



Comprehensive Annual Financial Report



For the Year Ended September 30, 2015
City of Cedar Hill, Texas

CITY OF CEDAR HILL, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2015

Prepared by the
CITY OF CEDAR HILL
FINANCE DEPARTMENT

Alan Dickerson, Finance Director
Latifia Coleman, Accounting Manager

CITY COUNCIL

Robert K. Franke, Mayor

Chris Parvin, Mayor Pro Tem
Jami McCain, Council Member
Wallace Swayze, Council Member

Daniel C. Haydin Jr., Council Member
Stephen Mason, Council Member
Clifford R. Shaw, Council Member

CITY MANAGER

Greg Porter



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**City of Cedar Hill
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended September 30, 2015**

TABLE OF CONTENTS

	Exhibit	Page
I. INTRODUCTORY SECTION (Unaudited)		
Transmittal Letter	i	
Certificate of Achievement	vii	
Organizational Chart	viii	
List of Principal Officials	ix	
II. FINANCIAL SECTION		
Independent Auditor's Report	1	
A. MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)		4
B. BASIC FINANCIAL STATEMENTS:		
 Government-Wide Financial Statements:		
Statement of Net Position	A-1	16
Statement of Activities	A-2	17
 Fund Financial Statements:		
 Governmental Fund Financial Statements		
Balance Sheet	B-1	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	B-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	B-3	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	B-4	24
 Proprietary Fund Financial Statements		
Statement of Net Position	C-1	25
Statement of Revenues, Expenses, and Changes in Fund Net Position	C-2	27
Statement of Cash Flows	C-3	28
 Fiduciary Fund Financial Statements		
Statement of Fiduciary Net Position	D-1	30
Statement of Changes in Fiduciary Fund Net Position	D-2	31
 Notes to the Basic Financial Statements		32
C. REQUIRED SUPPLEMENTARY INFORMATION (Unaudited):		
Schedule of Changes in Net Pension Liability and Related Ratios (Last 10 Years) - TMRS Plan	E-1	69
Schedule of Contributions - TMRS Plan	E-2	70
Schedule of Cedar Hill Employees Other Post Employment Benefits Plan Analysis of Funding Progress	E-3	71
Budgetary Comparison Schedules:		
General Fund	E-4	72
Joe Pool Fund	E-5	73
Notes to Required Supplementary Information		74

City of Cedar Hill
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended September 30, 2015

TABLE OF CONTENTS (Continued)

	Exhibit	Page
D. COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		
Nonmajor Governmental Funds:		
Combining Balance Sheet	F-1	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	F-2	79
Budgetary Comparison Schedules:		
Budgetary Comparison Schedule - Debt Service Fund	G-1	83
Budgetary Comparison Schedule - Police Forfeiture Special Revenue Fund	G-2	84
Budgetary Comparison Schedule - Hotel Occupancy Special Revenue Fund	G-3	85
Budgetary Comparison Schedule - Library Special Revenue Fund	G-4	86
Budgetary Comparison Schedule - High Pointe Public Improvement District Special Revenue Fund	G-5	87
Budgetary Comparison Schedule - Waterford Oaks Public Improvement District Special Revenue Fund	G-6	88
Budgetary Comparison Schedule - Traffic Safety Special Revenue Fund	G-7	89
Budgetary Comparison Schedule - Landscape Beautification Special Revenue Fund	G-8	90
Budgetary Comparison Schedule - Crime Control and Prevention District	G-9	91
E. COMPONENT UNITS FUND FINANCIAL STATEMENTS		
Cedar Hill Community Development Corporation		
Balance Sheet	H-1	92
Reconciliation of the Community Development Corporation Balance Sheet to the Statement of Net Position	H-2	93
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	H-3	94
Reconciliation of the Community Development Corporation Statement of Net Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	H-4	95
Cedar Hill Economic Development Corporation		
Balance Sheet	H-5	96
Reconciliation of the Economic Development Corporation Balance Sheet to the Statement of Net Position	H-6	97
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	H-7	98
Reconciliation of the Economic Development Corporation Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	H-8	99

City of Cedar Hill
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended September 30, 2015

TABLE OF CONTENTS

	Exhibit	Page
III. STATISTICAL SECTION (Unaudited)		Table
Net Position By Component - Last Ten Fiscal Years	1	101
Changes in Net Position - Last Ten Fiscal Years	2	103
Fund Balances, Governmental Funds - Last Ten Fiscal Years	3	107
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	4	109
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	5	111
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	6	112
Principal Property Tax Payers - Current Year and Nine Years Ago	7	114
Property Tax Levies and Collections - Last Nine Fiscal Years	8	115
Ratios of Outstanding Debt By Type - Last Ten Fiscal Years	9	116
Ratios of Net General Bonded Debt Outstanding - Last Ten Fiscal Years	10	117
Direct and Overlapping Governmental Activities Debt - September 30, 2013	11	118
Legal Debt Margin Information	12	119
Pledged-Revenue Coverage - Last Ten Fiscal Years	13	120
Demographic and Economic Statistics - Last Ten Fiscal Years	14	121
Principal Employers - Current Year and Nine Years Ago	15	122
Full-Time Equivalent City Government Employees By Function/Program - Last Ten Fiscal Years	16	123
Operating Indicators By Function/Program - Last Ten Fiscal Years	17	124
Capital Asset Statistics By Function/Program - Last Ten Fiscal Years	18	126



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INTRODUCTORY SECTION



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY



April 25, 2016

***To the Honorable Mayor and City Council,
and Citizens of the City of Cedar Hill:***

The Finance Department and City Manager's Office are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Cedar Hill (the "City") for the fiscal year ended September 30, 2015. State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report fulfills that requirement.

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

Crowe Horwath, L.L.P., Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Cedar Hill's financial statements for the year ended September 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

City Profile

The City was incorporated in 1938 under the general laws of the State of Texas and is the oldest organized community in Dallas County and became a home-rule city in 1975. The City has grown from a small rural town of 6,850 in 1980 to a suburban city with a population estimate of 49,615 in 2015. Since the 2010 census of 46,300, the City's population has grown by 3,315 or 7.16%. The median age of those living in the City is 35 years and median household income is \$65,421. The City is located on U.S. Highway 67, in the southwest quadrant of Dallas County and a small portion of northern Ellis County. The City covers an area of 35 square miles and is approximately 18 miles from downtown Dallas. With easy access to I-20 and I-35 from U.S. Highway 67, Cedar Hill is home to many residents who commute to and from employment in the Dallas-Fort Worth (DFW) metropolitan area.

Some of the most beautiful and fascinating parks and open space areas in the State of Texas are located in the City including Cedar Hill State Park and the Dogwood Canyon Audubon Center. One of the City's most visited attractions, Joe Pool Lake, offers 7,500 acres of water for fishing, sailing and waterskiing, drawing visitors from all over the United States. Adjoining Joe Pool Lake is Cedar Hill State Park, which offers more than 1,800 acres of parkland and is one of the most visited state parks in Texas. Parks and recreation is important to the City and certainly

Mayor, Rob Franke • Mayor Pro Tem, Chris Parvin • Stephen Mason • Jami McCain
Daniel C. Haydin, Jr. • Clifford R. Shaw • Wallace Swayze • City Manager, Greg Porter

part of its distinctive character. The City maintains 32 park facilities comprising 721 acres. Park facilities include a recreation center, a senior center, softball fields, baseball fields, soccer fields, tennis courts, a municipal swimming pool, football fields, playground equipment, picnic pavilions, basketball courts, amphi-theatre, fishing ponds, paved trails and a nature preserve. The inclusion of neighborhood parks and the preservation of green space will remain a priority as the City expands. Higher education offerings in the City are Northwood University, Strayer University in 610 Uptown Blvd, and Cedar Valley College which offers workforce development and continuing education classes in conjunction with the Small Business Development Center at the Cannady location in Cedar Hill. The CHISD is focused on providing educational choices for the community through innovative educational opportunities. The District is building upon the success of its nationally ranked Early College Collegiate High School with the opening in 2015 of the Collegiate Prep Elementary School and Collegiate Academy Middle Schools. A wide selection of charters and private schools add to the expansive set of educational choices available to families and new comers to Cedar Hill.

Government Structure

The City operates under a council-manager form of government. Policy-making and legislative authority are vested in the City Council, consisting of a Mayor and six council members. The City Council appoints committees, boards and hires the City Manager, City Attorney and City Judge. The City Manager is responsible for carrying out the policies and implementing the ordinances of the City Council and oversees the day-to-day operations of the government, appoints the directors of the various departments, and prepares an annual budget.

Services Provided

The City provides a full range of municipal services authorized by statute or charter. These services include police protection, fire suppression, emergency medical services, water distribution, wastewater collection, building inspection, street maintenance and repair, code enforcement, park maintenance, full service recreation services and programming, swimming pool operations, library services, planning and economic development and general administrative services. The City maintains contracts for its water supply and wastewater treatment services as well as for solid waste services.

This accompanying CAFR includes all funds of the City including its component units. The City's component units are legally separate entities for which the City is financially accountable. The City's discretely presented component units are: Cedar Hill Economic Development Corporation and the Cedar Hill Community Development Corporation.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues recognized when measurable and available, and expenditures recorded when the liability is incurred. Proprietary operations are maintained on a full accrual basis.

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. Management must also ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with 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 to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The annual budget serves as the foundation for the City's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions contained in the annual budget submitted by the City Manager and approved by the City Council. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council. The City prepares a multi-year capital budget and updates are done annually with Council review. A capital budget is adopted annually with the City's operating budgets.

Budgetary control has been established at the individual fund level. Financial reports are produced electronically showing budget and actual for expenditures and revenues are reviewed by departmental managers and directors on a routine basis. All Departments have access to the City's core financial system for budget management. Individual line items are reviewed for budgetary compliance.

Local Economy



Cedar Hill is home to many businesses and is known for its diversified local economy. With its major intersecting highways, active rail line, and proximity to the Dallas-Fort Worth International Airport as well as part of a thriving metropolitan area, Cedar Hill is a cross roads for business. Located in the beautiful hill country environment of Joe Pool Lake and the Cedar Hill State Park, the City is the natural choice for those who want big-city amenities with a small-town ambience. Cedar Hill cornering the market on natural beauty, has championed

the phrase, "Where Opportunities Grow Naturally" setting itself apart from other metroplex cities. The natural beauty of the City is well complemented with its strategic central location within the fast growing North Texas metropolitan area. Cedar hill has become the regional high end retail hub with 11 major shopping districts offering over 2,000,000 square feet of retail, restaurants, office and entertainment.

The City is enjoying stable economic growth largely due to the City's robust retail environment. Hillside Village, a 600,000 square foot lifestyle mall underwent new ownership/management during the year with rebranding and major aesthetic improvements attracting not only local but regional shoppers. The mall continues to strive with tenants including Dillards, Barnes and Nobles, and Dick's Sporting Goods, Old Navy, OshKosh, and Hollister. Other major national retailers calling Cedar Hill home include, Target, Best Buy, Home Depot, Kohl's, Bed Bath and Beyond, Sprouts, Hobby Lobby and many others. Continued growth in the retail sector has is evident with over 100,000 square feet of new retail space constructed during 2015. Major tenants added with the last year include H&M, Charlotte Russe, Burlington Coat Factory and Gramaldi's. A new Neighborhood Wal-Mart was also completed and opened its doors during the year providing grocery and smaller household items to the southeast region of the City. Cedar Crossing, a mixed used development is adjacent to the northbound access road of SH67 and will complement the Kohl's Department Store.

The City's tax base continues to expand and climb out of the 2008 recession with positive growth. The City's tax base grew by 6% in 2015. Another indicator of positive growth is

consistent growth in sales tax which is directly related to growth and visibility of the City in the region. The City saw a The City permitted 111 single-family homes, 7 new commercial structures and 2 industrial buildings for a total construction value of \$41.1 million. In addition the City issued remodel, alteration and new addition permits during year for a construction value of \$12.9 million.

Cedar Hill is no exception to the increasingly positive business climate and continuing recovery being experienced throughout the Dallas-Fort Worth metroplex and north Texas as a whole. An example of the positive business climate in Cedar Hill is continual growth in the industrial sector of the City's local economy. Cedar Hill is booming with new development and has become a prime location for industrial, residential, retail, commercial and recreational opportunities. The City's Economic Development Corporation (the "EDC") continues to recruit businesses that provide local employment opportunities as well as growth in the City's commercial and retail tax base. The EDC has had successes in bringing in several industrial-manufacturing companies. IDX Corporation, the preeminent manufacturer of consumer environments opened its 80,000 square feet of manufacturing space and 170,000 square feet warehouse during the year. IDX Corporation offers wood manufacturing, panel processing, metal prototyping, assembly, finishing, post-lamination, and warehousing and distribution. NARSTCO, a leading manufacturer and supplier of steel rail road ties and turnouts, made an investment to locate to Cedar Hill in 2015. NARSTCO is located in the Cedar Hill Business Park and holds the No. 1 market share of steel railroad tie products supply in North America. Metals USA, located in the Cedar Hill Business Park, also continues its growth where locally it provides large steel distribution and first-stage steel fabrication capabilities. Since locating to the area, it's seen tremendous growth – expanding 50,000 SF – to make room for new high-tech equipment in their operations. Other businesses located in the Cedar Hill Business Park include KRK Technologies, Dualite, Pep Wear, Martin Apparatus and others. There remain 6 pad sites for future business manufacturing opportunities in the City Business Park and there is expectation of additional business industrial and manufacturing growth not only in the Business Park but in other properties zoned for industrial use.

Economic Future

In keeping with targeted growth, the City's center city project continues to thrive with retail, restaurant and entertainment venues. The City Center which is the location of the "Government Center" is anchored with JC Penney, 24-hour Fitness, Wal-Mart and Cinemark Theater. In addition, the City Center is complimented with Midtown Cedar Hill apartments which opened in 2014 bringing walk-about traffic to the area. For the near future, the City's comprehensive plan is to aggressively seek out developers to continue to make the City Center a vibrant live, play and work destination place complimented with linear park space, restaurants and entertainment venues. The City is expecting retail and commercial growth along Beltline Road through old town Cedar Hill that will be opened up with the construction of Mansfield Road. The Mansfield Road project is a new gateway to the City making the city's commercial core more accessible to populations in the west.

Use of hotel space in the City continues to grow and helps to support the City's tourism initiative. Tourism and the City's Main Street project(s) are expected to enhance the City's destination initiative.

The fiscal year 2016 budget was developed based upon a recovering economy and an increase in overall property valuations of approximately 5.6%. The property tax rate remained constant at 69.876 cents per \$100 of property value which allowed service levels to be maintained at

current levels. It is anticipated that the City's diversity of revenue will continue to be strong with property and sales tax being the primary sources of operational funding. The City continues to remain financially strong and stable by adjusting expenditures to available revenues. The stable economic growth in retail and industrial/manufacturing continues to provide positive diversity in the City's tax base.

FINANCIAL PLANNING AND FISCAL POLICIES

The City continues to update several master plans to guide the City's long-term growth and financial planning. Significant master planning activity includes recent updates to: 1) the comprehensive water and wastewater system master plan, 2) parks, open space and trails vision plan 3) a transit oriented development-city center plan, and 4) a strategic plan for the Economic Development Corporation. Utilizing these plans, the City annually updates a five-year capital improvement plan, including the timing and amounts of debt to be issued to fund the plan. The City also maintains a police department staffing plan and a fire department staffing plan. The City completes a benchmarking survey of budgets, staffing and selected activity measurements of thirteen similar cities as part of the annual budget process. These plans and the survey are used as an aid in determining budget allocations to the various departments and activities of the City.

The City's fiscal management policies require minimum fund balances for numerous funds. Each of the funds with minimum fund balance requirements meets or exceeds these requirements. There were no significant impacts on the current year's operations as a result of the fiscal management policies.

OTHER INFORMATION

Independent Audit:

The City Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City. The City Charter specifies that such audit be conducted by independent auditors selected by the City Council. Crowe Horwath LLP was selected by the City Council to conduct this year's audit. The independent auditors' report on the basic financial statements is included in the financial section of this report.

Certificate of Achievement:

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cedar Hill for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2014. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such CAFR must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The City has received the Certificate of Achievement for twenty-three years consecutively (fiscal years ended 1990 - 2014). We believe our current report continues to conform to the Certificate of Achievement program requirements, and are submitting the 2014 CAFR to the GFOA.

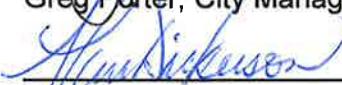
Acknowledgements:

The preparation of this report could not be accomplished without the efficient and dedicated services of the Finance Department staff. Credit must also be given to the City Council Audit Committee for their oversight, guidance and support. We would like to express our appreciation to all employees who assisted and contributed to its presentation.

We would also like to thank the members of the City Council for their leadership and support in planning and conducting the financial operations of the City in a responsible manner.

Respectfully submitted,

Greg Porter, City Manager


Alan Dickerson, Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Cedar Hill
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

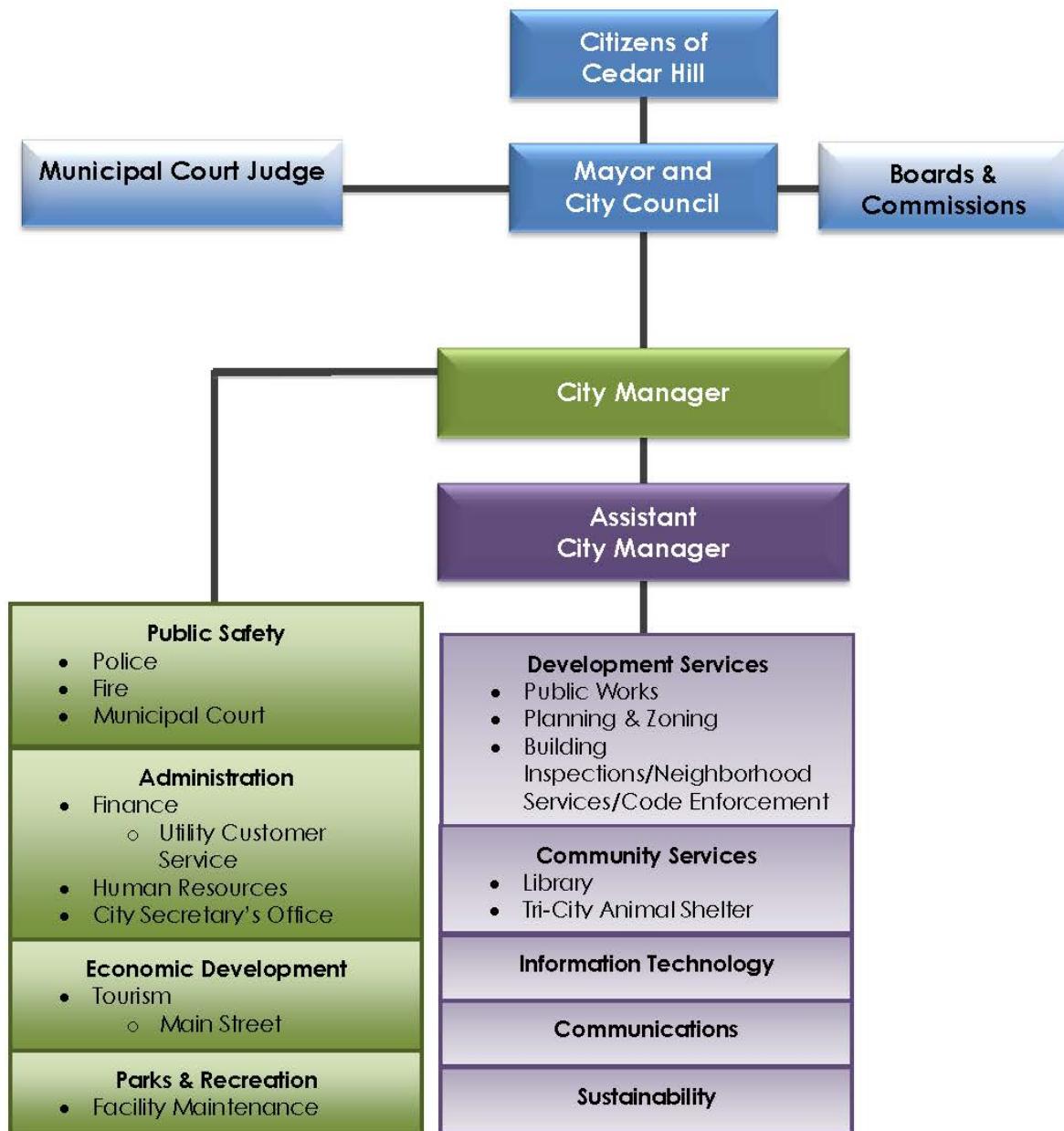
September 30, 2014

A handwritten signature in black ink, appearing to read "Jeffrey R. Ecker".

Executive Director/CEO



Organizational Chart



CITY OF CEDAR HILL
List of Principal Officials
at September 30, 2015

Elected Officials

Title	Name
Mayor	Robert K. Franke
Mayor Pro-Tem	Chris Parvin
Councilmember	Daniel C. Haydin Jr.
Councilmember	Wallace Swayze
Councilmember	Jami McCain
Councilmember	Stephen Mason
Councilmember	Clifford R. Shaw

Appointed Officials

City Manager	Greg Porter
Assistant City Manager.....	Melissa Stephens- Cummings
City Secretary.....	Belinda Berg
Finance Director	Alan Dickerson
Police Chief.....	Steve Rhodes
Fire Chief.....	John Ballard
Economic Development Director	Allison Thompson
Building Official.....	Johnny Kendro
Library Manager	Toni Simmons
Parks & Recreation Director	Larry Foos
Planning Director.....	Rod Tyler
Public Works Director	Elias Sassoon
Information Technology Manager	Earl Shipman
Tri-City Animal Shelter Director	Tammy Miller
Municipal Court Judge.....	Michael Petty



CEDAR HILL

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FINANCIAL SECTION



CEDAR HILL

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council,
Cedar Hill, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Hill (the "City"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, in June 2012 the GASB issued GASB Statement No. 68, *“Accounting and Financial Reporting for Pensions.”* Also, in November 2013 the GASB issued GASB Statement No. 71, *“Pension Transition for Contributions Made Subsequent to the Measurement Date”*. As discussed in note 1, GASB Statements 68 and 71 were effective for the City’s fiscal year ended September 30, 2015. These Statements replace the requirements of Statement No. 27, *“Accounting for Pensions by State and Local Governmental Employers”* and Statement No. 50, *“Pension Disclosures.”* Statements 68 and 71 establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses as well as identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosures and required supplementary information requirements about pensions are also addressed. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management’s Discussion and Analysis, Schedule of Changes in Net Pension Liability and Related Ratios (Last 10 Years)- TMRS Plan, Schedule of Contributions – TMRS Plan, Schedule of Cedar Hill Employees Other Post Employment Benefit Plan Analysis of Funding Progress, Schedules of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund and Joe Pool Fund* on pages 4 – 15, 69, 70, 71, 72 and 73 presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The combining and individual financial statements and schedules, component units fund financial statements and the other information, such as the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and statistical section 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe Horwath LLP". The signature is fluid and cursive, with "Crowe" and "Horwath" connected by a horizontal stroke, and "LLP" written in a smaller, separate area.

Crowe Horwath LLP

Dallas, Texas
April 25, 2016



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2015

The City of Cedar Hill offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with our letter of transmittal in the introductory section and the financial reports that follow in this section.

FINANCIAL HIGHLIGHTS

- The assets of the City of Cedar Hill and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal by \$150,236,431 (net position). Of this amount, \$9,638,396 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position decreased by \$583,898 during the year.
- At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$95,235,878. \$1,173,232 of this fund balance is subject to various commitments such as construction projects. Approximately 9.5% of this amount, or \$9,076,410, is unassigned and available for use within the City's designation and policies.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$9,090,324, or 30.2%, of the total general fund expenditures. The fund balance of the general fund increased \$1,228,605 or 15.5%.
- The Joe Pool Fund's fund balance increased by \$4,217,349, resulting from transfers from the Water and Sewer Fund of \$1,800,000 and General Fund of \$50,000 and interest earnings on investments of \$2,367,349. This fund is dedicated to accumulating resources to retire the amount due for the City's share of the water rights to Joe Pool Lake.
- The City's total amount of outstanding bonded debt is \$88,825,000 which is a net decrease of \$835,000 from the prior year. Details can be found in the notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Cedar Hill's basic financial statements. The City of Cedar Hill's basic financial statements are comprised of three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2015

Government-Wide Financial Statements—The government-wide financial statements are intended to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The main goal is to ascertain whether the City of Cedar Hill is in a better financial position at the end of the current fiscal year compared to the previous year. The government-wide financial statements report information about the City as a whole and about its activities in a way that helps to determine this relative position. Other non-financial factors should also be taken into consideration to assess the overall health or financial condition of the City. Examples include but are not limited to changes in the City's property tax base, sales tax receipts and the condition of the City's infrastructure (i.e. roads, drainage improvements, storm and sewer lines, etc.).

