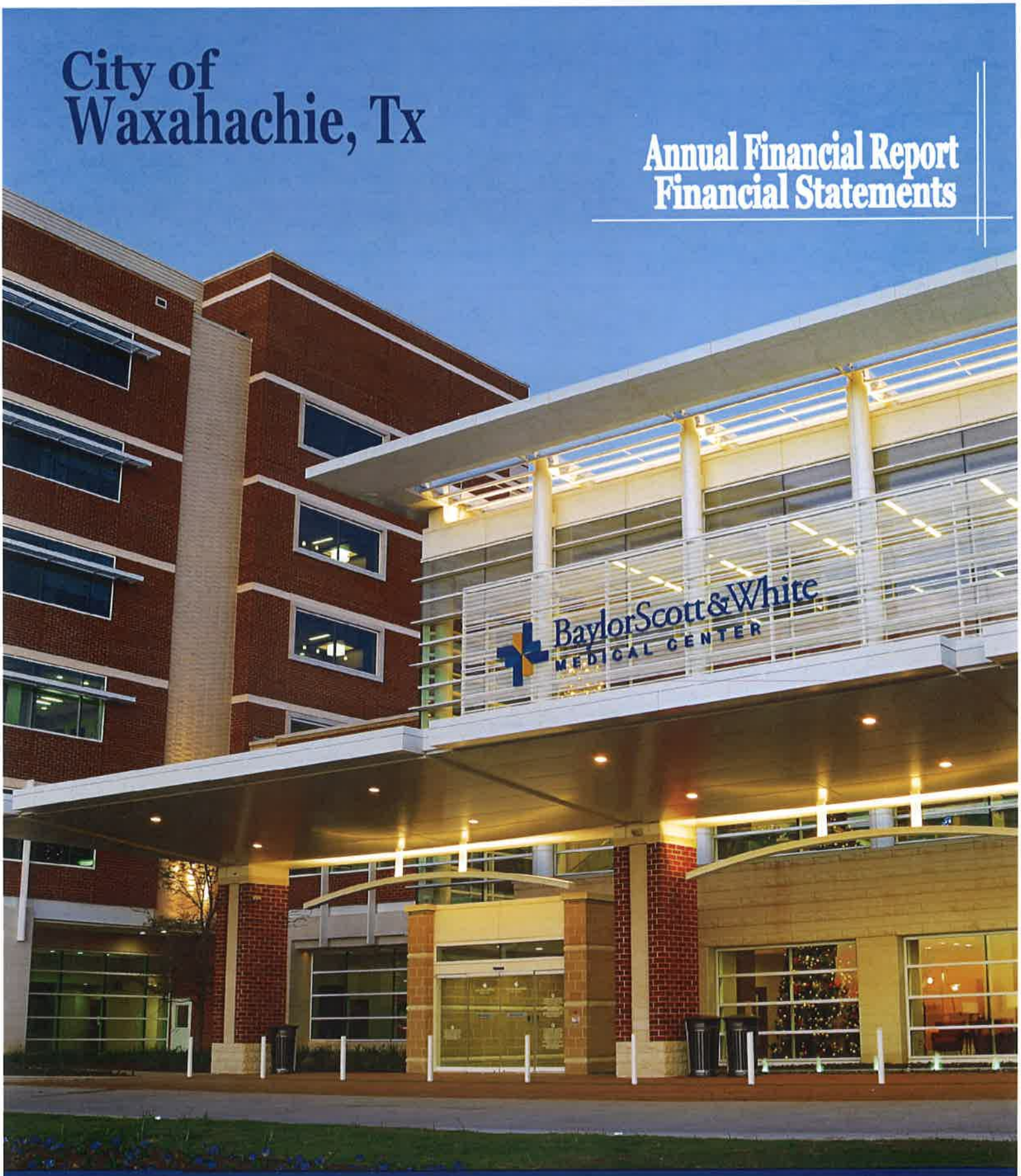
City of Waxahachie, Tx

Annual Financial Report
Financial Statements



For The Year Ended

SEPTEMBER 30, 2015

Cover photo courtesy of:
Waxahachie Daily Light

CITY OF WAXAHACHIE, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Prepared by:
Department of Finance

Charles Harris, CPA
Director of Finance

Gail Turner, MBA, CPA
Assistant Director of Finance

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CITY OF WAXAHACHIE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2015

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CITY OF WAXAHACHIE, TEXAS

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FINANCIAL SECTION

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PB&H

PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and Members of the City Council
City of Waxahachie, 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 City of Waxahachie, Texas, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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Governmental Audit Quality Center

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 of Waxahachie, Texas, 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.

Change in Accounting Principle

As discussed in Note I to the financial statements, in 2015 the City adopted new accounting guidance, Governmental Accounting Standards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Governmental Accounting Standards (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. 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, budgetary comparison information, schedule of changes in net pension liability and related ratios, and the schedule of contributions on pages 4 – 12 and 59 – 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waxahachie, Texas' basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2016, on our consideration of the City of Waxahachie, Texas' 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 of Waxahachie, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Hillsboro, Texas
March 2, 2016

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Waxahachie, Texas' annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2015. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

At September 30, 2015, the City's total combined net position were $116,399,346. Of this amount, $27,621,261 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

The City's total net position increased by $834,739 during the current fiscal year.

At the end of the fiscal year, the total fund balance of all governmental funds was $23,539,146, down $709,476 from the prior year. The decrease was due to decreased fund balance in the Capital Projects Fund due to work on projects related to bonds received in prior years resulting in a decrease of $1,287,947. The General Fund and Debt Service Fund had increases in fund balance of $153,032 and $140,074, respectively.

As of the close of the current fiscal year, unassigned fund balance for the General Fund was $11,638,341, or about 38.40% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements presenting different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the City's operations in more detail than the government-wide statements.
- The *governmental fund* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short term* and *long term* financial information about the activities the government operates like businesses.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-1, Required Components of the City's Annual Financial Report

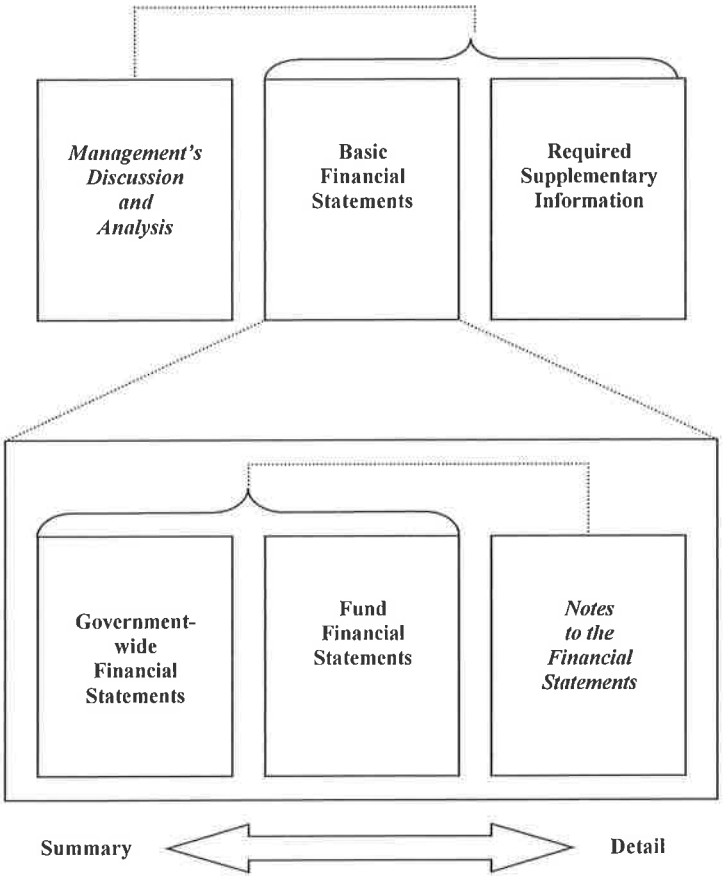

Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2 Major features of the City's Government-wide and Fund Financial Statements				
Type of Statement	**Government-wide**	**Governmental Funds**	**Proprietary Funds**	**Fiduciary Funds**
Scope	Entire City's government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses.	Instances in which the City is the trustee or agent for someone else's resources
Required Financial Statements	Statement of Net Position. Statement of Activities	Balance Sheet, Statement of Revenues, Expenditures and Fund Balances	Statement of Net Position, Statement of Revenues, Expenditures and Changes in Fund Net Position.	Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Types of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that become due during the year or soon thereafter. No capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities both short-term and long-term; the City's funds do not currently include capital assets, although they can.
Types of Inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenue for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred inflows/outflows of resources and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position—the difference between the City's assets, deferred inflows/outflows of resources and liabilities—are one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position serve as an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, you need to consider additional non-financial factors such as changes in the City's tax base.

The government-wide financial statements include not only the City of Waxahachie (the primary government), but also three legally separate agencies: a water district known as the Ellis County Water Control and Improvement District No. 1, a tax increment financing reinvestment zone known as the Tax Increment Financing Reinvestment Zone No. 1, and additionally, a 4B Sales Tax Corporation known as the Waxahachie Community Development Corporation which is presented as a discretely presented component unit. The City of Waxahachie is financially accountable for these agencies.

The government-wide financial statements can be found on pages 13 – 15 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City's most significant funds—not the City as a whole. Funds are accounting devices the City uses to keep track of specific sources of funding and spending for particular purposes.

Some funds are required by state law and by bond covenants.

The City establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

> ***Governmental Funds*** – Most of the City's basic services are included in governmental funds, which focus on 1) how cash and other financial assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
>
> ***Proprietary Funds*** – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

Notes to the Financial Statements. The notes to the financial statements provide information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found after the basic financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Waxahachie. This information is required by the Governmental Accounting Standards Board.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Waxahachie, assets exceeded liabilities by $116,399,346.

The largest portion of the City's net position (61.1%) reflects its investment in capital assets (e.g. land, buildings, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that are still outstanding. The City uses these assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (15.2%) represents resources that are subject to external restrictions on how they may have to be used. The remaining balance of unrestricted net position (23.7%) may be used to meet the government's ongoing obligations to citizens and creditors.

TABLE 1

CITY OF WAXAHACHIE'S NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 36,369,546	$ 36,767,231	$ 45,801,359	$ 45,882,406	$ 82,170,905	$ 82,649,637
Capital assets	80,862,076	83,554,849	102,222,687	105,000,702	183,084,763	188,555,551
Total assets	117,231,622	120,322,080	148,024,046	150,883,108	265,255,668	271,205,188
Total deferred outflows of resources	2,097,061	785,509	1,440,252	1,120,840	3,537,313	1,906,349
Long-term liabilities	56,576,627	53,408,411	89,346,096	90,610,813	145,922,723	144,019,224
Other liabilities	3,262,285	3,320,118	1,986,529	1,992,059	5,248,814	5,312,177
Total liabilities	59,838,912	56,728,529	91,332,625	92,602,872	151,171,537	149,331,401
Total deferred inflows of resources	965,694	-	256,404	-	1,222,098	-
Net Position:						
Net investment in capital assets	33,988,769	32,898,144	37,083,400	37,935,569	71,072,169	70,833,713
Restricted	9,275,730	10,080,999	8,430,186	8,136,494	17,705,916	18,217,493
Unrestricted	15,259,578	21,399,917	12,361,683	13,329,013	27,621,261	34,728,930
Total net position	$ 58,524,077	$ 64,379,060	$ 57,875,269	$ 59,401,076	$ 116,399,346	$ 123,780,136

The following table provides a summary of the City's operations for the year ended September 30, 2015. Total governmental activities increased by $636,871. Overall, 2015 fiscal year expenses increased by $5,703,184, or about 11.3% over the prior fiscal year. The business-type activities expenses increased $337,571 (1.8%), and the governmental activities expenses increased by $5,365,613 (17.1%). Notable changes between 2014 and 2015 fiscal year expenses include increases in general government, public safety, public works, culture and recreation, water and wastewater expenses and decreases in interest on long-term debt and Sokoll WTP expenses.

TABLE 2

CITY OF WAXAHACHIE'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 3,189,842	$ 2,232,835	$ 19,904,424	$ 18,986,645	$ 23,094,266	$ 21,219,480
Operating grants and contributions	129,271	120,277	-	-	129,271	120,277
Capital grants and contributions	-	2,400	-	-	-	2,400
General revenues:						
Property taxes	16,111,859	15,002,824	-	-	16,111,859	15,002,824
Sales taxes	10,716,747	9,744,609	-	-	10,716,747	9,744,609
Other	4,175,662	4,366,978	2,970,253	2,092,027	7,145,915	6,459,005
Total revenues	34,323,381	31,469,923	22,874,677	21,078,672	57,198,058	52,548,595
Expenses:						
General government	8,974,098	5,315,218	-	-	8,974,098	5,315,218
Public safety	14,922,114	14,332,800	-	-	14,922,114	14,332,800
Public works	7,762,870	6,453,273	-	-	7,762,870	6,453,273
Culture and recreation	3,105,015	2,949,763	-	-	3,105,015	2,949,763
Judicial	35,871	50,147	-	-	35,871	50,147
Interest on long-term debt	1,939,249	2,272,403	-	-	1,939,249	2,272,403
Water	-	-	10,249,541	9,934,179	10,249,541	9,934,179
Wastewater	-	-	5,659,823	5,462,476	5,659,823	5,462,476
Refuse services	-	-	995,844	1,063,819	995,844	1,063,819
Sokoll WTP	-	-	2,718,894	2,826,057	2,718,894	2,826,057
Total expenses	36,739,217	31,373,604	19,624,102	19,286,531	56,363,319	50,660,135
Increases in net position before transfers	(2,415,836)	96,319	3,250,575	1,792,141	834,739	1,888,460
Transfers	3,052,707	2,818,446	(3,052,707)	(2,818,446)	-	-
Increase (decrease) in net position	636,871	2,914,765	197,868	(1,026,305)	834,739	1,888,460
Net position, beginning	64,379,060	62,142,311	59,401,076	60,784,334	123,780,136	122,926,645
Prior period adjustment	(6,491,854)	(678,016)	(1,723,675)	(356,953)	(8,215,529)	(1,034,969)
Net position, ending	$ 58,524,077	$ 64,379,060	$ 57,875,269	$ 59,401,076	$ 116,399,346	$ 123,780,136

Governmental Activities

Governmental activities increased the City's net assets by $636,871.

