



CITY OF ROBINSON, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2015

CITY OF ROBINSON, TEXAS
YEAR ENDED SEPTEMBER 30, 2015
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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council

City of Robinson, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Robinson, 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Robinson, 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.

Emphasis of Matter

Changes in Accounting Principles

As explained in Notes 1 and 3(J) to the financial statements, in 2015, the City adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement Number 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement Number 27*. Our opinion is not modified with respect to this change in accounting principles.

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, and Schedules of Changes in Net Pension Liability-Current Period, Changes in Net Pension Liability and Related Ratios-Last 10 Years, and Contributions-Last 10 Fiscal Years (pages 8-17, 57-58, and 59-61) 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Robinson, Texas's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.



Cunningham, Shavers, Christensen, & Wright, L.L.P.

Certified Public Accountants

Waco, Texas

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Robinson's basic financial statements. The insurance schedule and continuing disclosures are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

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

Cunningham, Shavers, Christensen & Wright, LLP

Waco, Texas

February 25, 2016

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2015

As management of the City of Robinson, Texas ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Robinson, Texas for the fiscal year ended September 30, 2015. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

Some of the City's financial highlights for the fiscal year ending September 30, 2015 include:

Total Primary Government:

- The City implemented GASB 68 "*Accounting and Financial Reporting for Pensions*" in this report, which caused the City's year-end net pension liability of \$2,102,176 to be reported for the first time.
- The assets of the City *exceeded* its liabilities at the close of the fiscal year by \$25,620,311 (*net position*). This is an increase of \$5,401 over the prior year, after recognizing the beginning net pension liability of \$1,984,865 as of October 1, 2014.
- Of the \$5,401 increase (decrease) in net position during the current year, \$337,618 is attributable to governmental activities, \$1,652,648 is attributable to business-type activities, after recognition of the beginning net pension liability of \$1,984,865.

Governmental Activities portion of the Total Primary Government:

- Ending net position for governmental activities at September 30, 2015 was \$5,903,636 which is a decrease from the prior year of \$1,169,596. This decrease is comprised of an increase in net position of \$337,618 from current year operations less the Governmental Activities portion of the beginning net pension liability of \$1,507,314.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City.

Basic Financial Statements

The first two statements (pages 20 through 21) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements (pages 23 through 30) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and, 2) the proprietary funds statements.

Basic Financial Statements (continued)

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **required supplemental information** is provided to show details about the City's funding progress related to pension plans. Budgetary information required by state law also can be found in this part of the statements.

The final sections, **supplemental information and other information**, contains information regarding insurance coverages of the City, combining nonmajor fund financial statements, and certain disclosures required by the Securities and Exchange Commission.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net position and how they have changed. Net position is the difference between the City's total assets and total liabilities. Measuring net position is one way to gauge the City's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and, 2) business-type activities. The governmental activities include most of the City's basic services such as public safety, public works, and general administration. Taxes (property and sales), franchise fees and state and federal grant funds finance most of these activities. The business-type activities are those that the City provides at a charge to customers. These include the water and sewer services offered by the City.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like all other governmental entities in Texas, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the City budget ordinance. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year.

Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view in determining if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net position and the Statement of

Fund Financial Statements (continued)

Governmental Funds (continued)

Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements, and in more detail, in Note 2 to the financial statements.

The City adopts an annual budget for its General Fund, as required by state law. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the City Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary schedule provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted.

The budgetary comparison schedule was prepared on the *modified cash basis* of accounting, which is the method of accounting used by the City in preparing the budget. The actual results have been adjusted to the *modified cash basis* of accounting in order to give a more relevant comparison of budget to actual results. Information regarding the reconciliation of actual results to the *modified cash basis* can be found in the *note to required supplementary information* found on page 58. The schedule shows four columns: 1) the original budget as adopted by the City Council; 2) the final budget as amended by the City Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds – the City has two proprietary (enterprise) funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water activities and sewer activities. These funds are the same as those functions shown in the business-type activities in the Statement of Net position and the Statement of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 31 through 55 of this report.

Required Supplementary Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Additionally, budgetary comparison information is found in this section. Required supplementary information can be found on pages 57 through 61 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the City exceeded liabilities by \$25,620,311 at September 30, 2015. The City's net position *increased* by \$5,401 for the fiscal year ended September 30, 2015. The largest portion of net position, 67%, reflects the City's investment in capital assets (e.g. land, buildings, machinery, and equipment) plus funds restricted for ongoing construction less any related debt still outstanding that was issued to acquire those items. The City uses these capital assets to provide services to citizens; consequently, these assets are not available

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2015

Government-Wide Financial Analysis - continued

for future spending. Although the City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the City's net position, 22%, represents resources that are subject to external restrictions on how they may be used.

The following table provides a comparison of the City's financial position at September 30, 2015 to September 30, 2014.

Current assets	\$ 5,938,940	\$ 5,336,583
Capital assets (net)	37,139,358	34,549,803
Restricted assets	22,422,777	16,331,516
Total assets	<u>65,501,075</u>	<u>56,217,902</u>
Short-term liabilities	3,126,311	3,310,480
Long-term liabilities	36,762,709	27,187,236
Total liabilities	<u>39,889,020</u>	<u>30,497,716</u>
Deferred Inflow(Outflow) or Resources	<u>(8,256)</u>	<u>105,276</u>
Net Position:		
Net investment in Capital Assets	18,392,772	19,717,556
Restricted for debt service	291,984	281,177
Restricted for capital improvements	5,213,925	1,419,692
Restricted for tourism	86,585	61,074
Restricted - Other	82,928	83,189
Unrestricted	1,555,273	4,052,222
Total net position	<u>\$ 25,623,467</u>	<u>\$ 25,614,910</u>

Net position of the City increased during the current year by \$5,401. The following table provides a comparison of the City's operations for the year ended September 30, 2015 to the year ended September 30, 2014.

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2015

Government-Wide Financial Analysis (continued)

Changes in Net Position

	Government-wide	
	9/30/2015	9/30/2014
Revenues:		
Program revenues:		
Charges for services	\$ 7,071,694	\$ 6,481,245
Operating and capital grants	36,994	124,522
General revenues:		
Property taxes	3,138,505	2,948,998
Sales taxes	1,332,971	1,266,462
Franchise taxes	546,125	544,462
Tax penalties and interest	32,472	30,229
Investment earnings	38,047	35,992
Premium on Issue of Debt	658,615	-
Assets dedicated to City by Developers	48,172	406,850
Other revenue	28,338	609,975
Total revenues	<u>12,931,933</u>	<u>12,448,735</u>
Expenses:		
Mayor and city council	179,080	150,923
Administration	1,066,283	942,597
Court	270,442	141,786
Physical plant	131,409	124,332
Planning & Community Development	283,254	236,885
Parks & Recreation	35,156	39,515
Police	2,482,904	2,351,984
Highways and street	1,006,905	782,394
Traffic Operations	27,096	83,937
Community Media	91,459	76,021
Sanitation	548,999	620,198
Tourism	3,474	2,285
Sewer	1,261,727	1,121,873
Water	3,250,240	3,344,786
Interest paid	298,083	381,457
Debt service fees and issuance costs	2,000	363
Total expenses	<u>10,938,511</u>	<u>10,401,336</u>
Change in net position	1,993,422	2,047,399
Net position, beginning	25,614,910	23,567,511
Prior period adjustment	(1,984,865)	-
Net position, beginning	<u>23,630,045</u>	<u>23,567,511</u>
Net position, ending	<u>\$ 25,623,467</u>	<u>\$ 25,614,910</u>

Management's Discussion and Analysis
 For the Fiscal Year Ended September 30, 2015

Government-Wide Financial Analysis (continued)

Governmental activities. Governmental activities increased the City's net position by \$337,618 accounting for 1.47% increase in the net position of the City (before prior period adjustments for net pension liability recognition). Key elements of this increase were increased charges for services and sales tax revenues.

Business-type activities: Business-type activities increased the City's net position by \$1,652,648 accounting for 6.45% of the total growth in the government's net position (before prior period adjustments for net pension liability recognition). Key elements of this increase were the impact on user charges resulting from an increasing population while operating costs not increasing in the same proportion.

Budget Analysis

The City prepares its budget on the *modified cash basis* of accounting, which is a method of accounting other than that prescribed by generally accepted accounting principles (GAAP). In order to present a more accurate comparison of budget to actual results, the actual results from the operation of the general fund have been adjusted to the *modified cash basis* of accounting. Reconciliation of the *GAAP basis* of accounting to the *modified accrual basis* of accounting can be found in the *note to required supplementary information* on page 58.

For the fiscal year ended September 30, 2015, the City's revenues and other financing resources exceeded expenditures by \$63,059; revenues were \$17,963 less than budget; expenditures were \$166,151 less than budget; and other financing sources were \$85,129 less than budget. Significant budget variances are as follows:

- Expenditure control was the primary driver in revenues and other financing sources exceeding expenditures.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2015, totals \$37,139,358 (net of accumulated depreciation). These assets include buildings, infrastructure, land, machinery and equipment, and vehicles. The following table summarizes the City's investment in capital assets at September 30, 2015.

Capital Assets at September 30, 2015

	Governmental Activities	Business-type Activities	Total
Land and Improvements	\$ 254,093	\$ 594,323	\$ 848,416
Infrastructure	8,226,360	21,279,475	29,505,835
Buildings	2,704,519	372,222	3,076,741
Improvements other than buildings	-	1,178,567	1,178,567
Vehicles and equipment	820,890	388,639	1,209,529
Construction in Progress	53,081	1,267,189	1,320,270
Total capital assets, net	<u>\$ 12,058,943</u>	<u>\$ 25,080,415</u>	<u>\$ 37,139,358</u>

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2015

Capital Assets (continued)

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

General Fund

- Purchase or dedication of:
 - Purchase of Church property - \$182,656;
 - Infrastructure (street improvements) - \$1,069,818.

Sewer Fund

- Purchase or dedication of:
 - Sewer lines completed and lift stations – \$1,120,102.

Water Fund

- Purchase or dedication of:
 - Elizabeth Ground Storage - \$596,724;
 - Pump and pumphouse improvements - \$737,193;
 - Distribution Lines completed - \$714,711.

Additional information on the City's capital assets can be found in note 3(D) of the Basic Financial Statements.

Long-term Debt

As of September 30, 2015, the City had total long-term liabilities outstanding of \$37,132,747. Of this, \$4,135,000 is general obligation debt of the City. The remainder of the City's debt represents bonds and loans secured by specified revenue sources (i.e. revenue bonds). Long-term debt is as follows:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Bonds and Certificates of Obligation	\$ 11,525,000	\$ 7,560,000	\$ 20,140,000	\$ 16,440,000	\$ 31,665,000	\$ 24,000,000
General Obligation Bonds	350,000	235,000	2,265,000	2,725,000	2,615,000	2,960,000
Due to City of Waco (WMARSS)	-	-	132,337	146,137	132,337	146,137
Real Estate Mortgage	162,071	-	-	-	162,071	-
	12,037,071	7,795,000	22,537,337	19,311,137	34,574,408	27,106,137
Net Pension Liability	1,596,400	-	505,776	-	2,102,176	-
Other Long-Term Debt	86,125	81,099	370,038	-	456,163	81,099
	<u>\$ 13,719,596</u>	<u>\$ 7,876,099</u>	<u>\$ 23,413,151</u>	<u>\$ 19,311,137</u>	<u>\$ 37,132,747</u>	<u>\$ 27,187,236</u>

The City's bond ratings are currently as follows:

Standard & Poor's: AA-

Economic Factors and Next Year's Budget and Rates

- **Building Permits:** New residential and commercial construction activity was slower this year. There were no industrial building permits issued. There were 26 residential building permits valued at \$2,542,140. There were 2 commercial building permit valued at \$20,200,000. A significant portion of this activity occurred in existing developing subdivisions and throughout the City. A new school for Robinson Independent School District was permitted.
The building permit fee rate schedule is proposed to increase to be more comparable with surrounding cities our population size. The increase will provide funds for our new code enforcement and building permit software annual costs, and for mowing, demolition, and acquisition of liens.
- **Sales Tax Revenue:** Sales tax revenue budgeted for FY 2014-2015 was \$1,139,928. It is projected that the 2015-2016 budget will generate \$1,264,675 in sales tax revenue to the city. This would be a 10.9434 % increase in sales tax. This projection takes into account possible recovery levels of consumer spending which directly affects sales tax revenues.
- **Population Growth:** The City of Robinson continues to grow amongst all other metropolitan and suburb communities. The 2010 Census estimated the population of Robinson as of January 2010 as 10,522. The current 2015 population is estimated as 11,905 (i.e. estimated using a 2.50% annual population increase) The City of Robinson continues to be the fastest growing city in McLennan County.
- **Ad Valorem Tax Base:** Ad Valorem tax was \$3,146,011 in Fiscal Year 2014-2015. It is projected that the Fiscal Year 2015-2016 budget will generate \$3,403,137 in Ad Valorem tax or an increase of 8.1730 %.