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

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave). Both the statement of net position and statement of activities are prepared utilizing the accrual basis of accounting.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from the functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include most of the City's basic services such as police, fire, code compliance, parks and recreation, community services, library, and public works. The business-type activities of the City include water, sewer, and solid waste services.

The government-wide financial statements include not only the City itself (primary government) but also the Community Development Corporation (CDC) and the Economic Development Corporation (EDC), which are component units. These component units are legal, separate entities for which the City is financially accountable.

The government-wide financial statements can be found on pages 16-18 of this report.

Fund Financial Statements—a fund is a grouping of related accounts 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. The funds of the City can be classified into three categories: governmental funds, proprietary funds and fiduciary funds.

CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. By comparing information presented for governmental funds with the governmental activities in the government-wide statements, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds' balance sheet and the governmental fund statement of revenues, expenditures, and changes in the fund balances provide a reconciliation to facilitate the comparison between the governmental funds and the governmental activities.

The City maintains several governmental funds organized according to their fund type. Information is presented separately for the City's major funds in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service Fund, Joe Pool Fund, General Obligation Fund and Capital Recovery Fund, which are considered major funds. Data from the remaining funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements and are presented elsewhere in this report.

The basic governmental fund financial statements can be found on pages 19-24 of this report.

Proprietary Funds—The City of Cedar Hill maintains two types of proprietary funds. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide statements. The City uses an enterprise fund to account for its water and sewer activities. The internal service fund is utilized to report activities that provide supplies and services among the City's various functions and activities. The City uses its internal service fund to account for equipment purchased and leased to governmental funds and component units. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds statements provide the same type of information found in the business-type activities in the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 25-29 of this report.

Fiduciary Funds— The City has one fiduciary fund, pension trust fund. This fund is used to account for police reserve pension benefits.

The basic fiduciary fund financial statements can be found on pages 30-31 of this report.

CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2015

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 on pages 32-68 of this report.

Other Information—In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information of the City's budget to actual variance and schedules of funding progress for retirement plans. Required supplemental information can be found on pages 69-74 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and budget to actual variance schedules for non-major governmental funds and the component unit fund financial statements are presented following the required supplemental information. These combining and individual statements and schedules can be found on pages 75-99 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the net position may serve as a useful indicator of a government's financial position. The assets of the City of Cedar Hill (Primary Government) and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal by \$150,236,431 (net position) as shown in the table below. Analyzing the net position of the governmental and business-type activities separately, governmental activities' net position was \$93,529,969 while business-type activities' net position was \$56,706,462.

Condensed Schedule of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 101,679,346	\$ 90,573,701	\$ 10,763,414	\$ 18,597,082	\$ 112,442,760	\$ 109,170,783
Capital assets	159,186,727	164,482,234	64,488,235	56,645,550	223,674,962	221,127,784
Total assets	260,866,073	255,055,935	75,251,649	75,242,632	336,117,722	330,298,567
Deferred outflow of resources	3,211,396	1,153,269	326,163	49,609	3,537,559	1,202,878
Current liabilities	2,327,212	152,024,889	1,499,036	16,670,422	3,826,248	168,695,311
Noncurrent liabilities	167,965,938	3,436,361	17,347,158	2,122,488	185,313,096	5,558,849
Total liabilities	170,293,150	155,461,250	18,846,194	18,792,910	189,139,344	174,254,160
Deferred inflows of resources	254,350	-	25,156	-	279,506	-
Net position:						
Net investment in capital	80,025,249	75,753,514	46,927,843	45,470,833	126,953,092	121,224,347
Restricted	10,511,210	9,967,610	3,133,733	4,048,531	13,644,943	14,016,141
Unrestricted	2,993,510	15,026,830	6,644,886	6,979,967	9,638,396	22,006,797
Total net position	\$ 93,529,969	\$ 100,747,954	\$ 56,706,462	\$ 56,499,331	\$ 150,236,431	\$ 157,247,285

The largest portion of the City's net position (\$126,953,092 or 84.45%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services 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.

CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2015

An additional portion of the City's net position (\$13,644,943 or 9.08%) represents resources that are subject to external restriction on how they may be utilized. The remaining balance of unrestricted net position (\$9,638,396 or 6.42%) may be used to meet the government's ongoing obligation to citizens and creditors.

Total net position of the City decreased \$7,010,854, or 4.46%, from fiscal year 2014. Total net position of governmental activities decreased by \$7,217,985 or 7.16%. The overall change in net position of governmental activities can be explained by evaluating the changes in governmental funds and then evaluating the conversion of the governmental funds from the modified accrual basis of accounting to the accrual basis of accounting used in governmental activities. Capital assets of the governmental activity funds experienced a decrease of \$5,295,507 or 3.22% due to depreciation exceeding assets obtained through construction.

Total net position of business-type activities increased by \$207,131 or .37%.

Analysis of the City's Operations

The following table provides a summary of the City's operations for the year ended September 30, 2015. The net position for governmental activities decreased by \$1,369,456. This is directly attributable to a reduction in program revenues associated with capital grants and contributions from the prior year. The net position of the City's business type activities increased by \$785,558. Total revenues for governmental activities decreased by \$162,106 which was primarily attributable to a decrease in investment earnings. Key impacts in governmental activities include property tax revenue which increased by \$1,123,469 or 6%. Sales and other taxes increased by 6% or \$724,488. The City had a sharp decline in capital grants and contributions of \$4,138,034 which is due to projects associated with the reimbursable grants being closed out and revenue earned in the prior year. There was an increase in charges of services of \$2,228,291 which is due to services fees and charges to customers and other entities. Revenues of the City's business-type activities decreased by \$2,529,084 from the prior year due to a one-time source of funds from a settlement agreement with another government agreement.

Governmental activities' expenses increased by \$3,689,400 primarily due to an increase in public safety and public works activities. Business-type activities' expenses increased by \$643,061 due to operational costs.

CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2015

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 9,873,268	\$ 7,644,977	\$ 18,685,787	\$ 17,382,937	\$ 28,559,055	\$ 25,027,914
Operating grants and contributions	2,001,494	1,740,421	-	-	2,001,494	1,740,421
Capital grants and contributions	1,048,364	5,186,398	257,513	631,981	1,305,877	5,818,379
General revenues:						
Property taxes	20,322,289	19,198,820	-	-	20,322,289	19,198,820
Sales taxes	8,075,632	7,610,173	-	-	8,075,632	7,610,173
Hotel/motel taxes	220,746	213,130	-	-	220,746	213,130
Franchise taxes	3,855,212	3,603,799	-	-	3,855,212	3,603,799
Investment earnings	2,527,311	3,068,688	58,062	36,670	2,585,373	3,105,358
Gain on disposal of fixed assets	86,420	15,704	-	-	86,420	15,704
Miscellaneous	340,555	231,287	-	3,478,858	340,555	3,710,145
Total revenues	48,351,291	48,513,397	19,001,362	21,530,446	67,352,653	70,043,843
Expenses:						
General government						
General government	6,730,123	6,048,611	-	-	6,730,123	6,048,611
Public safety	22,262,620	21,050,888	-	-	22,262,620	21,050,888
Public works	11,742,123	6,696,307	-	-	11,742,123	6,696,307
Community service	7,878,262	7,058,519	-	-	7,878,262	7,058,519
Water and sewer services	-	-	16,415,804	15,772,743	16,415,804	15,772,743
Interest and fiscal charges	2,907,619	6,977,022	-	-	2,907,619	6,977,022
Total expenses:	51,520,747	47,831,347	16,415,804	15,772,743	67,936,551	63,604,090
Increase in net position before transfers						
Increase in net position before transfers	(3,169,456)	682,050	2,585,558	5,757,703	(583,898)	6,439,753
Transfers	1,800,000	1,800,000	(1,800,000)	(1,800,000)	-	-
Change in net position	(1,369,456)	2,482,050	785,558	3,957,703	(583,898)	6,439,753
Net position, beginning of year	94,899,425	98,265,904	55,920,904	52,541,628	150,820,329	150,807,532
Net position, end of year	\$ 93,529,969	\$ 100,747,954	\$ 56,706,462	\$ 56,499,331	\$ 150,236,431	\$ 157,247,285

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Government Funds— The focus of the City'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 financial requirements. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$95,235,878. Approximately 9.55% or \$9,076,410 of this total amount constitutes unassigned fund balance which is available for any public use. Approximately 29% of the total fund balance or \$27,430,870 represent restricted fund balance and is constrained by creditors, grantors, contributors or laws and regulations. The committed fund balance of \$58,699,813 or 62% of fund balance has self-imposed limitations placed on its use by parties

CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2015

with the highest level of decision making within the City (the City Council). The remainder of the fund balance is considered non-spendable to indicate that it is not available for new spending because of its form and includes prepaid expenses and inventory.

The revenues of the General Fund totaled \$30,828,119 and the expenditures of the fund totaled \$30,060,745, and before other financing sources and uses of funds, the excess of revenues over expenditures was \$767,374. And, after other financing sources and uses in the General Fund, the change to fund balance was \$1,228,605 or a 15.5% increase. The year-end fund balance represents 30% of expenditures of the General Fund prior to other financing sources and uses. The City's fund balance policy initiative is 25% of operating expenditures or \$7,515,000.

The Debt Service Fund's fund balance decreased slightly by \$108,184. This decrease was a planned drawdown of excess reserves for debt service commitments during the year. With this drawdown, the Debt Service Fund maintains a reserve balance above the policy reserve initiative of 15%.

The Joe Pool Fund accounts for the resources accumulated to pay for the City's water rights in Joe Pool Lake as discussed in Note 6. The fund accumulated additional resources of \$4,217,349. \$1,850,000 of the increase was the result of transfers from the Water and Sewer Fund (\$1,800,000) and General Fund (\$50,000) with the remaining \$2,367,349 of investment earnings from investing activities.

The General Obligation Bond Fund accounts for funds to construct streets and several building renovations. The fund received \$31,164 in investment earnings during the fiscal year and incurred expenditures of \$1,489,461 for capital projects. Other financing sources and uses flowed through this fund relating to the issuance of refunding bonds.

The Capital Recovery Fund accounts for the street impact fees. The fund received \$804,893 in fees and \$23,933 in investment earnings during the fiscal year. The fund transferred a net amount of \$855,000 to the Debt Service Fund to assist in the payments of debt issued for qualifying street projects as identified in the City's Capital Improvement Plan.

The fund balances of the Non Major governmental funds decreased by \$693,920. The primary reason for this decrease is due a one-time transfer of funds to the City's debt service fund.

Proprietary Funds (Enterprise)—The City has two proprietary funds, a water and sewer (enterprise) fund and an equipment (internal service) fund. The enterprise fund financial statements provide similar information found in the government-wide financial statements but includes more detail. The Enterprise Fund had an operating income gain of \$2,754,005 at September 30, 2015. After other non-operating revenues and expenses, transfers and contributions, the net change in the net position of the City's enterprise fund was \$785,558. The unrestricted assets of the Enterprise fund at the end of the fiscal year were \$6,644,886. These assets can be used in operations and pay other legally contracted obligations and debt. The restricted assets of the Enterprise Fund totaled \$3,133,733 and are to be used for debt service reserves and construction activities. The internal service fund accounts for equipment

CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2015

purchased and leased to governmental funds and component units. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

General Fund Budgetary Highlights— Actual General Fund expenditures totaled \$30,060,745 or \$981,830 less than the \$31,042,575 budget. Expenditures represent 97% of the authorized budget. General Fund revenues totaled \$30,828,119 or \$468,659 above budget. The City had budgeted a reduction of Fund Balance of \$221,115. However, due to the better than expected revenues and expenditures being less than budgeted expectations, the City had a net gain in fund balance of \$1,228,605.

CAPITAL ASSETS

The City's investment in capital assets for its government-wide activities as of September 30, 2015 was \$217,460,329 (net of accumulated depreciation). The investment in capital assets includes land, buildings, equipment, improvements, construction-in-progress (CIP), water rights, master studies and infrastructure.

Major capital assets added as completed or in progress during the current fiscal year include the following:

- AMI Meter Replacement Project
- Parkview Water Storage
- Mansfield Road Reconstruction
- Parkview Water Storage
- Pleasant Run Phase 4B
- Red Oak Trail
- Old Town Water/Sewer infrastructure Rehabilitation
- Valley Ridge Waterline
- Bradford Park

CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2015

**Capital Assets at Year-end
 (net of accumulated depreciation)**

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 15,673,084	\$ 15,673,084	\$ 367,764	\$ 367,764	\$ 16,040,848	\$ 16,040,848
Construction in progress	-	10,515,546	37,083	7,766,808	37,083	18,282,354
Buildings	39,206,618	40,025,032	(45,132)	(22,031)	39,161,486	40,003,001
Water system	-	-	40,641,117	31,275,340	40,641,117	31,275,340
Sewer system	-	-	17,097,459	16,802,201	17,097,459	16,802,201
Equipment	2,516,905	2,994,805	401,735	451,831	2,918,640	3,446,636
Infrastructure	91,988,569	85,213,144	-	-	91,988,569	85,213,144
Water rights	9,503,063	9,992,491	-	-	9,503,063	9,992,491
Master studies	69,167	68,133	2,897	3,637	72,064	71,770
Total	<u>\$ 158,957,406</u>	<u>\$ 164,482,235</u>	<u>\$ 58,502,923</u>	<u>\$ 56,645,550</u>	<u>\$ 217,460,329</u>	<u>\$ 221,127,785</u>

Additional information on the City's capital assets can be found in Note 4 to the financial statements.

DEBT ADMINISTRATION

Debt—The City had \$65,995,000 in General Obligation Bonds, \$18,455,000 in Certificates of Obligations and, \$4,375,000 in Water and Sewer Revenue Bonds outstanding at fiscal year-end. The total outstanding for the primary government was \$88,825,000 in bonded debt. Of the \$84,450,000 in General Obligation Bonds and Certificates of Obligation of indebtedness, \$66,310,760 is paid and funded through a property tax levy. \$18,139,240 is self-supporting and paid from other sources. The Economic Development Corporation is contractually obligated to the City to provide funding for the annual debt service requirements on \$9,950,000 of the certificates of obligations mentioned above.

The City of Cedar Hill, together with the Cities of Grand Prairie and Duncanville and the Midlothian Water District, executed a contract with the Trinity River Authority of Texas to purchase water conservatory rights from Joe Pool Lake. As of September 30, 2015, the City's 43.21% share of the contract amounted to a \$78,237,362 liability. The City has chosen to defer diverting water from the reservoir. As a result of this decision, the liability will accrue interest at 5.683%. The City has set aside funds since the 1995 fiscal year to pay this obligation. At September 30, 2015, the amount accumulated in the Joe Pool Fund for the retirement of this debt is \$55,522,985. The present plan is to set aside \$1,850,000 each year to allow full payment of the obligation within a maximum of fifty years.

Other long-term liabilities relates to compensated absences, un-amortized premiums, OPEB and Pension liabilities as identified in the table below.

CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2015

Outstanding Debt

Outstanding Debt and Long-Term Liabilities

	Governmental activities		Business-type activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Gross bonded debt:						
General obligation	\$ 61,812,760	\$ 51,239,000	\$ 4,182,240	\$ 2,951,000	\$ 65,995,000	\$ 54,190,000
Certificates of obligation	11,420,000	20,990,000	7,035,000	6,235,000	\$ 18,455,000	\$ 27,225,000
Revenue bonds	-	-	4,375,000	6,575,000	\$ 4,375,000	\$ 6,575,000
Total bonded debt	73,232,760	72,229,000	15,592,240	15,761,000	88,825,000	87,990,000
Other long-term debt:						
Contractual obligation	78,237,363	74,030,225	-	-	-	-
Unamortized premiums	3,814,067	1,166,742	710,622	449,515	4,524,689	1,616,257
Compensated absences	4,458,230	4,284,062	216,108	395,318	4,674,338	4,679,380
OPEB	220,421	263,876	46,565	39,981	266,986	303,857
Net pension liability	7,903,066	7,779,229	781,622	769,374	8,684,688	8,548,603
Other long-term liabilities	-	7,384	-	24,608	-	31,992
Total other long-term debt	94,633,147	87,531,518	1,754,917	1,678,796	18,150,701	15,180,089
Total	\$167,865,907	\$159,760,518	\$ 17,347,157	\$ 17,439,796	\$106,975,701	\$103,170,089

Bond Ratings— The City bond ratings are presented in the following table:

	Standard and Poor's	Moody's Investor Services
General Obligation Bonds	AA	Aa2
Certificates of Obligation	AA	Aa2
Water and Sewer System Revenue Bonds	AA-	Aa2

Additional information on the City's long-term debt can be found in Note 7 to the basic financial statements.

COMPONENT UNITS

The City has two component units, each funded as follows:

- Economic Development Corporation at \$.00375 cents
- Community Development Corporation at \$.0050 cents

The Economic Development Corporation (EDC) is a legally separate entity that promotes (a) existing business enterprise expansion and retention, and (b) new business enterprise development.

The EDC increased its net position by \$328,781 to \$9,738,823 during the fiscal year. The corporation incurred \$2,631,718 in expenses during the fiscal year. The EDC's fund balance at fiscal year-end was \$6,394,482 which was an increase of \$466,100. The EDC's total revenues

CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2015

were \$2,705,271 of which of which \$2,666,407 was from sales taxes. For the year, the EDC had expenditures of \$2,562,184, and of this amount, \$1,169,033 were contractually required payments to the City for debt service. The EDC owns property in the Cedar Hill Business Park and during the year sold property and received proceeds from the sale in the amount of \$323,013.

The Community Development Corporation (CDC) is a legally separate entity that develops and operates community recreational facilities. The CDC's net position increased by \$1,239,405 to \$8,756,250 primarily from sales taxes and charges for services. This net position will be used in the future to develop additional recreational facilities. The CDC incurred \$3,178,217 in expenses and earned \$662,214 in program revenues, primarily for the operation of Cedar Hill Recreation Center and Valley Ridge Park. The CDC's fund balance at fiscal year-end was \$8,531,960 and increased by \$1,167,348. The CDC's total revenues were \$4,417,622 with \$3,555,210 from sales taxes. For the year the CDC's expenditures were \$3,250,274 of which \$372,973 was for capital expenses for park projects.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Cedar Hill is beginning to benefit from a recovering national and local economy as the City experienced its first annual increase in taxable values after seeing four consecutive years of declining valuations.

Valuation data released from the Dallas and Ellis County Appraisal Districts indicate taxable values increased approximately \$163,793,860 million, or 6% over the preceding year.

The general fund's largest single revenue source is property taxes, followed by sales taxes. The property tax rate for Fiscal Year 2015 has remained the same at \$0.69876 cents per \$100 valuation. The property tax rate and levy resulted in budgeted tax revenues of \$19,915,962 for the General Fund. This amount represents about 64.6% of all general fund operating revenues. General Fund property tax revenue for Fiscal Year 2016 is projected to increase by \$21,136,791 or 6% when compared to Fiscal Year 2015 budgeted revenues.

The City's portion of the sales tax rate is \$.01875 and the City has seen positive growth in its sales tax base at a rate of over 5% per year for the last two years. In November 2012, voters approved the creation of a Crime Control and Prevention District (CCPD) and authorized the re-allocation of one-eighth cent from the EDC to the CCPD. The State Comptroller began collecting the adjusted sales tax rates beginning July 1, 2013. Sales tax revenue growth for the General Fund for Fiscal Year 2015 is projected to grow approximately 5.5% to \$14.2 million based on trends over the last twelve months.

In fiscal year 2015, a 3% and 4% salary increase were approved for uniform public safety and general employees, respectively. Expenditures budgets have been adjusted based on budgeted revenues.

**CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2015**

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the Finance Department, City of Cedar Hill, 285 Uptown Blvd., Bldg. 100, Cedar Hill, Texas 75104, or call (972) 291-5100, extension 1063.

BASIC FINANCIAL STATEMENTS



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015**

EXHIBIT A-1

ASSETS	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Corporation	Economic Development Corporation
Equity in pooled cash and cash equivalents	\$ 57,778,331	\$ 7,703,696	\$ 65,482,027	\$ 8,326,592	\$ 5,690,764
Investments	38,174,175	-	38,174,175	-	254,154
Receivables (net of allowances for uncollectible):					
Taxes	2,305,541	-	2,305,541	604,597	453,441
Franchise taxes	753,896	-	753,896	-	-
Accounts	37,110	-	37,110	-	-
Miscellaneous	1,838,974	3,680,630	5,519,604	8,102	550
Interest	762,429	-	762,429	-	452
Inventory	19,140	-	19,140	-	-
Prepaid and other items	9,645	1,075	10,720	-	83,986
Restricted assets:					
Restricted for debt service:					
Equity in pooled cash and cash equivalents	-	1,007,817	1,007,817	-	-
Interest receivable	105	1,432	1,537	-	-
Restricted capital recovery fee funds-equity in pooled cash and investments	-	1,787,298	1,787,298	-	-
Restricted for deposits-equity in pooled cash and investments	-	440,226	440,226	-	-
Restricted pro rata funds-equity in pooled cash and investments	-	636	636	-	-
Restricted bond proceeds-equity in pooled cash and investments	-	2,125,916	2,125,916	-	-
Capital assets:					
Nondepreciable	15,673,084	404,847	16,077,931	343,579	3,302,065
Depreciable-net of accumulated depreciation	143,284,322	58,098,076	201,382,398	-	139,709
Other assets	229,321	-	229,321	-	-
TOTAL ASSETS	260,866,073	75,251,649	336,117,722	9,282,870	9,925,121
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refundings	1,062,396	113,624	1,176,020	-	-
Pension contributions and investment experience	2,149,000	212,539	2,361,539	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	3,211,396	326,163	3,537,559		
LIABILITIES					
Accounts payable	1,092,976	477,381	1,570,357	179,910	53,568
Accrued liabilities	923,313	85,848	1,009,161	154,967	35,297
Unearned revenue	-	-	-	47,362	-
Customer deposits	-	440,226	440,226	25,092	-
Interest payable	310,923	43,627	354,550	-	-
Payable from restricted assets-current	-	451,954	451,954	-	-
Noncurrent liabilities:					
Due within one year	9,276,371	1,008,469	10,284,840	56,687	28,730
Due in more than one year	158,689,567	16,338,689	175,028,256	62,602	68,703
TOTAL LIABILITIES	170,293,150	18,846,194	189,139,344	526,620	186,298
DEFERRED INFLOWS OF RESOURCES					
Pension actuarial experience	254,350	25,156	279,506	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	254,350	25,156	279,506		
NET POSITION					
Net investment in capital assets	80,025,249	46,927,843	126,953,092	267,217	3,533,979
Restricted for:					
Debt service	1,074,683	1,007,817	2,082,500	-	-
Construction	7,038,801	2,125,916	9,164,717	-	-
Animal shelter	28,659	-	28,659	-	-
Dispatch center	229,321	-	229,321	-	-
Other	2,139,746	-	2,139,746	-	-
Unrestricted	2,993,510	6,644,886	9,638,396	8,489,033	6,204,844
TOTAL NET POSITION	\$ 93,529,969	\$ 56,706,462	\$ 150,236,431	\$ 8,756,250	\$ 9,738,823

The Notes to the Basic Financial Statements
are an integral part of this statement.

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED
SEPTEMBER 30, 2015**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 6,730,123	\$ 716,293	\$ -	\$ -
Public safety	22,262,620	6,019,903	66,384	-
Public works	11,742,123	100,870	-	1,048,364
Community services	7,878,262	3,036,202	22,340	-
Interest and fiscal charges	2,907,619	-	1,912,770	-
Total governmental activities	51,520,747	9,873,268	2,001,494	1,048,364
BUSINESS-TYPE ACTIVITIES:				
Water and sewer	16,415,804	18,685,787	-	257,513
Total business-type activities	16,415,804	18,685,787	-	257,513
TOTAL PRIMARY GOVERNMENT	\$ 67,936,551	\$ 28,559,055	\$ 2,001,494	\$ 1,305,877
COMPONENT UNITS:				
Community Development Corporation	3,178,217	662,214	-	153,452
Economic Development Corporation	2,631,718	14,220	-	-
TOTAL COMPONENT UNITS	\$ 5,809,935	\$ 676,434	\$ -	\$ 153,452
GENERAL REVENUES:				
Taxes:				
Sales Taxes				
Property Taxes				
Hotel/motel Taxes				
Franchise Taxes				
Investment earnings				
Gain on disposal				
Miscellaneous				
TRANSFERS				
Total general revenues and transfers				
CHANGE IN NET POSITION				
NET POSITION-Beginning, as restated				
NET POSITION-Ending				

The Notes to the Basic Financial Statements
are an integral part of this statement.