Charges for services increased by more than $950,000, property taxes increased by more than $1.1 million and sales taxes increased by more than $970,000 while other revenues decreased more than $190,000. This resulted in an increase in total revenue of approximately $2,850,000. Total expenses increased by about $5,360,000 due to the increases in general government ($3,650,000), public safety ($580,000), public works ($1,300,000) and culture and recreation (150,000) offset by a decrease in interest on long-term debt ($330,000).

Business-type Activities

Business-type activities increased the City's net position by $197,868.

Total revenues increased by approximately $1,800,000. The majority of this increase is related to an increase in wastewater and investment in Sokoll WTP charges for services ($915,000) and miscellaneous revenue ($875,000).

Water expenses increased by about $315,000, wastewater expenses increased by about $195,000; refuse services expenses decreased by about $65,000 and investment in Sokoll WTP expenses decreased by about $105,000.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

The City's General Fund reported an ending unassigned fund balance of $11,638,341, with a total increase in fund balance of $153,032, compared with the previous fiscal year. Original budgetary projections had projected a decrease in fund balance of $941,540, and the amended budget anticipated a decrease of $2,487,434. Total expenditures were under budget by $716,318. Also, revenue categories other than ad valorem, sales and franchise tax and miscellaneous revenue exceeded budget.

The City's Debt Service Fund saw its fund balance rise from $2,206,978 to $2,347,052. The original budget (adopted prior to the conclusion of the 2014 fiscal year) had proposed to bring this balance up to $2,289,707. Total expenditures were under budget by $1,694.

Proprietary Funds

The City's Water and Wastewater Funds reported unrestricted ending net position of $5,038,887 and $4,588,595, respectively. The net position of the Water Fund decreased $1,086,688 which is less than the prior year decrease of $1,632,724, mainly due to increased operating income from increased charges for services greater than the increase in the cost of sales and services. The Wastewater Fund's net position increased $1,298,363, primarily as a result of increased charges for services and capital contributions as well as decreased interest expense offset by an increase in cost of sales and services expenses.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund had the following significant budget amendments during the year:

- Total expenditures were increased by $4,516,394 to budget for various additional expenditures.

- Total general government expenditures were increased by $3,285,250 (68.15%) mainly due to budget for North Grove Thoroughfare Improvements.
- Total public works expenditures were increased by $1,883,042 (30.98%) to budget for additional street department expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Waxahachie's investment in capital assets for its governmental and business-type activities as of September 30, 2015, amounts to $183,084,763 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements, machinery and equipment, and roads. Additional information on the City's capital assets can be found on pages 39 – 40 of the basic financial statements. Major capital asset events during the current fiscal period included the following:

- Approximately $2,870,000 added to construction in progress for various projects
- Approximately $3,580,000 of completed construction for various street projects
- Approximately $1,000,000 for other various water improvement projects

Debt Administration

The City issued no new debt during fiscal year 2015. More information about the City's debt can be found on pages 41 – 46 of the financial statements.

ECONOMIC OUTLOOK

Budgeted General Fund revenues and transfers for the 2016 fiscal year are expected to increase by about 1.8% (or about $553,000) compared to the fiscal year 2015 final budget. This relatively small "net" increase stands in contrasts with a few individual components of revenue which are anticipated to shift more significantly. Impact fee revenues for 2016 are anticipated to decline by about $1,400,000, as a result of the completion of a major retail development – no proportionately equivalent projects are anticipated in the upcoming fiscal year. If one factors out the uncharacteristically high collection in impact fees during 2015, remaining revenues and transfers grew about 6.6% (or about $1,953,000). Approximately 43% of this total ($841,000) is attributable to a growth in property tax revenues. In as much as the total tax rate did not change, this increase is driven by a combination of new development and increasing values of existing properties; 28% of the increase (or $545,000) results from a growth in sales taxes revenues; 13% (or $245,000) is attributable to anticipated growth in franchise taxes.

Corresponding General Fund budgeted expenditures are anticipated decline slightly (about .3%) compared to final 2015 estimates. Again, this slight overall change obscures more dramatic shifts within the various individual components of expenditures. Expenditures in the General Items budget are projected to decline by about $3,446,000. 2015 activity included some major development costs related to the aforementioned retail development that dramatically effected impact fee revenues in 2015. Activity on this scale isn't anticipated in 2016. Street expenditures in 2016 are also expected to decline about $1,857,000 as some major rehabilitation projects wrap up. Excluding these two major decreases, remaining expenditures are anticipated to rise by about $5,194,000.

Functions reflecting notable increases for 2015 included:

- Police, with an increase of about $3,446,000 (about 72% of the aforementioned increase), largely driven by the construction of a new public safety building, partially funded with current surplus funds

- Parks, containing an increase of about $600,000 (about 12% of the aforementioned increase) for the purchase of facility improvements and new playground equipment for Penn Park.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to Charles Harris at (469) 309-4161, Finance Department, City of Waxahachie, Texas 75168-0757. Email: charris@waxahachie.com.

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BASIC
FINANCIAL STATEMENTS

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CITY OF WAXAHACHIE, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and investments	$ 23,813,908	$ 9,146,576	$ 32,960,484	$ 3,327,180
Receivables (net of allowances for uncollectible)	2,438,546	3,774,886	6,213,432	29,897
Intergovernmental	1,789,920	-	1,789,920	585,707
Prepaids	28,578	-	28,578	
Restricted assets:				
Cash and investments	-	9,233,647	9,233,647	-
Due from other governments	-	22,460,000	22,460,000	-
Equity in joint venture	8,298,594	-	8,298,594	-
Intangible assets	-	1,186,250	1,186,250	-
Capital assets (net, where applicable, of accumulated depreciation):				
Land	8,134,790	1,008,123	9,142,913	650,670
Buildings	22,913,427	19,302,437	42,215,864	9,801,499
Improvements other than buildings	7,820,707	71,460,951	79,281,658	7,549,015
Machinery and equipment	1,484,344	6,043,952	7,528,296	143,573
Software	31,677	141,979	173,656	-
Vehicles	2,427,505	346,524	2,774,029	-
Infrastructure	36,803,240	3,686,411	40,489,651	-
Construction in progress	1,246,386	232,310	1,478,696	-
Total assets	117,231,622	148,024,046	265,255,668	22,087,541
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	682,990	1,064,798	1,747,788	276,925
Deferred outflow related to TMRS	1,414,071	375,454	1,789,525	94,105
Total deferred outflows of resources	2,097,061	1,440,252	3,537,313	371,030
LIABILITIES				
Accounts payable	1,368,483	453,365	1,821,848	143,805
Other payables	207,865	-	207,865	-
Accrued liabilities	892,031	174,938	1,066,969	47,195
Due to other governments	489,422	-	489,422	136
Customer deposits	3,500	807,586	811,086	52,506
Accrued interest payable	300,984	480,572	781,556	142,883
Accounts payable from restricted assets	-	70,068	70,068	-
Noncurrent liabilities:				
Due within one year	4,150,506	3,241,955	7,392,461	600,782
Due in more than one year	52,426,121	86,104,141	138,530,262	19,438,337
Total liabilities	59,838,912	91,332,625	151,171,537	20,425,644
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to TMRS	965,694	256,404	1,222,098	64,266
Total deferred outflows of resources	965,694	256,404	1,222,098	64,266
NET POSITION				
Net investment in capital assets	33,988,769	37,083,400	71,072,169	(997,449)
Restricted for:				
Tourism	333,011	-	333,011	-
Capital projects	3,976,812	5,525,862	9,502,674	-
Debt service	2,347,052	-	2,347,052	1,450,539
Perpetual care	889,168	-	889,168	-
Public safety	239,768	-	239,768	-
Public works	624	-	624	-
Municipal court judicial efficiency	5,030	-	5,030	-
Municipal court technology	18,728	-	18,728	-
Municipal court security	29,443	-	29,443	-
Municipal court judicial	10,892	-	10,892	-
Culture and recreation	148,670	-	148,670	-
Downtown improvements	415,195	-	415,195	-
Impact fee projects	861,337	2,904,324	3,765,661	-
Unrestricted	15,259,578	12,361,683	27,621,261	1,515,571
Total net position	$ 58,524,077	$ 57,875,269	$ 116,399,346	$ 1,968,661

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

CITY OF WAXAHACHIE, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 8,974,098	$ -	$ 77,043	$ -
Public safety	14,922,114	1,518,218	47,728	-
Public works	7,762,870	1,410,699	-	-
Culture and recreation	3,105,015	44,922	4,500	-
Judicial	35,871	216,003	-	-
Interest on long-term debt	1,939,249	-	-	-
Total governmental activities	36,739,217	3,189,842	129,271	-
Business-type activities:				
Water utility	10,249,541	10,381,934	-	-
Wastewater utility	5,659,823	7,454,399	-	-
Refuse service	995,844	1,387,492	-	-
Investment in Sokoll WTP	2,718,894	680,599	-	-
Total business-type activities	19,624,102	19,904,424	-	-
Total primary government	$ 56,363,319	$ 23,094,266	$ 129,271	$ -
Component Unit				
Waxahachie Community Development Corporation	$ 3,829,201	$ 575,738	$ -	$ -
Total component unit	$ 3,829,201	$ 575,738	$ -	$ -

General revenues:
- Property taxes
- Sales taxes
- Franchise taxes
- Other taxes
- Miscellaneous
- Unrestricted investment earnings
- Gain (loss) on disposal of capital assets

Capital contributions

Transfers

Total general revenues

Change in net position

Net position - beginning

Prior period adjustment

Net position - ending

The accompanying notes are integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Component Units
$(8,897,055)	$ -	$(8,897,055)	$ -
(13,356,168)	-	(13,356,168)	-
(6,352,171)	-	(6,352,171)	-
(3,055,593)	-	(3,055,593)	-
180,132	-	180,132	-
(1,939,249)	-	(1,939,249)	-
(33,420,104)	-	(33,420,104)	-
-	132,393	132,393	-
-	1,794,576	1,794,576	-
-	391,648	391,648	-
-	(2,038,295)	(2,038,295)	-
-	280,322	280,322	-
(33,420,104)	280,322	(33,139,782)	-
-	-	-	(3,253,463)
-	-	-	(3,253,463)
16,111,859	-	16,111,859	-
10,716,747	-	10,716,747	3,572,249
3,243,540	-	3,243,540	-
704,652	-	704,652	-
248,451	460,548	708,999	47,379
28,421	18,608	47,029	3,976
(49,402)	-	(49,402)	-
-	2,491,097	2,491,097	-
3,052,707	(3,052,707)	-	-
34,056,975	(82,454)	33,974,521	3,623,604
636,871	197,868	834,739	370,141
64,379,060	59,401,076	123,780,136	2,030,549
(6,491,854)	(1,723,675)	(8,215,529)	(432,029)
$ 58,524,077	$ 57,875,269	$ 116,399,346	$ 1,968,661

CITY OF WAXAHACHIE, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 14,823,159	$ 2,341,299	$ 6,649,450	$ 23,813,908
Receivables (net of allowances for uncollectible):				
Taxes	284,337	173,044	-	457,381
Accounts	15,778	-	-	15,778
Fines	888,730	-	-	888,730
Other	215,794	43,755	58,164	317,713
Intergovernmental	1,787,764	2,156	-	1,789,920
Prepaid items	28,578	-	-	28,578
Total assets	$ 18,044,140	$ 2,560,254	$ 6,707,614	$ 27,312,008
LIABILITIES				
Accounts payable	$ 928,554	$ 305	$ 439,624	$ 1,368,483
Other payables	207,865	-	-	207,865
Accrued liabilities	878,563	-	13,468	892,031
Deposits payable	-	-	3,500	3,500
Due to other governments	489,422	-	-	489,422
Total liabilities	2,504,404	305	456,592	2,961,301
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	277,718	169,142	-	446,860
Unavailable revenue-court fines	320,946	-	-	320,946
Unavailable revenue-loan contract	-	43,755	-	43,755
Total deferred inflows of resources	598,664	212,897	-	811,561
FUND BALANCES				
Nonspendable:				
Prepaid items	28,578	-	-	28,578
Restricted:				
Tourism	-	-	333,011	333,011
Capital projects	-	-	3,976,812	3,976,812
Debt service	-	2,347,052	-	2,347,052
Perpetual care	-	-	889,168	889,168
Public safety	-	-	239,768	239,768
Public works	-	-	624	624
Municipal court judicial efficiency	-	-	5,030	5,030
Municipal court technology	-	-	18,728	18,728
Municipal court security	-	-	29,443	29,443
Municipal court judicial	-	-	10,892	10,892
Culture and recreation	-	-	148,670	148,670
Downtown improvements	-	-	415,195	415,195
Impact fee projects	861,337	-	-	861,337
Committed:				
Culture and recreation	-	-	183,681	183,681
Other purposes	2,393,025	-	-	2,393,025
Assigned:				
Community relations	19,791	-	-	19,791
Unassigned	11,638,341	-	-	11,638,341
Total fund balances	14,941,072	2,347,052	6,251,022	23,539,146
Total liabilities, deferred inflows of resources, and fund balances	$ 18,044,140	$ 2,560,254	$ 6,707,614	$ 27,312,008

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

CITY OF WAXAHACHIE, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS

BALANCE SHEET TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

Total fund balances - governmental fund balance sheet	$	23,539,146
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		80,862,076
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		1,570,505
Long-term liabilites (net pension liability, bonds payable, and etc) are not due and payable in the the current period and, therefore, have not been included in the fund financial statements. Also, the premium on the issuance of bonds and deferred resources related to the net pension liability are not reported in the funds.	(	55,746,244)
Equity in a joint venture are not reported in the funds.		8,298,594
Net position of government activities - statement of net position.	$	58,524,077

The accompanying notes are in integral part of these financial statements.