Budget Highlights for the Fiscal Year Ending September 30, 2015

Governmental Activities: City revenues are derived from general fund (property tax, sales tax), water consumption, and sanitary sewer usage. The total estimated revenues for Fiscal Year 2014-2015 were \$12,941,202. The total projected revenues for Fiscal Year 2015-2016 are expected to be \$13,589,533. This is an increase of \$648,331 or 5.0098 % from last year's budget. Wastewater fund revenues are projected to increase 4.2954 % from \$1,926,776 to \$2,009,539. Water fund revenues are projected to increase 3.8455% from \$4,519,298 to \$4,693,089. The current Hotel/Motel tax fund is \$77,232.

Budget Highlights for the Fiscal Year Ending September 30, 2015 (continued)

A water and wastewater rate increase will be required to be effective on October 1, 2015 continuing through October 1, 2018 in order to continue to assemble funds to provide payments for Certificates of Obligation Bonds for the construction of capital infrastructure improvements.

The contract with Progressive Waste Solutions for sanitation services was \$584,602 in Fiscal Year 2014-2015. The contract for services will be \$591,292 in Fiscal Year 2015-2016. The contract that was adopted in 2013 will be effective until June 30, 2018.

The Robinson Volunteer Fire Department contract for services in Fiscal Year 2014-2015 was \$225,329. The Fiscal Year 2015-2016 budget will include an increase of \$2,456 in this contract to an amount of \$227,785.

A majority of the General Fund Budget is associated with human resource expenditures in various departments. The second year of the new pay plan structure suggests an average evaluation percentage of 2.72 percent. As a result of this action, the projected personnel expenditure for Fiscal Year 2015-2016 is expected to be \$4,625,346. There will be one police, and one public works/street position added to this year's budget.

The City is pleased with the performance of TMLIEBP and will continue to use into the next budget year. Management recommends no increase in the budget for health insurance services and or adjustments during this time period. We will continue efforts to maintain stability and additional cost savings in our health plan. We will monitor the plan in the upcoming year for overall costs and for the impact of healthcare reform and will appropriately consider future contribution increases.

The City has unexpended certificate of obligation bond proceeds for the 2013, 2012, 2010, and 2007 bond issuances. It is anticipated that these unexpended monies will continue to be spent within the foreseeable future. Management updates the City Council on a quarterly basis to provide current balances for the Certificates of Obligation Bonds that have been issued for city improvements. The total amount of funds currently available is \$12,439,477. These funds are issued for water, wastewater, and street capital improvements to the City's infrastructure system.

New certificate of obligation bonds will be issued in 2015. The City needs to issue Series 2015 certificate of obligation bonds in the amount of \$10 million. This issuance will include \$2.5 million for water capital projects, \$2.5 million for wastewater capital projects, and \$5 million for street construction, maintenance, and purchasing of equipment. It is also anticipated that the City will need to issue \$10 million in certificate of obligation bonds in 2016, and \$5 million in 2017 to anticipate the funding for the construction of a new water reservoir for the treatment plant, a storm water management engineering study, and additional capital projects.

Management's Discussion and Analysis
 For the Fiscal Year Ended September 30, 2015

Business – type Activities: The City of Robinson’s 5-year water and wastewater rate plan was adopted in 2013 and revised in 2014 and 2015. The 2014 revision process acknowledged that the capital improvements program and long-term debt totals remained unchanged. The City has determined that \$25 million in debt is required to fund needed water and wastewater improvements projects.

A water and wastewater rate increase will be required to be effective on October 1, 2015 continuing through October 1, 2018 in order to continue to assemble funds to provide payments for Certificates of Obligation Bonds for the construction of capital infrastructure improvements. The rate increases for water and wastewater will consist of the following:

Water

	<u>Current</u>	<u>Oct 2015</u>	<u>Oct 2016</u>	<u>Oct 2017</u>	<u>Oct 2018</u>
Residential Monthly Base Charge	38.92	42.43	46.25	50.41	54.94
(1st 10,000 gallons)	4.15	4.53	4.93	5.38	5.86
Base Commercial Charge (3/4)	42.86	46.72	50.92	55.50	60.50
(1st 10,000 gallons)	4.28	4.67	5.09	5.55	6.05

Wastewater

	<u>Current</u>	<u>Oct 2015</u>	<u>Oct 2016</u>	<u>Oct 2017</u>	<u>Oct 2018</u>
Residential Monthly Base Charge	37.85	39.74	41.73	42.98	44.27
(Per 1,000 gallons)	0.70	0.74	0.77	0.80	0.82
Commercial Monthly Base Charge (¾)	40.88	42.93	45.07	46.43	47.82
(Per 1,000 gallons)	0.77	0.81	0.85	0.87	0.90

The City, through its affiliation with the Waco Metropolitan Area Regional Sewerage System (WMARSS), has taken steps to increase its sewer treatment capacity. A new sewer interceptor has been completed through Robinson from west to east opening additional land for development. The additional capacity at the central treatment plant and diversion of a portion of the system flow to a satellite treatment plant is part of this improvement. The City has certificate of obligation funds to pay for its share of the WMARSS improvements. Debt service is already included in the current sewer rates.

Requests for Information

This report is designed to provide an overview of the City of Robinson, Texas finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Karen Sanchez, Finance Director, City of Robinson, Texas at 111 W. Lyndale, Robinson, Texas 76706; telephone: (254) 662-1415 or fax: (254) 662-1035.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,142,271	\$ 2,150,033	\$ 3,292,304
Investments-Current	1,557,527	307,599	1,865,126
Receivables (net of allowance for uncollectibles)	310,475	416,964	727,439
Inventories		54,071	54,071
Restricted Assets:			
Permanently Restricted:			
Cash and Cash Equivalents	5,525,073	16,897,704	22,422,777
Capital Assets:			
Land Purchase and Improvements	254,093	594,323	848,416
Infrastructure, net	8,226,360	21,279,475	29,505,835
Buildings, net	2,704,519	372,222	3,076,741
Improvements other than Buildings, net	-	1,178,567	1,178,567
Machinery and Equipment, net	820,890	388,639	1,209,529
Construction in Progress	53,081	1,267,189	1,320,270
Total Assets	<u>20,594,289</u>	<u>44,906,786</u>	<u>65,501,075</u>
LIABILITIES			
Accounts Payable	309,625	274,142	583,767
Intergovernmental Payable	2,941	589	3,530
Accrued Interest Payable	51,479	115,243	166,722
Other Current Liabilities	89,381	413,293	502,674
Bonds & Other Debt-Due Within One Year	500,818	1,368,800	1,869,618
Noncurrent Liabilities:			
Bonds and Other Debt- Due in More Than One Year	12,037,071	22,537,337	34,574,408
Net Pension Liability	1,596,400	505,776	2,102,176
Other	86,125	-	86,125
Total Liabilities	<u>14,673,840</u>	<u>25,215,180</u>	<u>39,889,020</u>
DEFERRED INFLOW(OUTFLOW) OF RESOURCES			
Deferred Resource Inflow-State and Federal Grants	95,939	-	95,939
Deferred Resource Outflow- Pension Plan	(79,126)	(25,069)	(104,195)
Total Deferred Inflow(Outflow) of Resources	<u>16,813</u>	<u>(25,069)</u>	<u>(8,256)</u>
NET POSITION			
Net Investment in Capital Assets	478,946	17,913,826	18,392,772
Restricted for:			
Repayment of Long-Term Debt	133,828	158,156	291,984
Capital Improvements	5,213,925	-	5,213,925
Tourism	86,585	-	86,585
Other	82,928	-	82,928
Unrestricted Net Position	(92,576)	1,647,849	1,555,273
	<u>\$ 5,903,636</u>	<u>\$ 19,719,831</u>	<u>\$ 25,623,467</u>

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

CITY OF ROBINSON, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
Mayor and City Council	\$ (179,080)	\$ -	\$ -
Administration	(1,066,283)	44,039	34,538
Court	(270,442)	-	-
Police	(2,482,904)	250,522	767
Physical Plant	(131,409)	-	-
Tourism	(3,474)	28,824	-
Planning	(283,254)	-	-
Parks and Recreation	(35,156)	-	1,689
Traffic Operations	(27,096)	-	-
Community Media	(91,459)	-	-
Highways and Streets	(1,006,905)	-	-
Sanitation	(548,999)	647,537	-
Bond Interest	(298,083)	-	-
Debt Service Costs	(2,000)	-	-
Total Governmental Activities:	(6,426,543)	970,922	36,994
BUSINESS-TYPE ACTIVITIES:			
Sewer	(1,261,727)	1,795,035	-
Water	(3,250,240)	4,305,736	-
Total Business-Type Activities:	(4,511,967)	6,100,771	-
TOTAL PRIMARY GOVERNMENT:	\$ (10,938,510)	\$ 7,071,693	\$ 36,994

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Sales Taxes

Franchise Taxes

Penalty and Interest

Sale of Property

Investment Earnings

Miscellaneous Revenue

Assets Dedicated to the City by Developers

Bond Premium, net

Transfers In (Out)

Total General Revenues and Transfers

Change in Net Position

Net Position-Beginning

Prior Period Adjustment

As restated

Net Position-Ending

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

CITY OF ROBINSON, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Net (Expense) Revenue and
Changes in Net Position-
Primary Government

Governmental Activities	Business-type Activities	Total
\$ (179,080)	\$ -	\$ (179,080)
(987,706)	-	(987,706)
(270,442)	-	(270,442)
(2,231,615)	-	(2,231,615)
(131,409)	-	(131,409)
25,350	-	25,350
(283,254)	-	(283,254)
(33,467)	-	(33,467)
(27,096)	-	(27,096)
(91,459)	-	(91,459)
(1,006,905)	-	(1,006,905)
98,538	-	98,538
(298,083)	-	(298,083)
(2,000)	-	(2,000)
(5,418,627)	-	(5,418,627)
-	533,308	533,308
-	1,055,496	1,055,496
-	1,588,804	1,588,804
(5,418,627)	1,588,804	(3,829,823)
2,322,224	-	2,322,224
816,280	-	816,280
1,332,971	-	1,332,971
546,125	-	546,125
32,472	-	32,472
2,780	-	2,780
18,069	19,979	38,048
25,558	-	25,558
-	48,172	48,172
328,402	330,213	658,615
331,364	(331,364)	-
5,756,245	67,000	5,823,245
337,618	1,655,804	1,993,422
7,073,332	18,541,578	25,614,910
(1,507,314)	(477,551)	(1,984,865)
5,566,018	18,064,027	23,630,045
\$ 5,903,636	\$ 19,719,831	\$ 25,623,467