EXHIBIT A-2

Net (Expenses) Revenues and Changes in NET POSITION					
Primary Government			Component Units		
Governmental Activities	Business-Type Activities	Total	Community Development	Economic Development	
\$ (6,013,830)	\$ -	\$ (6,013,830)	\$ -	\$ -	
(16,176,333)	-	(16,176,333)	-	-	
(10,592,889)	-	(10,592,889)	-	-	
(4,819,720)	-	(4,819,720)	-	-	
(994,849)	-	(994,849)	-	-	
(38,597,621)	-	(38,597,621)	-	-	
-	2,527,496	2,527,496	-	-	
-	2,527,496	2,527,496	-	-	
(38,597,621)	2,527,496	(36,070,125)	-	-	
-	-	-	(2,362,551)	-	
-	-	-	-	(2,617,498)	
-	-	-	(2,362,551)	(2,617,498)	
8,075,632	-	8,075,632	3,555,210	2,666,407	
20,322,289	-	20,322,289	-	-	
220,746	-	220,746	-	-	
3,855,212	-	3,855,212	-	-	
2,527,311	58,062	2,585,373	25,320	24,644	
86,420	-	86,420	-	255,228	
340,555	-	340,555	21,426	-	
1,800,000	(1,800,000)	-	-	-	
37,228,165	(1,741,938)	35,486,227	3,601,956	2,946,279	
(1,369,456)	785,558	(583,898)	1,239,405	328,781	
94,899,425	55,920,904	150,820,329	7,516,845	9,410,042	
\$ 93,529,969	\$ 56,706,462	\$ 150,236,431	\$ 8,756,250	\$ 9,738,823	

CITY OF CEDAR HILL, TEXAS
BALANCE SHEET-GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

ASSETS	General	Debt Service Fund	Joe Pool Fund
EQUITY IN POOLED CASH AND CASH EQUIVALENTS	\$ 8,570,250	\$ 1,191,206	\$ 16,588,241
INVESTMENTS	-	-	38,174,175
RECEIVABLES (NET, WHERE APPLICABLE, OF ALLOWANCES FOR UNCOLLECTIBLES):			
Taxes	1,929,657	228,466	-
Franchise taxes	726,052	-	-
Miscellaneous	1,078,030	21,073	-
Interest	-	258	760,569
PREPAID ITEMS	7,682	1,613	-
INVENTORY	19,140	-	-
TOTAL ASSETS	<u>\$ 12,330,811</u>	<u>\$ 1,442,616</u>	<u>\$ 55,522,985</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	563,886	375	-
Accrued liabilities	845,992	-	-
Total liabilities	<u>1,409,878</u>	<u>375</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	1,779,381	194,396	-
Total deferred inflows of resources	<u>1,779,381</u>	<u>194,396</u>	<u>-</u>
FUND BALANCES:			
Nonspendable			
Prepaid and inventory	26,822	1,613	-
Restricted for:			
Construction	-	-	-
PID Use	-	-	-
Tourism	-	-	-
Police	-	-	-
Debt service	-	1,246,232	-
Animal shelter	24,406	-	-
Committed for:			
Library	-	-	-
Landscaping	-	-	-
Construction	-	-	-
Building maintenance	-	-	-
Joe Pool	-	-	55,522,985
Unassigned	9,090,324	-	-
Total fund balances	<u>9,141,552</u>	<u>1,247,845</u>	<u>55,522,985</u>
TOTAL	<u>\$ 12,330,811</u>	<u>\$ 1,442,616</u>	<u>\$ 55,522,985</u>

The Notes to the Basic Financial Statements
are an integral part of this statement.

EXHIBIT B-1

General Obligation Bond Fund	Capital Recovery Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 14,694,673	\$ 5,347,310	\$ 9,206,115	\$ 55,597,795
-	-	-	38,174,175
-	-	147,418	2,305,541
-	-	27,844	753,896
222,574	-	517,297	1,838,974
679	408	515	762,429
-	-	350	9,645
-	-	-	19,140
\$ 14,917,926	\$ 5,347,718	\$ 9,899,539	\$ 99,461,595

59,651	-	469,051	1,092,963
-	-	77,321	923,313
59,651	-	546,372	2,016,276
222,574	-	13,090	2,209,441
222,574	-	13,090	2,209,441

-	-	350	28,785
14,635,701	5,347,718	4,521,122	24,504,541
-	-	277,468	277,468
-	-	836,545	836,545
-	-	541,678	541,678
-	-	-	1,246,232
-	-	-	24,406
-	-	121,489	121,489
-	-	1,050,997	1,050,997
-	-	1,173,232	1,173,232
-	-	831,110	831,110
-	-	-	55,522,985
-	-	(13,914)	9,076,410
14,635,701	5,347,718	9,340,077	95,235,878
\$ 14,917,926	\$ 5,347,718	\$ 9,899,539	\$ 99,461,595

CITY OF CEDAR HILL, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

EXHIBIT B-2

TOTAL FUND BALANCES-Governmental funds	\$ 95,235,878
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (including internal service fund assets of \$2,245,934).	158,957,406
The regional dispatch center is not reported at the fund level.	229,321
Certain receivables will be collected this year but are not available soon enough to pay for the current period's expenditures and are therefore deferred in the funds.	2,209,438
Deferred outflows of resources - unamortized loss on refunding bonds.	1,062,396
TMRS net pension contribution and investment experience and pension actuarial experience.	1,894,650
Bond interest is not payable with current financial resources and is therefore not accrued at the fund level.	(310,923)
Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported in the funds. Long-term liabilities consist of:	
General obligation bonds	(61,812,760)
Certificates of obligation	(11,420,000)
Unamortized premiums	(3,814,067)
Compensated absences	(4,458,230)
OPEB liability	(320,452)
Net pension liability	(7,903,066)
Joe Pool obligation	(78,237,363)
Internal service funds are used by management to charge the costs of various services to individual funds. The assets and liabilities of the internal service funds are included with governmental activities. Amount represents net assets excluding capital assets included above.	<u>2,217,741</u>
TOTAL NET POSITION-Governmental activities	<u>\$ 93,529,969</u>

The Notes to the Basic Financial Statements
 are an integral part of this statement.



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

CITY OF CEDAR HILL, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	General	Debt Service Fund	Joe Pool Fund
REVENUES:			
Taxes	\$ 21,825,474	\$ 5,296,606	\$ -
Franchise taxes	3,709,285	-	-
License and permits	780,478	-	-
Intergovernmental	66,384	1,912,771	-
Charges for services	3,086,599	103,345	-
Fines and forfeitures	1,059,798	-	-
Investment earnings	46,846	14,974	2,367,349
Miscellaneous	253,255	-	-
Total revenues	30,828,119	7,327,696	2,367,349
EXPENDITURES:			
Current:			
General government	4,845,261	-	-
Public works	1,955,209	-	-
Public safety	19,278,936	-	-
Community services	3,981,339	-	-
Debt service:			
Principal retirement	-	5,641,240	-
Interest and fiscal charges	-	2,860,726	-
Capital outlay:			
Public works	-	-	-
Community services	-	-	-
Total expenditures	30,060,745	8,501,966	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	767,374	(1,174,270)	2,367,349
OTHER FINANCING SOURCES (USES):			
Transfer in	512,000	855,000	1,850,000
Transfer out	(50,769)	(981,717)	-
Premiums on issuance of debt	-	2,123,241	-
Issuance of refunding bonds	-	16,060,050	-
Payments to refunded bond escrow agent	-	(16,990,488)	-
Total other financing sources (uses)	461,231	1,066,086	1,850,000
CHANGE IN FUND BALANCES	1,228,605	(108,184)	4,217,349
FUND BALANCES-Beginning	7,912,947	1,356,029	51,305,636
FUND BALANCES-Ending	\$ 9,141,552	\$ 1,247,845	\$ 55,522,985

The Notes to the Basic Financial Statements
 are an integral part of this statement.

EXHIBIT B-3

General Obligation Bond Fund	Capital Recovery Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,556,627	\$ 28,678,707
-	-	109,893	3,819,178
-	-	-	780,478
1,459,856	-	111,091	3,550,102
-	-	2,029,895	5,219,839
-	-	806,082	1,865,880
31,164	23,933	38,351	2,522,617
<u>20,149</u>	<u>804,893</u>	<u>67,153</u>	<u>1,145,450</u>
1,511,169	828,826	4,719,092	47,582,251
-	-	23,287	4,868,548
95,378	-	94,582	2,145,169
-	-	1,494,998	20,773,934
-	-	2,620,206	6,601,545
-	-	-	5,641,240
-	-	-	2,860,726
1,394,083	-	578,516	1,972,599
-	-	<u>89,423</u>	<u>89,423</u>
1,489,461	-	4,901,012	44,953,184
21,708	828,826	(181,920)	2,629,067
1,718	-	-	3,218,718
-	(855,000)	(512,000)	(2,399,486)
838,658	-	-	2,961,899
7,265,000	-	-	23,325,050
-	-	-	<u>(16,990,488)</u>
8,105,376	(855,000)	(512,000)	10,115,693
8,127,084	(26,174)	(693,920)	12,744,760
6,508,617	5,373,892	10,033,997	82,491,118
\$ 14,635,701	\$ 5,347,718	\$ 9,340,077	\$ 95,235,878

CITY OF CEDAR HILL, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT B-4

NET CHANGE IN FUND BALANCES-Total governmental funds	\$ 12,744,760
 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 amount does not include \$559,924 of capital assets acquired by the internal service fund.	1,369,729
Depreciation expense on capital assets is reported in the government-wide statements of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds. This amount does not include \$651,696 in depreciation expense recorded in the internal service fund.	(6,984,566)
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the fair market value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.	132,862
The net increase in equity of the regional dispatch center joint venture is not reported at the fund level; however, it is reported at the government-wide level.	(108,541)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements an interest expenditure is reported when due.	39,844
Additions to vacation and sick liabilities are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.	(174,168)
Additions to OPEB liabilities are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.	(56,577)
Additions to TMRS pension liabilities are not shown in the fund financial statements. The net effect of the current year increase is to increase (decrease) net position.	(2,405,421)
Current year bond proceeds are other financing sources in the fund financial statements but are shown as an increase in the liabilities in the government-wide financial statements.	(23,335,000)
Current year bond refundings are other financing uses in the fund financial statements but are shown as a decrease in the liabilities in the government-wide financial statements.	16,815,078
Current year long-term debt principal payments on contractual obligations, bonds payable, and capital leases are expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements.	5,641,240
Change in water rights obligation are only reported at the government-wide level.	(4,207,138)
Premiums and discounts are recognized in the fund financial statements as other financing sources or uses, but they are amortized over the term of the bonds in the government-wide financial statements.	(2,961,899)
Amortization of bond premium and discount amounts is not recognized in the governmental funds. The effect of recording current year's amortization is to increase net position.	189,496
Amortization of deferred refunding amounts is not recognized in the governmental funds. The effect of recording current year's amortization is to decrease net position.	(181,936)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,252,098
In governmental fund financial statements, the proceeds from a sale of assets are shown as an increase in financial resources. In the government-wide financial statements, the gain or loss is calculated and reported.	(86,420)
Internal service funds are used by management to charge the costs of equipment services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>947,103</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (1,369,456)</u></u>

The Notes to the Basic Financial Statements
are an integral part of this statement.



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

CITY OF CEDAR HILL, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2015

	Business-Type Activities	Enterprise Funds	Governmental Activities
	Water and Sewer Fund	Internal Service Funds	
ASSETS:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 7,703,696	\$ 2,180,536	
Receivables (net, of allowances for uncollectibles):			
Accounts	3,680,630	37,110	
Prepaid expenses	1,075	-	
Restricted assets:			
Restricted for debt service:			
Equity in pooled cash and cash equivalents	1,007,817	-	
Interest Receivable	1,432	105	
Restricted-customer deposits	440,226	-	
Restricted-capital recovery fee funds-equity in pooled cash and cash equivalents	1,787,298	-	
Restricted-pro rata funds-equity in pooled cash and cash equivalents	636	-	
Restricted-bond proceeds-equity in pooled cash and cash equivalent	2,125,916	-	
Total current assets	16,748,726	2,217,751	
Noncurrent assets:			
Capital assets:			
Nondepreciable	404,847	-	
Depreciable-net of accumulated depreciation	58,098,076	2,245,933	
Total noncurrent assets	58,502,923	2,245,933	
Total assets	75,251,649	4,463,684	
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	113,624	-	
Pension contributions and investment experience	212,539	-	
Total deferred outflows of resources	326,163	-	

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2015**

EXHIBIT C-1

	Business-Type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
	Water and Sewer Fund	
LIABILITIES:		
Current liabilities:		
Payable from current assets:		
Accounts and contracts payable	477,381	10
Accrued liabilities	85,848	-
Compensated absences-current	140,470	-
Total payable from current assets	703,699	10
Payable from restricted assets:		
Accounts and contracts payable	4,489	-
Accrued liabilities	447,465	-
Accrued Interest	43,627	-
Customer deposits	440,226	-
Certificates of obligation	40,000	-
General obligation bonds payable	423,000	-
Revenue bonds payable	405,000	-
Total payable from restricted assets	1,803,807	-
Total current liabilities	2,507,506	10
Noncurrent liabilities:		
OPEB liability	46,565	-
Certificates of obligation bonds payable	7,355,871	-
General obligation bonds payable	4,014,474	-
Revenue bonds payable	4,064,516	-
Pension	781,622	-
Compensated absences	75,640	-
Total noncurrent liabilities	16,338,688	-
Total liabilities	18,846,194	10
DEFERRED INFLOWS OF RESOURCES		
Pension actuarial experience	25,156	-
Total deferred inflows of resources	25,156	-
NET POSITION:		
Invested in capital assets-net of related debt	46,927,843	2,245,933
Restricted for:		
Debt service	1,007,817	-
Construction	2,125,916	-
Unrestricted	6,644,886	2,217,741
Total net position	\$ 56,706,462	\$ 4,463,674

The Notes to the Basic Financial Statements
are an integral part of this statement.

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

EXHIBIT C-2

	Business-Type Activities	Enterprise Funds	Governmental Activities
	Water and Sewer Fund	Internal Service Funds	
OPERATING REVENUES:			
Water sales	\$ 10,125,381	\$ -	-
Sewer charges	8,139,545	-	-
Other charges	369,358	662,789	
Total operating revenues	18,634,284		662,789
OPERATING EXPENSES:			
Sewage treatment	5,521,569	-	-
Purchase of water	2,961,311	-	-
Personnel services	2,316,629	-	-
Depreciation	1,711,305	651,696	
Gross receipts fee	1,011,058	-	-
Heat, light and power	351,839	-	-
Maintenance	355,536	-	-
Contractual services	1,322,907	-	-
Materials and supplies	240,432	133,615	
Miscellaneous	87,693	-	-
Total operating expenses	15,880,279		785,311
OPERATING INCOME (LOSS)	2,754,005		(122,522)
NON-OPERATING REVENUES (EXPENSES):			
Other non-operating revenue	92,072	-	-
Investment income	58,062	3,220	
Interest and fiscal charges	(535,525)	1,474	
Lease payment	-	(1,489)	
Gain (loss) on retirement of assets	-	86,420	
Total nonoperating revenue (expenses)	(385,391)		89,625
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS			
	2,368,614	(32,897)	
Contributions-tap fees and other	216,944	-	-
Transfers in	-	980,000	
Transfers out	(1,800,000)	-	-
Total contributions and transfers	(1,583,056)		980,000
CHANGE IN NET POSITION	785,558		947,103
NET POSITION-October 1 (Restated - see note 1)	55,920,904		3,516,571
NET POSITION-End of year	\$ 56,706,462		\$ 4,463,674

The Notes to the Basic Financial Statements
are an integral part of this statement.



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Business-Type Activities	Enterprise Funds	Governmental Activities
	Water and Sewer Fund	Internal Service Funds	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 17,439,654	\$ 662,789	
Cash paid to suppliers	(12,438,464)	(166,714)	
Cash paid to employees for services	<u>(2,396,094)</u>	<u>-</u>	
Net cash provided by operations	<u>2,605,096</u>	<u>496,075</u>	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to (from) other funds	<u>(1,800,000)</u>	<u>980,000</u>	
Net cash used in noncapital financing activities	<u>(1,800,000)</u>	<u>980,000</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(3,568,678)	(559,924)	
Proceeds from sales of assets	-	86,420	
Contributions - tap fees and other	216,944	-	
Proceeds from bond issuance	2,714,097	-	
Proceeds from water settlement	92,072	-	
Lease payments	-	(7,384)	
Interest paid on leased equipment	-	1,130	
Principal paid on revenue bonds	(2,698,955)	-	
Interest paid on revenue and general obligation bonds	<u>(604,499)</u>	<u>-</u>	
Net cash used in capital and related financing activities	<u>(3,849,019)</u>	<u>(479,758)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	57,782	4,704	
Proceeds from sale and maturities of securities	-	(40,088)	
Net cash provided by investing activities	<u>57,782</u>	<u>(35,384)</u>	
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(2,986,141)</u>	<u>960,933</u>	
CASH AND CASH EQUIVALENTS-Beginning of year	<u>16,051,730</u>	<u>1,219,603</u>	
CASH AND CASH EQUIVALENTS-End of year	<u>\$ 13,065,589</u>	<u>\$ 2,180,536</u>	

EXHIBIT C-3

	Business-Type Activities	Governmental Activities
	Enterprise Funds	Internal Service Funds
	Water and Sewer Fund	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income(loss)	<u>\$ 2,754,005</u>	<u>\$ (122,522)</u>
Adjustments:		
Depreciation expense	1,711,305	651,696
Provision for bad debt	(399,853)	-
Change in assets and liabilities:		
Decrease in accounts receivable	(791,732)	-
Increase in prepaids	54,020	-
Increase in accounts payable	(597,732)	(33,099)
Increase in accrued liabilities	59,490	-
Decrease in other liabilities	(2,152)	-
Decrease in customer deposits	(3,045)	-
Increase in compensated absences	<u>(179,210)</u>	-
Total adjustments	<u>(148,909)</u>	<u>618,597</u>
NET CASH PROVIDED BY OPERATIONS	<u>\$ 2,605,096</u>	<u>\$ 496,075</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Contributions of capital assets	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Equity in pooled cash and cash equivalents	7,703,696	2,180,536
Equity in pooled cash and cash equivalents restricted for debt	1,007,817	-
Restricted-customer deposits	440,226	-
Restricted-capital recovery fee funds-equity in pooled cash and investments	1,787,298	-
Restricted-pro rata funds-equity in pooled cash and cash equivalents	636	-
Restricted-bond proceeds-equity in pooled cash and cash equivalents	2,125,916	-
	<u>\$ 13,065,589</u>	<u>\$ 2,180,536</u>

CITY OF CEDAR HILL, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2015

EXHIBIT D-1

	<u>Pension</u> <u>Trust Fund</u>	<u>Police</u> <u>Reserves</u> <u>Benefit Fund</u>
ASSETS:		
Investments	\$ 113,617	
Total assets	<u>113,617</u>	
NET POSITION:		
Held in trust for pension benefits and other purposes	<u>113,617</u>	
Total NET POSITION	<u>\$ 113,617</u>	

CITY OF CEDAR HILL, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT D-2

	<u>Pension Trust Fund</u>
	<u>Police Reserves Benefit Fund</u>
ADDITIONS:	
Contributions from employer	\$ 18,228
Total additions	<u>18,228</u>
DEDUCTIONS:	
Pension payments	15,552
Special services	2,676
Investment loss	<u>8,034</u>
Total deductions	<u>26,262</u>
NET DECREASE	(8,034)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS-Beginning of year	<u>121,651</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS-End of year	<u>\$ 113,617</u>



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cedar Hill (the City) was incorporated in 1938. The City operates as a home-rule city under a council-manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, water and sewer utilities, public library, parks and recreation, public improvements, economic development, planning, zoning and code enforcement, and general administrative services. Sanitation collection services are provided through a private contractor.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the City are described below.

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member council. As required by GAAP, the financial statements present the City (the primary government) and its component units, entities for which the City is considered to be financially accountable. This report includes the financial statements of the City's primary government, which cover all funds or organizations that are part of the legal entity for which the primary government is financially responsible.

Additionally, the component unit columns in the basic financial statements present the financial data of the discretely presented component units, which are legally separate entities responsible to the City's governing body, the City Council. The Community Development Corporation (CDC) is a legally separate entity incorporated May 12, 1994. The City Council appoints the governing board of this entity, which serves the purpose of developing community recreational, educational and similar facilities, and approves its budget. The City is financially accountable for the Corporation and has the ability to control the Corporation's activities. The Corporation was established for the financial benefit of the City. The Economic Development Corporation (EDC) is a legally separate entity incorporated September 8, 1994. The City Council appoints the governing board for this entity, which serves the purpose of (a) promoting existing business enterprise expansion and retention and (b) new business enterprise development and attraction, and (c) approves its budget. The City is financially accountable for the Corporation and has the ability to control the Corporation's activities. The Corporation was established for the financial benefit of the City.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. 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 the nonfiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, 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 primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a 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 not properly included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Property taxes, franchise taxes, sales taxes, certain public safety and other revenues associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Licenses, permits, charges for services, and fines and forfeitures are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest earnings and intergovernmental revenue are recorded as earned since they are measurable and available.

The City reports the following major governmental funds:

- The *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.
- The *Debt Service Fund* accounts for the accumulation of resources (primarily property tax levies) to be used for the payment of principal, interest and related costs of general long-term liabilities.
- The *Joe Pool Fund* accounts for funds set aside to pay for the city's share (43%) of the water rights to Joe Pool Lake. The primary revenue source is investment earnings.
- The *General Obligation Bond Fund* accounts for funds to be used for the construction of streets, and the renovation of various buildings.
- The *Capital Recovery Fund* accounts for street impact fees which are collected and made available for debt service on streets as needed.

The City reports the following major proprietary fund:

- The *Enterprise Fund* accounts for the operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's water and sewer system is accounted for through this fund.

Additionally, the City reports the following funds:

- The *Police Reserves Benefit Fund* is a pension trust fund to account for the defined benefit plan of the police reserves.
- The *Internal Service Fund* purchases equipment and leases the equipment to other funds of the City.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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 enterprise fund and internal service fund are charges to customers for sales and services. Operating expenses for the enterprise fund and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Position or Equity

1. Deposits and investments

The City considers both restricted and unrestricted demand deposits, cash on hand, investments in highly liquid investment pools and investments with maturities at the time of purchase of under 90 days to be cash equivalents.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities and Net Position or Equity – Continued

The City pools substantially all cash and investments except for separate cash and investment accounts which are maintained in accordance with legal restrictions. Each fund's equity share of the total pooled cash and investments is included on the accompanying statement of net position and balance sheet under the caption "Equity in pooled cash and investments". Investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The City considers pricing provided by a pricing service at September 30, 2015, to be the fair value of investments. Interest earned on investments is recorded in the funds in which the investments are recorded.

2. *Receivables and payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." There are no internal balances as of September 30, 2015.

Property taxes attach an enforceable lien on property as of January 1. The City's property taxes are levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established at 100% of estimated market value. Taxes are due by January 31 following the October 1 levy date and are considered delinquent after February 1 of each year. The Dallas County Tax Office bills and collects all property taxes for the City. Any uncollected property taxes as of September 30, which are not expected to be collected within 60 days, are recorded as taxes receivable and deferred revenues. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

3. *Inventories and prepaid items*

Inventories are stated at specific identified costs and are recorded as expenditures when consumed rather than when purchased.

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

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities and Net Position or Equity – Continued

4. *Restricted assets*

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because they are maintained in separate investment pool accounts and their use is limited by applicable bond covenants.

5. *Capital assets*

Capital assets, which include land, building/facility and improvements, equipment, water rights, master studies and infrastructure assets (e.g., roads, culverts, drainage systems and similar items), purchased or acquired, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The City defines capital assets as assets with an initial, individual 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 historical cost is not available. Donated or contributed capital assets are recorded at estimated fair market value at the date of donation or contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized. Depreciation on capital assets is calculated on the straight-line basis over the following useful lives:

Building/Facilities and improvements	10-60 years
Equipment	3-30 years
Water rights	50 years
Master studies	5 years
Infrastructure	20-50 years

6. *Compensated absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. When employees enter full-time employment classification, accrual of paid vacation time begins according to a schedule based on position and years of service. If the total amount of unused paid vacation time reaches a "cap" of 240 hours, further accrual will cease until accrued leave time is less than 240 hours. If an employee retires or resigns with two weeks' notice and completes the remaining two weeks, the employee will be paid for unused vacation time that has been earned through the last day of work, up to the 240 hour cap or 336 hours for firemen.

An employee is eligible to accrue 96 hours of sick leave per year, accrued at a rate of 8 hours per month. Fire department employees are eligible to accrue sick leave at a rate of 12 hours per month. Unused sick leave may be accumulated from year-to-year to an unlimited total.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities and Net Position or Equity – Continued

6. Compensated absences – Continued

If an employee retires or resigns with two weeks' notice and completes the remaining two weeks, the employee will be paid for unused sick time that has been earned through the last day of work, up to a maximum of 720 hours or 1,080 for firefighters.

7. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance cost, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund equity

The City reports governmental fund balances per GASB 54 definitions as follows:

Nonspendable – Amounts that are not in spendable form or are required to be maintained intact, such as inventory or permanent funds.

Restricted – Amounts that can be spent only for specific purposes stipulated by external parties, such as grants, court technology fees and construction.

Committed – Amounts that can be used only for specific purposes set by resolution of the City Council, such as Street Construction and Building Maintenance.

Assigned – Amounts intended to be used for specific purpose. The City Council has delegated the responsibility to assign funds to the City Manager or the Director of Finance as approved by the fund balance policy. Assignments may occur subsequent to fiscal year end.

