



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



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 |



INTRODUCTORY SECTION





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 Accounts, 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 Holister. 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**

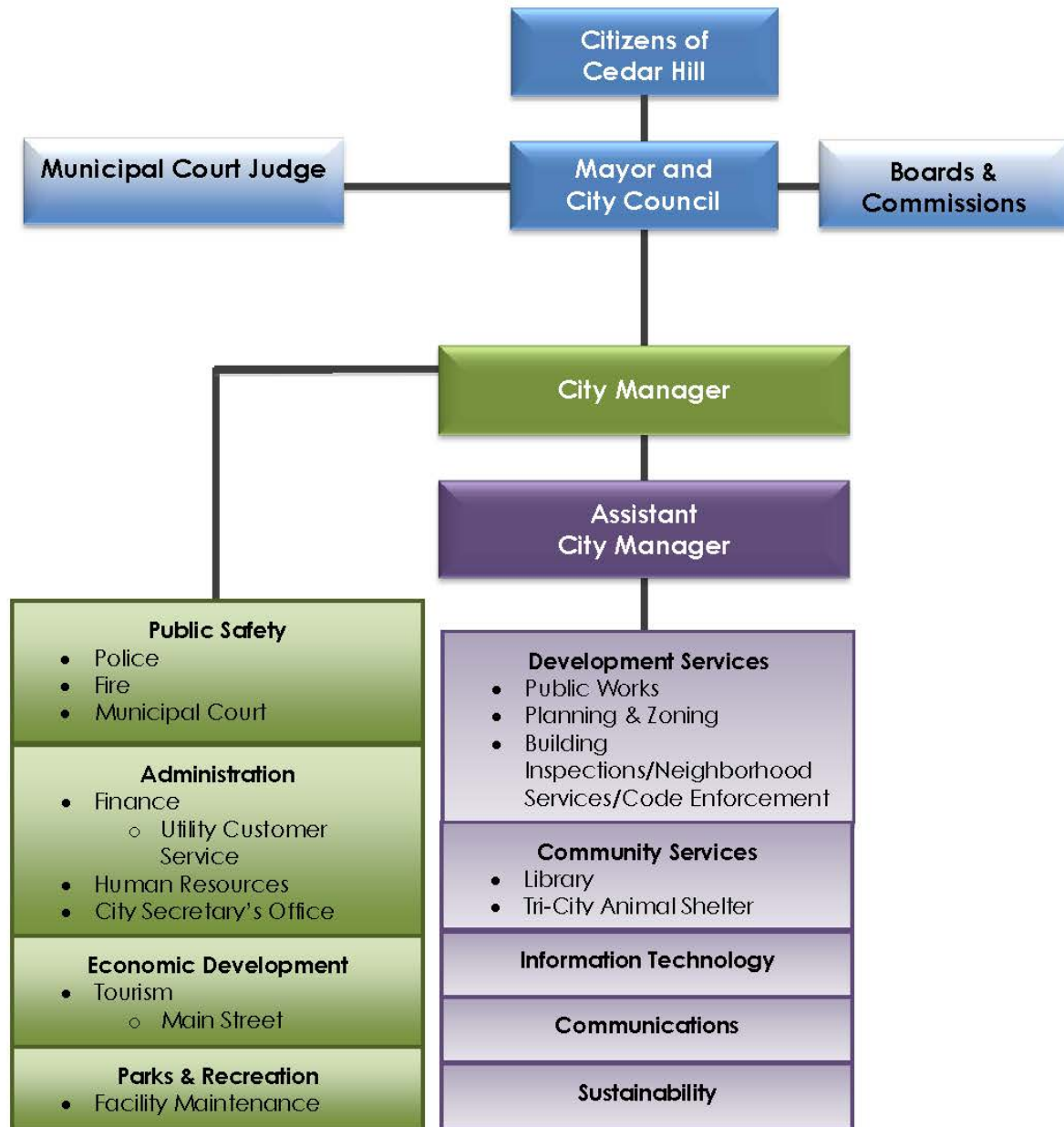
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive style.

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 |



FINANCIAL SECTION



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 written in a cursive, stylized font.