CITY OF WAXAHACHIE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 24,193,108	$ 5,432,293	$ 945,553	$ 30,570,954
Charges for services	1,520,103	-	204,242	1,724,345
Licenses and permits	773,203	-	-	773,203
Fines and forfeitures	581,183	-	-	581,183
Intergovernmental	22,559	-	5,702	28,261
Miscellaneous	307,686	88,223	130,113	526,022
Interest	15,557	5,280	7,584	28,421
Total revenues	27,413,399	5,525,796	1,293,194	34,232,389
EXPENDITURES				
Current:				
General government	7,628,855	-	464,825	8,093,680
Public safety	14,401,800	-	52,549	14,454,349
Public works	5,620,545	-	1,059,360	6,679,905
Judicial	-	-	35,871	35,871
Culture and recreation	2,658,191	-	331,374	2,989,565
Capital outlay	-	-	218,554	218,554
Debt service:				
Principal	-	3,465,838	75,371	3,541,209
Interest	-	1,919,884	61,555	1,981,439
Total expenditures	30,309,391	5,385,722	2,299,459	37,994,572
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,895,992)	140,074	(1,006,265)	(3,762,183)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,052,707	-	527,155	3,579,862
Transfers out	(3,683)	-	(523,472)	(527,155)
Total other financing sources (uses)	3,049,024	-	3,683	3,052,707
NET CHANGE IN FUND BALANCE	153,032	140,074	(1,002,582)	(709,476)
FUND BALANCES, BEGINNING	14,788,040	2,206,978	7,253,604	24,248,622
FUND BALANCES, ENDINGS	$ 14,941,072	$ 2,347,052	$ 6,251,022	$ 23,539,146

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

CITY OF WAXAHACHIE, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Net change in fund balances - total governmental funds	$(709,476)
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 these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	(2,422,190)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	381,646
The net effect of various miscellaneous transactions involving capital assets (i.e. sales and donations) is to increase net position.	(70,583)
Certain pension expenditures are not expended in the government-wide financial statements and recorded as deferred resource outflows. This item relates to contributions made after the measurement date. Additionally, a portion of the City's unrecognized deferred resource inflows/outflows related to the pension liability were amortized.	279,225
The issuance of long-term debt (e.g. bonds, contracts payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, govermental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	3,541,209
Some expenses reported in the statement of activites do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(142,889)
Change in joint venture equity is not reported in the funds.	(220,071)
Change in net position of governmental activities - statement of activities	$ 636,871

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

CITY OF WAXAHACHIE, TEXAS
STATEMENT OF NET POSITION - ENTERPRISE FUNDS
SEPTEMBER 30, 2015

	Water Utility	Wastewater Utility	Investment in Sokoll WTP	Refuse Services	Total Enterprise Funds
ASSETS					
Current assets:					
Cash and investments	$ 2,717,665	$ 4,029,760	$ -	$ 2,399,151	$ 9,146,576
Receivables (net of allowances for uncollectibles)					
Accounts receivable	1,648,793	876,514	-	160,769	2,686,076
Other receivables	355,596	64,115	-	182	419,893
Due from Rockett SUD	-	-	580,000	-	580,000
Inventories	88,917	-	-	-	88,917
Restricted assets:					
Cash and investments	6,026,504	2,026,212	1,180,931	-	9,233,647
Total current assets	10,837,475	6,996,601	1,760,931	2,560,102	22,155,109
Noncurrent assets:					
Due from Rockett SUD	-	-	22,460,000	-	22,460,000
Intangible assets	1,186,250	-	-	-	1,186,250
Capital assets:					
Land	312,920	244,707	366,847	83,649	1,008,123
Buildings	19,742,202	7,732,582	12,621,745	-	40,096,529
Improvements other than buildings	66,745,529	48,052,057	280,954	-	115,078,540
Infrastructure	-	-	4,274,101	-	4,274,101
Machinery and equipment	514,025	897,767	8,152,627	115,493	9,679,912
Software	521,428	-	67,211	-	588,639
Vehicles	306,311	961,274	14,093	-	1,281,678
Construction in progress	184,355	47,955	-	-	232,310
Accumulated depreciation	(42,901,262)	(21,890,938)	(5,123,073)	(101,872)	(70,017,145)
Total noncurrent assets	46,611,758	36,045,404	43,114,505	97,270	125,868,937
Total assets	57,449,233	43,042,005	44,875,436	2,657,372	148,024,046
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow related to TMRS	178,264	178,456	6,492	12,242	375,454
Total deferred outflows	178,264	178,456	6,492	12,242	375,454
LIABILITIES					
Current liabilities:					
Accounts payable	209,496	126,565	13,062	104,242	453,365
Accrued liabilities	82,322	84,025	2,875	5,716	174,938
Compensated absences payable - current	24,343	14,992	251	4,020	43,606
Accrued interest payable	153,572	146,381	180,619	-	480,572
Current portion of bonds payable	902,272	1,136,077	1,160,000	-	3,198,349
Customer deposits	457,617	349,969	-	-	807,586
Accounts payable from restricted assets	65,212	4,856	-	-	70,068
Total current liabilities	1,894,834	1,862,865	1,356,807	113,978	5,228,484
Noncurrent liabilities:					
Bonds payable	19,497,435	18,637,375	45,005,128	-	83,139,938
Net pension liability	839,721	840,622	30,581	57,663	1,768,587
Compensated absences payable	73,028	44,977	752	12,061	130,818
Total noncurrent liabilities	20,410,184	19,522,974	45,036,461	69,724	85,039,343
Total liabilities	22,305,018	21,385,839	46,393,268	183,702	90,267,827
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow related to TMRS	121,740	121,871	4,433	8,360	256,404
Total deferred inflows	121,740	121,871	4,433	8,360	256,404
NET POSITION					
Net investment in capital assets	24,592,965	15,443,788	(3,050,623)	97,270	37,083,400
Restricted for construction	4,344,931	-	1,180,931	-	5,525,862
Restricted for impact fee projects	1,223,956	1,680,368	-	-	2,904,324
Unrestricted	5,038,887	4,588,595	353,919	2,380,282	12,361,683
Total net position	$ 35,200,739	$ 21,712,751	$(1,515,773)	$ 2,477,552	$ 57,875,269

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

CITY OF WAXAHACHIE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION - ENTERPRISE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Enterprise Fund			Nonmajor Enterprise	Total
	Water Utility	Wastewater Utility	Investment in Sokoll WTP	Refuse Services	Enterprise Funds
OPERATING REVENUES					
Charges for services	$ 10,381,934	$ 7,454,399	$ 680,599	$ 1,387,492	$ 19,904,424
Total operating revenues	10,381,934	7,454,399	680,599	1,387,492	19,904,424
OPERATING EXPENSES					
Cost of sales and services	7,265,677	3,345,313	677,132	986,763	12,274,885
Deprecation and amortization	1,989,628	1,334,936	918,711	9,081	4,252,356
Total operating expenses	9,255,305	4,680,249	1,595,843	995,844	16,527,241
OPERATING INCOME (LOSS)	1,126,629	2,774,150	(915,244)	391,648	3,377,183
NONOPERATING REVENUES (EXPENSES)					
Interest revenue	9,094	5,671	1,270	2,573	18,608
Miscellaneous income	304,793	155,755	-	-	460,548
Interest expense	(994,236)	(979,574)	(1,123,051)	-	(3,096,861)
Total nonoperating revenues (expenses)	(680,349)	(818,148)	(1,121,781)	2,573	(2,617,705)
NET INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTIRBUTIONS	446,280	1,956,002	(2,037,025)	394,221	759,478
TRANSFERS AND CAPITAL CONTRIBUTIONS					
Capital contributions	209,063	597,037	1,684,997	-	2,491,097
Transfers out	(1,742,031)	(1,254,676)	-	(56,000)	(3,052,707)
Total transfers and capital contributions	(1,532,968)	(657,639)	1,684,997	(56,000)	(561,610)
CHANGE IN NET POSITION	(1,086,688)	1,298,363	(352,028)	338,221	197,868
NET POSITION, BEGINNING	37,105,824	21,233,663	(1,133,941)	2,195,530	59,401,076
PRIOR PERIOD ADJUSTMENT	(818,397)	(819,275)	(29,804)	(56,199)	(1,723,675)
NET POSIITON, ENDING	$ 35,200,739	$ 21,712,751	$(1,515,773)	$ 2,477,552	$ 57,875,269

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

CITY OF WAXAHACHIE, TEXAS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Enterprise Fund			Nonmajor Enterprise	Total Enterprise Funds
	Water Utility	Wastewater Utility	Investment in Sokoll WTP	Refuse Services	
CASH FLOWS FROM OEPRATING ACTIVITIES					
Cash received from customers	$ 10,996,899	$ 8,090,055	$ 680,599	$ 1,387,474	$ 21,155,027
Cash payments to employees for services	(1,565,131)	(1,582,319)	(58,015)	(109,199)	(3,314,664)
Cash payments to other supplier for goods and services	(5,853,500)	(1,732,730)	(624,367)	(839,357)	(9,049,954)
Net cash provided (used) by operating activities	3,578,268	4,775,006	(1,783)	438,918	8,790,409
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers and payments to other funds	(1,742,031)	(1,254,676)	-	(56,000)	(3,052,707)
Net cash provided (used) from nonoperating financing activities	(1,742,031)	(1,254,676)	-	(56,000)	(3,052,707)
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal repayments on bonds	(836,068)	(1,044,290)	(558,701)	-	-
Interest and fiscal charges on debt	(999,946)	(986,978)	(1,126,671)	-	-
Capital contributions	-	-	1,684,997	-	-
Acquisitions and construction of capital assets	(435,320)	(1,039,021)	-	-	-
Net cash provided (used) by capital and related financing activities	(2,271,334)	(3,070,289)	(375)	-	(5,341,998)
CASH FROM INVESTING ACTIVITIES					
Interest on investments	9,094	5,671	1,270	2,573	-
Net cash provided (used) by investing activities	9,094	5,671	1,270	2,573	18,608
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(426,003)	455,712	(888)	385,491	414,312
CASH AND CASH EQUIVALENTS, BEGINNING	9,170,172	5,600,260	1,181,819	2,013,660	-
CASH AND CASH EQUIVALENTS, ENDING	$ 8,744,169	$ 6,055,972	$ 1,180,931	$ 2,399,151	$ 18,380,223

CITY OF WAXAHACHIE, TEXAS

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Enterprise Fund			Nonmajor Enterprise	Total
	Water Utility	Wastewater Utility	Investment in Sokoll WTP	Refuse Services	Enterprise Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	$ 1,126,629	$ 2,774,150	$(915,244)	$ 391,648	$ 3,377,183
Adjustments to reconcile operating income to net cash provided by operating activities:					
Deprecation and amortization	1,989,628	1,334,936	918,711	9,081	4,252,356
Other revenues (expenses)	304,793	155,755	-	-	460,548
Change in assets and liabilities:					
Decrease (increase) in receivables	290,499	464,349	-	(18)	754,830
Decrease (increase) in due from other governments	-	-	-	-	-
Decrease (increase) in inventories	(8,371)	-	-	-	(8,371)
Decrease (increase) in deferred outflows related to TMRS	(178,264)	(178,456)	(6,492)	(12,242)	(375,454)
Increase (decrease) in accounts payable	(130,208)	49,121	(4,525)	39,053	(46,559)
Increase (decrease) in accrued liabilities	11,616	10,422	(173)	673	22,538
Increase (decrease) in customer deposits	19,673	15,552	-	-	35,225
Increase (decrease) in compensated absences	9,209	5,959	730	899	16,797
Increase (decrease) in net pension liability	21,324	21,347	777	1,464	44,912
Increase (decrease) in deferred inflows related to TMRS	121,740	121,871	4,433	8,360	256,404
Total adjustments	2,451,639	2,000,856	913,461	47,270	5,413,226
Net cash and cash equivalents provided (used) by operating activities	$ 3,578,268	$ 4,775,006	$(1,783)	$ 438,918	$ 8,790,409

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Waxahachie, Texas (the "City") is a Home Rule City incorporated about 1850. The City operates under the Council-Manager form of government adopted on October 22, 1946 and provides the following services authorized by its charter: public safety (police and fire); highways and streets; sanitation; health and social services; parks and recreation; public improvements; planning and zoning; and general administrative services.

The accounting and reporting policies of the City conform to accounting principles generally accepted in the United States of America for local governments. Generally accepted accounting principles (GAAP) for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting and reporting policies:

A. Reporting Entity

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and are appropriately presented as funds of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City.

Based on these criteria, the financial information of the following entities have been blended or discretely presented within the financial statements: Ellis County Water Control and Improvement District No. 1 (the Water District), Tax Increment Financing Reinvestment Zone No. 1 (TIFRZ) and Waxahachie Community Development Corporation (WCDC).

Blended Component Units

Ellis County Water Control and Improvement District No. 1 (the Water District) is governed by a five-member board appointed by the City Council. Although it is legally separate from the City, the Water District is reported as if it were part of the primary government because its sole purpose is to finance and construct a lake, the water treatment, and the wastewater processing systems for the City. Legal liability for the general obligation portion of the District's debt remains with the City. Contractual payments are treated as transfers. The Water District's General Fund is accounted for as a Special Revenue Fund and does not issue separate financial statements.

The Tax Increment Financing Reinvestment Zone No. 1 (TIFRZ) is governed by a five-member board appointed by the City Council. Although it is legally separate from the City, the TIFRZ is reported as if it were part of the primary government because its sole purpose is to finance and construct improvements to the downtown area. Legal liability for the general obligation portion of the District's debt remains with the City. The TIFRZ's General Fund is accounted for as a Special Revenue Fund and does not issue separate financial statements.

Discretely Presented Component Unit

Waxahachie Community Development Corporation (WCDC) is governed by a seven-member board appointed by the City Council, and its operating budget is subject to approval of the City Council. WCDC is financed with a voter approved half-cent City sales tax, and its primary purpose is to finance, construct, and administer the activities of the Civic Center and Recreation Complex for the City. Since the services provided by WCDC are to the public and not to the City, WCDC is a discretely presented component unit. Legal liability for the general obligation portion of the District's debt remains with the City. The funds of WCDC are composed of governmental fund types.

A separately issued financial report is available for the Waxahachie Community Development Corporation. This report may be obtained by contacting the following office.