Unassigned – Amounts not contained in other classifications that can be used for any purpose.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities and Net Position or Equity – Continued

8. Fund equity – Continued

For the purpose of fund balance classification expenditures are to be spent first from restricted fund balance, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The City will utilize funds for expenditures from the most restrictive fund balance first when more than one fund balance classification is available.

Minimum Fund Balance Policy- it is the policy of the City to achieve and maintain an unassigned fund balance in the General Fund of at least twenty percent of budgeted expenditures, a working capital of at least twenty-five percent of estimated expenditures for the Water and Sewer Fund, an unassigned fund balance in the Community Development Corporation Fund of twenty-five percent of revenues, an unassigned fund balance in the Economic Development Corporation Fund equal to fifteen percent of revenues and an unassigned fund balance in the Debt Service Fund equal to fifteen percent of expenditures.

9. Other Restricted Net Position

Other restricted net position shown for governmental activities on the government wide statement of net position consists of the following restrictions.

Police Forfeiture	\$ 85,257
Hotel Occupancy	805,773
Library Fund	121,489
Traffic Safety	710,224
HP-PID	55,707
WO-PID	239,358
Crime Control & Prevention District	121,938
<hr/>	
Total	<u>\$ 2,139,746</u>

10. New accounting standards effective in FY 2015

In the current year the City implemented the following GASB pronouncements:

Statement No. 68, Accounting and Financial Reporting for Pensions-amendment of GASB Statement No. 27 which changed the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer's financial statements for any actuarially unfunded portion of pension benefits earned to date.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities and Net Position or Equity – Continued

10. New accounting standards effective in FY 2015 - Continued

The implementation of Statement No. 68 resulted in a restatement of beginning net position for the elimination of the previously reported net pension asset, the recording of the beginning net pension liability and the beginning deferred outflow for contributions made after the measurement date.

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68, and applied simultaneously with the provisions of GASB No. 68. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The requirements of this Statement eliminates the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities.

Applying these changes results in the adjustment below:

	Government Wide Statement of Activities		FUND LEVEL
	Governmental Activities	Business Activities	Proprietary Statement of Revenues, Expenses and Changes in Net Position
Net position as of October 1, 2014	\$100,747,954	\$56,499,331	\$56,499,331
Change in reporting for net pension liability	(5,848,529)	(578,427)	(578,427)
Net Position as restated October 1, 2014	<u>\$94,899,425</u>	<u>\$55,920,904</u>	<u>\$55,920,904</u>

GASB Statement No. 69, Government Combinations and Disposals of Government Operations establishes accounting and financial reporting standards related to government combinations and disposals of government operations. There was no impact of implementation of this statement on the financial statements.

GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees establishes guidance for governments that extend financial guarantees for the obligations of another government, a not-for-profit entity or a private entity without directly receiving equal or approximately equal value in exchange (a non-exchange transaction). There was no impact of implementation of this statement on the City's financial statements.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities and Net Position or Equity – Continued

10. New accounting standards effective in future years

The GASB has issued the following statements which will be effective in future years as described below. The impact on the City's financial statements of implementation has not yet been determined for the following:

GASB Statement No. 72, Fair Value Measurement and Application, which is effective for financial statements for reporting periods beginning after June 15, 2015, addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, which is effective for fiscal years beginning after June 15, 2015 is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans is effective for fiscal years beginning after June 15, 2016. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions is effective for fiscal years beginning after June 15, 2017. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities and Net Position or Equity – Continued

10. New accounting standards effective in FY 2015 - Continued

GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments is effective for reporting periods beginning after June 15, 2015. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles.

GASB Statement No. 77, Tax Abatement Disclosures is effective for reporting periods beginning after December 15, 2015. This Statement requires disclosure of tax abatement information about (1) a reporting government’s own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government’s tax revenues.

GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans is effective for reporting periods beginning after December 15, 2015. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

GASB Statement No. 79, Certain External Investment Pools and Pool Participants is effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23–26, and 40, which are effective for reporting periods beginning after December 15, 2015. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

GASB Statement No. 80, Blending Requirements for Certain Component Units-An Amendment of GASB Statement No. 14, is effective for reporting periods beginning after June 15, 2016. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 2. DEPOSITS AND INVESTMENTS

Included in the statement of net position and the statement of fiduciary net position are cash and investments totaling \$109,131,712, excluding the discretely presented component units which are disclosed below.

	Investment Maturities (in Years)				
	Fair Value	Less than 1	1-5	6-10	More than 10
City cash—cash	\$ 48,969,497	\$ 48,969,497	\$ -	\$ -	\$ -
Certificates of deposit	20,367,259	2,512,550	17,854,709	-	-
Investment pools	1,507,164	1,507,164	-	-	-
Total cash	\$ 70,843,920	\$ 52,989,211	\$ 17,854,709	\$ -	\$ -
City investments:					
Municipal bonds and agencies	\$ 38,174,175	\$ -	\$ 5,053,500	\$ -	\$ 33,120,675
Total investments	\$ 38,174,175	\$ -	\$ 5,053,500	\$ -	\$ 33,120,675
Total cash and investments—city	<u>\$ 109,018,095</u>	<u>\$ 52,989,211</u>	<u>\$ 22,908,209</u>	<u>\$ -</u>	<u>\$ 33,120,675</u>
Pension trust:					
Equities	\$ 113,617	\$ 113,617	\$ -	\$ -	\$ -
	<u>\$ 113,617</u>	<u>\$ 113,617</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Custodial Credit Risk-Deposits

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. It is the City's policy to require all deposits with financial institutions to be collateralized to the extent not protected by F.D.I.C. insurance. Securities that can be accepted include obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies; and other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities.

At year end, the carrying amount of the City's deposits with financial institutions was \$70,843,920 and the bank balance was \$58,927,252. The financial institution balances were completely covered by federal depository insurance, other insurance or by collateral held by the City's agent in the City's name.

Custodial Credit Risk-Investments

The laws of the State of Texas and prudent treasury management require that all purchased securities shall be held in safekeeping by either a City account in a third party financial institution, or the City's safekeeping account in its designated depository bank, or in a Federal Reserve Bank.

Securities owned by the City are held by the City's depository at the Federal Home Loan Bank in a separate account for the City.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

Credit Risk

The City's investment policy, which complies with state statutes, manages credit risk by limiting investments to specific types of investments and by forbidding the investment of funds in investments authorized by the state's Public Funds Investment Act, but not approved by the City Council. This policy permits investments in: 1) obligations of the United States or its agencies and instrumentalities; 2) direct obligations of the State of Texas or its agencies; 3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; 4) Certificates of deposit issued by state and national banks domiciled in the State of Texas; 5) direct repurchase agreements with primary security dealers having a defined termination date, and secured by U.S. Government or federal agency securities; 6) SEC-registered and regulated, no-load money market mutual funds with a dollar-weighted average portfolio maturity of 90 days or less whose assets comply with the Public Funds Investment Act; 7) investment pools that comply with the requirements of the Public Funds Investment Act approved by the City Council.

The City's investments during the fiscal year consisted of U.S. agencies, municipal bonds, collateralized certificates of deposits, money market mutual funds and investment pools approved by the City Council.

The City participated in the following investments during the fiscal year:

<u>Description</u>	<u>Issuer</u>	<u>Coupon</u>		<u>Maturity</u>		<u>Fitch</u>	<u>S&P</u>	<u>Moody</u>
		<u>Rate</u>	<u>Date</u>	<u>Type</u>				
Bexar Co Hosp	Bexar Co Hosp	6.904	2/15/2039	Municipal	AA		Aa	
Bexar County TX	Bexar County TX	6.628	6/15/2039	Municipal	AA		Aa	
Cypress-Fairbank ISD	Cypress-Fairbank ISD	6.529	2/15/2031	Municipal		AA-	Aa	
Cypress-Fairbanks ISD	Cypress-Fairbanks ISD	6.629	2/15/2038	Municipal	AA		Aa	
Dallas TX ISD	Dallas TX ISD	6.45	2/15/2035	Municipal		AAA	Aaa	
El Paso TX	El Paso TX	6.7	8/15/2036	Municipal	AA	AA		
FHLB	FHLB	1.375	3/9/2018	Agency		AA+	Aaa	
Galveston County	Galveston County	6.205	2/1/2029	Municipal	AA+		Aa1	
Grand Prairie TX ISD	Grand Prairie TX ISD	0	8/15/2040	Municipal	AA	AA		
Houston TX	Houston TX	6.319	3/1/2030	Municipal	AA	AA		
Katy ISD	Katy ISD	6.349	2/15/2041	Municipal		AAA	Aaa	
Laredo TX	Laredo TX	6.566	2/15/2039	Municipal	AA-	A		
Laredo TX	Laredo TX	6.566	2/15/2039	Municipal	AA-	A		
Roanoke E&I DC	Roanoke E&I DC	7.199	8/15/2035	Municipal	AA			
Round Rock TX ISD	Round Rock TX ISD	6.024	8/1/2035	Municipal	AAA		Aaa	
San Antonio ISD	San Antonio ISD	6.247	8/15/2035	Municipal	AAA		Aaa	
San Antonio ISD	San Antonio ISD	6.097	8/15/2031	Municipal	AAA		Aaa	
San Antonio ISD	San Antonio ISD	6.247	8/15/2035	Municipal	AAA		Aaa	
TEXSTAR LGIP	TEXSTAR	0.099	1 Day	Invesment Pool		AAAm		

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

Interest Rate Risk

Interest rate risk is minimized according to policy by diversification of investment instruments as well as stated maximum maturity dates. The City's investment policy limits investments to the following maturities:

Portfolio Type	Maximum Average Maturity	Maximum Final Maturity
Consolidated funds	Weighted-average maturity of 365 days	Three years
Debt service funds	None set	Shall not have a stated final date that exceeds corresponding debt service payment date
Debt reserve funds	None set	Call date or final maturity date
Special project or special revenue funds	Weighted-average maturity of three years	Five years
Joe Pool Funds (see footnote 6—other obligations)	None set	Forty years

Investment in State Investment Pools

The City invested in TexSTAR Investment Pool. TexSTAR is administered by First Southwest Asset Management Company and JPMorgan Chase. TexSTAR is a local government Investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity, and competitive yield. The fund is rated AAA by Standard and Poor's. TexStar operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexStar uses amortized cost rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in TexStar is the same as the value of TexStar shares. A complete copy of the TexStar Operating Procedures may be obtained by contacting TexStar Participant Services, 325 North St. Paul, Suite 800, Dallas, TX 75201.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

During the year, the City managed the investments of the EDC and the CDC. The EDC and CDC investments are categorized in the same manner as the City's and consist of the following:

Economic Development Corporation

	Investment Maturities (in Years)				
	Fair Value	Less than 1	1-5	6-10	More than 10
Corporation—cash	\$ 5,690,764	\$ -	\$ -	\$ -	\$ -
Certificate of deposit	254,154	-	254,154	-	-
	<u>5,944,918</u>	<u>-</u>	<u>254,154</u>	<u>-</u>	<u>-</u>
Corporation investments:					
Investment pools	-	-	-	-	-
Money market mutual fund	-	-	-	-	-
Total investments	-	-	-	-	-
Total cash and investments—corporation	<u>\$ 5,944,918</u>	<u>\$ -</u>	<u>\$ 254,154</u>	<u>\$ -</u>	<u>\$ -</u>

At year-end, the carrying amount of the EDC's bank balance and cash on hand was \$5,690,764 which is included in the City's pooled cash (consolidated) account and was completely covered by federal depository insurance, other insurance or by collateral held by the City's agent in the City's name.

Community Development Corporation

	Investment Maturities (in Years)				
	Fair Value	Less than 1	1-5	6-10	More than 10
Corporation—cash	\$ 8,326,592	\$ -	\$ -	\$ -	\$ -
Corporation investments:					
Investment pools	-	-	-	-	-
Money market mutual fund	-	-	-	-	-
Total investments	-	-	-	-	-
Total cash and investments—corporation	<u>\$ 8,326,592</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

At year-end, the carrying amount of the CDC's bank balance and cash on hand was \$8,326,592 which is included in the City's pooled cash (consolidated) account and was completely covered by federal depository insurance, other insurance or by collateral held by the City's agent in the City's name.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 3. RECEIVABLES

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

Receivables	General	Debt Service	Joe Pool	General Obligation Bond Fund	Water and Sewer	Capital Recovery Fund	Nonmajor and Other Funds	Total
Taxes	\$ 1,929,657	\$ 228,466	\$ -	\$ -	\$ -	\$ -	\$ 147,418	\$ 2,305,541
Franchise	726,052	-	-	-	-	-	27,844	753,896
Accounts	-	-	-	-	5,457,842	-	-	5,457,842
Interest	-	258	760,569	679	1,432	408	515	763,861
Miscellaneous	2,949,995	21,073	-	222,574	228	-	964,286	4,158,156
Gross receivables	5,605,704	249,797	760,569	223,253	5,459,502	408	1,140,063	13,439,296
Less: allowance for uncollectible	(1,871,965)	-	-	-	(1,777,440)	-	(446,989)	(4,096,394)
Net total receivables	<u>\$ 3,733,739</u>	<u>\$ 249,797</u>	<u>\$ 760,569</u>	<u>\$ 223,253</u>	<u>\$ 3,682,062</u>	<u>\$ 408</u>	<u>\$ 693,074</u>	<u>\$ 9,342,902</u>

NOTE 4. CAPITAL ASSETS

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

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets—not being depreciated:					
Land	\$ 15,673,084	\$ -	\$ -	\$ -	\$ 15,673,084
Construction in progress	10,515,546	1,369,729	-	(11,885,275)	-
Total capital assets—not depreciated	<u>26,188,630</u>	<u>1,369,729</u>	<u>-</u>	<u>(11,885,275)</u>	<u>15,673,084</u>
Capital assets—being depreciated:					
Buildings/facilities	57,979,084	132,862	-	155,359	58,267,305
Equipment	11,416,639	608,843	(718,006)	-	11,307,476
Infrastructure	140,851,232	-	-	11,704,270	152,555,502
Water rights	26,284,063	-	-	-	26,284,063
Master studies	367,526	-	-	25,646	393,172
Total capital assets—being depreciated	<u>236,898,544</u>	<u>741,705</u>	<u>(718,006)</u>	<u>11,885,275</u>	<u>248,807,518</u>
Less accumulated depreciation for:					
Buildings/facilities	(17,954,052)	(1,106,635)	-	-	(19,060,687)
Equipment	(8,421,835)	(1,086,742)	718,006	-	(8,790,571)
Infrastructure	(55,638,088)	(4,928,845)	-	-	(60,566,933)
Water rights	(16,291,572)	(489,428)	-	-	(16,781,000)
Master studies	(299,363)	(24,642)	-	-	(324,005)
Total accumulated depreciation	<u>(98,604,910)</u>	<u>(7,636,292)</u>	<u>718,006</u>	<u>-</u>	<u>(105,523,196)</u>
Total capital assets—being depreciated—net	<u>138,293,634</u>	<u>(6,894,587)</u>	<u>-</u>	<u>11,885,275</u>	<u>143,284,322</u>
Governmental activities capital assets—net	<u>\$ 164,482,264</u>	<u>\$ (5,524,858)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,957,406</u>

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 4. CAPITAL ASSETS – CONTINUED

Primary Government – Continued

Internal service fund capital assets of \$2,245,933 are included in the governmental activities capital assets.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets—not being depreciated:					
Land	\$ 367,764	\$ -	\$ -	\$ -	\$ 367,764
Construction in progress	<u>7,766,808</u>	<u>3,468,802</u>		<u>(11,198,527)</u>	<u>37,083</u>
Total capital assets—not depreciated	<u>8,134,572</u>	<u>3,468,802</u>	<u>-</u>	<u>(11,198,527)</u>	<u>404,847</u>
Capital assets being depreciated:					
Buildings/facilities	578,513	-	-	-	578,513
Water systems	43,709,256	7,118	-	10,426,313	54,142,687
Sewer systems	24,149,381	11,750	-	772,214	24,933,345
Equipment	2,971,502	81,008	(235,815)	-	2,816,695
Master studies	176,244	-	-	-	176,244
Total capital assets being depreciated	<u>71,584,896</u>	<u>99,876</u>	<u>(235,815)</u>	<u>11,198,527</u>	<u>82,647,484</u>
Less accumulated depreciation for:					
Buildings/facilities	(600,544)	(23,101)	-	-	(623,645)
Water systems	(12,433,916)	(1,067,654)	-	-	(13,501,570)
Sewer systems	(7,347,180)	(488,706)	-	-	(7,835,886)
Equipment	(2,519,671)	(131,104)	235,815	-	(2,414,960)
Master studies	(172,607)	(740)	-	-	(173,347)
Total accumulated depreciation	<u>(23,073,918)</u>	<u>(1,711,305)</u>	<u>235,815</u>	<u>-</u>	<u>(24,549,408)</u>
Total capital assets—being depreciated—net	<u>48,510,978</u>	<u>(1,611,429)</u>	<u>-</u>	<u>11,198,527</u>	<u>58,098,076</u>
Business-type activities capital assets—net	<u>\$ 56,645,550</u>	<u>\$ 1,857,373</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,502,923</u>

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

Governmental activities:				
General government				\$ 1,513,033
Public safety				240,035
Community service				974,812
Public works				4,908,412
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets				-
Total depreciation expense—governmental activities				<u>\$ 7,636,292</u>
Business-type activities—water and sewer				<u>\$ 1,711,305</u>

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 4. CAPITAL ASSETS – CONTINUED

Discretely Presented Component Units

Activity for the Economic Development Corporation for the year ended September 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Contributions to the City	Ending Balance
Capital assets—not being depreciated:					
Land	\$ 3,359,850	\$ -	\$ (67,785)	\$ -	\$ 3,292,065
Construction in progress	10,000	-	-	-	10,000
Total capital assets- not being depreciated	<u>3,369,850</u>	<u>-</u>	<u>(67,785)</u>	<u>-</u>	<u>3,302,065</u>
Capital assets—being depreciated:					
Leasehold improvements	312,971	-	-	-	312,971
Total capital assets being depreciated	<u>312,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>312,971</u>
Less accumulated depreciation for:					
Leasehold improvements	(148,842)	(24,420)	-	-	(173,262)
Total accumulated depreciation	<u>(148,842)</u>	<u>(24,420)</u>	<u>-</u>	<u>-</u>	<u>(173,262)</u>
Total capital assets being depreciated—net	<u>164,129</u>	<u>(24,420)</u>	<u>-</u>	<u>-</u>	<u>139,709</u>
EDC Capital assets—net	<u>\$ 3,533,979</u>	<u>\$ (24,420)</u>	<u>\$ (67,785)</u>	<u>\$ -</u>	<u>\$ 3,441,774</u>

Activity for the Community Development Corporation for the year ended September 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Contributions to the City	Ending Balance
Capital assets—not being depreciated:					
Construction in progress	\$ 267,217	\$ 209,224	\$ -	\$ (132,862)	\$ 343,579

CDC capital assets are contributed to the City when completed.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 5. CAPITAL LEASES

The City entered into a lease agreement as lessee for financing two vehicles of which is one is payable from government activities, and the other is payable from business-type activities. The lease agreements qualify as capital leases for accounting purposes and, therefore, are recorded at the present value of their future minimum lease payments as of the inception date. The assets acquired through a capital lease are as follows:

	Governmental Activities	Business-type Activities
Assets		
Equipment	\$ 30,566	\$ 28,940
Less: accumulated depreciation	<u>(23,253)</u>	<u>(22,187)</u>
Total	<u>\$ 7,313</u>	<u>\$ 6,753</u>

The capital lease agreement was fully amortized and satisfied during the year and the present value of the lease payments are \$0 at September 30, 2015.

NOTE 6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Transfers are used to a) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, b) to accumulate funds for the retirement of the Joe Pool liability, and c) to preserve adequate General Fund, fund balance and meet General Fund obligations. The transfer activity for the year ended September 30, 2015 is presented in the following schedule:

Transfers to	Transfers From					Total
	General Fund	Capital Recovery Fund	Enterprise Funds	Nonmajor Funds	Debt Service Fund	
Primary government:						
Governmental activities:						
Major funds:						
Debt service fund	\$ -	\$ 855,000	\$ -	\$ -	\$ -	\$ 855,000
Joe Pool fund	50,000	-	1,800,000	-	-	1,850,000
General Obligation fund	-	-	-	-	1,717	1,717
General fund	-	-	-	512,000	-	512,000
Total major funds	<u>50,000</u>	<u>855,000</u>	<u>1,800,000</u>	<u>512,000</u>	<u>1,717</u>	<u>3,218,717</u>
Internal service funds	-	-	-	-	980,000	980,000
Fiduciary funds	<u>769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>769</u>
Total primary government	<u>\$ 50,769</u>	<u>\$ 855,000</u>	<u>\$ 1,800,000</u>	<u>\$ 512,000</u>	<u>\$ 981,717</u>	<u>\$ 4,199,486</u>

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – CONTINUED

The General Fund and the Water and Sewer Fund transfer funds to the Joe Pool Fund in order to accumulate resources to retire the liability resulting from the acquisition of rights to water conservation storage space. This liability is explained in Footnote 7, Joe Pool Obligation. The Capital Recovery Fund transferred funds to the Debt Service Fund for payment of debt service on qualifying infrastructure. The Street Construction Fund and Landscape Beautification Fund (Non-Major Funds) transferred funds to the General Fund to provide additional funds for street maintenance and park maintenance.

Eliminations

Interfund transfers are reported in the governmental and proprietary fund financial statements. In the entity-wide statements, interfund transfers are eliminated within the governmental activities column and business-type column, as appropriate.

