196	1,082	124	102	103	122	90	114	182	208
<u>Culture and Recreation</u>										
Park acres maintained (1)	722	722	734	722	722	525	495	487	487	452
Recreation programs offered	60	59	54	54	45	40	40	34	29	28
Circulation of volumes in library	689,427	460,759	678,832	689,237	687,669	725,151	781,663	795,325	678,843	573,685
Catalogued items in library	121,122	120,248	120,313	120,302	116,419	112,859	108,354	95,273	94,000	96,407
Library visits	284,357	293,419	283,901	286,546	292,623	278,358	302,479	327,962	300,000	336,000
<u>Streets</u>										
Miles of paved streets (excluding ETJ)	291	291	281	281	281	261	222	217	213	200
Miles of drainage ways	172	172	172	172	172	172	172	172	172	163
<u>Water and Sewer</u>										
Treated gallons of water (in millions)	4,422	4,256	4,038	4,461	4,642	5,770	4,524	4,560	4,700	4,000
Gallons wastewater treated (in millions)-Cedar Park	806	808	798	806	803	801	803	814	814	814
Gallons wastewater treated (in millions)-Regional Plant	1,220	1,072	944	909	1,071	1,070	1,100	811	788	751
Retail water accounts	22,007	21,841	21,459	21,005	20,275	19,612	18,981	18,434	18,017	17,524
Retail wastewater accounts	20,957	20,588	20,361	19,908	19,042	18,430	17,811	17,276	16,870	16,420

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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
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	3
Streets										
Area in square miles	24.09	24.09	24.09	24.09	23.05	23.05	23.05	23.21	23.16	23.15
Paved streets in miles (excluding ETJ)	291	291	281	281	223	223	223	217	213	200
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	3
Water										
Number of water treatment plants	2	2	2	2	1	1	1	1	1	1
Number of miles of water main	350	350	374	348	348	348	348	313	300	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	26	26	26	26	26	26
Wastewater										
Number of wastewater treatment plants	3	3	3	3	2	2	2	2	2	2
Number of miles of sewer main	292	287	294	292	285	285	285	250	240	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	5

Source: The City of Cedar Park



CEDAR

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