Crowe Horwath LLP

Dallas, Texas
April 25, 2016



**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 | 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 | (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-eight 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



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

EXHIBIT A-1

| | Primary Government | | | Component Units | |
|---|-------------------------|--------------------------|-----------------------|-----------------------------------|----------------------------------|
| | Governmental Activities | Business-Type Activities | Total | Community Development Corporation | Economic Development Corporation |
| ASSETS | | | | | |
| 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 | Expenses | Program Revenues | | |
|-----------------------------------|---------------|----------------------|------------------------------------|----------------------------------|
| | | 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

| | <u>General</u> | <u>Debt Service Fund</u> | <u>Joe Pool Fund</u> |
|---|----------------------|------------------------------|--------------------------|
| ASSETS | | | |
| 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 |
| <u>\$ 14,917,926</u> | <u>\$ 5,347,718</u> | <u>\$ 9,899,539</u> | <u>\$ 99,461,595</u> |
| 59,651 | - | 469,051 | 1,092,963 |
| - | - | 77,321 | 923,313 |
| <u>59,651</u> | <u>-</u> | <u>546,372</u> | <u>2,016,276</u> |
| <u>222,574</u> | <u>-</u> | <u>13,090</u> | <u>2,209,441</u> |
| <u>222,574</u> | <u>-</u> | <u>13,090</u> | <u>2,209,441</u> |
| - | - | 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 |
| <u>14,635,701</u> | <u>5,347,718</u> | <u>9,340,077</u> | <u>95,235,878</u> |
| <u>\$ 14,917,926</u> | <u>\$ 5,347,718</u> | <u>\$ 9,899,539</u> | <u>\$ 99,461,595</u> |

**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.

2,217,741

TOTAL NET POSITION-Governmental activities \$ 93,529,969



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

| | <u>General</u> | <u>Debt Service Fund</u> | <u>Joe Pool Fund</u> |
|--|---------------------|------------------------------|--------------------------|
| 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 | <u>30,828,119</u> | <u>7,327,696</u> | <u>2,367,349</u> |
| 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 | <u>30,060,745</u> | <u>8,501,966</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>767,374</u> | <u>(1,174,270)</u> | <u>2,367,349</u> |
| 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) | <u>461,231</u> | <u>1,066,086</u> | <u>1,850,000</u> |
| CHANGE IN FUND BALANCES | <u>1,228,605</u> | <u>(108,184)</u> | <u>4,217,349</u> |
| FUND BALANCES-Beginning | <u>7,912,947</u> | <u>1,356,029</u> | <u>51,305,636</u> |
| FUND BALANCES-Ending | <u>\$ 9,141,552</u> | <u>\$ 1,247,845</u> | <u>\$ 55,522,985</u> |

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 |
| 20,149 | 804,893 | 67,153 | 1,145,450 |
| <u>1,511,169</u> | <u>828,826</u> | <u>4,719,092</u> | <u>47,582,251</u> |
| - | - | 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 |
| - | - | 89,423 | 89,423 |
| <u>1,489,461</u> | <u>-</u> | <u>4,901,012</u> | <u>44,953,184</u> |
| <u>21,708</u> | <u>828,826</u> | <u>(181,920)</u> | <u>2,629,067</u> |
| 1,718 | - | - | 3,218,718 |
| - | (855,000) | (512,000) | (2,399,486) |
| 838,658 | - | - | 2,961,899 |
| 7,265,000 | - | - | 23,325,050 |
| - | - | - | (16,990,488) |
| <u>8,105,376</u> | <u>(855,000)</u> | <u>(512,000)</u> | <u>10,115,693</u> |
| 8,127,084 | (26,174) | (693,920) | 12,744,760 |
| <u>6,508,617</u> | <u>5,373,892</u> | <u>10,033,997</u> | <u>82,491,118</u> |
| <u>\$ 14,635,701</u> | <u>\$ 5,347,718</u> | <u>\$ 9,340,077</u> | <u>\$ 95,235,878</u> |

**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. | 947,103 |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ (1,369,456) |

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



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

| | Business-Type Activities Enterprise Funds Water and Sewer Fund | Governmental Activities 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 | - |

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

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

EXHIBIT C-1

| | Business-Type Activities Enterprise Funds Water and Sewer Fund | Governmental Activities Internal Service Funds |
|--|---|---|
| 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.



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

| | Business-Type Activities Enterprise Funds Water and Sewer Fund | Governmental Activities 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 | (2,396,094) | - |
| 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 | (1,800,000) | 980,000 |
| 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 | (604,499) | - |
| 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 | (2,986,141) | 960,933 |
| 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> |

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

| | Business-Type Activities Enterprise Funds | Governmental Activities |
|---|--|----------------------------|
| | Water and Sewer Fund | Internal Service Funds |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Operating income(loss) | \$ 2,754,005 | \$ (122,522) |
| 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 | (179,210) | - |
| Total adjustments | (148,909) | 618,597 |
| NET CASH PROVIDED BY OPERATIONS | \$ 2,605,096 | \$ 496,075 |
| NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | |
| Contributions of capital assets | \$ - | \$ - |
| 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 | - |
| | \$ 13,065,589 | \$ 2,180,536 |