FUND FINANCIAL STATEMENTS

CITY OF ROBINSON, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	General Fund	Debt Service Fund	Capital Projects Fund	Other Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,043,122	\$ -	\$ -	\$ 99,149	\$ 1,142,271
Investments in Certificates of Deposit	1,557,527	-	-	-	1,557,527
Taxes Receivable	86,553	33,012	-	-	119,565
Receivables for Services-(Net)	82,517	-	-	-	82,517
Intergovernmental Receivables	101,730	-	-	6,663	108,393
Construction in Progress			53,081		53,081
Restricted Cash	82,928	133,828	5,228,395	79,922	5,525,073
Total Assets	\$ 2,954,377	\$ 166,840	\$ 5,281,476	\$ 185,734	\$ 8,588,427
LIABILITIES					
Accounts Payable	\$ 238,894	\$ -	\$ 67,551	\$ 3,180	\$ 309,625
Wages and Salaries Payable	30,772	-	-	30	30,802
Intergovernmental Payable	2,941	-	-	-	2,941
Other Current Liabilities	58,579	-	-	-	58,579
Total Liabilities	331,186	-	67,551	3,210	401,947
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflow-State & Federal Grants				95,939	95,939
Unavailable Revenue - Property Taxes	86,553	33,012	-	-	119,565
	86,553	33,012	-	95,939	215,504
FUND BALANCES					
Restricted - Capital Improvements	-	-	5,213,925	-	5,213,925
Restricted - Retirement of Long-Term Debt	-	133,828	-	-	133,828
Restricted - Tourism	-	-	-	86,585	86,585
Restricted - Other	82,928	-	-	-	82,928
Unassigned Fund Balance	2,453,710	-	-	-	2,453,710
Total Fund Balances	2,536,638	133,828	5,213,925	86,585	7,970,976
Total Liabilities, Deferred Inflows & Fund Balances	\$ 2,954,377	\$ 166,840	\$ 5,281,476	\$ 185,734	\$ 8,588,427

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

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

Total Fund Balances - Governmental Funds	\$	7,970,976
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Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$13,799,486 and the accumulated depreciation was \$2,662,856. In addition, long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase (decrease) net position.

		2,847,273
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Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. the net effect of including the 2015 capital outlays and debt principal payments is to increase (decrease) net position.

		(2,888,945)
--	--	-------------

The 2015 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.

		(606,097)
--	--	-----------

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, reclosing the proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) net position.

		(1,419,571)
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Net Position of Governmental Activities	\$	5,903,636
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CITY OF ROBINSON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	General Fund	Debt Service Fund	Capital Projects	Other Funds	Total Governmental Funds
REVENUE:					
Taxes:					
Property Taxes	\$ 2,326,973	\$ 818,803	\$ -	\$ -	\$ 3,145,776
General Sales and Use Taxes	1,332,971	-	-	-	1,332,971
Franchise Tax	546,125	-	-	-	546,125
Penalty and Interest on Taxes	23,668	8,804	-	-	32,472
Occupancy	-	-	-	28,824	28,824
Licenses and Permits	40,152	-	-	-	40,152
Intergovernmental Revenue and Grants	2,752	-	-	32,553	35,305
Charges for services	676,982	-	-	-	676,982
Fines	243,279	-	-	-	243,279
Forfeits	7,243	-	-	-	7,243
Investment Earnings	14,634	1,760	1,147	528	18,069
Contributions & Donations from Private Sources	1,689	-	-	-	1,689
Total Revenue	<u>5,216,468</u>	<u>829,367</u>	<u>1,147</u>	<u>61,905</u>	<u>6,108,887</u>
EXPENDITURES:					
Current:					
General Government:					
Mayor and City Council	179,080	-	-	-	179,080
Administration	997,935	-	-	-	997,935
Court	235,140	-	-	32,920	268,060
Police	2,335,359	-	-	-	2,335,359
Physical Plant	131,409	-	-	-	131,409
Tourism	-	-	-	3,474	3,474
Planning	280,434	-	-	-	280,434
Parks and Recreation	22,442	-	-	-	22,442
Traffic Operations	18,249	-	-	-	18,249
Community Media	91,270	-	-	-	91,270
Highways and Streets	547,484	-	-	-	547,484
Sanitation	630,180	-	-	-	630,180
Debt Service:	-	-	-	-	-
Bond and Mortgage Principal	-	542,111	-	-	542,111
Bond and Mortgage Interest	-	281,248	-	-	281,248
Debt Service Fees	-	2,000	-	-	2,000
Capital Outlay:	-	-	-	-	-
Capital Outlay	204,456	-	1,109,488	-	1,313,944
Total Expenditures	<u>5,673,438</u>	<u>825,359</u>	<u>1,109,488</u>	<u>36,394</u>	<u>7,644,679</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(456,970)	4,008	(1,108,341)	25,511	(1,535,792)
OTHER FINANCING SOURCES (USES):					
Sale of Real and Personal Property	2,780	-	-	-	2,780
Bond and Mortgage Proceeds	170,000	4,903,402	-	-	5,073,402
Transfers In	331,364	6,203	4,902,574	-	5,240,141
Transfers Out (Use)	(6,203)	(4,902,574)	-	-	(4,908,777)
Total Other Financing Sources (Uses)	<u>497,941</u>	<u>7,031</u>	<u>4,902,574</u>	<u>-</u>	<u>5,407,546</u>
Net Change in Fund Balances	40,971	11,039	3,794,233	25,511	3,871,754
Fund Balance-October 1 (Beginning)	2,495,667	122,789	1,419,692	61,074	4,099,222
Fund Balance-September 30 (Ending)	<u>\$ 2,536,638</u>	<u>\$ 133,828</u>	<u>\$ 5,213,925</u>	<u>\$ 86,585</u>	<u>\$ 7,970,976</u>

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

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

Total Net Change in Fund Balances - Governmental Funds	\$ 3,871,754
Current year capital outlays and long term-debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2015 capital outlays and debt principal payments is to increase (decrease) the change in net position.	(2,888,945)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.	(606,097)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) the change in net position.	(39,094)
Change in Net Position of Governmental Activities	<u><u>\$ 337,618</u></u>

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

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

	Business-Type Activities-Enterprise Funds		
	Sewer Fund	Water Fund	Total Enterprise Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 522,516	\$ 1,627,517	\$ 2,150,033
Investments-Current	307,599	-	307,599
Accounts Receivable-Net of Uncollectible Allowance	99,253	317,711	416,964
Inventories	-	54,071	54,071
Total Current Assets	<u>929,368</u>	<u>1,999,299</u>	<u>2,928,667</u>
NonCurrent Assets:			
Restricted Assets-Noncurrent:			-
Cash and Cash Equivalents	6,470,480	10,427,224	16,897,704
Capital Assets:			-
Land Purchase and Improvements	110,995	2,562,706	2,673,701
Infrastructure	7,778,715	26,113,165	33,891,880
Buildings	297,943	-	297,943
Improvements other than Buildings	1,568,377	-	1,568,377
Machinery and Equipment	779,334	683,905	1,463,239
Accumulated Depreciation-Capital Assets	(3,807,677)	(12,274,237)	(16,081,914)
Construction in Progress	526,550	740,639	1,267,189
Total NonCurrent Assets	<u>13,724,717</u>	<u>28,253,402</u>	<u>41,978,119</u>
Total Assets	<u>14,654,085</u>	<u>30,252,701</u>	<u>44,906,786</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	17,582	256,560	274,142
Wages and Salaries Payable	3,027	-	3,027
Compensated Absences Payable	5,358	34,870	40,228
Intergovernmental Payable	-	589	589
Accrued Interest Payable	31,393	83,850	115,243
Bonds Payable-Current	445,418	923,382	1,368,800
Other Current Liabilities	103,241	266,797	370,038
Total Current Liabilities	<u>606,019</u>	<u>1,566,048</u>	<u>2,172,067</u>
NonCurrent Liabilities:			
Bonds Payable-NonCurrent	7,261,161	15,276,176	22,537,337
Net Pension Liability	164,484	341,292	505,776
Total NonCurrent Liabilities	<u>7,425,645</u>	<u>15,617,468</u>	<u>23,043,113</u>
Total Liabilities	<u>8,031,664</u>	<u>17,183,516</u>	<u>25,215,180</u>
DEFERRED INFLOW(OUTFLOW) OF RESOURCES			
Deferred Resource Outflow-Pension Plan	8,153	16,916	25,069
NET POSITION			
Net Investment in Capital Assets	5,985,627	11,928,199	17,913,826
Restricted for Debt Service	32,511	125,645	158,156
Unrestricted Net Position	613,462	1,034,387	1,647,849
Total Net Position	<u>\$ 6,631,600</u>	<u>\$ 13,088,231</u>	<u>\$ 19,719,831</u>

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

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

	Business-Type Activities-Enterprise Funds		
	Sewer Fund	Water Fund	Total Enterprise Funds
OPERATING REVENUES:			
Charges for Sewer Services	\$ 1,769,277	\$ -	\$ 1,769,277
Charges for Water Services	-	4,170,764	4,170,764
Rents and Royalties	-	2,000	2,000
Other Revenue	25,758	132,972	158,730
Total Operating Revenues	<u>1,795,035</u>	<u>4,305,736</u>	<u>6,100,771</u>
OPERATING EXPENSES:			
Personnel Services-Salaries and Wages	288,429	518,553	806,982
Personnel Services-Employee Benefits	104,032	207,751	311,783
Purchased Professional and Technical Services	31,315	68,353	99,668
Purchased Property Services	236,592	259,594	496,186
Other Operating Expenses	90,858	389,652	480,510
Supplies	82,649	622,789	705,438
Depreciation	246,741	719,934	966,675
Interest Expense	181,111	463,614	644,725
Total Operating Expenses	<u>1,261,727</u>	<u>3,250,240</u>	<u>4,511,967</u>
Operating Income	533,308	1,055,496	1,588,804
NON-OPERATING REVENUES AND (EXPENSES):			
Bond Premium	207,255	206,805	414,060
Bond Issuance Expense	(41,969)	(41,878)	(83,847)
Investment Earnings	7,717	12,261	19,978
Total Non-Operating Revenue (Expenses)	<u>173,003</u>	<u>177,188</u>	<u>350,191</u>
Income Before Contributions and Transfers	706,311	1,232,684	1,938,995
Capital Contributions	48,173	-	48,173
Transfers Out	(96,360)	(235,004)	(331,364)
Change in Net Position	<u>658,124</u>	<u>997,680</u>	<u>1,655,804</u>
NET POSITION			
Total Net Position-October 1 (Beginning)	6,128,781	12,412,797	18,541,578
Prior Period Adjustment	(155,305)	(322,246)	(477,551)
As restated	<u>5,973,476</u>	<u>12,090,551</u>	<u>18,064,027</u>
Total Net Position-September 30 (Ending)	<u>\$ 6,631,600</u>	<u>\$ 13,088,231</u>	<u>\$ 19,719,831</u>