City of Waxahachie
P.O. Box 757
Waxahachie, Texas 75168

Joint Ventures

The Midlothian/Waxahachie Airport Joint Venture was created by an agreement by the City of Waxahachie and City of Midlothian, Texas, dated August 9, 1989. Under the agreement, both cities equally share ownership, rights and obligations. The City recognizes its share of equity in the joint venture in the governmental capital assets. Summary financial information of the joint venture is included elsewhere in these notes to the basic financial statements. Separate financial statements are not prepared.

Pursuant to an interlocal agreement authorized by state statutes, the City of Waxahachie, Texas joined the Rockett Special Utility District (SUD) to construct and operate the Robert W. Sokoll Water Treatment Plant for the mutual benefit of the City and the SUD. Under the agreement, both entities equally share ownership, rights and obligations. The City will recognize its share of equity in the joint venture in the enterprise capital assets. Summary financial information of the joint venture is included elsewhere in these notes to the basic financial statements. Separate financial statements are not prepared.

The City acts as an agent for the collection and remittance of specific taxes for the following organizations:

Nicholas P. Sims Library and Lyceum – in accordance with Sec. 5.19 (City Charter), the City levies and collects property taxes based on the operating budget of the Library.

Hotel/Motel Occupancy Tax – under terms of an agreement dated September 14, 1981, the City collects and remits all of the Hotel/Motel occupancy tax to the Waxahachie Chamber of Commerce to fund the Convention and Visitors Bureau for tourism (75%) and to the Waxahachie Arts Council for cultural activities (25%). Effective July 1, 2011, the Convention and Visitors Bureau and its funding became a City department reported in the Hotel/Motel Tax Fund.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of 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 given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead 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 and 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 the fiduciary 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.

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

The City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Debt Service Fund*** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The City reports the following major proprietary funds:

The ***Water Utility Fund*** accounts for the operations of the water treatment plant, water production system, and the water distribution system, as well as the water utility administration, billing, and metering departments.

The ***Wastewater Utility Fund*** accounts for the operations of the wastewater treatment plant, wastewater pumping stations, and collection systems, as well as the wastewater utility administration and billing departments.

The ***Investment in Sokoll Water Treatment Plant Fund*** accounts for the operations for the City's 1/2 investment in the Sokoll Water Treatment Plant.

Additionally, the City reports the following fund types:

Special Revenue Funds account for the collection and disbursement of earmarked monies.

Debt Service Funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of certain governmental funds.

Capital Projects Funds account for the acquisition or construction of governmental capital assets.

The ***Refuse Service Enterprise Fund*** accounts for the operation of the garbage collection system.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and wastewater 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, miscellaneous revenue, and interest income.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 Water Utility Enterprise Fund, the Wastewater Utility Enterprise Fund, and the Refuse Service Fund are charges to customers for sales and services. The utility funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for Enterprise Funds 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 nonoperating revenues and expenses.

D. Assets, Liabilities, and Net Position or Equity

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest 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 the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (b) secured by obligations that are described by (1) – (4); or (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1) pledged with third party selected or approved by the City, and placed through a primary government securities dealer.

Investments maturing within one year of date of purchase are stated at cost or amortized cost; all other investments are stated at fair value which is based on quoted market prices.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent 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."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Uncollectible trade accounts are estimated on 0.5% of billed revenue during the fiscal year. The property tax receivable allowance is equal to 25% of outstanding property taxes at September 30, 2015.

Property taxes are levied on October 1 by the City and Water District based on the January 1 property values as assessed by the Ellis Central Appraisal District. Taxes are due without penalty until January 31 of the next calendar year. After January 31, the City has an enforceable lien with respect to both real and personal property. Under state law, property taxes levied on real property constitute a perpetual lien on the real property which cannot be forgiven without specific approval of the State Legislature. Taxes applicable to personal property can be deemed uncollectible by the City.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds 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.

Restricted Assets

Certain proceeds of Enterprise Fund certificates of obligation are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are

recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Building improvements	40 years
Public domain infrastructure	20 years
System infrastructure	40 years
Equipment	5 - 10 years
Vehicles	5 - 10 years

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Non-civil service employees are paid for up to 480 hours of accumulated sick leave upon retirement from the City if the employee has a total 20 years of service with the City. Firefighters and police officers may accrue and be paid up to 90 days of sick pay. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

Long-term Obligations

In the government-wide financial statements and proprietary fund type funds 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 bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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 issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by board resolution of the City council, the City's highest level of decision making authority. These amounts cannot be used for any other purpose unless the City council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City council.
- Unassigned: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

In the government-wide financial statements, net position represents the difference between assets, deferred outflows (inflows) of resources and liabilities. Net investment in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either though the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The government-wide and fund level financial statements report restricted fund balances for amounts not available for appropriation or legally restricted for specific uses. When an expense is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the City's policy to use restricted resources first, then unrestricted resources as needed. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charges on refundings – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.

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

recognized over the estimated average remaining lives of all members determined as of the measurement date.

Prior Period Adjustment – Change in Accounting Principles

The GASB has issued Statement No. 68, "Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27," which became effective for fiscal year 2015. This statement changes 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.

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

Applying these changes resulted in the following prior period adjustments in the fund financial statements:

- In the Water Utility Fund, an $818,397 prior period adjustment was made which resulted in a restated beginning net position of $36,287,427.

- In the Wastewater Utility Fund, an $819,275 prior period adjustment was made which resulted in a restated beginning net position of $20,414,388.

- In the Investment in Sokoll WTP Fund, a $29,804 prior period adjustment was made which resulted in a restated beginning net position of ($1,163,745).

- In the Refuse Services Fund, a $56,199 prior period adjustment was made which resulted in a restated beginning net position of $2,139,331.

Applying these changes resulted in the following prior period adjustments in the government-wide financial statements:

- In the Governmental Activities, a $6,491,854 prior period adjustment was made which resulted in a restated beginning net position of $57,887,206.

- In the Business-Type Activities, a $1,723,675 prior period adjustment was made which resulted in a restated beginning net position of $57,677,401.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that, "capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the funds." The details of this $80,862,076 difference are as follows:

Land	$ 8,134,790
Construction in Progress	1,246,386
Buildings	41,273,113
Less: Accumulated depreciation - buildings	(18,359,686)
Improvements other than buildings	18,981,197
Less: Accumulated depreciation - improvements other than buildings	(11,160,490)
Infrastructure	104,036,907
Less: Accumulated depreciation - infrastructure	(67,233,667)
Machinery and equipment	4,676,151
Less: Accumulated depreciation - machinery and equipment	(3,191,807)
Software	55,051
Less: Accumulated depreciation - software	(23,374)
Vehicles	5,526,752
Less: Accumulated depreciation - vehicles	(3,099,247)
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ 80,862,076

Another element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $55,746,244 difference are as follows:

Bonds and contracts payable	$ 46,309,560
Less: Deferred charge on refunding (to be amortized as interest expense)	(682,990)
Less: Issuance discount (to be amortized as interest expense)	(99,792)
Add: Issuance premium (to be amortized over life of debt)	1,245,545
Net pension liability	6,212,629
Compensated absences	2,460,308
Accrued interest payable	300,984
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ 55,746,244

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that, "governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period." The details of this $2,422,190 difference are as follows:

Capital outlay	$ 3,491,324
Depreciation expense	(5,913,514)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$(2,422,190)

Another element of that reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position." The details of this $70,583 difference is as follows:

In the statement of activites, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	$(70,583)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$(70,583)

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, contracts payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statements of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items." The details of this $3,541,209 difference are as follows:

Principal repayments:	
General obligation debt	$(2,020,692)
Certificates of obligation debt	(1,512,170)
Contractual obligations	(8,347)
Net adjustment to decrease *changes in fund balance - total governmental funds* to arrive at *changes in net position of governmental activities*	$(3,541,209)

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this $142,889 difference are as follows:

Compensated absences	$(185,079)
Accrued interest	8,048
Amortization of bond premiums	147,209
Amortization of bond discounts	(10,549)
Amortization of deferred charge on refunding	(102,518)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$(142,889)

3. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U. S. Treasury, certain U. S. Agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the **Public Funds Investment Act**, the City has adopted a deposit and investment policy. That policy does address the following risks:

a. ***Custodial Credit Risk:*** Deposits: In the case of deposits, this is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. As of September 30, 2015, the City and WCDC had cash in the amount of $931,788 on deposit with a bank balance of $1,246,356. These amounts were fully collateralized by securities held by a third party trustee in the name of the City.

b. ***Credit Risk:*** It is the City's policy to limit investments to investment types with an investment quality rating no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service or no lower than investment grade by at least one nationally recognized rating service with a weighted average maturity no greater than 90 days. The City's investments were rated AAAm by Standard and Poor's Investors Services.

c. ***Interest Rate Risk:*** In accordance with the City's investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 90 days or less, dependent on market conditions.

d. ***Concentration of Credit Risk:*** The government's investment policy states the maximum percentage allowed for each different investment instrument that can be used to make up the portfolio.

As of September 30, 2015, the City and WCDC had the following investments:

Investment Type	Fair Value
Primary government	
City general investments:	
Government sponsored investment pool (LOGIC)	$ 41,258,376
	41,258,376
Discretely presented component unit	
Waxahachie Community Development Corporation:	
Government sponsored investment pool (LOGIC)	3,327,180
Total discretely presented component unit	3,327,180
Total reporting entity	$ 44,585,556

Receivables and Deferred Inflows of Resources

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

	General	Debt Service	Nonmajor and Other	Water Utility	Wastewater Utility	Investment in Sokoll WTP	Nonmajor Refuse Service	Total
Property taxes	$ 379,101	$ 230,741	$ -	$ -	$ -	$ -	$ -	$ 609,842
Allowance	(94,764)	(57,697)	-	-	-	-	-	(152,461)
Net property taxes	284,337	173,044	-	-	-	-	-	457,381
Accounts receivable	15,778	-	-	7,574,604	1,298,617	-	304,869	9,193,868
Allowance	-	-	-	(5,925,811)	(422,103)	-	(144,100)	(6,492,014)
Net accounts receivable	15,778	-	-	1,648,793	876,514	-	160,769	2,701,854
Fines receivable	1,560,664	-	-	-	-	-	-	1,560,664
Allowance	(671,934)	-	-	-	-	-	-	(671,934)
Net fines recevable	888,730	-	-	-	-	-	-	888,730
Other receivables	215,794	43,755	58,164	355,596	64,115	-	182	737,606
Allowance	-	-	-	-	-	-	-	-
Net other receivables	215,794	43,755	58,164	355,596	64,115	-	182	737,606
Intergovernmental	1,787,764	2,156	-	-	-	580,000	-	2,369,920
Total net receivables	$ 3,192,403	$ 218,955	$ 58,164	$ 2,004,389	$ 940,629	$ 580,000	$ 160,951	$ 7,155,491
Deferred inflows of resources								
Property taxes	$ 277,718	$ 169,142	$ -	$ -	$ -	$ -	$ -	$ 446,860
Court fines	320,946	-	-	-	-	-	-	320,946
Loan contract	-	43,755	-	-	-	-	-	43,755
Related to TMRS	-	-	-	121,740	121,871	4,433	8,360	256,404
Net deferred inflows	$ 598,664	$ 212,897	$ -	$ 121,740	$ 121,871	$ 4,433	$ 8,360	$ 1,067,965

Revenues of the Utility Funds are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to water sales	$ 44,309
Uncollectibles related to wastewater services	14,425
Uncollectibles related to refuse service	4,496
	$ 63,230

Capital Assets

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

	Balance 09/30/14	Increases	Decreases	Transfers and Completed Construction	Balance 9/30/15
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 8,317,762	$ -	$(182,972)	$ -	$ 8,134,790
Construction in progress	2,224,424	2,677,750	-	(3,655,788)	1,246,386
Total capital assets not being depreciated	10,542,186	2,677,750	(182,972)	(3,655,788)	9,381,176
Capital assets, being depreciated:					
Buildings	41,261,813	89,453	(78,153)	-	41,273,113
Improvements other than buildings	18,922,141	59,056	-	-	18,981,197
Machinery and equipment	4,413,024	345,441	(158,893)	76,579	4,676,151
Software	55,050	-	-	-	55,050
Vehicles	5,763,135	47,318	(283,701)	-	5,526,752
Infrastructure	100,185,392	272,306	-	3,579,209	104,036,907
Total capital assets being depreciated	170,600,555	813,574	(520,747)	3,655,788	174,549,170
Less accumulated depreciation for:					
Buildings	(17,363,225)	(1,008,184)	11,723	-	(18,359,686)
Improvements other than buildings	(10,699,300)	(461,190)	-	-	(11,160,490)
Machinery and equipment	(3,052,950)	(297,749)	158,892	-	(3,191,807)
Software	(17,868)	(5,505)	-	-	(23,373)
Vehicles	(2,842,614)	(519,154)	262,521	-	(3,099,247)
Infrastructure	(63,611,935)	(3,621,732)	-	-	(67,233,667)
Total accumulated depreciation	(97,587,892)	(5,913,514)	433,136	-	(103,068,270)
Total capital assets being depreciated, net	73,012,663	(5,099,940)	(87,611)	3,655,788	71,480,900
Governmental activities capital assets, net	$ 83,554,849	$(2,422,190)	$(270,583)	$ -	$ 80,862,076

	Balance 09/30/14	Increases	Decreases	Transfers and Completed Construction	Balance 09/30/15
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 1,008,123	$ -	$ -	$ -	$ 1,008,123
Construction in progress	38,975	193,335	-	-	232,310
Total capital assets not being depreciated	1,047,098	193,335	-	-	1,240,433
Capital assets, being depreciated:					
Buildings	40,058,740	37,789	-	-	40,096,529
Improvements other than buildings	114,091,625	986,915	-	-	115,078,540
Infrastructure	4,274,101	-	-	-	4,274,101
Machinery and equipment	9,423,610	256,302	-	-	9,679,912
Software	588,639	-	-	-	588,639
Vehicles	1,355,419	-	(73,741)	-	1,281,678
Total capital assets being depreciated	169,792,134	1,281,006	(73,741)	-	170,999,399
Less accumulated depreciation for:					
Buildings	(20,015,966)	(778,126)	-	-	(20,794,092)
Improvements other than buildings	(40,995,379)	(2,622,210)	-	-	(43,617,589)
Infrastructure	(480,837)	(106,853)	-	-	(587,690)
Machinery and equipment	(3,057,235)	(578,725)	-	-	(3,635,960)
Software	(365,449)	(81,211)	-	-	(446,660)
Vehicles	(923,664)	(85,231)	73,741	-	(935,154)
Total accumulated depreciation	(65,838,530)	(4,252,356)	73,741	-	(70,017,145)
Total capital assets being depreciated, net	103,953,604	(2,971,350)	-	-	100,982,254
Business-type activities capital assets, net	$ 105,000,702	$(2,778,015)	$ -	$ -	$ 102,222,687