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

EXHIBIT D-1

| | <u>Pension Trust Fund</u> |
|---|---|
| | <u>Police Reserves 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><u>\$ 113,617</u></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> |

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



**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 |
| 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 Proprietary Statement of Revenues, Expenses and Changes in Net Position Water and Sewer |
|---|--|--------------------------------|---|
| | Governmental Activities | Business Activities | |
| 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.

| | Fair Value | Investment Maturities (in Years) | | | |
|---------------------------------|-----------------------|----------------------------------|----------------------|-------------|----------------------|
| | | 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>Type</u> | <u>Fitch</u> | <u>S&P</u> | <u>Moody</u> |
|-----------------------|-----------------------|---------------|-----------------|-----------------|--------------|----------------|--------------|
| | | <u>Rate</u> | <u>Date</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 | Investment 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 AAAM 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

| | Fair Value | Investment Maturities (in Years) | | | |
|--|---------------------|----------------------------------|-------------------|-------------|-----------------|
| | | 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 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 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

| | Fair Value | Investment Maturities (in Years) | | | |
|--|---------------------|----------------------------------|-------------|-------------|-----------------|
| | | 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 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 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:

| | General | Debt Service | Joe Pool | General Obligation Bond Fund | Water and Sewer | Capital Recovery Fund | Nonmajor and Other Funds | Total |
|-----------------------------------|-------------|--------------|------------|------------------------------------|--------------------|-----------------------------|--------------------------------|-------------|
| Receivables | | | | | | | | |
| 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 | \$3,733,739 | \$ 249,797 | \$ 760,569 | \$ 223,253 | \$3,682,062 | \$ 408 | \$ 693,074 | \$9,342,902 |

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 | 26,188,630 | 1,369,729 | - | (11,885,275) | 15,673,084 |
| 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 | 236,898,544 | 741,705 | (718,006) | 11,885,275 | 248,807,518 |
| 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 | (98,604,910) | (7,636,292) | 718,006 | - | (105,523,196) |
| Total capital assets—being depreciated—net | 138,293,634 | (6,894,587) | - | 11,885,275 | 143,284,322 |
| Governmental activities capital assets—net | \$ 164,482,264 | \$ (5,524,858) | \$ - | \$ - | \$ 158,957,406 |

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.

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|----------------------|--------------|-----------|--------------|-------------------|
| Business-type activities: | | | | | |
| Capital assets—not being depreciated: | | | | | |
| Land | \$ 367,764 | \$ - | \$ - | \$ - | \$ 367,764 |
| Construction in progress | 7,766,808 | 3,468,802 | | (11,198,527) | 37,083 |
| Total capital assets—not depreciated | 8,134,572 | 3,468,802 | - | (11,198,527) | 404,847 |
| 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 | 71,584,896 | 99,876 | (235,815) | 11,198,527 | 82,647,484 |
| 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 | (23,073,918) | (1,711,305) | 235,815 | - | (24,549,408) |
| Total capital assets—being depreciated—net | 48,510,978 | (1,611,429) | - | 11,198,527 | 58,098,076 |
| Business-type activities capital assets—net | \$ 56,645,550 | \$ 1,857,373 | \$ - | \$ - | \$ 58,502,923 |

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 | \$ 7,636,292 |
| Business-type activities—water and sewer | \$ 1,711,305 |

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 | 3,369,850 | - | (67,785) | - | 3,302,065 |
| Capital assets—being depreciated: | | | | | |
| Leasehold improvements | 312,971 | - | - | - | 312,971 |
| Total capital assets being depreciated | 312,971 | - | - | - | 312,971 |
| Less accumulated depreciation for: | | | | | |
| Leasehold improvements | (148,842) | (24,420) | - | - | (173,262) |
| Total accumulated depreciation | (148,842) | (24,420) | - | - | (173,262) |
| Total capital assets being depreciated—net | 164,129 | (24,420) | - | - | 139,709 |
| 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 | (23,253) | (22,187) |
| 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 From | | | | | |
|--------------------------|------------------|--------------------------|---------------------|-------------------|----------------------|--------------------|
| Transfers to | General Fund | Capital Recovery Fund | Enterprise Funds | Nonmajor Funds | Debt Service Fund | Total |
| 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 | 74,030,225 | 4,207,138 | - | 78,237,363 | - |
| 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 | 159,760,517 | 34,032,990 | (25,827,569) | 167,965,938 | 9,276,371 |
| 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 | 17,439,796 | 2,995,322 | (3,087,959) | 17,347,159 | 1,008,470 |
| Total primary government long-term liabilities | \$ 177,200,313 | \$ 37,028,312 | \$ (28,915,528) | \$ 185,313,097 | \$ 10,284,841 |