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

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

	Business-Type Activities		
	Sewer Fund	Water Fund	Total Enterprise Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from User Charges	\$ 1,754,591	\$ 4,223,337	\$ 5,977,928
Cash Payments to Employees for Services	(286,173)	(520,513)	(806,686)
Cash Payments for Suppliers	(714,794)	(1,892,572)	(2,607,366)
Net Cash Provided by Operating Activities	753,624	1,810,252	2,563,876
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Operating Transfers Out	(96,360)	(235,004)	(331,364)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(96,360)	(235,004)	(331,364)
<u>Cash Flows from Capital & Related Financing Activities:</u>			
Proceeds of Bonds Issued	2,300,000	2,295,000	4,595,000
Premium on Issuance of Bonds	207,255	206,805	414,060
Acquisition of Capital Assets	(889,682)	(1,905,619)	(2,795,301)
Capital Contributed to City	48,173	-	48,173
Principal payments/retirements of Long-term Debt	(644,495)	(893,824)	(1,538,319)
Bond Issuance Costs	(41,969)	(41,878)	(83,847)
	979,282	(339,516)	639,766
<u>Cash Flows from Investing Activities:</u>			
Purchase of Investment Securities			
Additional investment in Certificates of Deposit	(1,685)		(1,685)
Interest and Dividends on Investments	7,717	12,261	19,978
Net Cash Provided by Investing Activities	6,032	12,261	18,293
Net Increase (Decrease) in Cash and Cash Equivalents	1,642,578	1,247,993	2,890,571
Cash and Cash Equivalents at Beginning of the Year	5,350,418	10,806,748	16,157,166
Cash and Cash Equivalents at End of the Year	<u>\$ 6,992,996</u>	<u>\$ 12,054,741</u>	<u>\$ 19,047,737</u>

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

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

	Business-Type Activities		
	Sewer Fund	Water Fund	Total Enterprise Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 533,308	\$ 1,055,496	\$ 1,588,804
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	246,741	719,934	966,675
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (Increase) in receivables	(30,779)	(87,222)	(118,001)
Decrease (Increase) in inventories	-	8,318	8,318
(Decrease) Increase in Accounts Payable	(7,909)	93,425	85,516
(Decrease) Increase in compensated absences	1,156	(3,085)	(1,929)
(Decrease) Increase in accrued salaries	1,100	1,126	2,226
(Decrease) Increase in accrued liabilities	7,740	17,437	25,177
(Decrease) Increase in customer deposits	2,267	4,823	7,090
Total Adjustments	(26,425)	34,822	8,397
Net Cash Provided(Used in) Operating Activities	\$ 753,624	\$ 1,810,252	\$ 2,563,876
Reconciliation of Total Cash and Cash Equivalents to the Statement of Net Position:			
Unrestricted Cash and Cash Equivalents	\$ 522,516	\$ 1,627,517	\$ 2,150,033
Restricted Cash and Cash Equivalents	6,470,480	10,427,224	16,897,704
Total Cash and Cash Equivalents	\$ 6,992,996	\$ 12,054,741	\$ 19,047,737

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and a seven member council. The City was incorporated March 28, 1955, as a general law city. By approval of the voters, a new home rule charter was adopted May 1, 1999. The City provides the following services: public safety (police), streets and other public improvements, parks, sanitation, planning and zoning, sewer and water services, and general administration.

As required by GAAP, these financial statements present the City and any component units, entities for which the City is considered to be financially accountable. A component unit is included in the City’s reporting entity if it is both fiscally dependent on the City (the primary government) and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on the primary government. The primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The City had no component unit(s), as defined above, but was a member of a joint venture, which also has a September year-end.

Joint Venture

The Waco Metropolitan Area Regional Sewer System (“WMARSS”) is a joint venture to facilitate wastewater treatment by the Cities of Bellmead, Hewitt, Lacy Lakeview, Lorena, Robinson, Waco, and Woodway, Texas. This centralized facility is intended to reduce the potential environmental impact of multiple wastewater treatment facilities and protect and preserve natural resources. Wastewater collection by the regional system has also helped to reduce the costs associated with treatment, thereby assisting WMARSS participating cities in maintaining affordable rates for customers.

The City is obligated to fund construction of the facilities, including the sanitary interceptor and related lines, in proportions stated in the inter-local agreement. The City has financed its portion of construction funds through a loan from the City of Waco and issuance and sale of tax and revenue certificates of obligation. The City’s net investment and its share of the operating results of the WMARSS are reported in the City’s sewer fund. The City’s equity interest in the WMARSS was \$1,860,654 at September 30, 2015.

Additional financial information concerning WMARSS can be obtained from the City of Waco, Waco, Texas.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

While separate government-wide financial statements (based on the City as a whole) and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

The fund financial statements provide information about the City's funds. The emphasis of fund financial statements is on major governmental and enterprise funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The general fund is the primary operating fund of the City. It accounts for all financial resources of the City except those required to be accounted for in another fund.

The debt service fund is used to account for property taxes assessed for debt retirement, other than enterprise fund (sewer and water) debt.

The capital projects fund is used to account for construction and improvement projects while such activity has not reached completion. Upon completion, the resulting assets are transferred to the infrastructure of the City or to its enterprise funds.

The City reports the following major proprietary funds:

The water and sewer funds are used to account for water and sewer service operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided the periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column. Exceptions to this general rule are payments, where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and sewer functions 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus refers to the type of resources being measured such as current financial resources or economic resources. The basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time 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. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long term debt is reported as an other-financing source.

Property, franchise, sales and hotel occupancy taxes, and investment income (including unrealized gains and losses) are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when the government receives cash.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a modified cash basis (which differs from generally accepted accounting principles) for the general fund, capital projects fund, and debt service fund. Adjustments necessary to convert the results of operations (which are on the GAAP basis) to the modified cash basis are made for purposes of budgetary comparison.

The appropriated budget is prepared by fund, department, and function. Department Managers may transfer unencumbered appropriations within a department. City Manager approval is necessary for transfers of unencumbered appropriations between departments. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

Excess of Appropriations over Expenditures

For the year ended September 30, 2015, appropriations exceeded expenditures by \$166,151 while revenues were \$17,963 less than budgeted amounts. The overall actual results to budget resulted in revenues and other financing sources (net) exceeding expenditures by \$63,059. Expenditures in the general fund's Police Department exceeded appropriations by \$26,407, the Physical Plant Department exceeded appropriations by \$8,909, Street Department exceeded appropriations by \$96,103 and debt repayments exceeded appropriations by \$6,883.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments

Cash and cash equivalents for purposes of reporting cash flows of proprietary funds 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 Obligations of Governmental Entities, Certificates of Deposit, Repurchase Agreements, Commercial Paper, Mutual Funds, and Investment Pools.

In accordance with state law, TexPool, a local government investment pool, operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, TexPool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method

Receivables

In the general and proprietary funds, the City records certain revenues billed to other governmental agencies, residents, and others on a monthly basis. Adjustments to revenue are made for uncollectible accounts as determined by management. At September 30, 2015 an allowance of \$63,299 was provided for possible adjustments for uncollectible accounts. See Note 3(B) regarding the City's 2014/2015 adjustment for accounts deemed uncollectible.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Receivables and Payables

At September 30, 2015, there were no interfund receivables or payables.

Inventory

Inventories are recorded in the Enterprise Funds and are stated at cost using the first-in, first-out method. Inventories consist of expendable supplies held for consumption. The consumption method is used to recognize expenditures.

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, other than infrastructure items, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Infrastructure is not held to the \$5,000 limit.

Donated capital assets (those dedicated to the City) 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. Interest cost on governmental activities construction projects are not capitalized.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings 50; Building improvements 50; Vehicles 5 ; Infrastructure 50; Equipment 10; Water and sewer system 40; Sanitation system-Disposal plant 40.

Deferred Outflows/Inflows of Resources and Implementation of GASB 68

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's deferred outflows of resources at September 30, 2015 are related to recognition of pension liabilities due to the City's implementation of GASB 68 *Accounting and Financial Reporting for Pensions*. See Note 3 (J) for further information related to GASB 68 implementation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources and Implementation of GASB 68 (continued)

In addition to liabilities, the statement of financial position and or balance sheet 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. This item relates to unexpended grant revenues from the State of Texas designated for Court management of juvenile cases, child safety, and Court technology and security. This deferred resource inflow will be recognized as outflow upon expenditure of the grant funds.

Net Position Flow Assumptions

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

Fund Balance Policies and Flow Assumptions

Governmental fund's fund balances classified as restricted are balances constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution, which are considered equally restrictive for the purpose of committing fund balance. The City Council must take the same level of action to remove or change the constraint. Assigned fund balances are constrained by intent to use for a specific purpose but are neither restricted nor committed. Assignments are made by City management based on Council direction.

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). When fund balance resources are available for a specific purpose in more than one classification, it is the City's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed.

F. Revenues and Expenditures/Expenses

Program Revenues

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. Amounts are classified as revenues if collectible within sixty days after year-end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Taxes

The City is a Home Rule Charter City with a maximum tax rate for all purposes of \$2.50 per \$100 assessed valuation. This maximum tax rate is imposed both by the Constitution of the State of Texas and the City Charter. Within this \$2.50 maximum, there is no legal limit upon the amount of taxes which can be levied for debt service. All taxes due the City on real or personal property are collected by the McLennan County Tax Assessor-Collector and may be paid at any time after the tax rolls have been completed and approved, which is not later than October 1.

The City's property taxes are levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established at 100% of estimated market value. Property taxes attach as an enforceable lien on property as of January 1. Taxes are due by January 31 following the October 1 levy date and are considered delinquent after January 31 of each year.

Compensated Absences

It is the City's policy to pay employees upon separation of service for accumulated vacation and compensatory time earned but not taken. As of September 30, 2015, a liability of \$86,125 and \$40,228 has been recorded in the governmental and proprietary fund types respectively.

Proprietary Funds Operating and Non-operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund are charges to customers for sales and services. Operating expenses for water and sewer 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 non-operating revenues and expenses.

G. Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF ROBINSON, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Reconciliation of Governmental Fund Balances to Government-wide Net Position

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	\$ 11,298,015		
Long-term debt is not recognized as a financial obligation in the funds statements	(8,450,742)		
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statement but are increases in capital assets and reduction of long-term debt in the government-wide financial statements.	(2,888,945)		
The 2015 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(606,097)		
The net pension liability and related outflows are not recognized as a financial obligation or resource in the funds statements	(1,517,274)		
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting	<table style="margin-left: auto; margin-right: 0; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black; padding: 0 10px;">97,703</td> </tr> <tr> <td style="padding: 0 10px;">(2,067,340)</td> </tr> </table>	97,703	(2,067,340)
97,703			
(2,067,340)			
Governmental Fund Balance at September 30, 2015	<table style="margin-left: auto; margin-right: 0; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black; padding: 0 10px;">7,970,976</td> </tr> </table>	7,970,976	
7,970,976			
Governmental Activities - Net Position	<table style="margin-left: auto; margin-right: 0; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black; border-top: 1px solid black; padding: 0 10px;">\$ 5,903,636</td> </tr> </table>	\$ 5,903,636	
\$ 5,903,636			

The above is 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, “Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting”. The details of this \$97,703 difference are as follows:

Current year change in:		
Accrued interest	\$ (16,835)	
Compensated absences	(5,027)	
Uncollected taxes	<table style="margin-left: auto; margin-right: 0; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black; padding: 0 10px;">119,565</td> </tr> </table>	119,565
119,565		
	<table style="margin-left: auto; margin-right: 0; border-collapse: collapse;"> <tr> <td style="border-bottom: 1px solid black; border-top: 1px solid black; padding: 0 10px;">\$ 97,703</td> </tr> </table>	\$ 97,703
\$ 97,703		

CITY OF ROBINSON, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Reconciliation of Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and the Government-wide Statement of Activities

Current year capital outlays and long term-debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2015 capital outlays and debt principal payments is to increase (decrease) the change in net position.	\$(2,888,945)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.	(606,097)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase (decrease) the change in net position.	(39,094)
	(3,534,136)
Total Net Change in Fund Balances - Governmental Funds	3,871,754
Change in Net Position of Governmental Activities	\$ 337,618

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 revenue, expenditures and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental fund* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Various other reclassifications and eliminations are necessary to convert the modified accrual basis of accounting to accrual basis of accounting, etc.” The details of this \$39,094 difference are as follows:

Current change in accrued interest	\$ (16,835)
Current change in property taxes	(7,272)
Recognize uncollected current taxes as revenue this year	(9,960)
Current change in Compensated absences	(5,027)
	\$ (39,094)

CITY OF ROBINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At year-end, the carrying amount of the City's deposits was \$5,595,349 and the bank balance was \$5,320,179. The bank balance was completely covered by federal depository insurance or by collateral held by the City's agent in the City's name.