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

Governmental activities:	
General government	$ 1,132,203
Public safety	653,226
Public works	3,846,350
Culture and recreation	281,735
Total depreciation expense - governmental activities	$ 5,913,514
Business-type activities:	
Water	$ 1,989,628
Wastewater	1,334,936
Sokoll	918,711
Refuse	9,081
Total depreciation expense - business-type activities	$ 4,252,356

Discretely Presented Component Unit – Waxahachie Community Development Corporation

	Balance 09/30/14	Increases	Decreases	Transfers and Completed Construction	Balance 09/30/15
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 650,670	$ -	$ -	$ -	$ 650,670
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	650,670	-	-	-	650,670
Capital assets, being depreciated:					
Buildings	14,732,749	-	-	-	14,732,749
Improvements other than buildings	9,612,728	-	-	-	9,612,728
Machinery and equipment	359,151	22,366	-	-	381,517
Vehicles	34,461	-	-	-	34,461
Total capital assets being depreciated	24,739,089	22,366	-	-	24,761,455
Less accumulated depreciation for:					
Buildings	(4,504,704)	(426,546)	-	-	(4,931,250)
Improvements other than buildings	(1,823,394)	(240,319)	-	-	(2,063,713)
Machinery and equipment	(216,918)	(21,026)	-	-	(237,944)
Vehicles	(34,461)	-	-	-	(34,461)
Total accumulated depreciation	(6,579,477)	(687,891)	-	-	(7,267,368)
Total capital assets being depreciated, net	18,159,612	(665,525)	-	-	17,494,087
Governmental activities capital assets, net	$ 18,810,282	$(665,525)	$ -	$ -	$ 18,144,757

Interfund Receivables, Payables and Transfers

The City had no interfund receivable or payable balances as of September, 30, 2015.

Interfund Transfers

The composition of interfund transfers as of September 30, 2015, is as follows:

Transfers From:	Transfers To:		
	General Fund	Nonmajor Governmental Funds	Total Transfers From
General Fund	$ -	$ 3,683	3,683
Nonmajor Governmental Funds	-	523,472	523,472
Water Utility	1,742,031	-	1,742,031
Wastewater Utility	1,254,676	-	1,254,676
Nonmajor Enterprise Funds	56,000	-	56,000
Total	$ 3,052,707	$ 527,155	$ 3,579,862

The City transferred amounts between funds for the following reasons: (1) to reimburse the General Fund for nonspecific administrative costs, (2) to reimburse the land purchase for the new Public Safety Building.

Long-term Debt

The City of Waxahachie issues general obligation bonds, certificates of obligation bonds, and notes to provide funds for the acquisition and construction of major capital facilities. These issues are direct obligations and pledge the full faith and credit of the City.
General debt current outstanding is as follows:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 09/30/15
Governmental activities					
General obligation bonds:					
Refunding and improvements	$ 18,805,000	2005	2020	2.50-5.25%	$ 1,490,000
Refunding	7,639,025	2007	2034	3.60-4.50%	6,916,086
Refunding	1,600,000	2012	2017	1.7000%	545,000
Refunding	5,465,000	2014	2020	2.00-4.00%	5,330,000
Total general obligation bonds					14,281,086
Certificate of obligation bonds:					
Municipal improvements	5,490,000	2004	2016	4.00-5.50%	142,722
Refunding and improvements	14,250,002	2007	2032	4.15-5.25%	11,422,395
Municipal improvements	8,720,000	2009	2029	2.50-5.00%	6,911,155
Municipal improvements	4,600,000	2011	2031	2.00-3.75%	3,860,000
Municipal improvements	4,920,000	2013	2033	2.00-4.55%	4,555,000
Municipal improvements	3,830,000	2014	2034	3.00-4.00%	3,685,000
Total certificates of obligation					30,576,272
Governmental activities - City					44,857,358
Tax increment financing					1,378,475
Less:					
Unamortized premium/discount					1,145,753
Total governmental type activities					$ 47,381,586

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 09/30/15
Business-type activities					
General obligation bonds:					
Water refunding and improvements	$ 9,085,196	2007	2034	3.60-4.50%	$ 8,225,393
Sewer refunding and improvements	17,573,505	2007	2034	3.60-4.50%	15,910,387
Total general obligation bonds					24,135,780
Certificate of obligation bonds:					
Water improvements	6,600,000	2004	2016	4.00-5.50%	171,578
Water improvements - Sokoll	53,000,000	2007	2038	4.00-5.00%	46,080,000
Water improvements	15,514,000	2007	2032	4.15-5.25%	12,435,575
Sewer improvements	5,236,000	2007	2032	4.15-5.25%	4,197,026
Sewer improvements	19,010,000	2004	2016	4.00-5.50%	494,200
Total certificates of obligation					63,378,379
Total business-type activities					87,514,159
Less:					
Unamortized premium					85,128
Unamortized discount					(196,202)
Total business-type activities					87,403,085
Total general debt					$ 138,454,193

Annual debt service requirements to maturity for debt:

Year	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2016	$ 3,448,597	$ 1,787,089	$ 2,038,349	$ 1,839,711	$ 9,113,746
2017	3,551,094	1,644,360	2,094,957	1,749,050	9,039,461
2018	3,121,591	1,514,756	2,187,583	1,658,408	8,482,338
2019	3,229,690	1,411,273	2,281,108	1,569,817	8,491,888
2020	3,329,631	1,316,245	2,378,497	1,476,676	8,501,049
2021-2025	10,620,292	5,236,212	10,804,047	5,895,767	32,556,318
2026-2030	11,821,159	2,893,141	11,446,796	3,582,680	29,743,776
2031-2035	5,735,304	532,370	8,202,830	846,775	15,317,279
Total	$ 44,857,358	$ 16,335,446	$ 41,434,167	$ 18,618,884	$ 121,245,855

Long-term Debt

Year	TIFRZ Principal	TIFRZ Interest	Total
2016	$ 78,057	$ 58,945	$ 137,002
2017	78,949	56,458	135,407
2018	80,826	53,983	134,809
2019	84,202	51,098	135,300
2020	86,872	48,093	134,965
2021-2025	470,661	184,581	655,242
2026-2030	457,045	68,371	525,416
2031-2035	41,863	4,807	46,670
Total	$ 1,378,475	$ 526,336	$ 1,904,811

Contract Payable

The City entered into a contract with the state to repay a portion of a grant received to develop infrastructure.

A contract of $244,215 is payable to the state, due in 240 monthly installments of $1,018, including interest imputed at 5.0%. Contract payable amortization is:

Year Ending September 30,	
2016	$ 12,211
2017	12,211
2018	12,211
2019	12,211
2020	12,211
2021-2025	26,456
Total	87,511
Less interest	(13,784)
	$ 73,727

Capitalized Lease Obligations

The city had no capitalized lease obligations at September 30, 2015.

Changes in Long-term Debt

Long-term liability activity for the year ended September 30, 2015, was as follows:

	Balance 09/30/14	Additions	Retirements	Balance 09/30/15	Due Within One Year
Governmental activities:					
General debt	$ 48,314,849	$ -	$ 3,457,491	$ 44,857,358	$ 3,448,597
Waxahachie TIFRZ	1,453,846	-	75,371	1,378,475	78,057
Less unamortized premium/discount	1,282,413	-	136,660	1,145,753	-
Net bonds payable	51,051,108	-	3,669,522	47,381,586	3,526,654
Net Pension Liability	7,553,680	-	892,674	6,661,006	-
Contract payable	82,074	-	8,347	73,727	8,775
Compensated absences	2,275,229	1,120,687	935,608	2,460,308	615,077
Total long-term debt	$ 60,962,091	$ 1,120,687	$ 5,506,151	$ 56,576,627	$ 4,150,506

	Balance 09/30/14	Additions	Retirements	Balance 09/30/15	Due Within One Year
Business-type activities:					
Tax and revenue bonds	$ 90,571,304	$ -	$ 3,057,145	$ 87,514,159	$ 3,198,349
Less unamortized premium	88,828	-	3,700	85,128	-
Less unamortized discount	(206,946)	-	(10,744)	(196,202)	-
Net bonds payable	90,453,186	-	3,050,101	87,403,085	3,198,349
Net Pension Liability	2,005,604	-	237,017	1,768,587	-
Compensated absences	157,627	123,382	106,585	174,424	43,606
Total long-term debt	$ 90,610,813	$ 123,382	$ 3,393,703	$ 89,346,096	$ 3,241,955

Refundings

In 2005, the City issued $18,805,000 of general obligation refunding bonds to provide resources to purchase U. S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on $18,020,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the City's long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 16 years by $1,129,190 and resulted in an economic gain of $862,969.

In 2007, the City issued $34,500,000 of general obligation refunding bonds to provide resources to purchase U. S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on $32,350,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the City's long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 27 years by $1,994,214 and resulted in an economic gain of $1,187,224. At September 30, 2015, there was no amount outstanding on this refunded issue.

In 2011, the government issued $1,600,000 in public improvement bonds with an interest rate of 1.70%. The proceeds were used to advance refund $1,555,000 of out-standing 1996 certificate of obligations bonds which had interest rates ranging from 4.25% to 4.45%. The net proceeds of $1,581,764 (including a $13,764 contribution from the city and after payment of $32,000 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 1996 certificate of obligations bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by $26,764. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The government advance refunded the 1996 certificate of obligations bonds to reduce its total debt service payments over 6 years by $104,102 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $98,571.

In 2014, the government issued $5,465,000 in public improvement bonds with an interest rate ranging from 2.00% – 4.00%. The proceeds were used to advance refund $5,670,000 of out-standing 2005 general obligations refunding bonds which had interest rates ranging from 2.50% to 5.25%. The net proceeds of $5,690,976 (including a $314,110 premium and after payment of $88,134 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2005 general obligation refunding bonds are considered partially defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by $20,976. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The government advance refunded the 2005 general obligation refunding bonds to reduce its total debt service payments over 6 years by $819,530 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $771,024.

Discretely Presented Component Unit

WCDC issues sales tax revenue bonds payable from a one-half cent sales tax.

Waxahachie Community Development Corporation:

Purpose	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 09/30/14
Revenue bonds outstanding					
WCDC sales tax and refunding	$ 23,555,000	2007	2037	4.00-5.00%	$ 19,710,000

Revenue bond debt service requirements to maturity:

Year	WCDC Principal	WCDC Interest	Total
2016	$ 590,000	$ 876,348	$ 1,466,348
2017	610,000	852,748	1,462,748
2018	640,000	828,348	1,468,348
2019	665,000	802,748	1,467,748
2020	690,000	776,148	1,466,148
2021-2025	3,915,000	3,417,460	7,332,460
2026-2030	4,860,000	2,477,110	7,337,110
2031-2035	5,280,000	1,348,500	6,628,500
2036-2040	2,460,000	186,000	2,646,000
Total	$ 19,710,000	$ 11,565,410	$ 31,275,410

	Balance 09/30/14	Additions	Retirements	Balance 09/30/15	Due Within One Year
Discretely presented component unit					
Sales tax revenue bonds	$ 20,275,000	$ -	$ 565,000	$ 19,710,000	$ 590,000
Net pension liability	502,693	-	59,407	443,286	
Less unamortized discount	(171,594)	-	(14,299)	(157,295)	-
Compensated absences	38,691	34,046	29,609	43,128	10,782
Total long-term debt	$ 20,644,790	$ 34,046	$ 639,717	$ 20,039,119	$ 600,782

Refundings

In 2007, the WCDC issued $23,555,000 of sales tax revenue improvement and refunding bonds to provide resources to purchase U. S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on $12,829,475 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the City's long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 23 years by $1,346,387 and resulted in an economic gain of $429,881. At September 30, 2015, there was no amount outstanding on this refunded issue.

4. OTHER INFORMATION

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; employee health benefits; and other claims of various natures. The City participates in the Texas Municipal League Intergovernmental Risk Pool. As an insured, the City is not obligated to reimburse the pool for losses. The City has not had any significant reductions in insurance coverage, nor have insurance settlements for the last three fiscal years exceeded insurance coverage. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the City's basic financial statements.

Related Party Transaction

As discussed in Note 4 D, the City has committed, under a joint venture agreement, to funding 50 percent of the cost to operate an airport with the City of Midlothian, Texas. The following is a summary of financial information of the joint venture at September 30, 2015:

Balance sheet	
Assets	$ 16,694,821
Liabilities	(97,633)
Net position	$ 16,597,188
Fund equity	
Components of restricted net position	
Federal government	$ 14,792,485
City of Midlothian, Texas	3,675,845
City of Waxahachie, Texas	3,670,645
Total restricted net position	22,138,975
Deficit	(5,541,787)
Net equity in joint venture	$ 16,597,188
Results of operations	
Revenues	$ 377,360
Expenses	(830,083)
Income (loss)	(452,723)
Capital contributions	60,000
Net income (loss)	$(392,723)

The City has also committed, under a joint venture agreement, to funding 50% of the cost to build and operate a water treatment plant. The following is a summary of financial information of the joint venture at September 30, 2015.

Balance sheet	
Assets	$ 44,025,102
Deferred outflows	25,249
Liabilities	(47,150,539)
Deferred inflows	(17,242)
Net Position	$ (3,117,430)
Fund equity	
Net investment in capital assets	$(4,941,247)
Unrestricted	1,823,817
Net equity in joint venture	$(3,117,430)

Results of operations	
Revenues	$ 2,416,963
Expenses	(6,716,945)
Net Income (loss)	(4,299,982)
Capital contributions	3,369,994
Change in net position	$(929,988)

Contingent Liabilities

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's management, after consultation with the City's attorney that the resolution of these matters will not have a material adverse effect on the financial condition of the City.