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 (Split 54% to 46% between governmental and business-type activities) | 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 (Split 79% to 21% between governmental and business-type activities) | 2.00%-4.00% | 4,660,000 |
| \$3,140,000 2014 General Obligation Refunding Bonds, due Feb.15,2019 (Split 85% to 15% between governmental and business-type activities) | .360%-1.770% | 2,580,000 |
| \$24,055,000 2015 General Obligation Refunding and Imprvm't Bonds, due Feb. 15, 2035 (Split 93% to 7% between governmental and business-type activities) | .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 (Split 54% to 46% between governmental and business-type activities) | 2.81% | 947,240 |
| \$6,040,000 2013 General Obligation Refunding Bonds, due Feb.15,2024 (Split 79% to 21% between governmental and business-type activities) | 2.00%-4.00% | 1,275,000 |
| \$3,140,000 2014 General Obligation Refunding Bonds, due Feb.15,2019 (Split 85% to 15% between governmental and business-type activities) | .360%-1.770% | 310,000 |
| \$24,055,000 2015 General Obligation Refunding and Imprvm't Bonds, due Feb. 15, 2035 (Split 93% to 7% between governmental and business-type activities) | .5% - 3.51% | 1,650,000 |
| Total business-type activities - general obligation bonds | | <u>\$ 4,182,240</u> |
| Total general obligation bonds | | <u><u>\$ 65,995,000</u></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 (Split 54% to 46% between governmental and business-type activities) | 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 (Split 54% to 46% between governmental and business-type activities) | 2.00%-4.00% | 800,000 |
| Total business-type activities | | <u>\$ 7,035,000</u> |
| Total certificate of obligation bonds | | <u><u>\$ 18,455,000</u></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><u>\$ 4,375,000</u></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 | 2,575,000 | 331,525 | - | - | 78,237,362 | 361,113,120 |
| 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 | | | |
|------------------------------|--------------------|--------------------|--------------------------|------------------|----------------------------|--------------------|
| | | | General Obligation Bonds | | Certificates of Obligation | |
| | 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 | 1,035,000 | 91,075 | 205,000 | 5,125 | 2,515,000 | 176,456 |
| 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 | \$ 49,654 | \$ 85,589 | \$ (40,914) | \$ 94,329 | \$ 28,730 |
| OPEB liability | 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.tmr.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 projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF 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 | 5,491,822 | 5,355,737 | 136,085 |
| 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:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| 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:

| Fiscal Year Ended Sept. 30: | Net Deferred Outflows (Inflows) of Resources |
|--------------------------------|--|
| 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 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><u>317</u></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> | Premiums Paid By Employee (November 1, 2014 to October 31, 2015) | |
|-------------------|---|--------------------|
| | <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 | \$ 281,423 | \$ 334,065 | \$ 402,199 |
| 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.



REQUIRED SUPPLEMENTARY INFORMATION



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

| | <u>2014</u> |
|--|-----------------------------|
| 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><u>\$ 81,209,311</u></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><u>\$ 72,524,623</u></u> |
| Net Pension Liability - Ending (A-B) | <u><u>\$ 8,684,688</u></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

| | 2014 | 2015 |
|---|---------------|---------------|
| Actuarially Determined Contribution | \$ 2,299,513 | \$ 2,516,536 |
| Contributions in relation to the actuarially determined contribution | (2,299,513) | (2,516,536) |
| 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

EXHIBIT E-4

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –

BUDGET AND ACTUAL (UNAUDITED)

FOR THE YEAR ENDED SEPTEMBER 30, 2015

| | Budgeted Amounts | | Actual Amount | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|---------------------|--|
| | Original | Final | | |
| 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

EXHIBIT E-5

JOE POOL FUND

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

| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | <u>Variance with Final Budget- Positive (Negative)</u> |
|--|---------------------|---------------------|----------------------|--|
| 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**

| | <u>Nonmajor Special Revenue Funds</u> | | | |
|--|---------------------------------------|----------------------------|-------------------------|----------------------------------|
| | <u>Police Forfeiture</u> | <u>Hotel Occupancy</u> | <u>Library Fund</u> | <u>Comm. Dev. Bock Grant</u> |
| 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 | <u>\$ 85,257</u> | <u>\$ 842,042</u> | <u>\$ 121,489</u> | <u>\$ 2,679</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 1,113 | \$ 2,130 | \$ - | \$ 16,593 |
| Accrued liabilities | 18,511 | 3,017 | - | - |
| Total liabilities | <u>19,624</u> | <u>5,147</u> | <u>-</u> | <u>16,593</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue | - | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 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 | <u>65,633</u> | <u>836,895</u> | <u>121,489</u> | <u>(13,914)</u> |
| Total liabilities and fund balances | <u>\$ 85,257</u> | <u>\$ 842,042</u> | <u>\$ 121,489</u> | <u>\$ 2,679</u> |