Further, the City had cash on deposit with TexPool (as previously described in these notes) of \$21,783,922. These deposits are considered cash or cash equivalents, due to the immediate availability of the funds. In accordance with state law, TexPool collateralizes its deposits separately from the City.

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

Investment	Fair Value	Percent of Portfolio	Weighted Average Maturity (in days)
Certificates of Deposit	\$ 1,865,126	100.00%	150

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the maturities of its investments as follows: maturities its approved investments cannot exceed - two years.

Credit Risk

For an investment, credit risk is the risk that an investment issuer or other counterparty to an investment will not fulfill obligations. Texas Government Code Chapter 2256, Public Funds Investment Act, restricts the types of investments in which the City may invest. The City's investment policy addresses credit quality by further restricting authorized investments to the following:

- Obligations of the United States or its agencies or instrumentalities
- Direct obligations of the State of Texas or its agencies or instrumentalities
- Certificates of Deposit issued by state and national banks and savings and loan associations domiciled in Texas that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successors or by other pledged collateral as provided by law
- Commercial Paper with a stated maturity of 270 days or less which is rated not less than "A-1" or "P-1" or an equivalent rating by at least two nationally recognized credit rating agencies
- Money market mutual funds regulated by the Securities and Exchange Commission, with a dollar-weighted average portfolio maturity of 90 days or less
- Local Government investment pools organized and operating in compliance with the Public Funds Investment Act.

CITY OF ROBINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

A. Deposits and Investments (continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributable to the magnitude of a government's investments in the securities of a single issuer. The City's investment policy includes an investment objective of seeking diversification to avoid unreasonable risk. The City's investments as to type and percentage are as stated above.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. City policy requires all deposits to be fully secured in accordance with the Texas Government Code, Chapter 2257, by either surety bonds, letters of credit of the United States or its agencies and instrumentalities, or by eligible securities held by an independent third-party custodian.

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City would not be able to recover the value of its investment or collateralized securities that are in the possession of an outside third party. The City's investment policy requires that the purchase of investment securities be settled on a delivery basis through the City's Safekeeping Agent.

B. Receivables

Receivables at September 30, 2015 were:

	Governmental Activities Funds	Sewer Fund	Water Fund	Total Business- type Activities
Taxes Receivable - General Revenue	\$ 86,553	\$ -	\$ -	\$ -
Taxes Receivable - Debt Service	33,012			-
Customer Accounts Receivable	44,666	119,218	324,505	443,723
Franchise Tax Receivable	44,396			-
Occupancy Tax Receivable	6,663			
Wholesale Water Receivable			35,695	35,695
Sales Tax Receivable	101,731			-
Other Governmental Receivable				-
Other Receivables	2,976		845	845
	319,997	119,218	361,045	480,263
Less: Allowance for Doubtful Accounts	(9,522)	(19,965)	(43,334)	(63,299)
	<u>\$ 310,475</u>	<u>\$ 99,253</u>	<u>\$ 317,711</u>	<u>\$ 416,964</u>

The City considers all accounts older than 90 days to be susceptible to uncollectibility. Accordingly, a provision for uncollectibility for these accounts is made and the City is of the opinion that such provision is representative of one had the City made a provision based on a percentage of the current year's revenue.

CITY OF ROBINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

C: Interfund Transfers

	Governmental Activities	Business-Type Activities
Transfers In:		
General Fund	\$ -	\$ 331,364
Capital Projects Fund	4,902,574	-
Debt Service Fund	6,203	-
	4,908,777	331,364
Transfers Out:		
General Fund	6,203	
Capital Projects Fund		
Debt Service Fund	4,902,574	
Sewer Fund		96,360
Water Fund		235,004
	4,908,777	331,364
	\$ -	\$ -

Transfers are used to move revenues from the fund responsible for collecting them to the fund responsible for expending them as required by statute or budget.

D: Capital Assets

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

Governmental Activities:	Balance October 1, 2014	Additions	Retirements/ Reclassifications	Balance September 30, 2015
Capital assets, not being depreciated:				
Land	\$ 161,384	\$ 92,709	\$ -	\$ 254,093
Construction in Progress	-	53,081	-	53,081
	161,384	145,790	-	307,174
Capital assets, being depreciated:				
Buildings and Improvements	2,925,388	128,709		3,054,097
Automotive Equipment	1,127,162		(43,650)	1,083,512
Other Equipment	169,377	906		170,283
Street Equipment	1,119,038			1,119,038
Computers and Software	259,403	21,800		281,203
Infrastructure	8,199,118	1,069,818		9,268,937
	13,799,486	1,221,233	(43,650)	14,977,069
Less accumulated depreciation for:				
Buildings and Improvements	(290,004)	(59,575)		(349,579)
Automotive Equipment	(676,231)	(136,306)	43,650	(768,887)
Other Equipment	(77,564)	(29,102)		(106,666)
Street Equipment	(582,015)	(119,797)		(701,812)
Computers and Software	(246,186)	(9,595)		(255,781)
Infrastructure	(790,856)	(251,722)		(1,042,578)
Total accumulated depreciation	(2,662,856)	(606,097)	43,650	(3,225,303)
Total capital assets being depreciated, net	11,136,630	615,136	-	11,751,766
Governmental activities capital assets, net	\$ 11,298,014	\$ 760,926	\$ -	\$ 12,058,939

CITY OF ROBINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

D: Capital Assets (continued)

	Balance October 1, 2014	Additions	Retirements/ Reclassifications	Balance September 30, 2015
Business-type Activities:				
Capital assets, not being depreciated:				
Land Purchase and Improvements	\$ 605,797	\$ 2,027		\$ 607,824
Construction in Progress	1,800,130	2,216,805	(2,749,746)	1,267,189
	<u>2,405,927</u>	<u>2,218,832</u>	<u>(2,749,746)</u>	<u>1,875,013</u>
Capital assets, being depreciated:				
Buildings	461,031			461,031
Improvements other than buildings	1,563,800	4,577		1,568,378
Infrastructure	32,611,795	3,182,871		35,794,667
Machinery and equipment	13,024	160,796		1,463,239
	<u>34,649,650</u>	<u>3,348,244</u>	<u>-</u>	<u>39,287,315</u>
Less accumulated depreciation	(15,093,209)	(966,675)	(22,029)	(16,081,913)
Total capital assets being depreciated, net	<u>19,556,441</u>	<u>2,381,569</u>	<u>(22,029)</u>	<u>23,205,402</u>
Business-type activities capital assets, net	<u>\$ 21,962,368</u>	<u>\$ 4,600,401</u>	<u>\$ (2,771,775)</u>	<u>\$ 25,080,415</u>

The City capitalized \$39,732 of interest in connection with various enterprise fund construction projects completed during the year.

Depreciation expense was charged to functions/programs for the fiscal year 2015 as follows:

Department/Function	Amount
Governmental Activities:	
Administration	\$ 68,013
Police	141,603
Municipal Court	1,956
Highways and Streets	376,724
Planning & Community Development	1,143
Traffic Operations	3,943
Parks	12,715
Total Governmental Activities	<u>606,097</u>
Business-type Activities:	
Sewer	246,741
Water	719,934
	<u>966,675</u>
	<u>\$ 1,572,772</u>

CITY OF ROBINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

E: Other Current Liabilities

Other current liabilities at September 30, 2015 were:

	Governmental Activities Funds	Sewer Fund	Water Fund	Total Business-type Activities
Customer Utility Deposits	\$ 45,883	\$ 103,230	\$ 266,797	\$ 370,027
Wages Payable	30,802	3,027		3,027
Court Bonds and Refunds	7,281	-	-	-
Payroll Deductions - Employee Insurance	5,415	11	-	11
Accrued Compensated Absences	-	5,358	34,870	40,228
	<u>\$ 89,381</u>	<u>\$ 111,626</u>	<u>\$ 301,667</u>	<u>\$ 413,293</u>

F: Long-Term Debt

The City's debt includes tax and revenue certificates of obligation, secured by, and payable through taxes and revenues; general obligation bonds and other contractual debts are paid through tax revenues. Although certain debt payments are to be made from the enterprise funds net revenues, payments may be required from tax revenues and other sources, to the extent not covered by available enterprise fund revenues. The pledge of ad valorem taxes is junior and subordinate in all respects to the pledge of sewer and water system net revenues to the payment of any obligation of the City which the City designates as having a pledge senior to these certificates.

At September 30, 2015, the City's debt was:

	Interest Rates	Original Issue	Maturity	Governmental	Business-type Activities
Bonds, Mortgages and Notes:					
General Obligation Refunding Bonds, Series 2005 Note, City of Waco (WMARSS) - 2004	3.580%	\$ 2,735,000	2022	\$ -	\$ 1,470,000
Combination Tax and Revenue Certificates of Obligation, Series 2007	3.65%	534,647	2024	-	146,137
Combination Tax and Revenue Certificates of Obligation, Series 2010	4.25%	4,975,000	2027	255,000	2,765,000
General Obligation Refunding Bonds, Series 2010	2-4.125%	3,500,000	2029	2,480,000	800,000
Combination Tax and Revenue Certificates of Obligation, Series 2012	2-4%	3,590,000	2021	415,000	1,255,000
Combination Tax and Revenue Certificates of Obligation, Series 2013	2-3%	9,305,000	2032		8,520,000
Combination Tax and Revenue Certificates of Obligation, Series 2015	2-3%	9,305,000	2033	4,645,000	4,355,000
Real Estate Mortgage	2.5-4%	9,170,000	2035	4,575,000	4,595,000
	3.91%	170,000	2035	167,889	
		<u>\$ 43,284,647</u>		<u>\$ 12,537,889</u>	<u>\$ 23,906,137</u>
					<u>\$ 36,444,026</u>

CITY OF ROBINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

F: Long-Term Debt-continued

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

	Balance September 30, 2014	(Refunding's) Additions	Reductions and Retirements	Balance September 30, 2015	Due Within One Year
Governmental Activities:					
Combination Tax and Revenue Certificates of Obligation, Series 2005	\$ 355,000		\$ (355,000)	\$ -	\$ -
Combination Tax and Revenue Certificates of Obligation, Series 2007	375,000		(120,000)	255,000	125,000
Combination Tax and Revenue Certificates of Obligation, Series 2010	2,485,000		(5,000)	2,480,000	100,000
General Obligation Refunding Bonds, Series 2010	475,000		(60,000)	415,000	65,000
Combination Tax and Revenue Certificates of Obligation, Series 2013	4,645,000		-	4,645,000	205,000
Combination Tax and Revenue Certificates of Obligation, Series 2015	-	4,575,000	-	4,575,000	-
Real Estate Mortgage	-	170,000	(2,111)	167,889	5,818
Total Governmental Activities	8,335,000	4,745,000	(542,111)	12,537,889	500,818
Business-type Activities:					
Combination Tax and Revenue Certificates of Obligation, Series 2005	210,000		(210,000)	-	-
General Obligation Refunding Bonds, Series 2005	1,650,000		(180,000)	1,470,000	185,000
Note, City of Waco (WMARSS) - 2004	159,457		(13,320)	146,137	13,800
Combination Tax and Revenue Certificates of Obligation, Series 2007	3,005,000		(240,000)	2,765,000	255,000
Combination Tax and Revenue Certificates of Obligation, Series 2010	845,000		(45,000)	800,000	45,000
General Obligation Refunding Bonds, Series 2010	1,520,000		(265,000)	1,255,000	275,000
Combination Tax and Revenue Certificates of Obligation, Series 2012	8,915,000		(395,000)	8,520,000	405,000
Combination Tax and Revenue Certificates of Obligation, Series 2013	4,545,000		(190,000)	4,355,000	190,000
Combination Tax and Revenue Certificates of Obligation, Series 2015	-	4,595,000	-	4,595,000	-
Total Business-type Activities	20,849,457	4,595,000	(1,538,320)	23,906,137	1,368,800
Total Government-wide	\$ 29,184,457	\$ 9,340,000	\$ (2,080,431)	\$ 36,444,026	\$ 1,869,618