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

The City entered into a joint venture to build a water treatment plant, and issued $53,000,000 in debt to finance the construction. Although it is expected that the Joint Venture will service the debt from sales of treated water, the City is contingently liable for the debt. See Note 4 D below for details of this debt.

Joint Ventures

Midlothian/Waxahachie Airport

Pursuant to an interlocal agreement authorized by state statutes, the City of Waxahachie, Texas joined the City of Midlothian, Texas to construct and operate an airport for the mutual benefit of the two cities. The agreement established an Airport Board of seven members. Each City appoints three members to terms of three years. The seventh member is appointed for a two-year term. The Cities alternate appointing the seventh member.

The Board is responsible for the supervision and operation of the airport assets, grounds, and improvements. Each year, the Board shall prepare a budget for consideration by the Cities. The Airport Budget is funded by equal contributions from each City, user fees, and a tax on fuel. The Cities of Midlothian and Waxahachie each have a 50% share of assets, liabilities and fund equity. Most of the construction of the airport was funded by grants from the Federal Aviation Administration. In the government-wide statement of changes in net position, contributions and refunds of equity are reflected in the asset. Changes in equity due to operations are reported as program costs or revenues. The City's share of loss from operations was $220,070.

Complete financial statements for the Airport Board can be obtained from the Waxahachie Finance Director at 401 S. Rogers, Waxahachie, Texas.

Robert W. Sokoll Water Treatment Plan

Pursuant to an interlocal agreement authorized by state statutes, the City of Waxahachie, Texas joined the Rockett Special Utility District (SUD) to construct and operate the Robert W. Sokoll Water Treatment Plant for the mutual benefit of the City and the SUD. The agreement established a Board of a minimum of six members. Each entity appoints three members to various terms.

The Board is responsible for the supervision and operation of the water treatment plant when built. The annual operations and maintenance budget will be prepared by the City for each fiscal year. Operating expenses will be funded by the City and the SUD based upon usage. The City and the SUD each have a 50% share of assets, liabilities and fund equity.

In 2008, the City issued $53,000,000 in Combination Tax and Revenue Certificates of Obligation, Series 2007A. The bonds are payable annually through August 1, 2038, at an interest rate of 4% to 5%. The proceeds of the bonds were deposited into the Joint Venture and were used to fund construction of the water treatment plant. Although the Joint Venture looks to revenue from sales of treated water to the Joint Venturers, the City issued the bonds and is contingently liable for payment of this issue. Complete financial statements for the Robert W. Sokoll Water Treatment Plan can be obtained from the Waxahachie Finance Director at 401 S. Rogers, Waxahachie, Texas.

Employee Retirement Systems and Pension Plans

Plan Description - The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. 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's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at *www.tmrs.org*.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in over 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.

Beginning in 1997, the City granted an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 1997, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years to any age, 5 years at age 60 and above
Updated service credit	100% Repeating, Transfers
Annuity increase to retirees	70% of CPI Repeating

Employees covered by benefit terms

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	106
Inactive employees entitled to but not yet receiving benefits	35
Active employees	221
	362

Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.42% and 16.01% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015, were $1,888,085, 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 Net Pension Liability 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 of 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, with male rates multiplied by 109% and female rates 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 used in the December 31, 2014 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering the 2009 through 2011, and the 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.

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.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
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	5.0%	8.50%
Total	100.0%	

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 will be made at the rates specified in statue. 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 period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (a) - (b)
Balance at 12/31/2013	$ 52,965,738	$ 42,748,397	$ 10,217,341
Changes for the year:			
Service cost	1,784,061	-	1,784,061
Interest	3,690,173	-	3,690,173
Difference between expected and actual experience	(1,600,781)	-	(1,600,781)
Contributions - employer	-	1,862,304	(1,862,304)
Contributions - employee	-	800,652	(800,652)
Net investment income	-	2,445,586	(2,445,586)
Benefit payments, including refunds of employee contributions	(2,282,010)	(2,282,010)	-
Administrative expense	-	(25,532)	25,532
Other changes	-	(2,099)	2,099
Net changes	1,591,443	2,798,901	(1,207,458)
Balance at 12/31/2014	$ 54,557,181	$ 45,547,298	$ 9,009,883

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%) of 1-percentage-higher (8.0%) than the current rate:

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's net pension liability	$ 17,412,202	$ 9,009,883	$ 2,182,020

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. The report may be obtained on the Internet at *www.tmrs.org.*

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 $1,523,669.

At September 30, 2015, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 1,036,227
Difference between projected and actual investment earnings	437,442	-
Contributions subsequent to the measurement date	1,475,274	-
Total	$ 1,912,716	$ 1,036,227

$1,475,274 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2015. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ending December 31,	
2015	$(185,194)
2016	(185,194)
2017	(185,194)
2018	(185,192)
2019	(128,011)
Thereafter	-
Total	$(868,785)

Subsequent Event

Pursuant to TMRS policy of conducting experience studies every four years, the TMRS Board at their July 31, 2015 meeting determined that they would be changing certain actuarial assumptions including reducing the long term expected rate of return from the current 7% to 6.75% and changing the inflation assumption from 3% to 2.5%. Reduction of expected investment return and related discount rate will increase projected pension liabilities. Reducing the inflation assumption reduces liabilities as future annuity levels and future cost of living adjustments are not projected to be a large as originally projected. While the actual impact on the City's valuation for December 31, 2015 is not known the City does expect some downward pressure on its funded status and upward pressure on its 2017 actuarially determined contribution (ADC) due to this change. Accordingly, the city has included in its approved fiscal year 2016 budget to continue to fund pension contributions above the required ADC which will help smooth impacts of any increases in the required ADC for fiscal year 2017.

Firefighters' Relief and Retirement Fund

Plan Description

The Board of Trustees of the Waxahachie Firefighters' Relief and Retirement Fund (FRRF) is the administrator of a single-employer defined benefit pension plan. The Waxahachie FRRF is not considered a part of the City's reporting entity because the City does not have a fiduciary responsibility of the FRRF assets, is not able to impose its will on the FRRF, nor is the FRRF fiscally dependent on the City, since the Board of Trustees has the ability to complete certain essential fiscal events such as determining the employee contribution rates, without approval by the City, and the Board is not appointed by the City Council. Separate financial statements are not prepared. Current and former firefighters in the Waxahachie Fire Department, are covered by the Waxahachie FRRF.

The plan obtains an actuarial evaluation in even numbered years only; therefore, the table below summarizes the membership of the fund at September 30, 2014:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits, but not yet receiving them	31
Current employees, fully vested	22
Current employees, nonvested	32
Total active membership	54
Total fund membership	85

The Waxahachie Firefighters' Relief and Retirement Fund provides service retirement, death, disability, and withdrawal benefits. These benefits fully vest after 20 years of credited service. Employees hired prior to July 1, 2005, may retire at age 50 with 20 years of service. Employees hired on or after July 1, 2005, may retire at age 55 with 20 years of service. A partially vested benefit is provided for firefighters who terminate employment with at least 10 but less than 20 years of service. The Plan effective July 1, 2005, provides a monthly normal service retirement benefit, payable in a Joint and two-thirds to spouse form of annuity. The monthly benefit equals 2.6% of highest 60-month average salary multiplied by lesser of years of service earned before July 1, 2005, or 24 years, plus an additional monthly benefit equal to 2% of highest 60-month average salary multiplied by lesser of years of service earned on or after July 1, 2005, or 24 years minus the years of service before July 1, 2006, plus $73.00 per month for each year of service in excess of 24 years with a minimum benefit of $90.00 per month for each year of service.

There is no provision for automatic post retirement benefit increases. The fund has the authority to provide, and has periodically in the past provided for, ad hoc post retirement benefit increases. The benefit provisions of this plan are authorized by the Texas Local Firefighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions.

Contributions Required and Contributions Made

The contribution provisions of this plan are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the City.

While the contribution requirements are not actuarially determined, state law requires that each plan of benefits adopted by the fund must be approved by an eligible actuary. The actuary certifies that the contribution commitment by the firefighters and the City provides an adequate financing arrangement. Using the aggregate entry age normal cost method the plan's normal cost contribution rate is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost contribution rate is used to amortize the plan's unfunded actuarial accrued liability, and the number of years needed to amortize the plan's unfunded actuarial accrued liability is determined using a level percentage of payroll method.

The costs of administering the plan are financed from the trust. The benefits and refunds of the pension plan are recognized when due and payable in accordance with the terms of the plan.

The funding policy of the Waxahachie Firefighters' Relief and Retirement Fund requires contributions equal to 12% of pay by the firefighters and contributions by the City equal to the greater of 16.21% of payroll or the same percentage of payroll that the City contributes to the Texas Municipal Retirement System for other employees. The plan receives an actuarial valuation every two years. Therefore, the September 30, 2014, actuarial valuation is used in these footnotes. The September 30, 2014, actuarial valuation assumes that the City's contributions will average 16.21% of payroll in the future.

For the fiscal year ending September 30, 2015, the City of Waxahachie's annual pension cost of $615,039 for the Waxahachie Firefighters' Relief and Retirement Fund was equal to the City's required and actual contributions during the year. While the required contributions were not actuarially determined, the actuary determined that the benefit obligations are currently being funded on an actuarially sound basis. These required contributions were reflected in the September 30, 2014, actuarial valuation, which satisfied the parameters of the Governmental Accounting Standards Board (GASB) Statement No. 27.

The method of valuation for determining plan costs is a variation of the aggregate entry age normal actuarial cost method. The actuarial value of assets has been reestablished as the fair market value of the fund. The actuarial assumptions included an investment return assumption of 7% per year (net of administrative expenses), projected salary increases averaging 4.0% per year, and no post retirement cost-of-living adjustments. An inflation assumption of 0.0% per year is included in the investment return and salary increase assumptions. The unfunded actuarial accrued liability (UAAL) is amortized with the excess of the assumed total contribution rate over the normal cost rate. The number of years needed to amortize the UAAL is determined using an open, level percentage of payroll method, assuming that the payroll will increase 4.0% per year, and was 24.3 years as of the September 30, 2014, actuarial valuation.

Actuarial Valuation Date	9/30/2015	9/30/2014	9/30/2013
Actuarial Value of Assets	*	$ 13,717,245	*
Actuarial Accrued Liabilities	*	19,907,219	*
Percentage Funded	*	68.9%	*
Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	*	6,189,974	*
Annual Covered Payroll	*	3,688,860	*
UAAL as a Percentage of Covered Payroll	*	167.8%	*
Net Pension Obligation, beginning of period	$ -	$ -	$ -
Annual Pension Cost (APC):			
Annual Required Contribution (ARC)	615,039	601,811	583,331
Interest on Net Pension Obligation	-	-	-
Adjustment to the ARC	-	-	-
Total APC	615,039	601,811	583,331
Contributions Made (100%)	615,039	601,811	583,331
Increase (decrease) in Net Pension Obligation	-	-	-
Net Pension Obligation, end of period	$ -	$ -	$ -

The City accounts for the pension trust fund on the accrual basis of accounting, including the determination of contributions, benefits paid, and refunds paid in the financial statements.

A schedule of actuarial funding progress for the last eight years is presented in the Required Supplementary Information on page 63.

Other Postemployment Benefits

Supplemental Death Benefits Fund

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

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

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

Schedule of Contribution Rates
(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2013	0.04%	0.04%	100%
2014	0.04%	0.04%	100%
2015	0.04%	0.04%	100%

Condensed Financial Information for Discretely Presented Component Unit

Following is selected condensed financial statement information for the modified accrual basis financial statements of the Waxahachie Community Development Corporation:

Balance Sheet	General	Debt Service	Reserve	Capital Projects	Combined
Assets					
Current assets	$ 2,358,671	$ 5,605	$ 1,444,934	$ 133,574	$ 3,942,784
Liabilities					
Current liabilities	$ 243,642	$ -	$ -	$ -	$ 243,642
Fund balance	2,115,029	5,605	1,444,934	133,574	3,699,142
Total liabilities and fund balance	$ 2,358,671	$ 5,605	$ 1,444,934	$ 133,574	$ 3,942,784

Revenues and Expenditures	General	Debt Service	Reserve	Capital Projects	Combined
Revenues	$ 4,197,202	$ 1,947	$ -	$ 193	$ 4,199,342
Current expenditures	2,194,971	-	-	59,620	2,254,591
Debt service	-	1,465,028	-	-	1,465,028
Total expenditures	2,194,971	1,465,028	-	59,620	3,719,619
Revenues over (under) expenditures	2,002,231	(1,463,081)	-	(59,427)	479,723
Other financing sources (uses)	(1,467,630)	1,467,630	-	-	-
Net change in fund balances	534,601	4,549	-	(59,427)	479,723
Fund balances, October 1	1,580,428	1,056	1,444,934	193,001	3,219,419
Fund balances, September 30	$ 2,115,029	$ 5,605	$ 1,444,934	$ 133,574	$ 3,699,142

Following are reconciliations between the government-wide financial statements and the fund basis financial statements for Waxahachie Community Development Corporation:

Reconciliation of Balance Sheet	WCDC
Total fund balance	$ 3,699,142
Capital assets not reported in the funds	18,144,757
Accrued interest payable	(142,883)
Payable for loan principal not due currently	(19,689,227)
Payables for compensated absences	(43,128)
Net position - statement of net position	$ 1,968,661

Reconciliation of Statement of Revenues, Expenditures and Fund Balances	WCDC
Net change in fund balances	$ 479,723
Repayment of loan principal	538,114
Capital outlay	22,366
Depreciation	(687,891)
Change in accrued interest expense	3,684
Pension	18,582
Change in compensated absences	(4,437)
Change in net assets	$ 370,141

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REQUIRED
SUPPLEMENTARY INFORMATION