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 |
| <u>3,528</u> | <u>15,669</u> | <u>234,179</u> | <u>-</u> | <u>19,183</u> | <u>216,162</u> | <u>530,085</u> |
| <u>10,192</u> | <u>2,898</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>13,090</u> |
| <u>10,192</u> | <u>2,898</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>13,090</u> |
| - | - | - | - | - | - | 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) |
| <u>52,900</u> | <u>224,568</u> | <u>476,045</u> | <u>355,521</u> | <u>250,173</u> | <u>1,050,997</u> | <u>3,420,307</u> |
| <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 | <u>\$ 3,049,557</u> | <u>\$ 518,417</u> | <u>\$ 363,741</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 16,287 | \$ - | \$ - |
| Accrued liabilities | - | - | - |
| Total liabilities | <u>16,287</u> | <u>-</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> |
| 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 | <u>3,033,270</u> | <u>518,417</u> | <u>363,741</u> |
| Total liabilities and fund balances | <u>\$ 3,049,557</u> | <u>\$ 518,417</u> | <u>\$ 363,741</u> |

EXHIBIT F-1(CONCLUDED)

| Nonmajor Capital Projects | | | | | |
|---------------------------|-------------------------|-------------------|----------------------|--------------------------------|----------------------------|
| Street Consturction | Building Maintenance | Drainage | Regional Drainage | Total Capital Project funds | Total Nonmajor funds |
| \$ 1,173,074 | \$ 193,496 | \$ 547,707 | \$ 89,907 | \$ 5,935,658 | \$ 9,206,115 |
| 158 | - | - | - | 399 | 693,074 |
| - | - | - | - | - | 350 |
| <u>\$ 1,173,232</u> | <u>\$ 193,496</u> | <u>\$ 547,707</u> | <u>\$ 89,907</u> | <u>\$ 5,936,057</u> | <u>\$ 9,899,539</u> |
| \$ - | \$ - | \$ - | \$ - | \$ 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) |
| <u>1,173,232</u> | <u>193,496</u> | <u>547,707</u> | <u>89,907</u> | <u>5,919,770</u> | <u>9,340,077</u> |
| <u>\$ 1,173,232</u> | <u>\$ 193,496</u> | <u>\$ 547,707</u> | <u>\$ 89,907</u> | <u>\$ 5,936,057</u> | <u>\$ 9,899,539</u> |

**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 | <u>\$ 65,633</u> | <u>\$ 836,895</u> | <u>\$ 121,489</u> | <u>\$ (13,914)</u> |

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 |
| <u>348,276</u> | <u>110,028</u> | <u>787,543</u> | <u>109,893</u> | <u>870,927</u> | <u>2,077,288</u> | <u>4,690,718</u> |
| - | - | - | 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 |
| <u>354,238</u> | <u>96,865</u> | <u>695,689</u> | <u>23,287</u> | <u>764,774</u> | <u>2,018,697</u> | <u>4,288,932</u> |
| <u>(5,962)</u> | <u>13,163</u> | <u>91,854</u> | <u>86,606</u> | <u>106,153</u> | <u>58,591</u> | <u>401,786</u> |
| - | - | - | - | - | (100,000) | (100,000) |
| - | - | - | - | - | (100,000) | (100,000) |
| <u>(5,962)</u> | <u>13,163</u> | <u>91,854</u> | <u>86,606</u> | <u>106,153</u> | <u>(41,409)</u> | <u>301,786</u> |
| <u>58,862</u> | <u>211,405</u> | <u>384,191</u> | <u>268,915</u> | <u>144,020</u> | <u>1,092,406</u> | <u>3,118,521</u> |
| <u>\$ 52,900</u> | <u>\$ 224,568</u> | <u>\$ 476,045</u> | <u>\$ 355,521</u> | <u>\$ 250,173</u> | <u>\$ 1,050,997</u> | <u>\$ 3,420,307</u> |

**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**

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

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

EXHIBIT G-1

DEBT SERVICE 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 | | | | |
| 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 | <u>7,333,050</u> | <u>7,333,050</u> | <u>7,327,696</u> | <u>(5,354)</u> |
| 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 | <u>8,150,650</u> | <u>8,150,650</u> | <u>8,501,966</u> | <u>(351,316)</u> |
| Deficiency of revenues under expenditures | <u>(817,600)</u> | <u>(817,600)</u> | <u>(1,174,270)</u> | <u>(356,670)</u> |
| 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) | <u>740,000</u> | <u>740,000</u> | <u>1,066,086</u> | <u>326,086</u> |
| Net changes in fund balances | <u>\$ (77,600)</u> | <u>\$ (77,600)</u> | <u>\$ (108,184)</u> | <u>\$ (30,584)</u> |
| 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 | <u>30,500</u> | <u>30,500</u> | <u>20,359</u> | <u>(10,141)</u> |
| EXPENDITURES | | | | |
| Public safety | 30,000 | 30,000 | 34,535 | (4,535) |
| Capital outlay | | | - | - |
| Total expenditures | <u>30,000</u> | <u>30,000</u> | <u>34,535</u> | <u>(4,535)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>500</u> | <u>500</u> | <u>(14,176)</u> | <u>(14,676)</u> |
| Changes in fund balances | <u>\$ 500</u> | <u>\$ 500</u> | <u>(14,176)</u> | <u>\$ (14,676)</u> |
| Fund balances, beginning of year | | | <u>79,809</u> | |
| Fund balances, end of year | | | <u>\$ 65,633</u> | |

EXHIBIT G-3

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

| | 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 | <u>164,600</u> | <u>164,600</u> | <u>262,278</u> | <u>97,678</u> |
| EXPENDITURES | | | | |
| Community Services | 197,375 | 197,375 | 177,141 | 20,234 |
| Capital Outlay | - | - | - | - |
| Total expenditures | <u>197,375</u> | <u>197,375</u> | <u>177,141</u> | <u>20,234</u> |
| Excess of revenues over expenditures | <u>(32,775)</u> | <u>(32,775)</u> | <u>85,137</u> | <u>117,912</u> |
| Net changes in fund balances | <u>\$ (32,775)</u> | <u>\$ (32,775)</u> | <u>85,137</u> | <u>\$ 117,912</u> |
| Fund balances, beginning of year | | | <u>751,758</u> | |
| Fund balances, end of year | | | <u>\$ 836,895</u> | |

EXHIBIT G-4

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

| | 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 | <u>5,000</u> | <u>5,000</u> | <u>15,375</u> | <u>10,375</u> |
| EXPENDITURES | | | | |
| Community Services | 35,000 | 35,000 | 29,124 | 5,876 |
| Total expenditures | <u>35,000</u> | <u>35,000</u> | <u>29,124</u> | <u>5,876</u> |
| Excess of (deficiency) revenues over (under) expenditures | <u>(30,000)</u> | <u>(30,000)</u> | <u>(13,749)</u> | <u>16,251</u> |
| Net changes in fund balances | <u>\$ (30,000)</u> | <u>\$ (30,000)</u> | <u>(13,749)</u> | <u>\$ 16,251</u> |
| Fund balances, beginning of year | | | <u>135,238</u> | |
| Fund balances, end of year | | | <u>\$ 121,489</u> | |

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 | 333,885 | 333,885 | 348,276 | 14,391 |
| EXPENDITURES | | | | |
| Community service | 282,130 | 282,130 | 307,903 | (25,773) |
| Capital outlay | 45,000 | 45,000 | 46,335 | (1,335) |
| Total expenditures | 327,130 | 327,130 | 354,238 | (27,108) |
| Excess (deficiency) of revenues over (under) expenditures | 6,755 | 6,755 | (5,962) | (12,717) |
| Net changes in fund balances | \$ 6,755 | \$ 6,755 | (5,962) | \$ (12,717) |
| Fund balances, beginning of year | | | 58,862 | |
| Fund balances, end of year | | | <u>\$ 52,900</u> | |

CITY OF CEDAR HILL, TEXAS

EXHIBIT G-6

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 | <u>108,600</u> | <u>108,600</u> | <u>110,028</u> | <u>1,428</u> |
| EXPENDITURES | | | | |
| Community service | 63,400 | 63,400 | 89,024 | (25,624) |
| Capital outlay | 30,000 | 30,000 | 7,841 | 22,159 |
| Total expenditures | <u>93,400</u> | <u>93,400</u> | <u>96,865</u> | <u>(3,465)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>15,200</u> | <u>15,200</u> | <u>13,163</u> | <u>(2,037)</u> |
| Net changes in fund balances | <u>\$ 15,200</u> | <u>\$ 15,200</u> | <u>13,163</u> | <u>\$ (2,037)</u> |
| Fund balances, beginning of year | | | <u>211,405</u> | |
| Fund balances, end of year | | | <u>\$ 224,568</u> | |

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

| | 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 | <u>388,600</u> | <u>388,600</u> | <u>787,543</u> | <u>398,943</u> |
| EXPENDITURES | | | | |
| General administration | - | - | - | - |
| Public safety | 555,450 | 555,450 | 695,689 | (140,239) |
| Capital outlay | - | - | - | - |
| Total expenditures | <u>555,450</u> | <u>555,450</u> | <u>695,689</u> | <u>(140,239)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(166,850)</u> | <u>(166,850)</u> | <u>91,854</u> | <u>258,704</u> |
| Changes in fund balances | <u>\$ (166,850)</u> | <u>\$ (166,850)</u> | <u>91,854</u> | <u>\$ 258,704</u> |
| Fund balances, beginning of year | | | <u>384,191</u> | |
| Fund balances, end of year | | | <u>\$ 476,045</u> | |

| | |
|--|--------------------|
| 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 | <u>2,062,000</u> | <u>2,062,000</u> | <u>2,077,288</u> | <u>15,288</u> |
| 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 | <u>2,320,000</u> | <u>2,320,000</u> | <u>2,018,697</u> | <u>301,303</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(258,000)</u> | <u>(258,000)</u> | <u>58,591</u> | <u>316,591</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer out | (100,000) | (100,000) | (100,000) | - |
| Total other financing sources (uses) | <u>\$ (100,000)</u> | <u>\$ (100,000)</u> | <u>\$ (100,000)</u> | <u>\$ -</u> |
| Changes in fund balances | <u>\$ (358,000)</u> | <u>\$ (358,000)</u> | <u>(41,409)</u> | <u>\$ 316,591</u> |
| Fund balances, beginning of year | | | <u>1,092,406</u> | |
| Fund balances, end of year | | | <u>\$ 1,050,997</u> | |

**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 | <u>900,770</u> | <u>900,770</u> | <u>870,927</u> | <u>(29,843)</u> |
| EXPENDITURES | | | | |
| Public safety | 920,000 | 920,000 | 764,774 | 155,226 |
| Capital outlay | - | - | - | - |
| Total expenditures | <u>920,000</u> | <u>920,000</u> | <u>764,774</u> | <u>155,226</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(19,230)</u> | <u>(19,230)</u> | <u>106,153</u> | <u>125,383</u> |
| Net changes in fund balances | <u>\$ (19,230)</u> | <u>\$ (19,230)</u> | <u>106,153</u> | <u>\$ 125,383</u> |
| Fund balances, beginning of year | | | <u>144,020</u> | |
| Fund balances, end of year | | | <u>\$ 250,173</u> | |

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

EXHIBIT H-1

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

**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><u>\$ 8,756,250</u></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

| | Community Development Corporation |
|--|--|
| 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><u>\$ 8,531,960</u></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

| | Economic Development Corporation |
|--|---|
| 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>\$ 6,483,347</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>\$ 6,483,347</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><u>\$ 9,738,823</u></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

| | Economic Development Corporation |
|--|---|
| 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><u>\$ 6,394,482</u></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. (67,785)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 328,781**

**STATISTICAL SECTION
(UNAUDITED)**



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 |
| <u>\$ 99,021,712</u> | <u>\$ 97,207,102</u> | <u>\$ 98,693,229</u> | <u>\$ 99,871,703</u> | <u>\$ 99,249,952</u> | <u>\$ 99,197,521</u> | <u>\$ 93,529,969</u> |
| | | | | | | |
| \$ 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 |
| <u>\$ 56,446,776</u> | <u>\$ 53,655,102</u> | <u>\$ 52,713,007</u> | <u>\$ 51,937,127</u> | <u>\$ 52,735,007</u> | <u>\$ 56,499,331</u> | <u>\$ 56,706,462</u> |
| | | | | | | |
| \$ 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 |
| <u>\$ 155,468,488</u> | <u>\$ 150,862,204</u> | <u>\$ 151,406,236</u> | <u>\$ 151,808,830</u> | <u>\$ 151,984,959</u> | <u>\$ 155,696,852</u> | <u>\$ 150,236,431</u> |

**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 activities: | | | | |
| 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 |
| \$ 15,528,663 | \$ 16,374,985 | \$ 15,674,005 | \$ 15,491,378 | \$ 15,772,743 | \$ 16,415,804 |
| 15,528,663 | 16,374,985 | 15,674,005 | 15,491,378 | 15,772,743 | 16,415,804 |
| \$ 60,917,871 | \$ 60,957,464 | \$ 59,944,746 | \$ 61,521,038 | \$ 63,604,090 | \$ 67,936,551 |
| \$ 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 |
| \$ 13,762,041 | \$ 16,691,383 | \$ 15,977,792 | \$ 17,209,452 | \$ 17,382,937 | \$ 18,685,787 |
| 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 |
| \$ 24,014,838 | \$ 27,837,680 | \$ 26,666,517 | \$ 31,531,521 | \$ 32,586,714 | \$ 31,866,426 |
| \$ (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 |
| \$ (36,903,033) | \$ (33,119,784) | \$ (33,278,229) | \$ (29,989,517) | \$ (31,017,376) | \$ (36,070,125) |

(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 | 1,800,000 | 1,801,000 | 1,802,000 | 1,800,000 |
| Total governmental activities | 31,296,862 | 32,447,627 | 35,816,194 | 33,572,142 |
| 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 | (1,800,000) | (1,801,000) | (1,802,000) | (1,800,000) |
| Total business-type activities | (1,102,419) | (980,356) | (1,156,258) | (1,534,954) |
| Total primary government | \$ 30,194,443 | \$ 31,467,271 | \$ 34,659,936 | \$ 32,037,188 |
| 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 | \$ 7,543,480 | \$ 9,017,347 | \$ 8,292,291 | \$ (2,920,499) |

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 |
| 33,845,195 | 35,276,478 | 35,286,759 | 31,778,720 | 35,741,601 | 37,228,165 |
| \$ 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) |
| (1,548,446) | (1,612,662) | (1,605,936) | (1,613,074) | 1,715,528 | (1,741,938) |
| \$ 32,296,749 | \$ 33,663,816 | \$ 33,680,823 | \$ 30,165,646 | \$ 37,457,129 | \$ 35,486,227 |
| \$ (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 |
| \$ (4,606,284) | \$ 544,032 | \$ 402,594 | \$ 176,129 | \$ 6,439,753 | \$ (583,898) |

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 | \$ 8,683,101 | \$ 9,408,192 | \$ 7,902,652 | \$ 8,141,426 |
| 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 | \$ 70,332,643 | \$ 58,171,544 | \$ 65,821,637 | \$ 68,759,815 |

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 |
| - | 7,245,735 | 8,081,105 | 8,155,908 | 7,835,891 | 9,090,324 |
| <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 |
| - | 39,186,264 | 44,607,884 | 46,527,005 | 51,305,636 | 54,301,017 |
| <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 of debt | 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 |
| 42,108,558 | 43,574,430 | 42,903,959 | 42,821,945 | 44,270,496 | 46,360,283 |
| 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 |
| 43,588,565 | 43,080,516 | 44,291,514 | 44,909,714 | 45,295,264 | 44,953,184 |
| (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 |
| (2,730,000) | (14,678,464) | (9,506,686) | - | (7,614,445) | (16,990,488) |
| 1,837,655 | 1,976,857 | 1,808,152 | 1,912,691 | 3,540,707 | 10,115,693 |
| \$ 357,648 | \$ 2,470,771 | \$ 420,597 | \$ (175,078) | \$ 2,515,939 | \$ 11,522,792 |
| 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.



**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 September 30, | City Direct Rates | | | Cedar Hill I.S.D. | Dallas County Community College District | Dallas County Hospital District |
|--|-------------------|--|-----------------|----------------------|--|---------------------------------------|
| | Basic Rate | General Obligation Debt Service | Total Direct | | | |
| 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 | Taxable Assessed Value | Rank | Percentage of Total City 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 | | | | |
| 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 | | | |
| 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% | 71,984,915 |
| Total direct and overlapping debt | | | <u><u>\$ 267,909,151</u></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, lewyng taxes for that year, then and in that event the tax lewyng ordinance last passed shall and will be considered in force and effect as the tax lewyng 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

| <u>Fiscal Year</u> | <u>Gross Revenues (1)</u> | <u>Less: Operating Expenses (2)</u> | <u>Net Available Revenue</u> | <u>Average Debt Service (3)</u> | <u>Coverage</u> |
|--------------------|---------------------------|-------------------------------------|------------------------------|---------------------------------|-----------------|
| 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

| <u>Year</u> | <u>Estimated Population ^a</u> | <u>Personal Income</u> | <u>Per Capita Personal Income ^b</u> | <u>Median Household Income ^b</u> | <u>Median Age ^b</u> | <u>Cedar Hill I.S.D. Enrollment ^c</u> | <u>Unemployment Rate ^d</u> |
|-------------|--|----------------------------|--|---|------------------------------------|--|---|
| 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> | <u>2015</u> | | | <u>2006</u> | | |
|------------------------------------|--------------------------------|-------------|---|--------------------------------|-------------|---|
| | <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

TABLE 16

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

| <u>Function/Program</u> | <u>Full Time Equivalent Employees as of September 30</u> | | | | | | | | | |
|------------------------------|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | <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 | | | | | | |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
| 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