NOTE 7. LONG-TERM OBLIGATIONS

Changes in Long-Term Liabilities

The following is a summary of transactions affecting long-term liabilities for the year ended September 30, 2015:

	Balance October 1, 2014	Increases	Retirements/ Refundings	Balance September 30, 2015	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 51,239,000	\$ 22,405,000	\$ (11,831,240)	\$ 61,812,760	\$ 4,737,000
Certificates of obligation	20,990,000	930,000	(10,500,000)	11,420,000	1,365,000
Joe Pool obligation	<u>74,030,225</u>	<u>4,207,138</u>	<u>-</u>	<u>78,237,363</u>	<u>-</u>
Total bonds payable	146,259,225	27,542,138	(22,331,240)	151,470,123	6,102,000
Unamortized premiums	1,166,742	2,961,899	(314,574)	3,814,067	-
Compensated absences	4,284,062	3,348,539	(3,174,371)	4,458,230	3,174,371
OPEB liability	263,875	56,577	-	320,452	-
Net pension liability	7,779,229	123,837	-	7,903,066	-
Capital lease payable	7,384	-	(7,384)	-	-
Total governmental long-term liabilities	<u>159,760,517</u>	<u>34,032,990</u>	<u>(25,827,569)</u>	<u>167,965,938</u>	<u>9,276,371</u>
Business-type activities:					
Revenue bonds payable	6,575,000	-	(2,200,000)	4,375,000	405,000
General obligation bonds payable	2,951,000	1,650,000	(418,760)	4,182,240	423,000
Certificates of obligation bonds payable	6,235,000	800,000	-	7,035,000	40,000
Unamortized premiums	449,514	318,431	(57,323)	710,622	-
Other long-term liabilities	17,621	-	(17,621)	-	-
Compensated absences	395,318	208,059	(387,267)	216,110	140,470
Capital lease payable	6,988	-	(6,988)	-	-
Net pension liability	769,374	12,248	-	781,622	-
OPEB liability	39,981	6,584	-	46,565	-
Total business-type long-term liabilities	<u>17,439,796</u>	<u>2,995,322</u>	<u>(3,087,959)</u>	<u>17,347,159</u>	<u>1,008,470</u>
Total primary government long-term liabilities	<u>\$ 177,200,313</u>	<u>\$ 37,028,312</u>	<u>\$ (28,915,528)</u>	<u>\$ 185,313,097</u>	<u>\$ 10,284,841</u>

Claims, judgments, compensated absences, net pension liability and OPEB obligations are generally liquidated by the General Fund.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 7. LONG-TERM OBLIGATIONS – CONTINUED

General Long-Term Liabilities

General obligation bonds, certificates of obligation and revenue bonds outstanding at September 30, 2015, consist of the following individual issues:

	Interest Rates	Balance September 30, 2015
General obligation bonds:		
Governmental activities:		
\$3,700,000 2006 General Obligation Bonds, due February 15, 2026	4.00%- 4.50%	\$ 180,000
\$2,300,000 2006A General Obligation Bonds, due February 15, 2026	4.00%- 4.50%	105,000
\$8,665,000 2007 General Obligation Bonds, due February 15, 2027	4.00%- 5.00%	5,910,000
\$7,500,000 2008 General Obligation Bonds, due February 15, 2028	3.375%-4.875%	5,525,000
\$5,145,000 2009 General Obligation Refunding Bonds, due February 15, 2019 <i>(Split 54% to 46% between governmental and business-type activities)</i>	2.81%	1,102,760
\$14,630,000 2011 General Obligation Refunding Bonds, due February 15, 2028	3.00%-5.00%	11,625,000
\$9,040,000 2012 General Obligation Refunding Bonds, due Feb.15,2029	.2%-3%	7,720,000
\$6,040,000 2013 General Obligation Refunding Bonds, due Feb.15,2028 <i>(Split 79% to 21% between governmental and business-type activities)</i>	2.00%-4.00%	4,660,000
\$3,140,000 2014 General Obligation Refunding Bonds, due Feb.15,2019 <i>(Split 85% to 15% between governmental and business-type activities)</i>	.360%-1.770%	2,580,000
\$24,055,000 2015 General Obligation Refunding and Impvm't Bonds, due Feb. 15, 2035 <i>(Split 93% to 7% between governmental and business-type activities)</i>	.5% - 3.51%	22,405,000
Total governmental activities - general obligation bonds		<u>\$ 61,812,760</u>
Business-type activities:		
\$5,145,000 2009 General Obligation Refunding Bonds, due February 15, 2019 <i>(Split 54% to 46% between governmental and business-type activities)</i>	2.81%	947,240
\$6,040,000 2013 General Obligation Refunding Bonds, due Feb.15,2024 <i>(Split 79% to 21% between governmental and business-type activities)</i>	2.00%-4.00%	1,275,000
\$3,140,000 2014 General Obligation Refunding Bonds, due Feb.15,2019 <i>(Split 85% to 15% between governmental and business-type activities)</i>	.360%-1.770%	310,000
\$24,055,000 2015 General Obligation Refunding and Impvm't Bonds, due Feb. 15, 2035 <i>(Split 93% to 7% between governmental and business-type activities)</i>	.5% - 3.51%	1,650,000
Total business-type activities - general obligation bonds		<u>\$ 4,182,240</u>
Total general obligation bonds		<u>\$ 65,995,000</u>
Certificate of obligation bonds:		
Governmental activities:		
\$12,890,000 2006 Certificates of Obligation, due February 15, 2026	4.00%-5.00%	\$ 715,000
\$2,275,000 2007 Certificates of Obligation, due February 15, 2027	4.00%-4.50%	1,475,000
\$8,590,000 2008 Certificates of Obligation, due February 15, 2028	4.00%-4.25%	6,480,000
\$2,065,000 2013 Certificates of Obligation, due February 15, 2022	2.00%-3.00%	1,820,000
\$1,730,000 2015 Certificates of Obligation, due February 15, 2029 <i>(Split 54% to 46% between governmental and business-type activities)</i>	2.00%-4.00%	930,000
Total governmental activities		<u>\$ 11,420,000</u>
Business-type activities:		
\$6,235,000 2014 Certificates of Obligation, due February 15, 2029	2.75%-3.75%	\$ 6,235,000
\$1,730,000 2015 Certificates of Obligation, due February 15, 2029 <i>(Split 54% to 46% between governmental and business-type activities)</i>	2.00%-4.00%	800,000
Total business-type activities		<u>\$ 7,035,000</u>
Total certificate of obligation bonds		<u>\$ 18,455,000</u>
Revenue bonds:		
Business-type activities:		
\$3,000,000 2006 Waterworks and Sewer System Revenue Bonds, due April 1, 2016	4.37%	\$ 140,000
\$3,000,000 2007 Waterworks and Sewer System Revenue Bonds, due April 1, 2027	4.00%-5.00%	2,065,000
\$3,000,000 2008 Waterworks and Sewer System Revenue Bonds, due April 1, 2008	3.50%-5.00%	2,170,000
Total business-type activities		<u>\$ 4,375,000</u>
Total revenue bonds		<u>\$ 4,375,000</u>

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 7. LONG-TERM OBLIGATIONS – CONTINUED

General Long-Term Liabilities – Continued

Annual requirements to amortize the long-term debt as of September 30, 2015, are as follows:

Year Ending September 30	Governmental Activities					
	General Obligation Bonds		Certificates of Obligation Bonds		Joe Pool Lake Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 4,737,000	\$ 2,252,857	\$ 1,365,000	\$ 422,733	\$ -	\$ -
2017	5,565,448	2,152,377	670,000	385,446	-	-
2018	5,743,517	1,989,744	700,000	360,931	-	-
2019	5,431,795	1,801,639	725,000	334,984	-	-
2020	5,530,000	1,596,178	755,000	307,038	-	-
2021-2025	23,975,000	4,964,803	4,225,000	1,058,683	-	-
2026-2030	8,255,000	1,183,669	2,980,000	195,641	-	-
2031-2035	<u>2,575,000</u>	<u>331,525</u>	-	-	<u>78,237,362</u>	<u>361,113,120</u>
Total principal and interest	<u>\$ 61,812,760</u>	<u>\$ 16,272,792</u>	<u>\$ 11,420,000</u>	<u>\$ 3,065,457</u>	<u>\$ 78,237,362</u>	<u>\$ 361,113,120</u>

Year Ending September 30	Revenue Bonds				Business-Type Activities			
	Revenue Bonds		Business-Type Activities		General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 405,000	\$ 98,198	\$ 423,000	\$ 139,113	\$ 40,000	\$ 225,291		
2017	275,000	178,706	569,552	130,847	435,000	219,363		
2018	290,000	166,306	591,483	115,331	450,000	206,088		
2019	300,000	154,706	423,205	99,266	465,000	192,363		
2020	310,000	142,344	325,000	85,675	475,000	178,038		
2021-2025	1,760,000	496,216	1,645,000	219,625	2,655,000	627,956		
2026-2030	<u>1,035,000</u>	<u>91,075</u>	<u>205,000</u>	<u>5,125</u>	<u>2,515,000</u>	<u>176,456</u>		
Total principal and interest	<u>\$ 4,375,000</u>	<u>\$ 1,327,551</u>	<u>\$ 4,182,240</u>	<u>\$ 794,981</u>	<u>\$ 7,035,000</u>	<u>\$ 1,825,555</u>		

Revenue Bond Compliance

The revenue bonds are collateralized by the revenue of the water and sewer system and the various special funds established by the bond ordinance. The ordinance provides that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the revenue bond funds. Any remaining revenues may then be used for any lawful purpose. The ordinance also contains provisions that, among other items, restrict the issuance of additional revenue bonds unless the special funds noted above contain the required amounts and certain financial ratios are met. The City is in compliance with all significant requirements.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 7. LONG-TERM OBLIGATIONS – CONTINUED

Debt Refunding

During the year ended September 30, 2015, the City issued \$24,055,000 General Obligation Refunding and Improvement Bonds Series 2015. Net proceeds from the sale of the bonds totaled \$8,178,574 and \$18,884,507 was placed with an escrow agent to provide for all future debt payments of the refunded bonds.

This refunding resulted in a decrease in the City's debt service payments of \$668,011 which resulted in an economic gain (difference between the present value of debt service payments of the old debt and new debt) of \$564,560. As a result of this transaction, \$7,455,000 of general obligation bonds, \$9,235,000 of certificates of obligation and \$1,815,000 in revenue bonds were refunded and are considered legally defeased, and are no longer included as liabilities in the City's basic financial statements. The total amount of debt that has been defeased in current and prior years that is still outstanding is from Series 2006 General Obligation Bonds, Series 2006 Certificates of Obligation Bonds, Series 2006A General Obligation Bonds and Series 2006 Water and Sewer Revenue Bonds. The outstanding amount as of September 30, 2014 is \$14,655,000.

Joe Pool Obligation

On April 26, 1975, the City, along with the Cities of Grand Prairie and Duncanville and the Midlothian Water District, entered into a contract with the Trinity River Authority of Texas (the Authority) to purchase rights to water conservation storage space in Lakeview Reservoir (Joe Pool Lake) (the Reservoir). The City's share is 43.21% of the total contract.

Payments to the Authority for water purchases under the contract are to commence when water is diverted from the Reservoir but no later than ten years from the date of completion of the project. The Reservoir was completed on January 6, 1986, and the first payment to the Authority was due on January 8, 1996, at which time interest began accruing.

The City's portion of the original contractual liability, as amended, amounted to \$26,284,063 and bears interest at 5.683%. According to the contract terms, each annual payment is to be made in 12 equal installments, each due and payable on or before the tenth day of the month. All payments, if not paid when due, bear interest at 5.683% per annum, if no water was diverted by that date. The City accrued an amount of \$4,207,138 for the interest accrued and not paid for the year ended September 30, 2015, which increased the long-term debt liability to the current balance of \$78,237,362. As allowed by the agreement, the City opted not to make payments but is accruing interest until the liability is paid. The City has set aside funds and has plans to pay off the liability by 2046.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 7. LONG-TERM OBLIGATIONS – CONTINUED

Component Units

The debt of the Community Development Corporation, a discretely presented component unit, is comprised of the following:

	Balance October 1, 2014	Increases	Retirements	Balance September 30, 2015	Due Within One Year
Governmental activities:					
Compensated absences	\$ 87,442	\$ 73,320	\$ (73,551)	\$ 87,211	\$ 56,687
OPEB liability	27,542	4,536	-	32,078	-
Total long-term liabilities	<u>\$ 114,984</u>	<u>\$ 77,856</u>	<u>\$ (73,551)</u>	<u>\$ 119,289</u>	<u>\$ 56,687</u>

The debt of the Economic Development Corporation, a discretely presented component unit, is comprised of the following:

	Balance October 1, 2014	Increases	Retirements	Balance September 30, 2015	Due Within One Year
Compensated absences					
OPEB liability	\$ 49,654	\$ 85,589	\$ (40,914)	\$ 94,329	\$ 28,730
	2,665	439	-	3,104	-
	<u>\$ 52,319</u>	<u>\$ 86,028</u>	<u>\$ (40,914)</u>	<u>\$ 97,433</u>	<u>\$ 28,730</u>

In fiscal year 2006, the EDC entered into an agreement with the City to provide funds to amortize the City's \$12,890,000 Certificates of Obligation and related interest for the construction of roads and drainage facilities to support the Uptown Village retail center.

These agreements are classified as voluntary non-exchange transactions. Payments by the EDC require the existence of available resources and an annual appropriation by the Boards of the EDC.

Cedar Hill Industrial Development Corporation

The Cedar Hill Industrial Development Corporation (CHIDC) was organized in December 1979 by the City under the Development Corporation Act of 1979. CHIDC issues tax-exempt revenue bonds for the development of local industry to secure the advantages of balanced and increased employment and an improved economic position, and to provide for a broader tax base. The City Council appoints the Board of Directors of CHIDC. The CHIDC does not have assets, liabilities, revenues, expenditures, or conduit debt as of September 30, 2015, to be included as a component unit.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 8. 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 other natural disasters. During fiscal year 2015, the City purchased general liability, property and workers' compensation insurance coverage from Texas Municipal League Risk Pool (TML). The City pays an annual premium to TML for such coverage. TML purchases reinsurance and the City does not retain risk of losses. There was no change in insurance coverage from the prior year. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 9. COMMITMENTS AND CONTINGENCIES

Trinity River Authority of Texas

The City contracts with Trinity River Authority of Texas (TRA), an agency of the State of Texas, whereby TRA finances, constructs, operates and maintains water and sewage transportation and treatment facilities for the benefit of the City. The current contracts are extended through the date at which all bonds mature. The City makes payments monthly, which are based on an estimate of its share of costs. In prior years, TRA has calculated this estimate on an annual basis and made adjustments for over/under charges in the City's next fiscal year. Effective December 1, 1992, TRA changed its billing methodology to adjust its estimate eight months into the City's fiscal year which should reduce over/under charges but may not fully eliminate them. The City's fiscal year for when the adjustments are reported and the City's fiscal year for when the services were provided may differ because of these adjustments and because TRA's fiscal year differs from the City's, as indicated by the schedule below:

Regular monthly expenses for October 1, 2014 to September 30, 2015	\$ 6,258,637
TRA adjustment for prior-year settlement	<u>(697,694)</u>
Sewage treatment and water system facility expenses	<u>\$ 5,560,943</u>

State and Federal Programs

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. In the opinion of management of the City, the disallowed cost, if any, would not be material.

Construction Commitments

At September 30, 2015, the City is committed to several contracts for capital improvements totaling approximately \$1,195,000. The City awarded a major public works contract for street infrastructure improvements in August 2015 with a notice to

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 9. COMMITMENTS AND CONTINGENCIES – CONTINUED

proceed on September 28, 2015 for an amount of \$21,048,333. There were no cash transactions or accruals at September 30, 2015 for the project.

Other Contingencies

There are other claims and pending actions incident to normal operations of the City. In the opinion of the City management, the City's potential liability in these matters will not have a material impact on the financial statements.

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Plan Descriptions

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 860 administered by TMRS, an agent multiple-employer public employee retirement system. 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 places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS' 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 (CAFR) that can be obtained via their website (www.tmrs.com).

All eligible employees of the City of Cedar Hill 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 of Cedar Hill, 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.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS – CONTINUED

Benefits Provide - Continued

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

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

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

Inactive employees or beneficiaries currently receiving benefits	126
Inactive employees entitled but not yet receiving benefits	135
Active Employees	<u>324</u>
Total	<u>585</u>

Contributions

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

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS – CONTINUED

Contributions - Continued

Employees of the City of Cedar Hill were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 13.40% and 13.30% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015 were \$2,516,536 and were equal to the required contributions.

Net Pension Liability

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

Actuarial Assumptions

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

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0% net pension plan investment expense, including inflation

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

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

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS – CONTINUED

Actuarial Assumptions – Continued

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.80%
International Equity	17.5	6.05%
Core Fixed Income	30.0	1.50%
Non-Core Fixed Income	10.0	3.50%
Real Return	5.0	1.75%
Real Estate	10.0	5.25%
Absolute Return	5.0	4.25%
Private Equity	<u>5.0</u>	8.50%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions were made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projection to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS – CONTINUED

Allocations

The City's net pension liability, pension expense, and deferred outflows of outflows of resources related to TMRS have been allocated between governmental activities, business-type activities, and the discretely presented component unit using a contribution-based method.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2013	\$ 75,717,489	\$ 67,168,886	\$ 8,548,603
Changes for the year:			
Service Cost	2,863,004	-	2,863,004
Interest	5,318,311	-	5,318,311
Change of benefit terms	-	-	-
Difference between expected and actual experience	(343,244)	-	(343,244)
Changes of assumptions	-	-	-
Contributions - employer	-	2,555,283	(2,555,283)
Contributions - employee	-	1,347,260	(1,347,260)
Net investment income	-	3,842,858	(3,842,858)
Benefit payments, including refunds			
of employee contributions	(2,346,249)	(2,346,249)	-
Administrative expense	-	(40,117)	40,117
Other charges	-	(3,298)	3,298
Net Changes	<u>5,491,822</u>	<u>5,355,737</u>	<u>136,085</u>
Balance at December 31, 2014	\$ 81,209,311	\$ 72,524,623	\$ 8,684,688

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
Net pension liability	\$ 21,479,257	\$ 8,684,688	\$ (1,711,473)

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS – CONTINUED

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 at www.tmrs.com.

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

For the year ended September 30, 2015, the City recognized pension expense of \$2,283,703. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ (279,506)
Changes in actuarial assumptions	-	-
Differences between projected and actual investment earnings	687,171	-
Contributions subsequent the measurement date	1,674,368	-
 Total	 <u>\$ 2,361,539</u>	 <u>\$ (279,506)</u>

The \$1,674,368 reported as deferred outflows of resources related to pensions resulted from contributions subsequent to the measurement date. Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended Sept. 30:</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2015	\$ 108,055
2016	108,055
2017	108,055
2018	108,054
2019	(24,554)
Thereafter	-
	 <u>\$ 407,665</u>

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS – CONTINUED

Supplemental Death Benefit Fund

The City contributes to a cost-sharing multiple-employer defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a separate trust administered by the TMRS Board of Trustees and is a voluntary program in which the City elected, by ordinance, to provide group term life insurance coverage to active and retired members. 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.

Contributions are made monthly based on the covered payroll of employee members of the City. The contractually required contribution rate is determined annually, and the rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund described above. The TMRS Act requires the Pension Trust Fund to allocate investment income to the SDBF on an annual basis. The funding policy of the plan is to assure adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. As such, contributions are utilized to fund active members deaths on a pay-as-you go basis; any excess contributions and investment income over payments then become net position available for postemployment benefits other than pension benefits (OPEB). The City's contributions to SDBF for the fiscal years ended September 30, 2015, 2014, and 2013, were \$28,651, \$28,657, and \$23,861, respectively, which equaled the required contributions each year.

Payments from this fund are similar to group term life insurance benefits, and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump sum payment approximately equal to the employee's annual salary.

The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. The obligations of this plan are payable only from the SDBF and are not an obligation of, or claim against, the Pension Trust Fund.

The funding policy of the plan is to assure adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. As such, contributions are utilized to fund active member deaths on a pay-as-you go basis;

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS – CONTINUED

Reserve Police Department Defined Benefit Plan

The City provides pension benefits to its volunteer police reserves upon retirement. The City Council establishes plan provisions, is authorized to amend them and acts as the plan administrator. The plan became effective October 1, 1993. Police reserves do not receive a salary, and therefore, there is no covered payroll related to the plan. Police reserves are eligible to participate in the plan if they are at least 15 years old and provided the City with 192 hours of volunteer service per year as a police reserve. Under the plan, the normal retirement age is 55 with ten years of service required. Service is measured by years of service. The reserve officers are not required to contribute to the plan. The normal retirement pension payable to a retirement participant is \$144 per month with a guaranteed minimum of 120 months. Participants are 100% vested with a minimum of ten years of vesting service. A year of vesting is credited for each year during which the participant is credited with 192 hours of service. As of September 30, 2015, the City had one active member of the plan and nine retirees receiving benefits. The plan is a single employer defined benefit plan. The plan does not prepare a separate, audited pension plan report.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 11. OTHER POST EMPLOYMENT BENEFITS

A. Plan Description

The City provides post-employment medical care (OPEB) for employees through a single-employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses and dependents through the City's group health insurance plans, which cover both active and retired members. The benefit levels and contribution rates are approved annually by the City management and the City Council as part of the budget process. Since an irrevocable trust has not been established, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

B. Benefits Provided

The City provides post-employment medical and dental care benefits to its retirees. Retirees who elect COBRA cannot later elect retiree coverage. To be eligible for coverage, an employee must qualify under all three of the following:

1. The retiree must have been covered for medical benefits under the City Health Plan as an employee immediately prior to termination of employment.
2. The retiree must apply for pension benefits from TMRS in accordance with TMRS requirements and deadlines.
3. The retiree must enroll for retiree health coverage within thirty-one days of the date of termination.

All medical care benefits are provided through the City's health plan. The benefit levels are the same as those afforded to active employees.

As of September 30, 2015, membership consisted of:

Retirees and beneficiaries receiving benefits	8
Terminated employees eligible for benefits, but not yet enrolled	0
Active employees	<u>309</u>
Total	<u>317</u>

C. Funding Policy

The plan's premium rates are determined annually by City management and approved by the City Council as part of the annual budget. Members receiving medical benefits contribute as follows:

<u>Coverage</u>	<u>Premiums Paid By Employee</u>	
	<u>Base Plan</u>	<u>Buy-Up Plan</u>
Employee Only	\$ 471.43	\$ 550.02
Employee & Spouse	\$ 895.72	\$ 1,045.02

The City is currently funding the OPEB liability on a pay-as-you-go basis. This basis has been recommended since 1) this provides the lowest cost approach and 2) the ARC is relatively small in comparison to the City's overall budget.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 11. OTHER POST EMPLOYMENT BENEFITS – CONTINUED

D. Annual OPEB Cost

The City's annual OPEB cost is calculated based on the annual required contribution of the City (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funded excesses) over a period not to exceed thirty years. The City's annual OPEB cost for the current year, three preceding years and the related information are as follows:

	2013	2014	2015
Actual required contribution (ARC)	\$ 95,388	\$ 98,250	\$ 115,619
Interest on prior year net OPEB obligation	10,192	12,664	15,033
Adjustment to ARC	(9,442)	(11,733)	(13,928)
Annual OPEB cost	96,138	99,181	116,727
Contributions made	41,193	46,539	48,590
Increase in net OPEB obligation	54,945	52,642	68,134
Net Obligation – beginning of year	226,478	281,423	334,065
Net Obligation – end of year	<u>\$ 281,423</u>	<u>\$ 334,065</u>	<u>\$ 402,199</u>
Percentage of OPEB costs contributed	42.8%	46.9%	41.6%

The funded status of the plan as of actuarial measurement date of December 31, 2014, was as follows:

Actuarial Valuation Date as of	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (d)	Ratio of UAAL to Annual Covered Payroll (b-a)/d
12/31/2014	\$0	\$999,476	\$999,476	0.0%	19,222,111	5.20%

E. Actuarial Methods and Assumptions

Projections of benefits are based on a substantive plan (the plan understood by the employer and plan members) and include the type of benefits in force at the valuation date and the pattern of sharing benefits between the City and the plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 11. OTHER POST EMPLOYMENT BENEFITS – CONTINUED

E. Actuarial Methods and Assumptions - Continued

In the December 31, 2014, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.50% per annum investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.25% initially, reduced by decrements to an ultimate rate of 4.50% after fourteen years. The rate of inflation is assumed to be 3.00% per annum. The amortization method used was level percentage of active member payroll. The amortization period is 30-year using an open basis.

Actuarial valuations involve estimates of the value of reported amounts and assumptions and 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 (following the notes to the financial statements) presents 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.

NOTE 12. REGIONAL DISPATCH CENTER

The City entered into an annually renewable Interlocal Cooperation agreement with the Cities of DeSoto and Duncanville (participating cities) on August 10, 1999, to establish a Regional Public Safety Dispatch and Alarm Monitoring Facility (the Center). The Center provides police, fire and emergency medical service communications to participating cities. The Center's Management Committee is comprised of each of the participating cities' City Manager or their designee. During the fiscal year 2015, the City contributed \$908,325 to the operations of the Center, which is accounted for in the general fund.

The City has a one-third share in the equity of the Center, which is included in the government-wide statement of net position as other assets. At September 30, 2015, the City's investment in the Center is \$229,321. The financial statements of the Center can be obtained by contacting: City of DeSoto Finance Department, 211 E. Pleasant Run Rd., DeSoto, TX 75115.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 13. REGIONAL ANIMAL CONTROL SHELTER

The City entered into an Interlocal Cooperation Agreement with the Cities of DeSoto and Duncanville on September 3, 1991 to establish a Regional Animal Control Shelter facility ("the facility"). The facility's Management Committee is comprised of each of the participating cities' City Manager or their designee. The City owns a one-third (1/3) share of the facility and is reflected in capital assets. In January 2008, the City issued, in its name, \$2,040,000 of bonds to finance the construction of a new animal control shelter. Combined principal and interest of the obligation totaled \$3,064,113. Although, the entire outstanding principal is reflected in the City's financials, the City of Duncanville and the City of Desoto are each committed to pay one third of that total debt or \$1,021,371 over twenty years starting in fiscal year 2009. The total outstanding debt service commitment from all three entities as of September 30, 2015 is \$1,986,838. The financial statements of the facility can be obtained by contacting: City of Cedar Hill Finance Department, P.O. Box 96, Cedar Hill, TX 75106-0096.

NOTE 14. SUBSEQUENT EVENTS

The city has evaluated all events or transactions that occurred after September 30, 2015 up through April 25, 2016, the date the financial statements were available to be issued and concludes there are no subsequent events requiring recognition or disclosure.



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

REQUIRED SUPPLEMENTARY INFORMATION



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

CITY OF CEDAR HILL, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND
RELATED RATIOS (LAST 10 YEARS) - TMRS PLAN (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT E-1

	2014
Total pension liability	
Service Cost	\$ 2,863,004
Interest (on the Total Pension Liability)	5,318,311
Changes of benefit terms	—
Difference between expected and actual experiences	(343,244)
Change of assumptions	—
Benefit payments, including refunds of employee contributions	<u>(2,346,249)</u>
Net Change in Total Pension Liability	5,491,822
Total Pension Liability-Beginning	<u>75,717,489</u>
 Total Pension Liability Ending (A)	 <u>\$ 81,209,311</u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 2,555,283
Contributions - Employee	1,347,260
Net Investment Income	3,842,858
Benefit payments, including refunds of employee contributions	(2,346,249)
Administrative Expense	(40,117)
Other	<u>(3,298)</u>
Net Change in Plan Fiduciary Net Position	5,355,737
Plan Fiduciary Net Position - Beginning	<u>67,168,886</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 72,524,623</u>
 Net Pension Liability - Ending (A-B)	 <u>\$ 8,684,688</u>
 Plan Fiduciary Net Position as Percentage of Total Pension Liability	 89.31%
 Covered Employee Payroll	 \$ 19,246,797
 Net Pension Liability as a Percentage of Covered Employee Payroll	 45.12%

Note: The City implemented GASB 68 in FY 2015, therefore the required information for this schedule will be built over the next nine years.