CITY OF WAXAHACHIE, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Adjustments	Actual Amounts	Variance - Positive
	Original	Final	GAAP Basis	Budget Basis	Budget Basis	(Negative)
REVENUES						
Taxes:						
Ad valorem	$ 10,011,650	$ 10,151,900	$ 10,118,094	$ -	$ 10,118,094	$(33,806)
Franchise	3,319,000	3,313,000	3,273,324	-	3,273,324	(39,676)
Sales	9,908,000	10,880,000	10,716,747	-	10,716,747	(163,253)
Other	73,000	84,000	84,943	-	84,943	943
Charges for services	258,850	314,800	1,520,103	-	1,520,103	1,205,303
Licenses and permits	525,000	739,200	773,203	-	773,203	34,003
Fines and forfeitures	445,500	501,600	581,183	-	581,183	79,583
Intergovernmental	18,000	21,800	22,559	-	22,559	759
Miscellaneous	320,000	315,000	307,686	-	307,686	(7,314)
Interest	12,000	12,000	15,557	-	15,557	3,557
Total revenues	24,891,000	26,333,300	27,413,399	-	27,413,399	1,080,099
EXPENDITURES						
Current:						
General government						
General administration	837,805	853,165	856,400	-	856,400	(3,235)
Downtown development	186,360	182,290	184,818	-	184,818	(2,528)
Planning	418,675	397,370	398,696	-	398,696	(1,326)
Finance department	855,040	859,365	865,715	-	865,715	(6,350)
City attorney	136,710	136,060	136,046	-	136,046	14
General items	566,320	3,909,810	3,814,105	-	3,814,105	95,705
Human resources	368,490	337,980	334,924	-	334,924	3,056
Information technology	341,700	382,540	317,422	64,151	381,573	967
Economic development	987,340	925,110	685,689	-	685,689	239,421
Mid-Way airport	122,500	122,500	35,040	-	35,040	87,460
Total general government	4,820,940	8,106,190	7,628,855	64,151	7,693,006	413,184
Public safety						
Municipal court	233,450	232,750	236,283	-	236,283	(3,533)
Marshal	106,920	100,945	100,022	-	100,022	923
Building inspection	487,560	478,860	480,755	-	480,755	(1,895)
Fire department	6,574,830	6,655,756	6,318,758	402,968	6,721,726	(65,970)
Police department	7,761,550	7,205,350	7,265,982	54,920	7,320,902	(115,552)
Total public safety	15,164,310	14,673,661	14,401,800	457,888	14,859,688	(186,027)
Public works						
Engineering department	$ 408,350	$ 386,200	$ 362,072	$ 17,697	$ 379,769	$ 6,431
Street department	4,594,270	6,625,157	4,406,094	1,853,289	6,259,383	365,774
Environmental health	550,130	476,945	413,661	-	413,661	63,284
Central garage	267,430	268,480	258,775	-	258,775	9,705
Animal control	259,010	205,450	179,943	-	179,943	25,507
Total public works	6,079,190	7,962,232	5,620,545	1,870,986	7,491,531	470,701

CITY OF WAXAHACHIE, TEXAS

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE
(Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Adjustments	Actual Amounts	Variance - Positive
	Original	Final	GAAP Basis	Budget Basis	Budget Basis	(Negative)
EXPENDITURES						
Culture and recreation						
Parks and recreation	1,257,870	1,217,725	1,056,904	-	1,056,904	160,821
Chautauqua Auditorium	113,100	111,560	104,405	-	104,405	7,155
Rodeo	20,930	17,550	16,288	-	16,288	1,262
Penn Park Pool	53,930	61,230	60,062	-	60,062	1,168
Optimist Pool	23,200	32,000	29,659	-	29,659	2,341
Sims Library	1,057,550	1,069,000	1,062,508	-	1,062,508	6,492
Senior Citizens Center	311,320	330,920	328,365	-	328,365	2,555
Total culture and recreation	2,837,900	2,839,985	2,658,191	-	2,658,191	181,794
Total expenditures	28,902,340	33,582,068	30,309,391	2,393,025	32,702,416	879,652
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(4,011,340)	(7,248,768)	(2,895,992)	(2,393,025)	(5,289,017)	1,959,751
OTHER FINANCING RESOURCES (USES)						
Transfers in	3,069,800	4,598,000	3,052,707	-	3,052,707	(1,545,293)
Transfers out	-	-	(3,683)	-	(3,683)	(3,683)
Total other financing sources (uses)	3,069,800	4,598,000	3,049,024	-	3,049,024	(1,548,976)
NET CHANGE IN FUND BALANCES	(941,540)	(2,650,768)	153,032	(2,393,025)	(2,239,993)	410,775
FUND BALANCES, BEGINNING	14,788,040	14,788,040	14,788,040	-	14,788,040	-
FUND BALANCES, ENDING	$ 13,846,500	$ 12,137,272	$ 14,941,072	$(2,393,025)	$ 12,548,047	$ 410,775

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Plan Year	2014
A. Total pension liability	
Service Cost	$ 1,784,061
Interest (on the Total Pension Liability)	3,690,173
Change of benefit terms	-
Difference between expected and actual experience	(1,600,781)
Change of assumptions	-
Benefit payments, including refunds of employee contributions	(2,282,010)
Net change in total pension liability	1,591,443
Total pension liability - beginning	52,965,738
Total pension liability - ending (a)	$ 54,557,181
B. Plan fiduciary net position	
Contributions - employer	$ 1,862,304
Contributions - employee	800,652
Net investment income	2,445,586
Benefit payments, including refunds of employee contributions	(2,282,010)
Administrative expenses	(25,532)
Other	(2,099)
Net change in plan fiduciary net position	2,798,901
Plan fiduciary net position - beginning	42,748,397
Plan fiduciary net position - ending (b)	$ 45,547,298
C. Net pension liability - ending (a) - (b)	$ 9,009,883
D. Plan fiduciary net position as a percentage of total pension liability	83.49%
E. Covered employee payroll	$ 11,341,704
F. Net position liability as a percentage of covered employee payroll	79.44%

CITY OF WAXAHACHIE, TEXAS

SCHUEDLE OF CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Fiscal Year	2015
Actuarial determined contribution	$ 1,888,085
Contributions in relation to the actuarially determined contribution	1,888,085
Contribution deficiency (excess)	-
Covered employee payroll	11,713,237
Contributions as a percentage of covered employee payroll	16.12%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% 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 of with BB.

Other Information There were no benefit changes during the year.

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CITY OF WAXAHACHIE, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
FIREMEN'S RELIEF AND RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS AND ACTUARIAL LIABILITIES

EIGHT YEARS ENDED SEPTEMBER 30, 2015
(Unaudited)

Actuarial valuation date	9/30/15	9/30/14	9/30/13	9/30/12	9/30/11	9/30/10	9/30/09	9/30/08
Actuarial value of assets	*	$ 13,717,245	*	$ 10,462,784	*	$ 8,159,658	*	$ 6,355,060
Actuarial accrued liabilities	*	19,907,219	*	16,226,624	*	13,319,237	*	10,915,427
Percentage funded	*	68.9%	*	64.5%	*	61.3%	*	58.2%
Unfunded (overfunded) actuarial accrued	*	6,189,974	*	5,763,840	*	5,159,579	*	4,560,367
Annual covered payroll	*	3,688,860	*	3,188,426	*	2,961,077	*	2,959,238
UAAL as a percentage of covered payroll	*	167.8%	*	180.8%	*	174.2%	*	154.1%
Net pension obligation (NPO) at the beginning of period	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Annual pension cost (APC):								
Annual required contributions (ARC)	615,039	601,811	583,331	564,266	621,402	533,132	488,917	386,427
Interest on NPO	-	-	-	-	-	-	-	-
Adjustment to the ARC	-	-	-	-	-	-	-	-
Total APC	615,039	601,811	583,331	564,266	621,402	533,132	488,917	386,427
Contributions made (100%)	615,039	601,811	583,331	564,266	621,402	533,132	488,917	386,427
Increase (decrease) in NPO	-	-	-	-	-	-	-	-
NPO at end of period	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

* An actuarial valuation is not available.

A. BUDGETARY INFORMATION

On or before the first day of June of each year, department and division leaders of the City submit requests for appropriations to the Waxahachie City Manager so that a budget may be prepared. The budget is prepared by fund, department and activity, and includes information on the past year, current year budget and requested appropriations for the next fiscal year. The City Council approves the budget at the department level. Before August 31, the proposed budget is presented to the City Council for review. The City Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the City Manager or the revenue estimates must be changed by an affirmative vote of a majority of the City Council. Expenditures may not legally exceed budgeted appropriations at the departmental level, unless approved by City Council. During the year, the City Manager authorized several budget transfers within departments. Individual amendments were not material in relation to the original appropriations.

The official budget was prepared using generally accepted accounting principles as modified by the use of encumbrances. The City encumbers amounts committed at year-end and carries the budget over for a lapse period of 90 days into the following year. Annual appropriated budgets are adopted for the following funds:

- General Fund
- Special Revenue Funds
  - Hotel/Motel Fund
- Debt Service Funds
  - Debt Service

All annual appropriations lapse at fiscal year-end, except for encumbered amounts.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following funds had expenditures in excess of appropriations:

General Fund	
General administration	$ 3,235
Downtown development	2,528
Planning	1,326
Finance department	6,350
Municipal court	3,533
Building inspection	1,895
Fire department	65,970
Police department	115,552
Hotel/Motel Fund	
General government	57,587
Culture and recreations	664
Debt Service Fund	
Interest	2,174

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COMBINING STATEMENTS AND BUDGETARY COMPARISON

NONMAJOR GOVERNMENTAL FUNDS

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

Hotel/Motel Tax Fund – This fund is used to account for the seven percent occupancy tax collected by hotels and motels located in the City. These funds are legally restricted for 14 cultural activities.

Fire Department Donations Fund – This fund is used to account for donations to the Fire Department and for fees collected from other fire departments for use of our training facility. These funds are intended to be used for maintenance and improvements to the training facility and to run the Toys-for-Tots program.

Veterans Memorial Donations – This fund is used to account for donations to the "Veterans Memorial Donations" program. These funds are intended to be used to build a memorial to veterans.

LEOSE – This fund is used to account for amounts collected to fund law enforcement continuing education classes.

Waxahachie Police Explorers – This fund is used to account for donations to the police explorer program, a subsidiary of the Boy Scouts of America.

Tax Increment Fund – This fund is the General Fund of a component unit of the City. It is used to account for funds related to project costs for the Tax Increment Financing Reinvestment Zone No. 1 established by the City to improve the downtown area.

Police Seizure Fund – This fund is used to account for seizures by the police department.

Police Forfeiture Fund – This fund is used to account for forfeiture funds provided to the police department.

Cemetery Perpetual Care – This fund is used to account for principal trust amounts received and related interest income. Interest earnings are used to expenditures of cemetery maintenance.

Police Department Federal Forfeiture – This fund is used to account for certain forfeiture funds provided to the Police Department.

Texas Tobacco Compliance Grant – This fund is used to account for the receipt and expenditures for a grant from the state aimed at enforcing laws concerning tobacco consumption by minors.

Park Dedication Impact Fee Fund – This fund is used to account for impact fees dedicated to park improvements.

Municipal Court – This fund accounts for monies collected under State Statutes designated for specific Municipal Court related programs.

Miscellaneous Special Revenue – This fund is used to account for various sources of small amounts of funds dedicated to special projects.

Debt Service Funds are used to account for the accumulation of resources and payment of general, certificate, and contractual obligation bond principal and interest from governmental resources. They are also used for the accumulation of resources and payment of special assessment bond principal and interest from special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

Tax Increment Debt Service Fund – This fund is used to account for the accumulation of resources and payment of principal and interest for the Tax Increment Reinvestment Zone Number 1's certificate of obligation bonds.

Water District Debt Service Fund – This fund is used to account for the accumulation of resources and payment of principal and interest for the Water District's general obligation bonds.

Capital Project Funds are used to account for the acquisition or construction of governmental capital assets.

2007 Bond Construction – This fund is used to account for the construction of the Waxahachie Senior Citizen's Center, two major street expansions and various smaller projects funded by this bond issue.

2009 Bond Construction – This fund is used to account for the construction of the Downtown Parking Garage, the City's portion of the Midway Airport runway expansion and various smaller projects funded by this bond issue.

2009 Bond Construction Tax Increment – This fund is used to account for the renovation of the MKT Railroad Passenger Station funded by this bond issue.

2011 Bond Firehouse Construction – This fund is used to account for the construction of a new firehouse.

2013 Street and Drainage Bond Construction – This fund is used to account for the cost of the major rehabilitation of Gingerbread Village Street and Kirven Street in addition to less extensive roadway repairs elsewhere in the City.

2014 Bond Construction – This fund is used to account for the costs of various street projects throughout the City.

Public Safety Building Fund – This fund is used to account for the construction of a new public safety building

CITY OF WAXAHACHIE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,410,483	$ -	$ 4,238,967	$ 6,649,450
Receivables (net of allowances for uncollectibles):				
Other	58,164	-	-	58,164
Total assets	$ 2,468,647	$ -	$ 4,238,967	$ 6,707,614
LIABILITIES				
Accounts payable	$ 182,226	$ -	$ 257,398	$ 439,624
Accrued liabilities	8,711	-	4,757	13,468
Deposits payable	3,500	-	-	3,500
Total liabilities	194,437	-	262,155	456,592
FUND BALANCES				
Restricted:				
Tourism	333,011	-	-	333,011
Capital projects	-	-	3,976,812	3,976,812
Perpetual care	889,168	-	-	889,168
Public safety	239,768	-	-	239,768
Public works	624	-	-	624
Municipal court judicial efficiency	5,030	-	-	5,030
Municipal court technology	18,728	-	-	18,728
Municipal court security	29,443	-	-	29,443
Municipal court judicial	10,892	-	-	10,892
Culture and recreation	148,670	-	-	148,670
Downtown improvements	415,195	-	-	415,195
Committed:				
Culture and recreation	183,681	-	-	183,681
Total fund balances	2,274,210	-	3,976,812	6,251,022
Total liabilities and fund balances	$ 2,468,647	$ -	$ 4,238,967	$ 6,707,614

CITY OF WAXAHACHIE, TEXAS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
REVENUES				
Taxes	$ 831,508	$ 114,045	$ -	$ 945,553
Charges for services	204,242	-	-	204,242
Intergovernmental	5,702	-	-	5,702
Miscellaneous	130,113	-	-	130,113
Interest	2,319	-	5,265	7,584
Total revenues	1,173,884	114,045	5,265	1,293,194
EXPENDITURES				
Current:				
General government	464,825	-	-	464,825
Public safety	32,953	-	19,596	52,549
Public works	615	-	1,058,745	1,059,360
Judicial	35,871	-	-	35,871
Culture and recreation	331,374	-	-	331,374
Debt service:				
Principal	-	75,371	-	75,371
Interest	-	61,555	-	61,555
Bond issuance costs	-	-	-	-
Capital Outlay	-	-	218,554	218,554
Total expenditures	865,638	136,926	1,296,895	2,299,459
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	308,246	(22,881)	(1,291,630)	(1,006,265)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	22,881	504,274	527,155
Transfers out	(22,881)	-	(500,591)	(523,472)
Bond issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Total other financing sources (uses)	(22,881)	22,881	3,683	3,683
NET CHANGE IN FUND BALANCES	285,365	-	(1,287,947)	(1,002,582)
FUND BALANCES, BEGINNING	1,988,845	-	5,264,759	7,253,604
FUND BALANCES, ENDING	$ 2,274,210	$ -	$ 3,976,812	$ 6,251,022

CITY OF WAXAHACHIE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2015

	Hotel/Motel Tax	Fire Department Donations	Veteran's Memorial Donations	LEOSE
ASSETS				
Cash and investments	$ 425,647	$ 18,558	$ 37,012	$ 2,649
Receivables (net of allowances for uncollectibles):				
Other	57,784	-	-	-
Total assets	$ 483,431	$ 18,558	$ 37,012	$ 2,649
LIABILITIES				
Accounts payable	$ 109,057	$ -	$ 138	$ -
Accrued liabilities	8,711	-	-	-
Deposits payable	-	-	-	-
Total liabilities	117,768	-	138	-
FUND BALANCES				
Restricted:				
Tourism	274,247	-	-	-
Perpetual care	-	-	-	-
Public safety	-	18,558	-	2,649
Public works	-	-	-	-
Municipal court judicial efficiency	-	-	-	-
Municipal court technology	-	-	-	-
Municipal court security	-	-	-	-
Municipal court judicial	-	-	-	-
Culture and recreation	91,416	-	36,874	-
Downtown improvements	-	-	-	-
Committed:				
Culture and recreation	-	-	-	-
Total fund balances	365,663	18,558	36,874	2,649
Total liabilities and fund balances	$ 483,431	$ 18,558	$ 37,012	$ 2,649

Waxahachie Police Explorers	Tax Increment	Police Seizure	Police Forfeiture	Cemetery Perpetual Care	Police Department Federal Forfeiture	Texas Tobacco Compliance Grant
$ 6,794	$ 479,639	$ 8,801	$ 24,478	$ 893,682	$ 138,218	$ 1,434
-	-	-	-	-	-	-
$ 6,794	$ 479,639	$ 8,801	$ 24,478	$ 893,682	$ 138,218	$ 1,434
$ 19	$ 60,944	$ -	$ -	$ 4,514	$ -	$ -
-	-	-	-	-	-	-
-	3,500	-	-	-	-	-
19	64,444	-	-	4,514	-	-
-	-	-	-	-	-	-
-	-	-	-	889,168	-	-
6,775	-	8,801	24,478	-	138,218	1,434
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	415,195	-	-	-	-	-
-	-	-	-	-	-	-
6,775	415,195	8,801	24,478	889,168	138,218	1,434
$ 6,794	$ 479,639	$ 8,801	$ 24,478	$ 893,682	$ 138,218	$ 1,434

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CITY OF WAXAHACHIE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS
(Continued)
SEPTEMBER 30, 2015

	Park Dedication Impact Fee	Municipal Court	Miscellaneous Special Revenue	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and investments	$ 183,681	$ 65,071	$ 124,819	$ 2,410,483
Receivables (net of allowances for uncollectibles):				
Other	-	-	380	58,164
Total assets	$ 183,681	$ 65,071	$ 125,199	$ 2,468,647
LIABILITIES				
Accounts payable	$ -	$ 978	$ 6,576	$ 182,226
Accrued liabilities	-	-	-	8,711
Deposits payable	-	-	-	3,500
Total liabilities	-	978	6,576	194,437
FUND BALANCES				
Restricted:				
Tourism	-	-	58,764	333,011
Perpetual care	-	-	-	889,168
Public safety	-	-	38,855	239,768
Public works	-	-	624	624
Municipal court judicial efficiency	-	5,030	-	5,030
Municipal court technology	-	18,728	-	18,728
Municipal court security	-	29,443	-	29,443
Municipal court judicial	-	10,892	-	10,892
Culture and recreation	-	-	20,380	148,670
Downtown improvements	-	-	-	415,195
Committed:				
Culture and recreation	183,681	-	-	183,681
Total fund balances	183,681	64,093	118,623	2,274,210
Total liabilities and fund balances	$ 183,681	$ 65,071	$ 125,199	$ 2,468,647

CITY OF WAXAHACHIE, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2015

	Hotel/Motel Tax	Fire Department Donations	Veteran's Memorial Donations	LEOSE
REVENUES				
Taxes	$ 619,709	$ -	$ -	$ -
Charges for services	-	825	-	-
Intergovernmental	-	-	-	5,702
Miscellaneous	6,530	-	19,790	-
Interest	336	-	-	-
Total revenues	626,575	825	19,790	5,702
EXPENDITURES				
Current:				
General government	204,087	-	12,386	-
Public safety	-	1,224	-	5,553
Public works	-	-	-	-
Judicial	-	-	-	-
Culture and recreation	331,374	-	-	-
Total expenditures	535,461	1,224	12,386	5,553
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	91,114	(399)	7,404	149
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	91,114	(399)	7,404	149
FUND BALANCES, BEGINNING	274,549	18,957	29,470	2,500
FUND BALANCES, ENDING	$ 365,663	$ 18,558	$ 36,874	$ 2,649

Waxahachie Police Explorers	Tax Increment	Police Seizure	Police Forfeitures	Cemetery Perpetual Care	Police Department Federal Forfeiture	Texas Tobacco Compliance Grant
$ -	$ 211,799	$ -	$ -	$ -	$ -	$ -
-	-	249	-	92,275	32,201	-
-	-	-	-	-	-	-
9,245	23,832	-	1,377	30	-	-
-	621	-	-	1,022	146	-
9,245	236,252	249	1,377	93,327	32,347	-
-	127,943	-	-	71,102	-	-
10,736	-	849	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10,736	127,943	849	-	71,102	-	-
(1,491)	108,309	(600)	1,377	22,225	32,347	-
-	(22,881)	-	-	-	-	-
-	(22,881)	-	-	-	-	-
(1,491)	85,428	(600)	1,377	22,225	32,347	-
8,266	329,767	9,401	23,101	866,943	105,871	1,434
$ 6,775	$ 415,195	$ 8,801	$ 24,478	$ 889,168	$ 138,218	$ 1,434

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CITY OF WAXAHACHIE, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS (Continued) SEPTEMBER 30, 2015

	Park Dedication Impact Fees	Municipal Court	Miscellaneous Special Revenue	Total Nonmajor Special Revenue Funds
REVENUES				
Taxes	$ -	$ -	$ -	$ 831,508
Charges for services	44,597	34,095	-	204,242
Intergovernmental	-	-	-	5,702
Miscellaneous	-	-	69,309	130,113
Interest	194	-	-	2,319
Total revenues	44,791	34,095	69,309	1,173,884
EXPENDITURES				
Current:				
General government	-	-	49,307	464,825
Public safety	-	-	14,591	32,953
Public works	-	-	615	615
Judicial	-	35,871	-	35,871
Culture and recreation	-	-	-	331,374
Total expenditures	-	35,871	64,513	865,638
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	44,791	(1,776)	4,796	308,246
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	(22,881)
Total other financing sources (uses)	-	-	-	(22,881)
NET CHANGE IN FUND BALANCES	44,791	(1,776)	4,796	285,365
FUND BALANCES, BEGINNING	138,890	65,869	113,827	1,988,845
FUND BALANCES, ENDING	$ 183,681	$ 64,093	$ 118,623	$ 2,274,210

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CITY OF WAXAHACHIE, TEXAS

HOTEL/MOTEL TAX

SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Other taxes	$ 400,000	$ 440,000	$ 619,709	$ 179,709
Miscellaneous	4,500	4,500	6,530	2,030
Interest	200	200	336	136
Total revenues	404,700	444,700	626,575	181,875
EXPENDITURES				
Current:				
General government	146,500	146,500	204,087	(57,587)
Culture and recreation	314,700	330,710	331,374	(664)
Total expenditures	461,200	477,210	535,461	(58,251)
NET CHANGE IN FUND BALANCES	(56,500)	(32,510)	91,114	123,624
FUND BALANCES, BEGINNING	274,549	274,549	274,549	-
FUND BALANCES, ENDING	$ 218,049	$ 242,039	$ 365,663	$ 123,624

CITY OF WAXAHACHIE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

SEPTEMBER 30, 2015

	Tax Increment	Water District	Total Nonmajor Debt Service Funds
ASSETS			
Receivables (net of allowances for uncollectibles):			
Taxes	$ -	$ -	$ -
Total assets	$ -	$ -	$ -
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ -	$ -	$ -
Deferred revenue	-	-	-
Total liabilities	-	-	-
Fund balances:			
Restricted for:			
Debt service	-	-	-
Unassigned	-	-	-
Total fund balances	-	-	-
Total liabilities and fund balances	$ -	$ -	$ -

CITY OF WAXAHACHIE, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR DEBT SERVICE FUNDS

SEPTEMBER 30, 2015

	Tax Increment	Water District	Total Nonmajor Debt Service Funds
REVENUES			
Taxes	$ 114,045	$ -	$ 114,045
Total revenues	114,045	-	114,045
EXPENDITURES			
Current:			
General government	-	-	-
Debt service:			
Principal	75,371	-	75,371
Interest	61,555	-	61,555
Total expenditures	136,926	-	136,926
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(22,881)	-	(22,881)
OTHER FINANCING SOURCES (USES)			
Transfers in	22,881	-	22,881
Total other financing sources (uses)	22,881	-	22,881
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES, BEGINNING	-	-	-
FUND BALANCES, ENDING	$ -	$ -	$ -

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CITY OF WAXAHACHIE, TEXAS

DEBT SERVICE

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Ad valorem taxes	$ 5,379,000	$ 5,428,000	$ 5,432,293	$ 4,293
Miscellaneous	86,960	87,100	88,223	1,123
Interest	4,200	4,200	5,280	1,080
Total revenues	5,470,160	5,519,300	5,525,796	6,496
EXPENDITURES				
Debt service:				
Principal	3,469,711	3,469,706	3,465,838	3,868
Interest	1,917,720	1,917,710	1,919,884	(2,174)
Total expenditures	5,387,431	5,387,416	5,385,722	1,694
NET CHANGE IN FUND BALANCES	82,729	131,884	140,074	8,190
FUND BALANCES, BEGINNING	2,206,978	2,206,978	2,206,978	-
FUND BALANCES, ENDING	$ 2,289,707	$ 2,338,862	$ 2,347,052	$ 8,190

CITY OF WAXAHACHIE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECTS FUNDS

SEPTEMBER 30, 2015

	2007 Bond Construction	2009 Bond Construction	2009 Bond Construction Tax Increment
ASSETS			
Cash and investments	$ -	$ 32,506	$ 115,501
Total assets	$ -	$ 32,506	$ 115,501
LIABILITIES			
Accounts payable	$ -	$ -	$ -
Accrued liabilities	-	-	-
Total liabilities	-	-	-
FUND BALANCES			
Restricted:			
Capital projects	-	32,506	115,501
Total fund balances	-	32,506	115,501
Total liabilities and fund balances	$ -	$ 32,506	$ 115,501

2011 Bond Firehouse Construction	2013 Street and Drainage Bond Construction	2014 Bond Construction	Public Safety Building	Total Nonmajor Capital Projects Funds
$ 24,958	$ 551,678	$ 3,013,175	$ 501,149	$ 4,238,967
$ 24,958	$ 551,678	$ 3,013,175	$ 501,149	$ 4,238,967
$ 3,201	$ -	$ 254,197	$ -	$ 257,398
-	-	4,757	-	4,757
3,201	-	258,954	-	262,155
21,757	551,678	2,754,221	501,149	3,976,812
21,757	551,678	2,754,221	501,149	3,976,812
$ 24,958	$ 551,678	$ 3,013,175	$ 501,149	$ 4,238,967

CITY OF WAXAHACHIE, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

SEPTEMBER 30, 2015

	2007 Bond Construction	2009 Bond Construction	2009 Bond Construction Tax Increment
REVENUES			
Interest	$ -	$ 35	$ 124
Total revenues	-	35	124
EXPENDITURES			
Current:			
Public safety	-	-	-
Public works	5	-	-
Debt service:			
Bond issuance costs	-	-	-
Capital Outlay	-	-	-
Total expenditures	5	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5)	35	124
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	-
Premium on bonds issued	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
NET CHANGE IN FUND BALANCES	(5)	35	124
FUND BALANCES, BEGINNING	5	32,471	115,377
FUND BALANCES, ENDING	$ -	$ 32,506	$ 115,501

2011 Bond Firehouse Construction	2013 Street and Drainage Bond Construction	2014 Bond Construction	Public Safety Building	Total Nonmajor Capital Projects Funds
$ 51	$ 657	$ 3,840	$ 558	$ 5,265
51	657	3,840	558	5,265
19,596	-	-	-	19,596
-	-	1,058,740	-	1,058,745
-	-	-	-	-
42,669	175,885	-	-	218,554
62,265	175,885	1,058,740	-	1,296,895
(62,214)	(175,228)	(1,054,900)	558	(1,291,630)
-	-	-	-	-
-	-	-	-	-
-	3,683	-	500,591	504,274
-	(500,591)	-	-	(500,591)
-	(496,908)	-	500,591	3,683
(62,214)	(672,136)	(1,054,900)	501,149	(1,287,947)
83,971	1,223,814	3,809,121	-	5,264,759
$ 21,757	$ 551,678	$ 2,754,221	$ 501,149	$ 3,976,812

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