CITY OF ROBINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

F: Long-Term Debt-continued

Future maturities are:

Fiscal Year(s)	Governmental Activities Long-Term Debt			Business-type Activities Long-Term Debt		
	Ending Principal	Interest	Totals	Ending Principal	Interest	Totals
2016	\$ 500,818	\$ 425,914	\$ 926,732	\$ 1,368,800	\$ 784,992	\$ 2,153,792
2017	516,071	419,291	935,362	1,409,656	753,611	2,163,267
2018	581,315	404,222	985,537	1,320,107	712,875	2,032,982
2019	596,569	389,818	986,387	1,360,544	676,380	2,036,924
2020	611,817	374,994	986,811	1,401,162	638,658	2,039,820
2021-25	4,118,502	1,785,098	5,903,600	7,395,868	2,888,699	10,284,567
2026-30	3,611,900	771,001	4,382,901	6,155,000	1,304,794	7,459,794
2031-35	2,000,897	171,826	2,172,723	3,495,000	281,550	3,776,550
	<u>\$12,537,889</u>	<u>\$ 4,742,164</u>	<u>\$17,280,053</u>	<u>\$ 23,906,137</u>	<u>\$ 8,041,559</u>	<u>\$ 31,947,696</u>

The City had \$291,984, at September 30, 2015, in interest and sinking accounts. Additionally, the City makes deposits, as required to such accounts, in order to have adequate funds available as debt matures.

The various debt instruments contain certain limitations and restrictions, with which the City was compliant.

Prior Year Refundings

General Obligation Refunding Bonds, Series 2005

April 1, 2005, the City issued \$2,530,000 of General Obligation Refunding Bonds, Series 2005, in order to legally defease a like amount of the Combination Tax and Revenue Certificates of Obligation, Series 1997, with \$290,000 remaining outstanding at the time of defeasance. This action was taken to save approximately \$299,525 in future debt payments and further provide present value savings of approximately \$239,100. The refunded Certificates of Obligation are considered legally defeased and have been removed from the Waterworks Fund. As of September 30, 2015, the amount of defeased debt outstanding but removed from the Waterworks Fund is \$1,455,000.

General Obligation Refunding Bonds, Series 2010

On June 17, 2010, \$ 3.59 million in general obligation bonds were issued to advance refund \$3.37 million of outstanding certificates of obligation and other contractual debt. The net proceeds of \$ 3.52 million were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. The debt removed is as follows: Tax and Revenue Certificates of Obligation, Series 1999 and 2001, \$445,000 and \$2,180,000 respectively, and \$745,000 on an installment sale obligation due Brazos River Authority. As of September 30, 2015, the amount of defeased debt outstanding but removed from the General, Sewer, and Waterworks Funds is \$1,650,000

CITY OF ROBINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

G: Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program encompasses obtaining property and liability insurance through Texas Municipal League (TML), an Intergovernmental Risk-Pool. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years. The participation of the City in TML is limited to payment of premiums.

The City has various deductible amounts ranging from \$500 to \$10,000 on various policies. At year-end, the City did not have any significant claims.

The City also provides workers compensation insurance on its employees through TML. Workers compensation is subject to change when audited by TML. At year end September 30, 2015, the City believed the amounts paid on workers compensation would not change significantly from the amounts recorded.

During the year ended September 30, 2015, employees of the City were covered by a health insurance plan (the plan) with TMLIEBP. The City paid premiums for employee coverage; optional dependent coverage is at the employee's expense. The City retains no risk of loss related to the health insurance plan.

H: Restricted Assets

Restricted assets at September 30, 2015 were:

	Governmental Activities		Business-Type Activities	
	Cash and cash equivalents	Investments	Cash and cash equivalents	Investments
<i>General Fund</i>				
Police	\$ 25,183	\$ -	\$ -	\$ -
Court bonds	7,067			
Local Cable Access Channel	30,820			
Parks	19,858			
<i>Hotel & Motel Tax Fund</i>				
Tourism	79,923			
<i>Debt Service Fund</i>				
Debt Service	133,827			
<i>Capital Projects Fund</i>				
Construction	5,228,395			
	<u>5,525,073</u>	<u>-</u>		
<i>Sewer Fund</i>				
Construction			6,437,969	
Debt Service			32,511	
<i>Water Fund</i>				
Construction			10,301,579	
Debt Service			125,645	
	<u>\$ 5,525,073</u>	<u>\$ -</u>	<u>\$ 16,897,704</u>	<u>\$ -</u>

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

I: Contingent Liabilities and Commitments

The City, occasionally receives grants for various sources. While the City makes every effort to comply with grant stipulations, upon audit, the grantor could disallow expenditures and request repayment. The City believes that any such repayment request(s) would not be material to its financial statements.

Robinson Volunteer Fire Department (“VFD”)

The City, by contract, until September 15, 2016, agreed to pay the VFD monthly, an amount, based on the number of residential and commercial utility customers times \$4.09. Such payment approximates \$18,982 monthly.

Water sale and purchase commitments

The City is committed, until April, 2018, to provide the City of Lorena, Texas, 500,000 gallons of water daily. Monthly collections for such sale of water approximate \$28,000.

The City is committed, until May, 2045, to purchase from the City of Waco, Texas, 500,000 gallons of water daily. Monthly payments for such water approximate \$23,600.

Continuing participation in the Waco Municipal Area Regional Sewer System “WMARSS”

As a participant in this joint venture with various other cities, the City is required to make monthly payments of \$19,913 for the year ended September 30, 2016.

J: Defined Benefit Pension Plans

1. Plan Description

The City of Robinson, Texas 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 agent 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 Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

2. 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.

CITY OF ROBINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

J: Defined Benefit Pension Plans (continued)

2. Benefits Provided (continued)

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

The Plan Provisions, adopted by the City, are set forth in the following table.

<i>City of Robinson, Texas Plan Provisions</i>	
Employee Deposit Rate	7%
Municipal Current Matching Ratio	2-1
Updated Service Credit:	
Rate(%)	100% ^T
Year Effective	2009 ^R
Increased Benefits to Retirees:	
Rate (%) ¹	30%
Year Effective	2009 ^R
Military Service Credit Effective Date	n/a
Buyback Effective Date	n/a
Vesting	5 yrs
Service Retirement Eligibilities	5 yrs/age 60, 25 yrs/any age
Restricted Prior Service Effective Date	Dec-97
Supplemental Death Benefits:	
Employees	YES
Retirees	YES
Statutory Maximum(%)	13.50%
City Number	01089
Notes to Table of Plan Provisions:	
¹ For years prior to 1982, the rate is the actual percentage in annuities. For 1982 and later, the rate is the percentage of the change in the CPI-U since retirement date, granted to each annuitant as an increase of the original annuity.	
^T Includes Transfer Credits.	
^R Annually Repeating. Ordinance automatically renews effective January 1 of each successive year.	

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

J: Defined Benefit Pension Plans

2. Benefits Provided (continued)

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	12
Inactive employees entitled to but not yet receiving benefits	25
Active employees	68
Total	105

3. Contributions

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

Employees of the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 12.3% and 13.15% in calendar years 2014 and 2015, respectively. The city's contributions to TMRS for the year ended September 30, 2015 were \$333,985 and were equal to the required contributions.

4. 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

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

J: Defined Benefit Pension Plans

4. Net Pension Liability (continued)

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 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

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 expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

CITY OF ROBINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

J: Defined Benefit Pension Plans

4. Net Pension Liability (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.80%
International Equity	17.50%	6.05%
Core Fixed Income	30.00%	1.50%
Non-Core Fixed Income	10.00%	3.50%
Real Return	5.00%	1.75%
Real Estate	10.00%	5.25%
Absolute Return	5.00%	4.25%
Private Equity	5.00%	8.50%
Total	<u>100.00%</u>	

Discount Rate

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

Changes in the Net Pension Liability are presented in the following table.

CITY OF ROBINSON, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

J: Defined Benefit Pension Plans

4. Net Pension Liability (continued)

<i>Changes in the Net Pension Liability</i>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at 12/31/2013	\$ 8,418,239	\$ 6,433,374	\$ 1,984,865
Changes for the year:			
Service cost	427,127	375,799	51,328
Interest	596,739	213,870	382,869
Change of benefit terms	-	-	-
Difference between expected and actual experience	47,109	-	47,109
Changes of assumptions	-	-	-
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	368,153	(368,153)
Benefit payments, including refunds of employee contributions	(213,910)	(213,910)	-
Administrative expense	-	(3,842)	3,842
Other changes	-	(316)	316
Net changes	857,065	739,754	117,311
Balance at 12/31/2014	\$ 9,275,304	\$ 7,173,128	\$ 2,102,176

Sensitivity of the net pension liability to changes in the discount rate

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

	1% Decrease in Discount Rate (6%)	Discount Rate 7%	1% Increase in Discount Rate (8%)
City's net pension liability	\$ 3,603,370	\$ 2,102,176	\$ 878,942

Pension Plan Fiduciary Net Position

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

CITY OF ROBINSON, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

J: Defined Benefit Pension Plans

5. 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 \$388,915. At September 30, 2015, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 47,109	\$ -
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	82,183	-
Contributions subsequent to the measurement date	323,217	-
Total	\$ 452,509	\$ -

\$323,217 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2015. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended Dec. 31	
2015	\$ 25,097
2016	25,097
2017	25,097
2018	25,095
2019	3,809
Thereafter	-
	\$ 104,195

K: Post-Employment Benefits Other Than Pensions

Supplementary 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

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

K: Post-Employment Benefits Other Than Pensions (continued)

Supplementary Death Benefits Fund (continued)

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.

Contributions

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

The City's contributions to the TMRS SDBF for the years ended September 30, 2015, 2014, and 2013 were \$4,803, \$4,425, and \$2,336, respectively, which equaled the required contributions each year.