CITY OF CEDAR HILL, TEXAS
SCHEDULE OF CONTRIBUTIONS – TMRS PLAN (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT E-2

Schedule of Contributions

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 2,299,513	\$ 2,516,536
Contributions in relation to the actuarially determined contribution	<u>(2,299,513)</u>	<u>(2,516,536)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered employee payroll	 \$ 17,701,812	 \$ 18,921,325
Contributions as a percentage of covered employee payroll	12.99%	13.30%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:	Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen months later.
Notes	
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	26 years, Closed
Asset Valuation Method	10 Year smoothed market, 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Other Information:	
Notes	There were no benefit changes during the year.
Note: The City implemented GASB 68 in FY 2015, therefore the required information for this schedule will be built over the next eight years.	

CITY OF CEDAR HILL, TEXAS
SCHEDULE OF CITY OF CEDAR HILL EMPLOYEES
OTHER POST EMPLOYMENT BENEFITS PLAN
ANALYSIS OF FUNDING PROGRESS
(UNAUDITED)

EXHIBIT E-3

Fiscal Year	(1) Actuarial value of Assets	(2) Actuarial Accrued Liability	(3) Percentage Funded (1) / (2)	(4) Unfunded Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll		Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4) / (5)
2010	-	\$ 1,078,762	0.0%	\$ 1,078,762	\$ 17,131,245		6.3%
2011	-	\$ 931,907	0.0%	\$ 931,907	\$ 17,883,868		5.2%
2012	-	\$ 931,907	0.0%	\$ 931,907	\$ 16,718,591		5.6%
2013	-	\$ 848,853	0.0%	\$ 848,853	\$ 17,212,541		4.9%
2014	-	\$ 848,853	0.0%	\$ 848,853	\$ 17,701,812		4.8%
2015	-	\$ 999,476	0.0%	\$ 999,476	\$ 19,222,111		5.2%

**CITY OF CEDAR HILL, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

EXHIBIT E-4

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amount	
REVENUES				
Taxes	\$ 21,819,065	\$ 21,819,065	\$ 21,825,474	\$ 6,409
Franchise fees	3,679,700	3,679,700	3,709,285	29,585
Licenses and permits	700,150	700,150	780,478	80,328
Intergovernmental	75,000	75,000	66,384	(8,616)
Charges for services	2,920,855	2,920,855	3,086,599	165,744
Fines and forfeitures	859,030	859,030	1,059,798	200,768
Investment earnings	40,700	40,700	46,846	6,146
Miscellaneous	264,960	264,960	253,255	(11,705)
Total revenues	30,359,460	30,359,460	30,828,119	468,659
EXPENDITURES				
Current Expenditures:				
General administration	4,921,445	4,921,445	4,845,261	76,184
Public works	2,062,605	2,062,605	1,955,209	107,396
Public safety	19,971,105	19,971,105	19,278,936	692,169
Community services	4,087,420	4,087,420	3,981,339	106,081
Capital Expenditures:				
General administration	-	-	-	-
Public works	-	-	-	-
Public safety	-	-	-	-
Total expenditures	31,042,575	31,042,575	30,060,745	981,830
Excess (deficiency) of revenues over expenditures	(683,115)	(683,115)	767,374	1,450,489
OTHER FINANCING SOURCES (USES)				
Transfer in	512,000	512,000	512,000	-
Transfer out	(50,000)	(50,000)	(50,769)	769
Total other financing sources (uses)	\$ 462,000	\$ 462,000	\$ 461,231	\$ 769
Net change in fund balances	(221,115)	(221,115)	1,228,605	1,451,258
Fund balances, beginning of year			7,912,947	
Fund balances, end of year			\$ 9,141,552	

**CITY OF CEDAR HILL, TEXAS
JOE POOL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

EXHIBIT E-5

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget- Positive (Negative)
REVENUES-Investment earnings	<u>\$ 2,800,000</u>	<u>\$ 2,800,000</u>	<u>\$ 2,367,349</u>	<u>\$ (432,651)</u>
Total revenues	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,367,349</u>	<u>(432,651)</u>
OTHER FINANCING SOURCES (USES):				
Transfer in	<u>1,850,000</u>	<u>1,850,000</u>	<u>1,850,000</u>	<u>-</u>
Total other financing sources (uses)	<u>1,850,000</u>	<u>1,850,000</u>	<u>1,850,000</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ 4,650,000</u>	<u>\$ 4,650,000</u>	<u>4,217,349</u>	<u>\$ (432,651)</u>
FUND BALANCE-Beginning of year			<u>51,305,636</u>	
FUND BALANCE-End of year			<u>\$ 55,522,985</u>	

CITY OF CEDAR HILL, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

1. BUDGETARY INFORMATION

The City Council follows these procedures in establishing the budgets reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at which all interested persons' comments concerning the budget are heard.
3. The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year.
4. The City Manager has the authority to transfer appropriation balances from one expenditure account to another within a single fund. The City Council, however, must approve any transfer of unencumbered appropriation balances or portions thereof from one fund to another as well as any increases in fund appropriations. All appropriations lapse at the end of the fiscal year.
5. Annual budgets for the General, Special Revenue and Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgets were not adopted for the Community Development Block Grant fund and the PEG fund.
6. The budgetary data presented has been amended from the original budget by the City Council.
7. For the year ended September 30, 2015, expenditures exceeded appropriations in the Debt Service fund, Police Forfeiture fund, High Pointe Public Improvement District, Waterford Oaks Public Improvement District and the Traffic Safety fund by \$351,316, \$4,535, \$27,108, \$3,465 and \$140,239, respectively.

OTHER SUPPLEMENTARY INFORMATION

**CITY OF CEDAR HILL, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2015**

Nonmajor Special Revenue Funds

	Police Forfeiture	Hotel Occupancy	Library Fund	Comm. Dev. Bock Grant
ASSETS				
Cash and cash equivalents	\$ 85,257	\$ 805,773	\$ 121,489	\$ (55,183)
Receivables (net, where applicable, of allowances for uncollectibles)	-	35,919	-	57,862
Prepaid items	-	350	-	-
Total assets	\$ 85,257	\$ 842,042	\$ 121,489	\$ 2,679
LIABILITIES				
Accounts payable	\$ 1,113	\$ 2,130	\$ -	\$ 16,593
Accrued liabilities	18,511	3,017	-	-
Total liabilities	19,624	5,147	-	16,593
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable- prepaids and inventory	-	350	-	-
Restricted for:				
Construction	-	-	-	-
PID use	-	-	-	-
Tourism	-	836,545	-	-
Police	65,633	-	-	-
Committed for:				
Library	-	-	121,489	-
Landscaping	-	-	-	-
Construction	-	-	-	-
Building maintenance	-	-	-	-
Unassigned	-	-	-	(13,914)
Total fund balances	65,633	836,895	121,489	(13,914)
Total liabilities and fund balances	\$ 85,257	\$ 842,042	\$ 121,489	\$ 2,679

EXHIBIT F-1(CONTINUED)

Nonmajor Special Revenue Funds

High Pointe PID	Waterford Oaks PID	Traffic Safety	PEG	Crime Control	Landscape Beatification	Total Nonmajor Special Revenue Funds
\$ 55,707	\$ 239,358	\$ 710,224	\$ 298,586	\$ 121,938	\$ 887,308	\$ 3,270,457
10,913	3,777	-	56,935	147,418	379,851	692,675
-	-	-	-	-	-	350
<u>\$ 66,620</u>	<u>\$ 243,135</u>	<u>\$ 710,224</u>	<u>\$ 355,521</u>	<u>\$ 269,356</u>	<u>\$ 1,267,159</u>	<u>\$ 3,963,482</u>
\$ 3,528	\$ 15,669	\$ 231,144	\$ -	\$ 1,799	\$ 180,788	\$ 452,764
-	-	3,035	-	17,384	35,374	77,321
3,528	15,669	234,179	-	19,183	216,162	530,085
10,192	2,898	-	-	-	-	13,090
10,192	2,898	-	-	-	-	13,090
-	-	-	-	-	-	350
-	-	-	355,521	250,173	-	605,694
52,900	224,568	-	-	-	-	277,468
-	-	-	-	-	-	836,545
-	-	476,045	-	-	-	541,678
-	-	-	-	-	-	121,489
-	-	-	-	-	1,050,997	1,050,997
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(13,914)
52,900	224,568	476,045	355,521	250,173	1,050,997	3,420,307
<u>\$ 66,620</u>	<u>\$ 243,135</u>	<u>\$ 710,224</u>	<u>\$ 355,521</u>	<u>\$ 269,356</u>	<u>\$ 1,267,159</u>	<u>\$ 3,963,482</u>

**CITY OF CEDAR HILL, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2015**

Nonmajor Capital Projects			
	Certificates of Obligation	Park Development	Restricted Street
ASSETS			
Cash and cash equivalents	\$ 3,049,316	\$ 518,417	\$ 363,741
Receivables (net, where applicable, of allowances for uncollectibles)	241	-	-
Prepaid items	-	-	-
Total assets	\$ 3,049,557	\$ 518,417	\$ 363,741
LIABILITIES			
Accounts payable	\$ 16,287	\$ -	\$ -
Accrued liabilities	-	-	-
Total liabilities	16,287	-	-
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
FUND BALANCES			
Nonspendable- prepaids and inventory	-	-	-
Restricted for:			
Construction	3,033,270	518,417	363,741
PID use	-	-	-
Tourism	-	-	-
Police	-	-	-
Committed for:			
Library	-	-	-
Landscaping	-	-	-
Construction	-	-	-
Building maintenance	-	-	-
Unassigned	-	-	-
Total fund balances	3,033,270	518,417	363,741
Total liabilities and fund balances	\$ 3,049,557	\$ 518,417	\$ 363,741

EXHIBIT F-1(CONCLUDED)

Nonmajor Capital Projects						Total
Street Construction	Building Maintenance	Drainage	Regional Drainage	Total Capital Project funds	Nonmajor funds	
\$ 1,173,074	\$ 193,496	\$ 547,707	\$ 89,907	\$ 5,935,658	\$ 9,206,115	
158	-	-	-	399	693,074	
-	-	-	-	-	350	
\$ 1,173,232	\$ 193,496	\$ 547,707	\$ 89,907	\$ 5,936,057	\$ 9,899,539	
\$ -	\$ -	\$ -	\$ -	\$ 16,287	\$ 469,051	
-	-	-	-	-	77,321	
-	-	-	-	16,287	546,372	
-	-	-	-	-	13,090	
-	-	-	-	-	13,090	
-	-	-	-	-	350	
-	-	-	-	3,915,428	4,521,122	
-	-	-	-	-	277,468	
-	-	-	-	-	836,545	
-	-	-	-	-	541,678	
-	-	-	-	-	121,489	
-	-	-	-	-	1,050,997	
1,173,232	-	-	-	1,173,232	1,173,232	
-	193,496	547,707	89,907	831,110	831,110	
-	-	-	-	-	(13,914)	
1,173,232	193,496	547,707	89,907	5,919,770	9,340,077	
\$ 1,173,232	\$ 193,496	\$ 547,707	\$ 89,907	\$ 5,936,057	\$ 9,899,539	

CITY OF CEDAR HILL, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Nonmajor Special Revenue Funds				
	Police Forfeiture	Hotel Occupancy	Library Fund	Comm. Dev. Block Grant
REVENUES:				
Taxes	\$ -	\$ 259,954	\$ -	\$ -
Franchise taxes	-	-	-	-
Intergovernmental	-	-	-	88,751
Charges for services	-	-	-	-
Fines and forfeits	20,047	-	-	-
Investment earnings	312	2,324	418	-
Miscellaneous	-	-	14,957	-
Total revenues	20,359	262,278	15,375	88,751
EXPENDITURES				
Current:				
General administration	-	-	-	-
Public works	-	-	-	94,582
Public safety	34,535	-	-	-
Community services	-	177,141	29,124	-
Capital outlay				
Public works	-	-	-	-
Community services	-	-	-	-
Total expenditures	34,535	177,141	29,124	94,582
Excess (deficiency) of revenues over expenditures	(14,176)	85,137	(13,749)	(5,831)
Other Financing Sources (Uses)				
Transfer Out	-	-	-	-
Total Financing Sources (Uses)	-	-	-	-
Changes in Fund Balance	(14,176)	85,137	(13,749)	(5,831)
Fund balances, beginning of year	79,809	751,758	135,238	(8,083)
Fund balances, end of year	\$ 65,633	\$ 836,895	\$ 121,489	\$ (13,914)

EXHIBIT F-2 (CONTINUED)

Nonmajor Special Revenue Funds

High Pointe PID	Waterford Oaks PID	Traffic Safety	PEG	Crime Control	Landscape Beatification	Total Nonmajor Special Revenue Funds
\$ 319,158	\$ 107,688	\$ -	\$ -	\$ 869,827	\$ -	\$ 1,556,627
-	-	-	109,893	-	-	109,893
20,000	2,340	-	-	-	-	111,091
-	-	-	-	-	2,029,895	2,029,895
-	-	786,035	-	-	-	806,082
-	-	1,508	-	-	5,415	9,977
9,118	-	-	-	1,100	41,978	67,153
348,276	110,028	787,543	109,893	870,927	2,077,288	4,690,718
-	-	-	23,287	-	-	23,287
-	-	-	-	-	-	94,582
-	-	695,689	-	764,774	-	1,494,998
307,903	89,024	-	-	-	2,016,939	2,620,131
46,335	7,841	-	-	-	1,758	55,934
354,238	96,865	695,689	23,287	764,774	2,018,697	4,288,932
(5,962)	13,163	91,854	86,606	106,153	58,591	401,786
-	-	-	-	-	(100,000)	(100,000)
-	-	-	-	-	(100,000)	(100,000)
(5,962)	13,163	91,854	86,606	106,153	(41,409)	301,786
58,862	211,405	384,191	268,915	144,020	1,092,406	3,118,521
\$ 52,900	\$ 224,568	\$ 476,045	\$ 355,521	\$ 250,173	\$ 1,050,997	\$ 3,420,307

CITY OF CEDAR HILL, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Nonmajor Capital Projects		
	Certificates of Obligation	Park Development	Restricted Street
REVENUES:			
Taxes	\$ -	\$ -	\$ -
Franchise taxes	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeits	-	-	-
Investment earnings	15,111	1,791	1,184
Miscellaneous	-	-	-
Total revenues	15,111	1,791	1,184
EXPENDITURES			
Current:			
General administration	-	-	-
Public works	-	-	-
Public safety	-	-	-
Community Services	-	75	-
Capital outlay			
Public works	578,516	-	-
Community Services	-	33,489	-
Total expenditures	578,516	33,564	-
Excess (deficiency) of revenues over expenditures	(563,405)	(31,773)	1,184
Other Financing Sources (Uses)			
Transfer Out	-	-	-
Total Financing Sources (Uses)	-	-	-
Changes in Fund Balance			
Fund balances, beginning of year	3,596,675	550,190	362,557
Fund balances, end of year	\$ 3,033,270	\$ 518,417	\$ 363,741

EXHIBIT F-2 (CONCLUDED)

Nonmajor Capital Projects					Total Nonmajor Capital Project Funds	Total Nonmajor Funds
Street Construction	Building Maintenance	Drainage	Regional Drainage			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,556,627	
-	-	-	-	-	109,893	
-	-	-	-	-	111,091	
-	-	-	-	-	2,029,895	
-	-	-	-	-	806,082	
7,585	629	1,781	293	28,374	38,351	
-	-	-	-	-	67,153	
7,585	629	1,781	293	28,374	4,719,092	
-	-	-	-	-	23,287	
-	-	-	-	-	94,582	
-	-	-	-	-	1,494,998	
-	-	-	-	75	2,620,206	
-	-	-	-	578,516	578,516	
-	-	-	-	33,489	89,423	
-	-	-	-	612,080	4,901,012	
7,585	629	1,781	293	(583,706)	(181,920)	
(412,000)	-	-	-	(412,000)	(512,000)	
(412,000)	-	-	-	(412,000)	(512,000)	
(404,415)	629	1,781	293	(995,706)	(693,920)	
1,577,647	192,867	545,926	89,614	6,915,476	10,033,997	
\$ 1,173,232	\$ 193,496	\$ 547,707	\$ 89,907	\$ 5,919,770	\$ 9,340,077	

CITY OF CEDAR HILL, TEXAS
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT G-1

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 5,306,930	\$ 5,306,930	\$ 5,296,606	\$ (10,324)
Intergovernmental	1,912,775	1,912,775	1,912,771	(4)
Charges for services	103,345	103,345	103,345	-
Investment earnings	10,000	10,000	14,974	4,974
Total revenues	7,333,050	7,333,050	7,327,696	(5,354)
EXPENDITURES				
Principal retirement	5,526,240	5,526,240	5,641,240	(115,000)
Interest and fiscal agent charges	2,624,410	2,624,410	2,860,726	(236,316)
Total expenditures	8,150,650	8,150,650	8,501,966	(351,316)
Deficiency of revenues under expenditures	(817,600)	(817,600)	(1,174,270)	(356,670)
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	16,060,050	16,060,050
Refunding of long-term debt	-	-	(16,990,488)	(16,990,488)
Premium on issuance of debt	-	-	2,123,241	2,123,241
Transfers in	740,000	740,000	855,000	115,000
Transfers out			(981,717)	(981,717)
Total other financing sources (uses)	740,000	740,000	1,066,086	326,086
Net changes in fund balances	\$ (77,600)	\$ (77,600)	\$ (108,184)	\$ (30,584)
Fund balances, beginning of year			<u>1,356,029</u>	
Fund balances, end of year			<u>\$ 1,247,845</u>	

CITY OF CEDAR HILL, TEXAS
POLICE FORFEITURE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT G-2

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Fines and forfeits	\$ 30,000	\$ 30,000	\$ 20,047	\$ (9,953)
Investment earnings	500	500	312	(188)
Total revenues	30,500	30,500	20,359	(10,141)
EXPENDITURES				
Public safety	30,000	30,000	34,535	(4,535)
Capital outlay			-	-
Total expenditures	30,000	30,000	34,535	(4,535)
Excess (deficiency) of revenues over (under) expenditures	500	500	(14,176)	(14,676)
Changes in fund balances	\$ 500	\$ 500	(14,176)	\$ (14,676)
Fund balances, beginning of year			<u>79,809</u>	
Fund balances, end of year			<u>\$ 65,633</u>	

CITY OF CEDAR HILL, TEXAS
HOTEL OCCUPANCY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT G-3

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 160,000	\$ 160,000	\$ 259,954	\$ 99,954
Investment earnings	4,600	4,600	2,324	(2,276)
Total revenues	164,600	164,600	262,278	97,678
EXPENDITURES				
Community Services	197,375	197,375	177,141	20,234
Capital Outlay	-	-	-	-
Total expenditures	197,375	197,375	177,141	20,234
Excess of revenues over expenditures	(32,775)	(32,775)	85,137	117,912
Net changes in fund balances	\$ (32,775)	\$ (32,775)	85,137	\$ 117,912
Fund balances, beginning of year			751,758	
Fund balances, end of year			\$ 836,895	

CITY OF CEDAR HILL, TEXAS
LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT G-4

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment earnings	\$ 650	\$ 650	\$ 418	\$ (232)
Miscellaneous revenue	5,000	5,000	14,957	9,957
Total revenues	5,000	5,000	15,375	10,375
EXPENDITURES				
Community Services	35,000	35,000	29,124	5,876
Total expenditures	35,000	35,000	29,124	5,876
Excess of (deficiency) revenues over (under) expenditures	(30,000)	(30,000)	(13,749)	16,251
Net changes in fund balances	\$ (30,000)	\$ (30,000)	(13,749)	\$ 16,251
Fund balances, beginning of year			135,238	
Fund balances, end of year			\$ 121,489	

CITY OF CEDAR HILL, TEXAS
HIGH POINTE PUBLIC IMPROVEMENT DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT G-5

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Assessments	\$ 311,885	\$ 311,885	\$ 319,158	\$ 7,273
Intergovernmental	20,000	20,000	20,000	-
Investment earnings	2,000	2,000	-	(2,000)
Miscellaneous	-	-	9,118	9,118
Total revenues	<u>333,885</u>	<u>333,885</u>	<u>348,276</u>	<u>14,391</u>
EXPENDITURES				
Community service	282,130	282,130	307,903	(25,773)
Capital outlay	45,000	45,000	46,335	(1,335)
Total expenditures	<u>327,130</u>	<u>327,130</u>	<u>354,238</u>	<u>(27,108)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,755</u>	<u>6,755</u>	<u>(5,962)</u>	<u>(12,717)</u>
Net changes in fund balances	<u>\$ 6,755</u>	<u>\$ 6,755</u>	<u>(5,962)</u>	<u>\$ (12,717)</u>
Fund balances, beginning of year			<u>58,862</u>	
Fund balances, end of year			<u>\$ 52,900</u>	

CITY OF CEDAR HILL, TEXAS
WATERFORD OAKS PUBLIC IMPROVEMENT DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Assessments	\$ 103,000	\$ 103,000	\$ 107,688	\$ 4,688
Intergovernmental	3,300	3,300	2,340	(960)
Investment earnings	2,300	2,300	-	(2,300)
Total revenues	108,600	108,600	110,028	1,428
EXPENDITURES				
Community service	63,400	63,400	89,024	(25,624)
Capital outlay	30,000	30,000	7,841	22,159
Total expenditures	93,400	93,400	96,865	(3,465)
Excess (deficiency) of revenues over (under) expenditures	15,200	15,200	13,163	(2,037)
Net changes in fund balances	\$ 15,200	\$ 15,200	13,163	\$ (2,037)
Fund balances, beginning of year			211,405	
Fund balances, end of year			\$ 224,568	

CITY OF CEDAR HILL, TEXAS
TRAFFIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT G-7

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Fines and forfeits	\$ 385,000	\$ 385,000	\$ 786,035	\$ 401,035
Investment earnings	3,600	3,600	1,508	(2,092)
Total revenues	388,600	388,600	787,543	398,943
EXPENDITURES				
General administration	-	-	-	-
Public safety	555,450	555,450	695,689	(140,239)
Capital outlay	-	-	-	-
Total expenditures	555,450	555,450	695,689	(140,239)
Excess (deficiency) of revenues over (under) expenditures	(166,850)	(166,850)	91,854	258,704
Changes in fund balances	\$ (166,850)	\$ (166,850)	91,854	\$ 258,704
Fund balances, beginning of year			384,191	
Fund balances, end of year			\$ 476,045	

CITY OF CEDAR HILL, TEXAS
LANDSCAPE BEAUTIFICATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT G-8

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for services	\$ 2,030,000	\$ 2,030,000	\$ 2,029,895	\$ (105)
Investment earnings	5,500	5,500	5,415	(85)
Miscellaneous	26,500	26,500	41,978	15,478
Total revenues	2,062,000	2,062,000	2,077,288	15,288
EXPENDITURES				
Community service	2,220,000	2,220,000	2,016,939	203,061
Capital outlay	100,000	100,000	1,758	98,242
Total expenditures	2,320,000	2,320,000	2,018,697	301,303
Excess (deficiency) of revenues over (under) expenditures	(258,000)	(258,000)	58,591	316,591
OTHER FINANCING SOURCES (USES)				
Transfer out	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ -
Changes in fund balances	\$ (358,000)	\$ (358,000)	(41,409)	\$ 316,591
Fund balances, beginning of year			1,092,406	
Fund balances, end of year			\$ 1,050,997	

CITY OF CEDAR HILL, TEXAS
CRIME CONTROL AND PREVENTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT G-9

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 895,770	\$ 895,770	\$ 869,827	\$ (25,943)
Intergovernmental				-
Investment earnings	-	-	-	-
Miscellaneous	5,000	5,000	1,100	(3,900)
Total revenues	900,770	900,770	870,927	(29,843)
EXPENDITURES				
Public safety	920,000	920,000	764,774	155,226
Capital outlay	-	-	-	-
Total expenditures	920,000	920,000	764,774	155,226
Excess (deficiency) of revenues over (under) expenditures	(19,230)	(19,230)	106,153	125,383
Net changes in fund balances	\$ (19,230)	\$ (19,230)	106,153	\$ 125,383
Fund balances, beginning of year			144,020	
Fund balances, end of year			\$ 250,173	

**CEDAR HILL COMMUNITY DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
BALANCE SHEET
AS OF SEPTEMBER 30, 2015**

EXHIBIT H-1

	<u>Community Development Corporation</u>
ASSETS	
Equity in pooled cash and cash equivalents	\$ 8,326,592
Receivable:	
Taxes	604,597
Miscellaneous	8,102
TOTAL ASSETS	<u>\$ 8,939,291</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	179,910
Accrued liabilities	154,967
Unearned revenue	47,362
Deposits	25,092
Total liabilities	<u>407,331</u>
FUND BALANCE	
Unassigned	8,531,960
Total fund balance	<u>8,531,960</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 8,939,291</u>

**CEDAR HILL COMMUNITY DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
RECONCILIATION OF THE BALANCE SHEET TO
THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2015**

EXHIBIT H-2

TOTAL FUND BALANCES-Governmental funds	\$ 8,531,960
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.	343,579
Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported in the funds. Long-term liabilities consist of:	
Compensated absences	(87,211)
OPEB liability	<u>(32,078)</u>
TOTAL NET POSITION-Governmental activities	<u>\$ 8,756,250</u>

**CEDAR HILL COMMUNITY DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

EXHIBIT H-3

	<u>Community Development Corporation</u>
REVENUES:	
Taxes	\$ 3,555,210
Charges for services	662,214
Investment earnings	25,320
Intergovernmental	153,452
Miscellaneous	<u>21,426</u>
Total revenues	<u>4,417,622</u>
EXPENDITURES	
Current:	
Community services	2,877,301
Capital outlay:	
Community services	<u>372,973</u>
Total expenditures	<u>3,250,274</u>
Excess (deficiency) of revenues over expenditures	<u>1,167,348</u>
Changes in Fund Balance	<u>1,167,348</u>
Fund balances, beginning of year	<u>7,364,612</u>
Fund balances, end of year	<u>\$ 8,531,960</u>

**CEDAR HILL COMMUNITY DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

EXHIBIT H-4

CHANGE IN FUND BALANCES-Total governmental funds \$ 1,167,348

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. 209,224

In governmental fund financial statements contributions of assets are not reported. In the government-wide financial statements, contributions of assets are reported as reductions in net position. (132,862)

Deductions from vacation, sick, and opeb liabilities are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position. (4,305)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,239,405

The Notes to the Basic Financial Statements
are an integral part of this statement.

**CEDAR HILL ECONOMIC DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
BALANCE SHEET
AS OF SEPTEMBER 30, 2015**

EXHIBIT H-5

	<u>Economic Development Corporation</u>
ASSETS	
Equity in pooled cash and cash equivalents	\$ 5,690,764
Investments	254,154
Receivable:	
Taxes	453,441
Miscellaneous	550
Interest	452
Prepaid items	<u>83,986</u>
TOTAL ASSETS	<u><u>\$ 6,483,347</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	53,568
Accrued liabilities	17,797
Deposits	<u>17,500</u>
Total liabilities	<u>88,865</u>
FUND BALANCE	
Nonspendable	83,986
Unassigned	<u>6,310,496</u>
Total fund balance	<u>6,394,482</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 6,483,347</u></u>

**CEDAR HILL ECONOMIC DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
RECONCILIATION OF THE BALANCE SHEET TO
THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2015**

EXHIBIT H-6

TOTAL FUND BALANCES-Governmental funds	\$ 6,394,482
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.	3,441,774
Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported in the funds. Long-term liabilities consist of:	
Compensated absences	(94,329)
OPEB liability	<u>(3,104)</u>
TOTAL NET POSITION-Governmental activities	<u>\$ 9,738,823</u>

**CEDAR HILL ECONOMIC DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

EXHIBIT H-7

	<u>Economic Development Corporation</u>
REVENUES:	
Taxes	\$ 2,666,407
Charges for services	14,220
Investment earnings	<u>24,644</u>
Total revenues	<u>2,705,271</u>
EXPENDITURES	
Current:	
Community services	2,549,724
Other:	
Community services	<u>12,460</u>
Total expenditures	<u>2,562,184</u>
Excess (deficiency) of revenues over expenditures	<u>143,087</u>
Other Financing Sources (Uses)	
Proceeds from sale of assets	<u>323,013</u>
Total Financing Sources (Uses)	<u>323,013</u>
Changes in Fund Balance	<u>466,100</u>
Fund balances, beginning of year	<u>5,928,382</u>
Fund balances, end of year	<u>\$ 6,394,482</u>

**CEDAR HILL ECONOMIC DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

EXHIBIT H-8

NET CHANGE IN FUND BALANCES-Total governmental funds	\$ 466,100
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation expense on capital assets is reported in the government-wide statements of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(24,420)
Additions to vacation and sick liabilities are not shown in the fund financial statements.	
The net effect of the current year increase is to decrease net position.	(45,114)
In governmental fund financial statements, the proceeds from a sale of assets are shown as an increase in financial resources. In the government-wide financial statements, the gain or loss is calculated and reported.	
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 328,781</u>

**STATISTICAL SECTION
(UNAUDITED)**



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

STATISTICAL SECTION

(Unaudited)

The Statistical Section 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 of Cedar Hill's overall financial health.

FINANCIAL TRENDS INFORMATION - information to help the reader understand how the City's financial performance and well-being have changed over time.

- 1 Net assets by component
- 2 Changes in net assets
- 3 Fund balances, governmental funds
- 4 Changes in fund balances, governmental funds

REVENUE CAPACITY INFORMATION - information to help the reader assess the City's most significant local revenue source, the property tax.

- 5 Assessed value and actual value of taxable property
- 6 Direct and overlapping property tax rates
- 7 Principal property tax payers
- 8 Property tax levies and collections

DEBT CAPACITY INFORMATION - 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.

- 9 Ratios of outstanding debt by type
- 10 Ratios of net general bonded debt outstanding
- 11 Direct and overlapping governmental activities debt
- 12 Legal debt margin information
- 13 Pledged-revenue coverage

DEMOGRAPHIC AND ECONOMIC INFORMATION - information to help the reader understand the environment within which the City's financial activities take place, and to help make comparisons over time and with other governments.

- 14 Demographic and economic statistics
- 15 Principal employers

OPERATING INFORMATION - 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.

- 16 Full-time equivalent city government employees by function/program
- 17 Operating indicators by function/program
- 18 Capital asset statistics by function/program

CITY OF CEDAR HILL, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2006	2007	2008
Governmental activities			
Net Investment in capital assets, net of related debt	\$ 50,709,962	\$ 71,700,728	\$ 50,450,265
Restricted	9,358,327	9,806,890	12,950,069
Unrestricted	29,258,774	15,582,011	38,339,323
Total governmental activities net position	\$ 89,327,063	\$ 97,089,629	\$ 101,739,657
 Business-type activities			
Net Investment in capital assets, net of related debt	\$ 41,416,018	\$ 43,490,027	\$ 47,492,002
Restricted	5,001,029	5,011,341	4,458,851
Unrestricted	5,335,239	4,505,699	4,698,477
Total business-type activities net position	\$ 51,752,286	\$ 53,007,067	\$ 56,649,330
 Primary government			
Net Invested in capital assets, net of related debt	\$ 92,125,980	\$ 115,190,755	\$ 97,942,267
Restricted	14,359,356	14,818,231	17,408,920
Unrestricted	34,594,013	20,087,710	43,037,800
Total primary government net position	\$ 141,079,349	\$ 150,096,696	\$ 158,388,987

Source: Comprehensive Annual Financial Reports

TABLE 1

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
\$ 44,383,937	\$ 72,409,924	\$ 72,596,207	\$ 72,238,826	\$ 74,150,379	\$ 75,744,968	\$ 80,025,249
12,859,483	12,232,354	11,378,549	10,973,051	10,964,938	9,967,610	10,511,210
41,778,292	12,564,824	14,718,473	16,659,826	14,134,635	13,484,943	2,993,510
\$ 99,021,712	\$ 97,207,102	\$ 98,693,229	\$ 99,871,703	\$ 99,249,952	\$ 99,197,521	\$ 93,529,969
\$ 47,740,514	\$ 46,312,862	\$ 45,512,376	\$ 45,886,988	\$ 45,615,944	\$ 45,480,236	\$ 46,927,843
4,711,553	3,390,278	3,510,291	3,137,658	3,388,212	4,048,531	3,133,733
3,994,709	3,951,962	3,690,340	2,912,481	3,730,851	6,970,564	6,644,886
\$ 56,446,776	\$ 53,655,102	\$ 52,713,007	\$ 51,937,127	\$ 52,735,007	\$ 56,499,331	\$ 56,706,462
\$ 92,124,451	\$ 118,722,786	\$ 118,108,583	\$ 118,125,814	\$ 119,766,323	\$ 121,225,204	\$ 126,953,092
17,571,036	15,622,632	14,888,840	14,110,709	14,353,150	14,016,141	13,644,943
45,773,001	16,516,786	18,408,813	19,572,307	17,865,486	20,455,507	9,638,396
\$ 155,468,488	\$ 150,862,204	\$ 151,406,236	\$ 151,808,830	\$ 151,984,959	\$ 155,696,852	\$ 150,236,431

CITY OF CEDAR HILL, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental activities:				
General government	\$ 3,342,833	\$ 5,203,328	\$ 5,756,996	\$ 6,552,840
Public safety	14,416,779	16,318,022	18,659,224	20,065,191
Public works	5,327,141	10,562,982	7,647,548	7,031,442
Community services	5,001,181	6,443,771	6,729,210	6,506,179
Interest and fiscal charges	5,626,999	1,558,616	6,790,548	7,196,794
Total governmental activities expenses	<u>33,714,933</u>	<u>40,086,719</u>	<u>45,583,526</u>	<u>47,352,446</u>
Business-type activities:				
Water and sewer	\$ 14,241,632	\$ 13,300,772	\$ 13,375,271	\$ 14,145,471
Total business-type activities expenses	<u>14,241,632</u>	<u>13,300,772</u>	<u>13,375,271</u>	<u>14,145,471</u>
Total primary government expenses	<u>\$ 47,956,565</u>	<u>\$ 53,387,491</u>	<u>\$ 58,958,797</u>	<u>\$ 61,497,917</u>
Program Revenues				
Governmental activates:				
Charges for services				
General government	\$ 103,001	\$ 113,291	\$ 332,038	\$ 383,925
Public safety	2,154,760	2,897,331	3,327,518	3,841,740
Public works	829,336	1,934,164	650,794	53,675
Community services	711,285	2,313,069	2,527,758	2,460,325
Operating grants/contributions	2,032,509	2,152,679	1,999,182	2,382,689
Capital grants/contributions	2,768,766	5,991,124	5,580,070	1,940,005
Total governmental activities program revenues	<u>8,599,657</u>	<u>15,401,658</u>	<u>14,417,360</u>	<u>11,062,359</u>
Business-type activities:				
Charges for services	\$ 14,705,546	\$ 12,900,524	\$ 14,544,318	\$ 14,303,857
Capital grants/contributions	2,000,399	2,635,385	3,629,474	1,174,014
Total business-type activities program revenues	<u>16,705,945</u>	<u>15,535,909</u>	<u>18,173,792</u>	<u>15,477,871</u>
Total primary government program revenues	<u>\$ 25,305,602</u>	<u>\$ 30,937,567</u>	<u>\$ 32,591,152</u>	<u>\$ 26,540,230</u>
Net (Expense)/Revenue				
Governmental activities	\$ (25,115,276)	\$ (24,685,061)	\$ (31,166,166)	\$ (36,290,087)
Business-type activities	2,464,313	2,235,137	4,798,521	1,332,400
Total primary government net expense	<u>\$ (22,650,963)</u>	<u>\$ (22,449,924)</u>	<u>\$ (26,367,645)</u>	<u>\$ (34,957,687)</u>

Source: Comprehensive Annual Financial Reports

TABLE 2 (CONTINUED)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 4,963,810	\$ 4,990,898	\$ 5,280,221	\$ 5,899,317	\$ 6,048,611	\$ 6,730,123
19,648,564	19,143,067	19,185,108	19,700,185	21,050,888	22,262,620
6,625,549	6,575,290	6,492,493	6,441,727	6,696,307	11,742,123
6,920,678	6,694,703	6,388,243	6,829,000	7,058,519	7,878,262
7,230,607	7,178,521	6,924,676	7,159,431	6,977,022	2,907,619
45,389,208	44,582,479	44,270,741	46,029,660	47,831,347	51,520,747
<u>\$ 15,528,663</u>	<u>\$ 16,374,985</u>	<u>\$ 15,674,005</u>	<u>\$ 15,491,378</u>	<u>\$ 15,772,743</u>	<u>\$ 16,415,804</u>
15,528,663	16,374,985	15,674,005	15,491,378	15,772,743	16,415,804
<u>\$ 60,917,871</u>	<u>\$ 60,957,464</u>	<u>\$ 59,944,746</u>	<u>\$ 61,521,038</u>	<u>\$ 63,604,090</u>	<u>\$ 67,936,551</u>
\$ 402,651	\$ 366,589	\$ 353,812	\$ 1,168,201	\$ 464,192	\$ 716,293
3,630,091	3,592,585	3,936,093	3,798,408	4,096,762	6,019,903
134,996	235,140	463,247	938,346	366,992	100,870
2,635,525	2,487,343	2,715,284	2,903,833	2,717,031	3,036,202
2,263,449	3,112,884	1,979,785	2,024,725	1,740,421	2,001,494
662,691	997,587	714,235	2,795,676	5,186,398	1,048,364
9,729,403	10,792,128	10,162,456	13,629,189	14,571,796	12,923,126
<u>\$ 13,762,041</u>	<u>\$ 16,691,383</u>	<u>\$ 15,977,792</u>	<u>\$ 17,209,452</u>	<u>\$ 17,382,937</u>	<u>\$ 18,685,787</u>
523,394	354,169	526,269	692,880	631,981	257,513
14,285,435	17,045,552	16,504,061	17,902,332	18,014,918	18,943,300
<u>\$ 24,014,838</u>	<u>\$ 27,837,680</u>	<u>\$ 26,666,517</u>	<u>\$ 31,531,521</u>	<u>\$ 32,586,714</u>	<u>\$ 31,866,426</u>
\$ (35,659,805)	\$ (33,790,351)	\$ (34,108,285)	\$ (32,400,471)	\$ (33,259,551)	\$ (38,597,621)
(1,243,228)	670,567	830,056	2,410,954	2,242,175	2,527,496
<u>\$ (36,903,033)</u>	<u>\$ (33,119,784)</u>	<u>\$ (33,278,229)</u>	<u>\$ (29,989,517)</u>	<u>\$ (31,017,376)</u>	<u>\$ (36,070,125)</u>

(Continued)

**CITY OF CEDAR HILL, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year			
	2006	2007	2008	2009
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Sales and use taxes	\$ 5,754,164	\$ 5,875,808	\$ 6,134,991	\$ 5,953,387
Property taxes	17,110,700	17,479,146	19,669,385	20,122,090
Hotel/motel taxes	45,696	53,388	61,571	92,321
Franchise fees	3,111,696	3,005,690	3,060,567	3,228,432
Investment earnings	3,010,643	3,620,069	4,450,569	1,765,116
Gain on disposal of property	-	49,355	-	-
Miscellaneous	463,963	563,171	637,111	610,796
Transfers	<u>1,800,000</u>	<u>1,801,000</u>	<u>1,802,000</u>	<u>1,800,000</u>
Total governmental activities	<u>31,296,862</u>	<u>32,447,627</u>	<u>35,816,194</u>	<u>33,572,142</u>
Business-type activities:				
Investment earnings	\$ 646,285	\$ 767,361	\$ 604,215	\$ 219,773
Gain/loss of disposal of property	-	-	-	-
Miscellaneous	51,296	53,283	41,527	45,273
Transfers	<u>(1,800,000)</u>	<u>(1,801,000)</u>	<u>(1,802,000)</u>	<u>(1,800,000)</u>
Total business-type activities	<u>(1,102,419)</u>	<u>(980,356)</u>	<u>(1,156,258)</u>	<u>(1,534,954)</u>
Total primary government	<u>\$ 30,194,443</u>	<u>\$ 31,467,271</u>	<u>\$ 34,659,936</u>	<u>\$ 32,037,188</u>
Change in Net Assets				
Governmental activities	\$ 6,181,586	\$ 7,762,566	\$ 4,650,028	\$ (2,717,945)
Business-type activities	1,361,894	1,254,781	3,642,263	(202,554)
Total primary government	<u>\$ 7,543,480</u>	<u>\$ 9,017,347</u>	<u>\$ 8,292,291</u>	<u>\$ (2,920,499)</u>

TABLE 2 (CONCLUDED)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 6,132,913	\$ 6,111,207	\$ 6,365,835	\$ 6,698,766	\$ 7,610,173	\$ 8,075,632
18,765,437	19,155,974	19,328,492	19,149,038	19,198,820	20,322,289
107,434	135,676	161,997	190,302	213,130	220,746
2,945,412	3,284,583	3,457,821	3,354,340	3,603,799	3,855,212
3,406,971	4,535,466	4,005,347	257,379	3,068,688	2,527,311
40,251	41,859	-	8,479	15,704	86,420
646,777	211,713	167,267	320,416	231,287	340,555
1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
<u>33,845,195</u>	<u>35,276,478</u>	<u>35,286,759</u>	<u>31,778,720</u>	<u>35,741,601</u>	<u>37,228,165</u>
\$ 186,944	\$ 125,261	\$ 119,897	\$ 56,838	\$ 36,670	\$ 58,062
-	-	-	-	-	-
64,610	62,077	74,167	130,088	3,478,858	-
(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)
<u>(1,548,446)</u>	<u>(1,612,662)</u>	<u>(1,605,936)</u>	<u>(1,613,074)</u>	<u>1,715,528</u>	<u>(1,741,938)</u>
<u>\$ 32,296,749</u>	<u>\$ 33,663,816</u>	<u>\$ 33,680,823</u>	<u>\$ 30,165,646</u>	<u>\$ 37,457,129</u>	<u>\$ 35,486,227</u>
\$ (1,814,610)	\$ 1,486,127	\$ 1,178,474	\$ (621,751)	\$ 2,482,050	\$ (1,369,456)
(2,791,674)	(942,095)	(775,880)	797,880	3,957,703	785,558
<u>\$ (4,606,284)</u>	<u>\$ 544,032</u>	<u>\$ 402,594</u>	<u>\$ 176,129</u>	<u>\$ 6,439,753</u>	<u>\$ (583,898)</u>

CITY OF CEDAR HILL, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Reserved				
Prepaid and inventory	\$ 57,474	\$ 71,522	\$ 83,311	\$ 94,975
Animal shelter	182,641	220,146	220,354	136,421
Unreserved	8,442,986	9,116,524	7,598,987	7,910,030
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 8,683,101</u>	<u>\$ 9,408,192</u>	<u>\$ 7,902,652</u>	<u>\$ 8,141,426</u>
 All Other Governmental Funds				
Reserved for:				
Prepaid and inventory	\$ -	\$ -	\$ -	\$ 700
Construction	49,423,384	33,971,758	37,291,828	36,973,575
Debt service	1,194,722	1,398,426	1,315,616	1,351,130
Unreserved - designated for Joe Pool Fund	19,072,590	21,662,048	25,815,003	28,583,356
Unreserved, reported in:				
Special revenue funds	641,947	1,139,312	1,399,190	1,851,054
Nonspendable	-	-	-	-
Restricted for:				
Construction	-	-	-	-
PID use	-	-	-	-
Tourism	-	-	-	-
Police	-	-	-	-
Debt service	-	-	-	-
Animal Shelter	-	-	-	-
Committed for:				
Library	-	-	-	-
Landscaping	-	-	-	-
Construction	-	-	-	-
Building maintenance	-	-	-	-
Joe pool	-	-	-	-
Total all other governmental funds	<u>\$ 70,332,643</u>	<u>\$ 58,171,544</u>	<u>\$ 65,821,637</u>	<u>\$ 68,759,815</u>

Source: Comprehensive Annual Financial Reports

TABLE 3

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 289,796	\$ -	\$ -	\$ -	\$ -	\$ -
93,240	-	-	-	-	-
7,429,188	-	-	-	-	-
-	79,890	108,886	47,394	52,652	26,822
-	23,359	21,422	15,602	24,404	24,406
-	<u>7,245,735</u>	<u>8,081,105</u>	<u>8,155,908</u>	<u>7,835,891</u>	<u>9,090,324</u>
<u>\$ 7,812,224</u>	<u>\$ 7,348,984</u>	<u>\$ 8,211,413</u>	<u>\$ 8,218,904</u>	<u>\$ 7,912,947</u>	<u>\$ 9,141,552</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32,992,500	-	-	-	-	-
1,338,388	-	-	-	-	-
33,303,314	-	-	-	-	-
1,812,463	-	-	-	-	-
-	4,113	1,175	875	875	1,963
-	27,061,239	21,065,403	18,479,874	16,652,763	24,504,541
-	255,046	264,048	262,925	270,267	277,468
-	517,732	590,841	665,874	750,883	836,894
-	267,580	356,891	583,458	608,020	541,678
-	1,214,648	1,113,789	1,340,738	1,356,029	1,246,232
-	-	-	-	-	-
-	64,273	75,740	131,760	135,238	121,489
-	1,006,819	1,477,075	1,366,022	1,092,406	1,050,997
-	2,077,747	1,564,353	1,572,054	1,577,647	1,173,232
-	725,215	821,645	825,690	828,407	817,196
-	<u>39,186,264</u>	<u>44,607,884</u>	<u>46,527,005</u>	<u>51,305,636</u>	<u>54,301,017</u>
<u>\$ 69,446,665</u>	<u>\$ 72,380,676</u>	<u>\$ 71,938,844</u>	<u>\$ 71,756,275</u>	<u>\$ 74,578,171</u>	<u>\$ 84,872,707</u>

CITY OF CEDAR HILL, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2006	2007	2008	2009
Revenues				
Taxes	\$ 22,378,271	\$ 23,829,019	\$ 26,005,485	\$ 26,228,990
Franchise taxes	2,997,796	2,980,459	3,060,567	3,239,410
Licenses and permits	587,068	585,160	579,360	429,801
Intergovernmental	2,011,965	4,193,422	2,154,882	2,465,569
Charges for services	1,615,564	3,235,695	3,643,269	4,649,195
Fines and forfeits	838,643	1,218,428	1,367,603	1,170,989
Investment earnings	2,978,760	4,192,754	4,200,813	1,600,287
Miscellaneous	1,306,190	2,578,672	1,626,613	1,021,043
Total revenues	34,714,257	42,813,609	42,638,592	40,805,284
Expenditures				
General government	3,343,901	5,222,497	5,588,631	5,738,425
Public works	2,122,080	4,769,427	4,146,221	2,799,588
Public safety	14,186,480	16,093,979	18,452,134	19,953,010
Community services	4,140,753	5,702,847	5,835,435	5,696,781
Supplies	-	-	-	-
Contractual services	-	-	-	-
Principal retirement	2,810,000	2,935,000	3,860,000	3,930,000
Interest and fiscal agent charges	2,432,796	3,487,728	3,582,146	4,250,266
Issuance costs	-	-	-	-
Capital outlay	12,417,015	20,139,139	16,714,857	4,607,387
Total expenditures	41,453,025	58,350,617	58,179,424	46,975,457
Excess of revenues				
Over (under) expenditures	(6,738,768)	(15,537,008)	(15,540,832)	(6,170,173)
Other Financing Sources (Uses)				
Transfer in	13,359,614	2,463,060	2,347,581	3,613,525
Transfer out	(11,559,614)	(662,060)	(545,581)	(1,813,525)
Premium on issuance of debt or Discount on issuance	329,562	-	353,385	47,125
Issuance of debt	16,590,000	2,300,000	19,530,000	7,500,000
Proceeds from disposal of assets	-	-	-	-
Refunding bonds issued	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Total other financing sources (uses)	18,719,562	4,101,000	21,685,385	9,347,125
Net change in fund balance	\$ 11,980,794	\$ (11,436,008)	\$ 6,144,553	\$ 3,176,952
Debt service as a percentage of noncapital expenditures	18.1%	16.8%	17.9%	19.3%

Source: Comprehensive Annual Financial Reports

TABLE 4

Fiscal Year						
2010	2011	2012	2013	2014	2015	
\$ 25,057,110	\$ 25,408,781	\$ 25,812,621	\$ 26,083,264	\$ 27,058,897	\$ 28,678,707	
3,745,033	3,188,430	3,431,525	3,352,205	3,637,472	3,819,178	
599,253	520,502	526,399	772,875	738,332	780,478	
2,550,947	3,532,596	2,224,495	2,050,841	2,556,633	3,550,102	
4,587,557	4,491,115	4,669,666	4,950,614	5,015,795	5,219,839	
1,307,338	1,330,054	1,372,402	1,303,332	1,389,008	1,865,880	
3,217,524	4,510,842	3,989,265	248,395	3,064,301	1,300,649	
1,043,796	592,110	877,586	4,060,419	810,058	1,145,450	
<u>42,108,558</u>	<u>43,574,430</u>	<u>42,903,959</u>	<u>42,821,945</u>	<u>44,270,496</u>	<u>46,360,283</u>	
4,268,152	4,213,256	4,411,688	4,572,942	4,917,868	4,868,548	
2,258,685	2,131,623	2,056,306	2,240,304	2,572,167	2,145,169	
19,365,668	18,715,058	18,560,836	19,066,681	20,151,570	20,773,934	
6,111,610	5,800,851	5,478,014	5,927,054	6,040,714	6,601,545	
-	-	-	-	-	-	
-	-	-	-	-	-	
4,284,760	4,271,275	4,524,345	4,792,415	5,225,860	5,641,240	
4,001,699	3,957,697	3,444,741	3,086,412	2,997,075	2,860,726	
-	-	-	-	-	-	
3,297,991	3,990,756	5,815,584	5,223,906	3,390,010	2,062,022	
<u>43,588,565</u>	<u>43,080,516</u>	<u>44,291,514</u>	<u>44,909,714</u>	<u>45,295,264</u>	<u>44,953,184</u>	
(1,480,007)	493,914	(1,387,555)	(2,087,769)	(1,024,768)	1,407,099	
3,469,645	2,903,840	3,746,000	3,213,790	3,394,411	3,218,718	
(1,669,645)	(1,103,840)	(1,946,000)	(1,413,790)	(2,144,994)	(2,399,486)	
-	223,578	474,838	-	410,735	2,961,899	
2,767,655	14,630,000	9,040,000	-	-	-	
-	1,743	-	112,691	-	-	
-	-	-	-	9,495,000	23,325,050	
<u>(2,730,000)</u>	<u>(14,678,464)</u>	<u>(9,506,686)</u>		<u>(7,614,445)</u>	<u>(16,990,488)</u>	
<u>1,837,655</u>	<u>1,976,857</u>	<u>1,808,152</u>	<u>1,912,691</u>	<u>3,540,707</u>	<u>10,115,693</u>	
<u>\$ 357,648</u>	<u>\$ 2,470,771</u>	<u>\$ 420,597</u>	<u>\$ (175,078)</u>	<u>\$ 2,515,939</u>	<u>\$ 11,522,792</u>	
20.6%	21.1%	20.7%	19.9%	19.6%	19.8%	

**CITY OF CEDAR HILL, TEXAS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 5

Fiscal Year Ended September 30,	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2005	n/a	n/a	n/a	2,274,015,283	0.64140
2006	2,480,740,719	267,321,110	(224,223,334)	2,523,838,495	0.64140
2007	2,720,454,080	288,549,740	(254,235,323)	2,754,768,497	0.64140
2008	3,009,117,599	292,080,690	(297,237,734)	3,003,960,555	0.64140
2009	3,144,441,658	314,972,100	(336,631,686)	3,122,782,072	0.64140
2010	2,951,398,588	306,248,770	(344,662,593)	2,912,984,765	0.64140
2011	2,838,901,972	297,036,800	(353,400,773)	2,782,537,999	0.67000
2012	2,810,514,062	277,211,190	(350,446,444)	2,737,278,808	0.68588
2013	2,765,638,796	280,235,120	(340,371,034)	2,705,502,882	0.69569
2014	2,786,675,623	283,871,690	(384,154,819)	2,686,392,494	0.69876
2015	2,982,480,619	287,043,060	(419,337,325)	2,850,186,354	0.69876

Source: Dallas Central Appraisal District, Ellis Central Appraisal District.