L: Subsequent Events

The City has evaluated subsequent events through the date the financial statements were available for issuance on February 26, 2016. No matters were identified affecting the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROBINSON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL-(BUDGET BASIS) GENERAL FUND
SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts (BUDGETARY BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$3,146,011	\$3,146,011	\$ 3,145,776	\$ (235)
General Sales and Use Taxes	1,194,119	1,194,119	1,332,971	138,852
Franchise Tax	545,000	545,000	546,125	1,125
Occupancy Tax	25,000	25,000	28,824	3,824
Penalty and Interest on Taxes	20,000	20,000	23,668	3,668
Licenses and Permits	58,500	53,000	40,152	(12,848)
Intergovernmental Revenue and Grants		5,500	2,752	(2,748)
Charges for Services	678,856	678,856	676,982	(1,874)
State Fees-Municipal Court	225,569	225,569	99,046	(126,523)
Fines	148,000	148,000	144,233	(3,767)
Forfeits	1,000	1,000	7,243	6,243
Investment Earnings	18,000	18,000	14,634	(3,366)
Miscellaneous Revenue	22,003	22,003	-	(22,003)
Contributions and Donations			1,689	1,689
Total Revenues	6,082,058	6,082,058	6,064,095	(17,963)
EXPENDITURES:				
Mayor and City Council	224,834	224,834	179,080	45,754
Administration	1,047,384	1,029,484	997,935	31,549
Court	315,508	334,743	235,140	99,603
Physical Plant	122,500	122,500	131,409	(8,909)
Planning & Comm. Dev.	311,157	303,293	280,434	22,859
Police	2,323,648	2,308,952	2,335,359	(26,407)
Highway and Streets	476,181	451,381	547,484	(96,103)
Sanitation	657,369	657,369	630,180	27,189
Parks	31,682	31,682	22,442	9,240
Traffic Operations	23,000	22,625	18,249	4,376
Capital Outlay		216,400	204,456	11,944
Community Media	143,209	143,209	91,270	51,939
Appropriation for Debt Repayment	818,656	818,656	825,539	(6,883)
Total Expenditures	6,495,128	6,665,128	6,498,977	166,151
OTHER FINANCING SOURCES (USES):				
Mortgage Proceeds		170,000	170,000	-
Sale of Fixed Assets	-	-	2,780	2,780
Transfers In	413,070	413,070	331,364	(81,706)
Transfers Out			(6,203)	(6,203)
Total Other Financing Sources (Uses):	413,070	583,070	497,941	(85,129)
Budgeted (use) contribution to Fund Balance	-	-	63,059	63,059
Fund Balance - September 30, 2014 (beginning)	2,495,667	2,495,667	2,495,667	-
Fund Balance - September 30, 2015 (ending)	\$ 2,495,667	\$ 2,495,667	\$ 2,558,726	\$ 63,059

CITY OF ROBINSON, TEXAS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL-(BUDGET BASIS) GENERAL FUND
 SEPTEMBER 30, 2015

NOTE 1 - BUDGETARY INFORMATION

The financial statements of the City are prepared in accordance with generally accepted accounting principles ("GAAP Basis"). Since Robinson prepares its annual budget on a modified cash basis that differs from the "GAAP Basis", additional schedules of revenues and expenditures are presented for the General Fund to provide meaningful comparison of actual results to budget on the "Budget Basis".

Adjustments necessary to convert the results of operations of the General Fund for the year ended September 30, 2015 on the "GAAP Basis" to the "Budget Basis" are as follows:

Revenues:

Total General Fund Revenues - GAAP Basis	\$ 5,216,468
Ad valorem tax is budgeted based on all collections as revenue to general fund and debt service portions as appropriations	818,803
Occupancy tax budgeted in the Hotel/Motel fund	28,824
Total General Fund Receipts - Budget Basis	\$ 6,064,095

Expenditures:

Total General Fund Expenditures - GAAP Basis	\$ 5,673,438
Debt repayment budgeted in general fund but reported in Debt Service Fund	825,539
Total General Fund Disbursements - Budget Basis	\$ 6,498,977

NOTE 2 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2015, the following expenditures exceed appropriations in the General Fund:

- Physical Plant	\$ 8,909
- Police	\$ 26,407
- Highways and Streets	\$ 96,103
- Appropriation for debt repayment	\$ 6,883
-	

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CURRENT PERIOD**

	<u>2014</u>
Total pension liability	
Service Cost	\$ 427,127
Interest (on the Total Pension Liability)	596,739
Changes of benefit terms	-
Difference between expected and actual experience	47,109
Change of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(213,910)</u>
Net Change in Total Pension Liability	857,065
Total Pension Liability - Beginning	<u>8,418,239</u>
Total Pension Liability - Ending (a)	<u><u>\$ 9,275,304</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	375,799
Contributions - Employee	213,870
Net Investment Income	368,153
Benefit payments, including refunds of employee contributions	(213,910)
Administrative Expense	(3,842)
Other	<u>(316)</u>
Net Change in Plan Fiduciary Net Position	739,754
Plan Fiduciary Net Position - Beginning	<u>6,433,374</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 7,173,128</u>
Net Pension Liability - Ending (c) (a - b)	<u><u>\$ 2,102,176</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (b/a)	77.34%
Covered Employee Payroll (e)	\$ 3,055,286
Net Pension Liability as a Percentage of Covered Employee Payroll (c/e)	68.80%

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 YEARS**

	<u>2014</u>
Total pension liability	
Service Cost	\$ 427,127
Interest (on the Total Pension Liability)	596,739
Changes of benefit terms	-
Difference between expected and actual experience	47,109
Change of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(213,910)</u>
Net Change in Total Pension Liability	857,065
Total Pension Liability - Beginning	<u>8,418,239</u>
Total Pension Liability - Ending (a)	<u>\$ 9,275,304</u>
 Plan Fiduciary Net Position	
Contributions - Employer	375,799
Contributions - Employee	213,870
Net Investment Income	368,153
Benefit payments, including refunds of employee contributions	(213,910)
Administrative Expense	(3,842)
Other	<u>(316)</u>
Net Change in Plan Fiduciary Net Position	739,754
Plan Fiduciary Net Position - Beginning	<u>6,433,374</u>
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Net Pension Liability - Ending (c) (a - b)	<u>\$ 2,102,176</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability (b/a)	77.34%
 Covered Employee Payroll (e)	\$ 3,055,286
 Net Pension Liability as a Percentage of Covered Employee Payroll (c/e)	68.80%

Notes to Schedule:

GASB 68 requires 10 fiscal years of data to be provided in this schedule. The City will be required to build this schedule over the next 10-year period.

**SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS**

For the year ended
September 30, 2015

Actuarially Determined Contributions	\$ 414,733
Contributions in relation to the actuarially determined contribution	414,733
Contribution deficiency (excess)	-
Covered employee payroll	\$ 3,201,956
Contributions as a percentage of covered employee payroll	12.95%
Notes to Schedule of Contributions	

Valuation Date:

Notes

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	30 years	
Asset Valuation Method	10 Year smoothed market; 15% soft corridor	
Inflation	3.00%	
Salary Increases	3.5 % to 12% including inflation	
Investment Rate of Return	7.00%	
Retirement Age	Experience-based table of rates that are specific to the City's plan benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009	
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB	

Other Information:

Notes

There were no benefit changes during the year
GASB 68 requires 10 fiscal years of data to be provided in this schedule. The City will be required to build this schedule over the next 10-year period.

SUPPLEMENTARY INFORMATION

CITY OF ROBINSON, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2015

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Hotel/Motel Fund	Muni Court Technology Fund	Muni Court Building Security Fund	Child Safety Fund	Juvenile Case Manager Fund	Total Nonmajor Special Revenue Funds		
ASSETS								
Cash and Cash Equivalents	\$ -	\$ 13,731	\$ 3,999	\$ 17,762	\$ 63,657	\$ 99,149	\$	99,149
Restricted Assets:								
Restricted Cash	79,922	-	-	-	-	-		79,922
Accounts Receivable	6,663	-	-	-	-	-		6,663
Total Assets	<u>\$ 86,585</u>	<u>\$ 13,731</u>	<u>\$ 3,999</u>	<u>\$ 17,762</u>	<u>\$ 63,657</u>	<u>\$ 99,149</u>	<u>\$</u>	<u>185,734</u>
LIABILITIES								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 3,180	\$ 3,180	\$	3,180
Wages and Salaries Payable	-	-	-	-	30	30		30
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,210</u>	<u>3,210</u>		<u>3,210</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred Resource Inflow -								
State Grants	-	13,731	3,999	17,762	60,447	95,939		95,939
Total Deferred Inflow of Resources	<u>-</u>	<u>13,731</u>	<u>3,999</u>	<u>17,762</u>	<u>60,447</u>	<u>95,939</u>		<u>95,939</u>
FUND BALANCES								
Restricted for Tourism	86,585	-	-	-	-	-		86,585
Total Fund Balances	<u>86,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>86,585</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 86,585</u>	<u>\$ 13,731</u>	<u>\$ 3,999</u>	<u>\$ 17,762</u>	<u>\$ 63,657</u>	<u>\$ 99,149</u>	<u>\$</u>	<u>185,734</u>

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

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

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Hotel/Motel Fund	Muni Court Technology Fund	Muni Court Building Security Fund	Child Safety Fund	Juvenile Case Manager Fund	Total Nonmajor Special Revenue Funds	
REVENUES:							
Taxes:							
Occupancy Taxes	\$ 28,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,824
State Grants	-	3,853	19,507	810	8,383	32,553	32,553
Investment Earnings	161	45	51	49	222	367	528
Total Revenues	<u>28,985</u>	<u>3,898</u>	<u>19,558</u>	<u>859</u>	<u>8,605</u>	<u>32,920</u>	<u>61,905</u>
EXPENDITURES:							
Current:							
General Government:							
Tourism	3,474	-	-	-	-	-	3,474
Court	-	3,898	19,558	859	8,605	32,920	32,920
Total Expenditures	<u>3,474</u>	<u>3,898</u>	<u>19,558</u>	<u>859</u>	<u>8,605</u>	<u>32,920</u>	<u>36,394</u>
Net Change in Fund Balance	25,511	-	-	-	-	-	25,511
Fund Balance - October 1 (Beginning)	61,074	-	-	-	-	-	61,074
Fund Balance - September 30 (Ending)	<u>\$ 86,585</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,585</u>

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

OTHER INFORMATION

CITY OF ROBINSON, TEXAS
SCHEDULE OF INSURANCE COVERAGE - ALL FUNDS
SEPTEMBER 30, 2015

Name of Insuror	Risk Covered	Expiration Date	Limits	Deductible
Texas Municipal League Intergovernmental Risk Pool	General Liability	10/1/2015		
	Annual Aggregate		\$ 2,000,000	\$ -
	Each Occurrence		\$ 1,000,000	\$ -
	Law Enforcement Liability	10/1/2015		
	Annual Aggregate		\$ 2,000,000	
	Each Occurrence		\$ 1,000,000	\$ 5,000
	Errors & Omissions Liability	10/1/2015		
	Annual Aggregate		\$ 2,000,000	
	Each Wrongful Act		\$ 1,000,000	\$ 5,000
	Automobile Liability	10/1/2015		
	Limit of Liability		\$ 1,000,000	\$ -
	Medical Payment Limit		\$ 25,000	\$ -
	Automobile Physical Damage	10/1/2015		
	Each Vehicle		per schedule	per schedule
	Each Occurrence		per schedule	\$ 10,000
	Fire and Extended Coverage	10/1/2015		
	Real and Personal Property		\$ 19,442,663	\$ 500
	Mobile Equipment		\$ 1,198,758	\$ 500
	Boiler and Machinery		\$ 4,000,000	\$ 500
	Public Employee Dishonesty	10/1/2015		
	Each Occurrence		\$ 150,000	\$ 5,000
Supplemental Sewage Back-up	10/1/2015			
Each Structure		\$ 25,000	\$ 250	
Each Occurrence		\$ 50,000	\$ 250	

CITY OF ROBINSON, TEXAS
SECURITIES and EXCHANGE COMMISSION RULE 15c2-12 DISCLOSURES
SEPTEMBER 30, 2015

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2014 Market Valuation Established by McLennan County Appraisal District		\$ 767,803,378
Less: Exemption/Reductions at 100% Market Value:		
Productivity Loss	\$ (46,970,008)	
Homestead Exemptions	(4,643,716)	
Disability	(866,990)	
Disabled Veterans	(1,616,470)	
House Bill 366	(12,650)	
Over 65	(10,052,621)	
Surviving spouse	(80,000)	
Exempt Property	<u>(48,704,902)</u>	<u>(112,947,357)</u>
2014 Certified Taxable Assessed Valuation		654,856,021
City Funded Debt Payable from Ad Valorem Taxes:		
General Purpose Obligations (as of 9-30-15)		<u>32,990,000</u>
Total Funded Debt Payable from Ad Valorem Taxes		32,990,000
Less: Self-Supporting Water and Sewer System Debt		<u>21,035,000</u>
Total Net Funded Debt Payable from Ad Valorem Taxes		\$ 11,955,000
Ratio Funded Debt to Taxable Assessed Valuation		5.04%
Ratio Net Funded Debt to Taxable Assessed Valuation		1.83%
<hr/> 2010 Census plus 2.5% estimated annual growth rate - 11,905. 2014 Per Capita Taxable Assessed Valuation - \$55,007. Per Capita Net Funded Debt - \$1,004.20 <hr/>		

CITY OF ROBINSON, TEXAS
SECURITIES and EXCHANGE COMMISSION RULE 15c2-12 DISCLOSURES
SEPTEMBER 30, 2015

TABLE 2 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9-30	Estimated Population	Taxable Assessed Valuation	Taxable Assessed Valuation Per Capita	Funded Debt Outstanding at End of Year	Ratio Funded Debt to Taxable Assessed Valuation	Funded Debt Per Capita
2011	10,782	\$ 549,632,041	\$ 50,977	\$ 5,245,000	0.95%	\$ 486.45
2012	11,055	595,095,835	53,830	4,740,000	0.80%	428.76
2013	11,331	594,245,632	52,444	8,860,000	1.49%	781.92
2014	11,614	627,671,626	54,043	8,335,000	1.33%	717.65
2015	11,905	654,856,021	55,007	11,955,000	1.83%	1,004.20

CITY OF ROBINSON, TEXAS
SECURITIES and EXCHANGE COMMISSION RULE 15c2-12 DISCLOSURES
SEPTEMBER 30, 2015

TABLE 3 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9-30	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2011	\$ 0.406501	\$ 0.271221	\$ 0.135280	\$ 2,246,092	98.1%	99.8%
2012	0.415453	0.294672	0.120781	2,472,343	98.27%	100.04%
2013	0.453750	0.336463	0.117287	2,696,390	98.74%	99.61%
2014	0.470000	0.343286	0.126714	2,950,057	98.14%	99.11%
2015	0.480376	0.355373	0.125003	3,146,828	98.44%	100.07%

CITY OF ROBINSON, TEXAS
SECURITIES and EXCHANGE COMMISSION RULE 15c2-12 DISCLOSURES
SEPTEMBER 30, 2015

TABLE 4 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2014 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Matus Construction Group, LLC	Commercial	\$ 17,257,603	2.64%
Oncor Electric Delivery Co.	Electric Utility	7,892,960	1.21%
Beauford-Breton Investments, LLC	Commercial	5,924,710	0.90%
Setzer Properties WCO, LLC	Commercial	5,346,540	0.82%
Robinson Hotel Mgmt Group LLP	Commercial	4,309,830	0.66%
PTCCA Texas LP	Commercial	3,853,320	0.59%
Brookshire Grocery Company	Commercial	3,359,430	0.51%
H-M Texas Real Estate L. P.	Commercial	2,978,330	0.45%
Young, Francis M.	Commercial	2,471,260	0.38%
VHD Indian Creek Properties, Ltd.	Commercial	2,437,010	0.37%

CITY OF ROBINSON, TEXAS
SECURITIES and EXCHANGE COMMISSION RULE 15c2-12 DISCLOSURES
SEPTEMBER 30, 2015

TABLE 5 - CURRENT INVESTMENTS

As of September 30, 2015, the following percentages of the City's investable funds were invested in the following categories of investments:

<u>Type of Investment</u>	<u>Description</u>	<u>Purchase Price</u>	<u>% of Portfolio</u>
	Interest Bearing Checking	\$ 3,646,799	13.36%
	Certificates of Deposit	1,865,126	6.83%
	Money Market Funds	<u>21,783,922</u>	<u>79.81%</u>
	Total	<u><u>\$ 27,295,847</u></u>	<u><u>100.00%</u></u>

CITY OF ROBINSON, TEXAS
SECURITIES and EXCHANGE COMMISSION RULE 15c2-12 DISCLOSURES
SEPTEMBER 30, 2015

TABLE 6 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9-30	Existing G. O. Debt Service ¹	Total Debt Service	LESS: Self- Supporting Debt Service	Total Net Tax-Supported Debt Service
2016	\$ 3,080,524	\$ 3,080,524	\$ 2,153,792	\$ 926,732
2017	3,098,629	3,098,629	2,163,267	935,362
2018	3,018,518	3,018,518	2,032,981	985,537
2019	3,023,311	3,023,311	2,036,924	986,387
2020	3,026,632	3,026,632	2,039,820	986,812
2021	3,025,087	3,025,087	2,037,557	987,530
2022	2,830,231	2,830,231	1,843,350	986,880
2023	2,587,792	2,587,792	1,604,362	983,430
2024	2,597,940	2,597,940	1,612,610	985,330
2025	2,571,799	2,571,799	1,585,444	986,355
2026	2,587,724	2,587,724	1,601,244	986,480
2027	2,600,874	2,600,874	1,610,144	990,730
2028	2,319,287	2,319,287	1,336,606	982,680
2029	2,325,724	2,325,724	1,342,544	983,180
2030	2,297,805	2,297,805	1,586,300	711,505
2031	2,299,005	2,299,005	1,584,200	714,805
2032	2,297,655	2,297,655	1,585,500	712,155
2033	1,658,805	1,658,805	945,050	713,755
2034	991,405	991,405	622,000	369,405
2035	989,003	989,003	624,000	365,003
	<u>\$ 49,227,750</u>	<u>\$ 49,227,750</u>	<u>\$ 31,947,696</u>	<u>\$ 17,280,054</u>

¹ Includes self-supporting debt service

CITY OF ROBINSON, TEXAS
SECURITIES and EXCHANGE COMMISSION RULE 15c2-12 DISCLOSURES
SEPTEMBER 30, 2015

TABLE 7 - INTEREST AND SINKING FUND BUDGET PROJECTION

Net General Obligation Debt Service Requirements, Fiscal Year Ending 9-30-16		\$ 926,732
Interest and Sinking Fund 9-30-15	\$ 133,828	
Estimated Interest Earnings	2,000	
Interest and Sinking Fund Tax Levy at 98% Collection	<u>898,571</u>	<u>1,034,399</u>
Estimated Balance, 9-30-16		\$ 107,667

CITY OF ROBINSON, TEXAS
SECURITIES and EXCHANGE COMMISSION RULE 15c2-12 DISCLOSURES
SEPTEMBER 30, 2015

TABLE 8 - COMPUTATION OF SELF-SUPPORTING DEBT⁽¹⁾

Net Revenue from Waterworks and Sewer Systems, Fiscal Year Ending 9-30-15 ²	\$ 2,397,204
Less: Maximum Annual Revenue Bond Requirements, 2016	<u>1,599,916</u>
Balance Available for Other Purposes	797,288
Maximum Annual System-Supported General Obligation Debt Service Requirements, 2016	<u>553,876</u>
Balance	<u><u>\$ 243,412</u></u>
Percentage of System General Obligation Self-Supporting Debt	<u><u>25.72%</u></u>

⁽¹⁾ Any transfer of Sewer or Waterworks System revenue for the payment of general obligation debt is discretionary. No assurance can be given that the City Council will, in the future, authorize the use of any Waterworks System revenues to pay debt service on the Certificates or any other City debt payable from ad valorem taxes.

⁽²⁾ Includes \$19,978 in interest income and excludes interest expense of \$644,725 and depreciation expense of \$966,675.

CITY OF ROBINSON, TEXAS
SECURITIES and EXCHANGE COMMISSION RULE 15c2-12 DISCLOSURES
SEPTEMBER 30, 2015

FINANCIAL INFORMATION

TABLE 9 - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	2011	2012	2013	2014	2015
Revenues:					
Taxes	\$ 3,016,817	\$ 3,406,506	\$ 3,702,248	\$ 3,968,196	\$ 4,229,737
Licenses, Permits and Fines	316,566	244,079	56,787	198,180	283,431
Intergovernmental	51,450	40,347	36,600	13,609	2,752
Charges for Services	612,789	605,741	765,581	675,594	676,982
Miscellaneous	18,656	28,632	35,763	137,577	23,566
Total Revenues	4,016,278	4,325,305	4,596,979	4,993,156	5,216,468
Expenditures:					
General Government	1,297,308	1,281,194	1,382,337	1,539,717	1,823,998
Community Media		63,677	67,745	75,941	91,270
Parks and Recreation	8,642	10,608	7,538	29,768	22,442
Public Safety	1,910,234	2,063,901	2,154,375	2,294,925	2,353,608
Public Works	995,804	971,614	963,044	1,088,980	1,177,664
Miscellaneous	35,150	120,254	173,462	384,981	204,456
Total Expenditures	4,247,138	4,511,248	4,748,501	5,414,312	5,673,438
Excess (Deficiency) of Revenues Over Expenditures	(230,860)	(185,943)	(151,522)	(421,156)	(456,970)
Budgeted Transfers In	212,676	320,779	244,392	353,482	331,364
Budgeted Transfers Out	-	(31,750)	-	(13,560)	(6,203)
Other Financing Sources		3,662	34,040	33,443	172,780
Total Transfers	212,676	292,691	278,432	373,365	497,941
Net Change in Fund Balance	(18,184)	106,748	126,910	(47,791)	40,971
Other Miscellaneous Adjustments	-	-	(8,601)		
Beginning Fund Balance	2,336,585	2,318,401	2,425,149	2,543,458	2,495,667
Ending Fund Balance	\$ 2,318,401	\$ 2,425,149	\$ 2,543,458	\$ 2,495,667	\$ 2,536,638

CITY OF ROBINSON, TEXAS
SECURITIES and EXCHANGE COMMISSION RULE 15c2-12 DISCLOSURES
SEPTEMBER 30, 2015

TABLE 10 - MUNICIPAL SALES TAX HISTORY

The City has adopted the Municipal Sales and Use Tax Act, Chapter 321, Texas Tax Code, which grants the City the power to impose and levy a 1.5% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Certificates. Collections and enforcements are effected through the office of Comptroller of Public Accounts, of the State of Texas, which remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly.

Fiscal Year Ended 9-30	Total Collected	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2011	1,003,351	44.7%	0.1818	93.03
2012	1,028,811	41.6%	0.1729	93.07
2013	1,085,646	40.3%	0.1827	95.81
2014	1,255,615	42.6%	0.2000	108.11
2015	1,332,971	42.4%	0.2035	111.97
2016 ⁽¹⁾	336,237			

⁽¹⁾ Partial through January, 2016

CITY OF ROBINSON, TEXAS
SECURITIES and EXCHANGE COMMISSION RULE 15c2-12 DISCLOSURES
SEPTEMBER 30, 2015

TABLE 11 - CURRENT INVESTMENTS

As of September 30, 2015, the City's investible funds were invested in the following categories:

<u>Description</u>	<u>Market Value</u>
Non-Interest Bearing Checking	\$ 283,260
Interest Bearing Checking	3,646,799
Certificates of Deposit	1,865,126
Money Market Funds	21,783,922
Cash on hand and cash held by others	1,100
	<u>\$ 27,580,207</u>

As of such date, the market value of the investment portfolio was approximately 100% of its purchase price.

COMPLIANCE AND INTERNAL CONTROL SECTION



Cunningham, Shavers, Christensen, & Wright, L.L.P.

Certified Public Accountants

Waco, Texas

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and City Council
City of Robinson, Texas

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities,

each major fund, and the aggregate remaining fund information of City of Robinson, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise City of Robinson, Texas's basic financial statements, and have issued our report thereon dated February 25, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Robinson, Texas's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Robinson, Texas's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Robinson, Texas's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Robinson, Texas's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cunningham, Shavers, Christensen & Wright, LLP

February 25, 2016