Note: Property in the city is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

**CITY OF CEDAR HILL, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)
(RATE PER \$100 OF ASSESSED VALUE)**

Fiscal Year Ended <u>September 30,</u>	City Direct Rates				Dallas County Community College District	Dallas County Hospital District
	Basic Rate	General Obligation Debt Service	Total Direct	Cedar Hill I.S.D.		
2005	0.479490	0.161910	0.641400	1.741300	0.080300	0.254000
2006	0.469490	0.171910	0.641400	1.848430	0.081600	0.254000
2007	0.469490	0.171910	0.641400	1.743300	0.081000	0.254000
2008	0.459490	0.181910	0.641400	1.400000	0.080400	0.254000
2009	0.459490	0.181910	0.641400	1.500000	0.089400	0.254000
2010	0.459490	0.181910	0.641400	1.400000	0.094900	0.274000
2011	0.488090	0.181910	0.670000	1.440000	0.099230	0.271000
2012	0.499820	0.186060	0.685880	1.440000	0.099670	0.271000
2013	0.509630	0.186060	0.695690	1.440000	0.119375	0.271000
2014	0.512700	0.186060	0.698760	1.525000	0.124700	0.276000
2015	0.512700	0.186060	0.698760	1.525000	0.124780	0.286000

Source: Dallas Central Appraisal District, various taxing entities.

Note: Property in the city is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.

TABLE 6

Dallas County	County School Equalization	Duncanville I.S.D.	Ellis County	Midlothian I.S.D.
0.203900	0.005460	1.836000	0.315993	1.764500
0.213900	0.005300	1.866000	0.318906	1.787500
0.213900	0.005034	1.736000	0.320491	1.697500
0.228100	0.004714	1.418000	0.393607	1.367500
0.228100	0.004928	1.418000	0.393599	1.407500
0.228100	0.005212	1.418000	0.393600	1.397500
0.243100	0.010000	1.418000	0.393599	1.397500
0.243100	0.010000	1.418000	0.393599	1.397500
0.243100	0.009937	1.418000	0.380091	1.540000
0.243100	0.010000	1.410000	0.380091	1.540000
0.243100	0.010000	1.410000	0.380090	1.540000

**CITY OF CEDAR HILL, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

TABLE 7

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City	Taxable Assessed Value ^a	Rank	Percentage of Total City
			Taxable Assessed Value ^a			Taxable Assessed Value ^b
Uptown Village at Cedar Hill	\$ 58,146,560	1	2.04%			
EL Ad Cedar Hill, LLC	45,273,500	2	1.59%			
KRG Cedar Hill Plaza, LP	28,748,430	3	1.01%	\$ 39,452,930	1	1.56%
Oncor Electric Delivery	26,848,060	4	0.94%			
Baruch Cedar Hill, LLC	19,216,560	5	0.67%			
Dillards Properties, INC.	17,674,090	6	0.62%			
JC Penny Co., INC.	17,043,535	7	0.60%			
Indland Western Cedar Hill	16,642,410	8	0.58%	21,085,400	2	0.84%
Gates Cedar Hill, LTD	16,590,000	9	0.58%	12,600,000	3	0.50%
AP Cedar Hill, LLC	14,124,600	10	0.50%			
Target Corporation	-		0.00%	11,946,960	4	0.47%
Pattillo Ind Partners LLC	-		0.00%	11,870,250	5	0.47%
Wal-Mart Stores	-		0.00%	11,649,270	6	0.46%
1999 Legacy Partners LTD	-		0.00%	10,275,000	7	0.41%
2002 Legacy Partners LTD	-		0.00%	9,800,000	8	0.39%
Devon Realty & WSC LTD	-		0.00%	8,320,000	9	0.33%
TSCA 2002 LTD Partnership	-		0.00%	8,004,530	10	0.32%
Total	\$ 260,307,745		9.13%	\$ 145,004,340		5.75%

Source: Dallas Central Appraisal District

**CITY OF CEDAR HILL, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST NINE FISCAL YEARS
(UNAUDITED)**

TABLE 8

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	16,187,900	15,783,884	97.50%	382,718	16,166,602	99.87%
2007	19,439,840	17,156,014	88.25%	502,168	17,658,182	90.84%
2008	19,267,403	18,867,046	97.92%	327,716	19,194,762	99.62%
2009	20,029,524	19,541,902	97.57%	345,816	19,887,718	99.29%
2010	18,683,884	18,378,688	98.37%	149,182	18,527,870	99.16%
2011	18,643,004	18,379,231	98.59%	174,027	18,553,258	99.52%
2012	18,774,447	18,521,004	98.65%	115,130	18,636,134	99.26%
2013	18,758,258	18,456,444	98.39%	153,346	18,609,790	99.21%
2014	18,886,686	18,558,194	98.26%	150,640	18,708,834	99.06%
2015	19,915,962	19,563,101	98.23%	-	19,563,101	98.23%

Sources: Dallas County Tax Office

**CITY OF CEDAR HILL, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 9

Fiscal Year	Governmental Activities			Business-Type Activities		Business-Type Activities		Total Primary Government	Percentage of Total Personal Income ^c	Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
	General Obligation Bonds	Certificate of Obligation Bonds	Other Obligations	Waterworks & Sewer System Revenue Bonds	Waterworks & Sewer System General Obligations	Government					
2005	48,555,000	11,555,000	49,278,677	6,935,000	-	116,323,677	Not available	5.12%	2,790		
2006	49,955,000	23,935,000	52,079,184	9,265,000	-	135,234,184	Not available	5.36%	3,134		
2007	49,845,000	23,410,000	50,277,438	8,485,000	-	132,017,438	Not available	4.79%	3,004		
2008	55,660,000	33,265,000	53,134,705	10,695,000	-	152,754,705	Not available	5.09%	3,402		
2009	60,040,000	32,455,000	56,154,350	13,040,000	-	161,689,350	Not available	5.18%	3,546		
2010	56,837,895	31,410,000	59,345,601	10,250,000	2,167,105	160,010,601	13%	5.49%	3,456		
2011	62,666,620	21,670,000	62,718,212	9,795,000	1,938,380	158,788,212	14%	5.71%	3,508		
2012	59,092,275	20,880,000	66,282,488	9,325,000	1,702,725	157,282,488	13%	5.75%	3,359		
2013	55,019,860	20,160,000	70,049,322	8,835,000	1,460,140	155,524,322	13%	5.75%	3,321		
2014	51,239,000	20,990,000	74,030,225	6,575,000	9,186,000	162,020,225	12%	6.03%	3,287		
2015	61,812,760	11,420,000	78,237,362	4,375,000	11,217,240	167,062,362	13%	5.86%	3,367		

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

CITY OF CEDAR HILL, TEXAS
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 10

Fiscal Year	General Bonded Debt Outstanding			Net General Bonded Debt	Percentage of Actual Taxable Value of Property ^a		Per Capita ^b
	General Obligation Bonds	Certificate of Obligation Bonds	Less Sinking Fund		General Bonded Debt	Property ^a	
2005	48,555,000	11,555,000	839,312	59,270,688	2.61%	1,421	
2006	49,955,000	23,935,000	1,194,722	72,695,278	2.88%	1,685	
2007	49,845,000	23,410,000	1,398,426	71,856,574	2.61%	1,635	
2008	55,660,000	33,265,000	1,315,616	87,609,384	2.92%	1,951	
2009	60,040,000	32,455,000	1,351,830	91,143,170	2.92%	1,999	
2010	59,005,000	31,410,000	1,338,388	89,076,612	3.06%	1,924	
2011	64,605,000	21,670,000	1,214,648	85,060,352	3.06%	1,879	
2012	60,795,000	20,880,000	1,113,789	80,561,211	2.94%	1,720	
2013	56,480,000	20,160,000	1,340,738	75,299,262	2.78%	1,608	
2014	60,425,000	20,990,000	1,356,029	80,058,971	2.98%	1,624	
2015	73,030,000	11,420,000	1,247,844	83,202,156	2.92%	1,677	

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

^a See Table 5 for property value data.

^b See Table 14 for population data.

**CITY OF CEDAR HILL, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2015
(UNAUDITED)**

TABLE 11

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Cedar Hill Independent School District	\$ 138,234,088	93.62%	\$ 129,414,753
Dallas County	100,650,000	1.39%	1,399,035
Dallas County Community College District	3,215,100,000	1.39%	44,689,890
Dallas County Hospital District	736,235,000	1.39%	10,233,667
Dallas County Schools	63,875,000	1.39%	887,863
DeSoto Independent School District	133,718,884	0.15%	200,578
Duncanville Independent School District	137,821,096	2.66%	3,666,041
Ellis County	47,436,262	0.65%	308,336
Midlothian Independent School District	238,328,978	2.15%	5,124,073
Subtotal, overlapping debt	4,811,399,308		195,924,236
City of Cedar Hill (direct debt)	71,984,915	100.00%	<u>71,984,915</u>
Total direct and overlapping debt			<u>\$ 267,909,151</u>

Source: First Southwest Company

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 residents and the businesses of Cedar Hill. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The City's total direct debt is net of self supporting debt and Deb Service Fund Balance

**CITY OF CEDAR HILL, TEXAS
LEGAL DEBT MARGIN INFORMATION
AS OF SEPTEMBER 30, 2015
(UNAUDITED)**

TABLE 12

As a home rule city, the City of Cedar Hill is not limited by law in the amount of debt it may issue.

Article X, Section 2 of the City of Cedar Hill charter states in part:

The City Council shall have the power and it is hereby authorized and made its duty to levy annually for general purposes and for the purpose of paying interest and providing the sinking fund on the bonded indebtedness of the City of Cedar Hill now in existence or which may hereafter be created an ad valorem tax on all real, personal or mixed property within the territorial limits of said City and upon all franchises granted by the City to any individuals or corporations of not exceeding a total of Two Dollars and Fifty cents (\$2.50) on the One Hundred Dollars (\$100.00) assessed valuation of said property. If for any cause the City Council shall fail, neglect or refuse to pass a tax ordinance for any one year, levying taxes for that year, then and in that event the tax levying ordinance last passed shall and will be considered in force and effect as the tax levying ordinance for the year which the City Council failed, neglected or refused to pass such ordinance, and the failure so to pass such ordinance for any year shall in no wise invalidate the tax collections for that year.

The tax rate at October 1, 2014 is \$0.69876 per \$100 of assessed valuation at 100% of market value. The tax rate is 27.95% of the legal limit.

**CITY OF CEDAR HILL, TEXAS
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 13

Fiscal Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Average Debt Service (3)	Coverage
2006	15,027,426	10,878,440	4,148,986	661,973	6.27
2007	13,277,177	11,150,872	2,126,305	633,821	3.35
2008	14,760,323	11,238,220	3,522,103	804,647	4.38
2009	14,466,125	12,039,477	2,426,648	819,825	2.96
2010	15,697,120	13,429,002	2,268,118	801,810	2.83
2011	16,880,608	13,023,051	3,857,557	1,065,193	3.62
2012	16,171,856	13,629,548	2,542,308	790,942	3.21
2013	17,396,378	13,479,383	3,916,995	1,046,807	3.74
2014	20,898,465	13,735,658	7,162,807	621,679	11.52
2015	18,634,284	14,168,974	4,465,310	438,658	10.18

Source: Comprehensive Annual Financial Reports

- (1) Gross revenues include all water and sewer revenues exclusive of capital recovery fees, interest on accumulated capital recovery fees, contributed capital, and interest on bond proceeds. Gross revenues for 2010 include \$1,800,000 in capital recovery fees accumulated from prior years that the City has earmarked for debt service.
- (2) Direct operating expenses include all water and sewer operating expenses, less depreciation.
- (3) Average annual debt service is the average principal and interest payments due over the remaining term of all water and sewer revenue bonds.

**CITY OF CEDAR HILL, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 14

Year	Estimated Population ^a	Personal Income	Per Capita Personal Income ^b	Median Household Income ^b	Median Age ^b	Cedar Hill I.S.D. Enrollment ^c	Unemployment Rate ^d
1999	30,000			\$ 60,644	n/a	6,218	3.5%
2000	30,950			\$ 60,644	33	6,503	2.0%
2001	32,093	n/a	n/a	n/a	n/a	6,974	3.7%
2003	37,984	n/a	n/a	n/a	n/a	7,532	4.4%
2004	39,800	n/a	n/a	n/a	n/a	7,695	3.7%
2005	41,700	n/a	n/a	n/a	n/a	8,023	5.4%
2006	43,150	n/a	n/a	n/a	n/a	7,843	4.9%
2007	43,950	n/a	n/a	66,786	n/a	7,871	4.7%
2008	44,900	n/a	n/a	65,395	n/a	8,110	6.0%
2009	45,600	n/a	n/a	66,206	34	8,233	8.7%
2010	46,300	1,188,382,100	25,667	66,654	34	8,204	8.7%
2011	45,260	1,116,699,980	24,673	64,727	32	8,134	9.2%
2012	46,829	1,186,084,912	25,328	63,499	31	8,170	7.4%
2013	46,829	1,186,084,912	25,328	63,499	31	7,868	7.4%
2014	49,289	1,304,098,264	26,458	63,667	35	8,700	5.9%
2015	49,615	1,258,087,555	25,357	65,421	35	7,915	4.7%

Note:

Unable to obtain personal income data for the City of Cedar Hill for 2003-2009.

Sources:

^a Available estimates are provided by Cedar Hill Economic Development Corporation (Claritas).

^b Available estimates are provided by Cedar Hill Economic Development Corporation (Claritas).

^c Cedar Hill Independent School District

^d Texas Workforce Commission, September.

**CITY OF CEDAR HILL, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

TABLE 15

<u>Employer</u>	2015			2006		
	<u>Estimated Employees</u>	<u>Rank</u>	<u>Percentage of Total City Workforce</u>	<u>Estimated Employees</u>	<u>Rank</u>	<u>Percentage of Total City Workforce</u>
Wal-Mart Supercenter	436	1	1.73%			
JCPenney, Distribution Center	425	2	1.69%			
Super Target	180	3	0.72%			
DMI Corporation	150	4	0.60%			
Western Cabinets	125	5	0.50%			
Home Depot	125	6	0.50%			
Dillard's	125	7	0.50%			
J C Penney	120	8	0.48%			
Crestview Court	120	9	0.48%			
Babe's Chicken	115	10	0.46%			
Texwood Industries - Quality Doors				700	1	2.26%
Wal-Mart Supercenter				450	2	1.46%
JCPenney, Distribution Center				400	3	1.29%
Super Target				235	4	0.76%
DMI Corporation				205	5	0.66%
Sampco Supply				150	6	0.49%
Western Cabinets				135	7	0.44%
Trinity School				130	8	0.42%
JCPenney, Department Store				130	8	0.42%
Pegasus Transportation				125	9	0.40%
Pegasus Transportation				120	10	0.39%
Total	<u>1,921</u>		<u>7.65%</u>	<u>2,780</u>		<u>8.99%</u>

Source: City surveys of employers

Notes: City of Cedar Hill and Cedar Hill I.S.D. are not included in the rankings.

CITY OF CEDAR HILL, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 16

<u>Function/Program</u>	Full Time Equivalent Employees as of September 30									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government:										
Administration	8.00	9.50	9.50	10.00	10.00	10.00	10.00	10.00	9.50	10.00
Human resources	3.00	3.75	4.00	4.00	4.00	3.00	4.00	4.00	4.00	4.00
Information technology	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.23	4.50
Tax	2.65	-	-	-	-	-	-	-	-	-
Finance	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75	7.00	7.00
Economic development	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Tourism	-	-	-	-	-	-	-	-	-	1.00
Non-Departmental	1.50	1.77	1.50	1.50	1.50	0.77	2.27	2.27	2.27	2.27
Government center	-	-	-	1.50	1.50	2.50	2.50	2.50	3.00	2.50
Public Works:										
Streets & drainage	13.33	12.25	15.33	13.58	13.58	14.25	14.25	14.25	15.25	14.25
Fleet maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Water & sewer	36.96	39.15	41.65	43.65	43.65	43.65	43.65	43.65	41.15	44.65
Public Safety:										
Police	73.80	81.20	83.00	84.00	84.00	86.10	87.40	87.40	88.10	87.40
Police (community services)	-	-	-	-	-	-	-	-	-	-
Animal control	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Fire	58.00	63.00	65.00	69.00	78.00	78.00	78.00	78.00	78.00	78.00
Municipal court	5.00	6.80	6.80	7.30	7.30	6.80	7.93	7.93	6.80	7.93
Code enforcement	9.00	9.00	9.00	9.00	9.00	8.00	9.00	9.00	9.00	9.00
Animal shelter	8.66	7.66	9.63	9.63	9.63	9.63	9.63	9.63	10.53	10.53
Community Services:										
Parks	24.66	22.35	22.35	26.40	26.40	26.40	26.40	28.40	26.40	28.40
Community development	5.23	4.64	5.89	6.79	6.79	6.79	6.79	7.79	7.79	7.79
Recreation	9.71	9.98	9.98	10.25	10.25	10.50	11.50	11.50	10.50	11.50
Recreation center	17.96	22.00	21.00	21.50	21.50	22.50	23.00	23.00	23.84	23.00
Library	10.27	11.49	11.48	11.48	11.48	10.48	10.72	10.72	12.72	10.72
Planning	3.00	4.75	4.00	4.00	4.00	3.00	4.00	4.00	4.00	4.00
Neighborhood services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total City Employees:	309.23	328.04	339.86	353.33	362.33	362.12	370.79	373.79	373.08	378.44

Source: Annual Budgets

Notes: FTE's are based on 2,080 hours for conversion purposes

The Economic Development Corporation personnel are paid by the Economic Development Fund, not the General Fund.

The Water and Sewer personnel are paid by the Water & Sewer Fund, not the General Fund.

The Community Development personnel are paid by the Community Development Fund, not the General Fund.

The Non-departmental position was not created until 2002.

The Information Technology department was not created until 2003.

The Recreation Center was not opened until the end of fiscal year 2004.

The Neighborhood Services department was created in 2004.

The Police (Community Services) were the School Resource Officers, and the Cedar Hill ISD took over this function in fiscal year 2005.

The Tax Office was closed at the end of fiscal year 2006.

The Government Center positions were created in fiscal year 2009.

CITY OF CEDAR HILL, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>Fiscal Year</u>		
	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Government:			
Information Technology			
Installed Employee Desktop Computer Systems	60	51	230
Onsite Problem Calls	700	675	1,500
Vendor visits/Product Evaluations	200	200	500
Public Works:			
Streets & Drainage			
Number of street lights	2,355	2,555	2,659
Water & Sewer			
Number of water consumers	14,786	14,786	14,791
Average daily water consumption (millions of gallons)	8.3	7.2	8.2
Maximum storage capacity (millions of gallons)	18.0	18.0	18.0
Number of sewer connections	12,922	12,922	13,550
Public Safety:			
Police			
Index crimes, by calendar year	1,553	1,439	1,635
Index crime rate per 100,000, by calendar year	3,631.9	3,224.4	3,542.6
Percent index crimes cleared, by calendar year	23%	23%	19%
Number of reserve police officers	4.00	4.00	4.00
Fire			
Calls for service - Fire & EMS	4,280	4,830	5,022
Municipal Court			
Number of cases filed	8,210	8,762	7,552
Number of cases closed	7,008	8,369	5,995
Number of cases appealed	268	322	282
Number of warrants issued	3,893	2,441	3,953
Code Enforcement			
Building permits issued	828	612	578
Total dollar value of permits issued	159,250,091	172,408,265	83,105,685
Animal Shelter			
Number of incoming animals	4,709	5,777	5,243
Number of lost pets returned to owners	758	869	811
Number of animals adopted out	811	756	758
Number of animals euthanized	2,526	3,122	3,068
Number of animals transferred or rescued	522	641	524

Sources: City Departments

Notes: N/D means reliable data is not available.

N/A means data is not yet available.

The Information Technology Department was created in April 2003.

TABLE 17

Fiscal Year							
2009	2010	2011	2012	2013	2014	2015	
250	34	53	50	55	385	385	
1,000	3,750	3,700	3,000	3,200	3,200	3,800	
350	10	10	15	17	17	20	
2,670	2,705	2,777	2,777	2,618	2,639	2,632	
15,188	15,283	15,186	15,236	15,438	15,427	15,788	
8.5	8.4	9	8	8	10	6	
18.0	18.0	18	18	18	18	18	
13,791	13,873	13,874	13,956	14,102	14,071	14,267	
1,814	1,846	1,720	1,752	1,593	1,531	1,528	
3,902.8	3,955.0	3,673	3,741	3,402	3,341	3,335	
29%	29%	32%	39%	34%	35%	35%	
3.00	3.00	3	3	3	3	3	
5,193	5,221	n/a	n/a	n/a	6,077	6,150	
6,983	6,419	7,472	6,204	7,188	7,450	7,785	
7,061	6,165	8,142	6,566	7,193	6,229	7,393	
214	345	345	126	126	97	163	
3,616	2,752	5,056	3,211	3,410	4,218	4,885	
432	491	404	415	482	520	605	
28,441,102	33,687,160	22,611,850	19,898,425	102,991,772	38,018,194	58,530,567	
5,208	5,380	4,909	5,300	4,784	4,694	6,253	
781	785	769	790	749	704	901	
923	797	724	830	741	932	1,298	
2,888	2,757	2,500	2,305	1,931	1,905	2,636	
796	927	777	800	722	899	1,131	

**CITY OF CEDAR HILL, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 18

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Works:										
Streets & Drainage										
Paved streets (miles) ^a	206	209	210	210	216	217	218	218	218	218
Graded streets (miles)	0	0	1	1	1	1	1	1	1	1
Paved alleys (miles)	41	41	42	42	42	42	42	42	42	42
Storm sewers (miles) ^a	66	67	70	71	74	76	76	76	77	77
Water & Sewer										
Water mains (miles) ^a	268	270	280	282	279	279	273	278	279	279
Storage capacity (millions of gallons)	18	18	18	18	18	18	18	18	18	18
Sanitary sewers (miles) ^a	225	225	245	247	214	215	214	214	214	214
Public Safety:										
Police										
Stations	1	1	1	1	1	2	2	2	2	2
Fire										
Stations	3	3	3	4	4	4	4	4	4	4
Animal Shelter										
Buildings	1	1	1	1	1	1	1	1	1	1
Community Services:										
Parks										
Acreage	596	667	686	686	692	692	692	692	692	692
Municipal swimming pools	1	1	1	1	1	1	1	1	1	1
Lighted tennis courts	2	2	2	2	2	2	2	2	2	2
Lighted ball diamonds	18	19	23	23	23	23	23	23	23	23
Community/senior center	1	1	1	1	1	1	1	1	1	1
Recreation center	1	1	1	1	1	1	1	1	1	1
Library										
Number of libraries	1	1	1	1	1	1	1	1	1	1

Sources: City Departments

Notes:

^a

FY2010 data has been updated to reflect only assets in use and owned by the City of Cedar Hill



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY