

CITY OF SNYDER, TEXAS

Comprehensive Annual Financial Report

For the Year Ended September 30, 2015

**Prepared by: Finance Department
Patricia Warren
Director of Finance**

CITY OF SNYDER, TEXAS
 Comprehensive Annual Financial Report
 Year Ended September 30, 2015

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THE CITY OF SNYDER, TEXAS

P.O. Box 1341 • 1925 24th Street • 79550-1341
325/573-4957 • 325/573-7505 Fax

March 7, 2016

Honorable Mayor, Members of the City Council,
and City Manager, and Citizens of the City of Snyder

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Snyder for the fiscal year ended September 30, 2015.

This report consists of management's representations concerning the finances of the City of Snyder. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Snyder has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Snyder's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Snyder's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Snyder's financial statements have been audited by Davis, Kinard & Co., P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Snyder for the fiscal year ended September 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Snyder's financial statements for the fiscal year ended September 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Snyder's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Snyder, incorporated in 1907, is located in the northwestern part of the state. The City of Snyder currently occupies a land area of 8.73 square miles and serves a population of 11,400. The City of Snyder is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Snyder is a home rule city that operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The government's manager is responsible for carrying out the policies and ordinances of the governing council,

for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve two-year staggered terms, with four single-member district council members elected every two years, and the mayor and two at-large council members elected every two years also.

The City of Snyder provides a full range of services, including police and fire protection; animal control; the maintenance of highways, streets, and other infrastructure; water and sewer services; and sanitation services. The City of Snyder is also financially accountable for the Development Corporation of Snyder, which is funded by the City's additional sales tax of 3/8% to be used for economic development. The Development Corporation is reported separately within the City of Snyder's financial statements.

The annual budget serves as the foundation for the City of Snyder's financial planning and control. All agencies of the City of Snyder are required to submit requests for appropriation to the government's manager on or before the first Monday in May each year. The government's manager uses these requests as the starting point for developing a proposed budget. The government's manager then presents this proposed budget to the council for review prior to August 1. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than September 1. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the City Manager's approval. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as Exhibit B-3 as part of the basic financial statements for the governmental funds.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Snyder operates.

Local economy. The City of Snyder is located in the northwestern part of the state. Snyder is approximately 100 miles from four major cities: Lubbock, Abilene, Midland and San Angelo. The decline in the local oil economy has played a part in lower sales tax revenue and the unemployment rate increasing. The Price Daniel State Prison is now in its twenty seven year of operation. This facility has provided employment for approximately 224 full time people. The Texas Department of Criminal Justice operates the Snyder Distribution Center, a distribution site for multiple prisons in the West Texas area. Snyder is also supported by the wind energy. Snyder and Scurry County are already home to a section of the second largest wind farm in the United States, the Roscoe Wind Farm. There are six wind farms located in the local area. There are approximately 400 wind turbines in the surrounding area, which would provide enough electricity to support 140,000 homes. Ranching and cotton farming also continue to employ a large part of the population.

The City of Snyder has received a Texas Community Development Block Grant from the Texas Department of Agriculture for an infrastructure improvements project. The city proposes to install 16,500 LF of 8" water line, 6 fire hydrants, 9 valves, 1 commercial meter and all associated appurtenances connecting Chem Plex with the City water lines. The City Council awarded a contract for this project for \$400,282.

A new junior high school is under construction in Snyder, the facility will be open for the school year 2016-2017. There have been two new hotels built and an additional one under construction. Western Texas College is spending \$30,000,000 to update their infrastructure and their HV/AC. Cogdell Memorial Hospital has remodeled their facility with a new entrance and a new family clinic.

The Economic Development Corporation developed a \$2.9 million dollar industrial rail park in 2012. This investment attracted W.L. Plastics to open their sixth North American location in Snyder. The Economic Development Corporation has sold eleven industrial lots to potential new companies in Snyder's Industrial Park.

The region (which includes the City of Snyder and the surrounding unincorporated area within the same county) has an employed labor force of approximately 9,410 with an unemployment rate of 4.1%. If the current level of services is to be maintained, the City will need to explore new methods of obtaining financial resources.

Long-term financial planning. The governing council awarded contracts for the replacement of the cast iron water lines, and also for the construction of two new water storage tanks. These projects are being funded with \$9,000,000 Certificate of Obligation that was issued in 2013.

The new storage tanks were completed this year. Phase I on the water line replacement is due to be completed in 2016. The Phase II of this project has been awarded. The project is expected to be completed the first of 2017. The contract for the renovation of the old water treatment plant was 62% completed at the end of the fiscal year. The project will be completed and the old plant back on line in March of 2016. This will produce an additional 4.5 million gallons of water a day. A portion of this cost was funded through a loan from the General Fund to the Enterprise Fund.

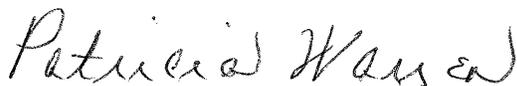
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financing Reporting to the City of Snyder for its comprehensive annual financial report for the fiscal year ending September, 30, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. I would also like to thank the Mayor and City Council for their interest and unfailing support for maintaining the highest standards of professionalism in the management of the City of Snyder's finances.

Respectfully submitted,



Patricia Warren

Finance Director



Government Finance Officers Association

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

Presented to

**City of Snyder
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

CITY OF SNYDER, TEXAS
ORGANIZATIONAL CHART

MAYOR & COUNCIL (7) ----- BOARDS AND COMMISSIONS

- CITY MANAGER (1)
 - SECRETARY (1)
- FINANCE (1)
 - HUMAN RESOURCES/RISK MANAGEMENT (1)
 - SENIOR CLERK (1)
 - LABORER (1)
- PLANNING & ZONING (1)
 - INSPECTOR (2)
- MUNICIPAL COURT (1)
 - SENIOR CLERK (1)
 - CLERK 2 (1)
- CITY SECRETARY/RECORDS MANAGEMENT (1)
 - SENIOR CLERK/DEPUTY CITY SECRETARY (1)
- INFORMATION TECHNOLOGY/PURCHASING (1)
- POLICE (27)
- ANIMAL CONTROL (3)
- FIRE (10)
- PUBLIC WORKS (1)
 - STREETS (5)
 - SANITATION COLLECTION (5)
 - LANDFILL (5)
 - SANITARY SEWER (2)
 - WATER DISTRIBUTION (2)
 - INTERNAL SERVICE (1)
- WATER & WASTEWATER (1)
 - SEWAGE TREATMENT (3)
 - WATER PRODUCTION (6)
- UTILITY (1)
 - SENIOR CLERK (1)
 - CLERK (2)
 - METER CREW (2)

(92) NUMBER OF FULL TIME EQUIVALENT POSITIONS, EXCLUDING COMMISSION

CITY OF SNYDER, TEXAS

Principal Officials

City Council

Tony Wofford, Mayor
Stephen Highfield, Mayor Pro-Tem
Luann Burlison, Councilmember
Vernon Clay, Councilmember
Tom Strayhorn, Councilmember
Steve Rich, Councilmember
Rodney Dupree, Councilmember

Administrative Staff

Merle Taylor, City Manager
Patricia Warren, Director of Finance
Shai Green, City Secretary
Terry Luecke, Police Chief
Perry Westmoreland, Fire Chief
Underwood Law Firm, City Attorney

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of Snyder, Texas:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Snyder, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Snyder, Texas, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note IV. G to the basic financial statements, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, during the year ended September 30, 2015, which requires recognition of its net pension liability and a more comprehensive measure of pension expense. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 3-10 and 42-43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Davis Kinard & Co., PC
Certified Public Accountants

Abilene, Texas
March 7, 2016

**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Snyder, we offer readers of the City of Snyder's financial statements this narrative overview and analysis of the financial activities of the City of Snyder for the fiscal year ended September 30, 2015. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

Entity-Wide

- The assets of the City of Snyder exceeded its liabilities at the close of the most recent fiscal year by \$22,965 (*net position*). Of this amount, \$5,545 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$2,716, after prior period adjustments. 56% of this decrease is from governmental activities and 44% of the decrease is from business-type activities.

Fund Statements

- As of the close of the current fiscal year, the City of Snyder's governmental funds reported combined ending fund balances of \$8,392, an increase of \$133 in comparison with the prior year. Approximately 84.33% of this total amount, \$7,077, is unassigned and *available for spending* at the government's discretion, and 9.92% is non-spendable for prepaid items, inventories and advances to other funds and 4.76% is committed to economic development through Chapter 380 agreements.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,077 or 94.94% of total general fund expenditures, excluding capital outlay.
- The City of Snyder's total bond debt decreased by \$485 (4.04%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Snyder's basic financial statements. The City of Snyder's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *statement of net position* presents information on all of the City of Snyder's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Snyder is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Snyder that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Snyder include general government, public safety, public works, and culture and recreation. The business-type activities of the City of Snyder include a Water and Sewer Authority and Sanitation.

The government-wide financial statements can be found on pages 11-12 of this report.

**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FUND FINANCIAL STATEMENTS

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Snyder, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Snyder can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus on governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Snyder maintains two individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund which is considered to be a major fund. Individual fund data for the nonmajor governmental fund is provided in the form of *combining statements* elsewhere in this report.

The governmental fund financial statements can be found on pages 13-16 of this report.

The City of Snyder adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget on page 17.

Proprietary funds. The City of Snyder maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Snyder uses enterprise funds to account for its Water and Sewer Authority and for its sanitation operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Snyder's various functions. The City of Snyder uses an internal service fund to account for its central garage. Because this service predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise fund financial statements provide separate information for the Water and Sewer Authority and for the sanitation operation, both of which are considered to be major funds of the City of Snyder. The internal service fund is reported as a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 18-22 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-41 of this report.

**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Snyder's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 42 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Additional schedules related to major governmental and business-type funds are also included as supplementary information. Combining and individual fund statements and schedules can be found on pages 44-60 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Snyder, assets exceeded liabilities by \$22,965 at the close of the most recent fiscal year.

By far the largest portion of the City of Snyder's net position (75%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are outstanding. The City of Snyder uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Snyder's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF SNYDER'S Net Position

	Governmental Activities		Business Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Current and other assets	\$9,018	8,985	\$13,937	\$8,677	22,955	\$17,662
Capital assets	3,241	3,717	19,153	23,714	22,394	27,431
Total assets	12,259	12,702	33,090	32,391	45,349	45,093
Deferred outflows on refunding	-	645	-	290	-	935
Long-term liabilities outstanding	127	2,635	16,957	17,422	17,084	20,057
Other liabilities	931	1,019	1,653	1,987	2,584	3,006
Total liabilities	1,058	3,654	18,610	19,409	19,668	23,063
Net investment in capital assets	3,241	3,717	12,113	13,620	15,354	17,337
Restricted	64	83	-	-	64	83
Unrestricted	7,893	5,893	2,367	(348)	10,263	5,545
Total net position	\$11,201	\$9,693	\$14,480	\$13,272	\$25,681	\$22,965

The remaining balance of *unrestricted net position*, \$5,545, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Snyder is able to report positive balances in all three categories of net position for the government as a whole, as well as for its governmental activities.

The government's net position decreased by \$2,716 during the current fiscal year, after prior period adjustments. The majority of this decrease represents the effect of the implementation of GASB 68. 2014 numbers above were not restated for the effect of the implementation of GASB 68.

**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

CITY OF SNYDER'S Changes in Net Position

	Governmental Activities		Business Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Revenues:						
Program revenues:					2014	2015
Charges for services	\$ 1,465	\$1,724	\$ 9,445	\$9,380	\$10,910	\$11,104
Operating grants and Contributions	126	143	-	-	126	143
Capital grants and Contributions	23	23	-	24	23	47
General revenues:						
Property taxes	1,961	2,173	-	-	1,961	2,173
Other taxes	4,518	3,940	-	-	4,518	3,940
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	46	59	305	246	351	305
Total revenues	8,139	8,062	9,750	9,650	17,889	17,712
Expenses:						
General government	1,879	2,347	-	-	1,879	2,347
Public safety	3,692	3,634	-	-	3,692	3,634
Public works	903	1,231	-	-	903	1,231
Culture and recreation	433	439	-	-	433	439
Water & sewer	-	-	7,006	7,186	7,006	7,186
Sanitation	-	-	2,409	2,812	2,409	2,812
Total expenses	6,907	7,651	9,415	9,998	16,322	17,649
Change in net position	1,232	411	335	(348)	1,567	63
Net position – beginning of year	9,969	11,201	14,236	14,480	24,205	25,681
Prior year adjustment	-	(1,919)	(91)	(860)	(91)	(2,779)
Net position – ending of year	\$11,201	\$9,693	\$14,480	\$13,272	\$25,681	\$22,965

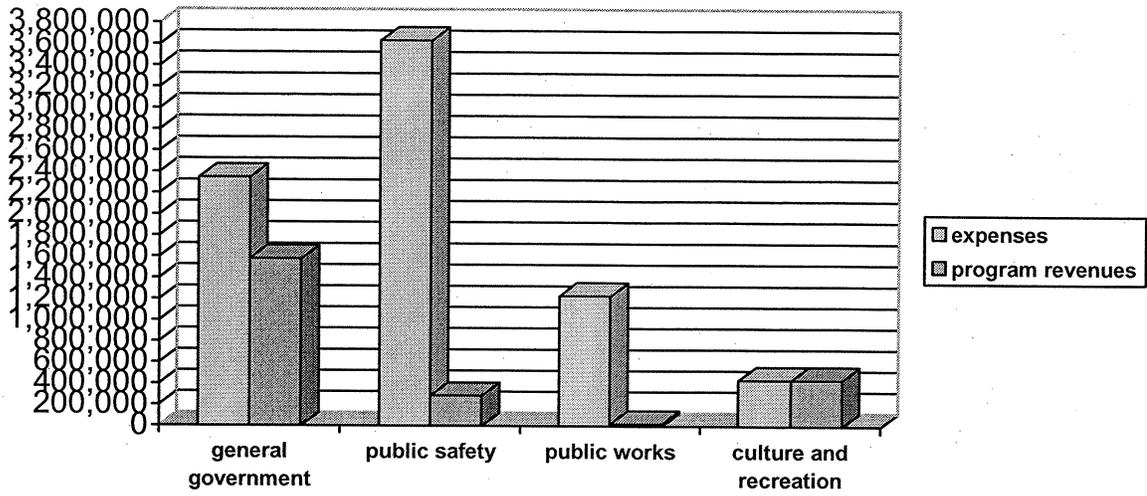
GOVERNMENTAL ACTIVITIES

Governmental activities decreased the City of Snyder's net position by \$1,508. Key elements of this decrease are as follows:

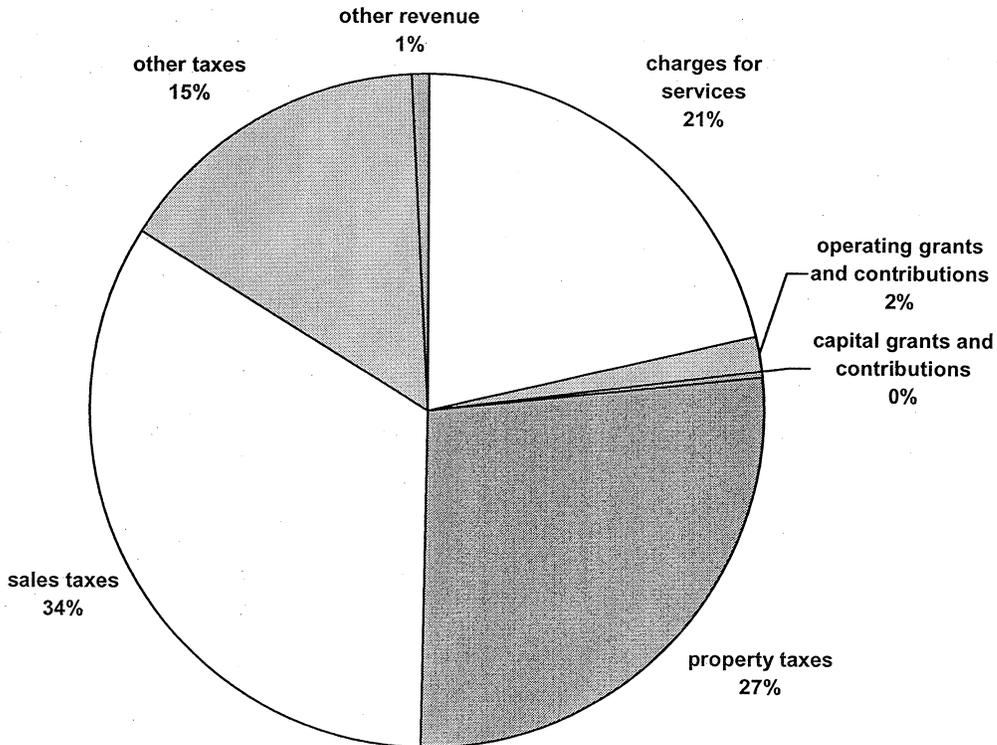
- Charges for services increased \$259 or 17.68% as the administrative fee charged to enterprise funds was increased.
- Property taxes increased \$212 or 10.81% from prior year. Property tax rates decreased from .4445 to .4387 per One Hundred Dollars from 2014 to 2015. Sales taxes decreased \$546 or 17% from prior year, as a result of the decline in the oil industry in the local economy. Other decreases include franchise taxes (\$39 or 4.8%).
- Public safety expenses were 47.50% of the City's governmental expenses. Public safety expenses decreased \$58 from the prior year due to unfilled position in personnel in the police department.
- Public works expenses increased \$328 or 36.32% from prior year due to an increase in personnel and an increase in street maintenance this year.
- Implementing GASB 68 for TMRS resulted in a decrease of net position of \$1,919.

**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities

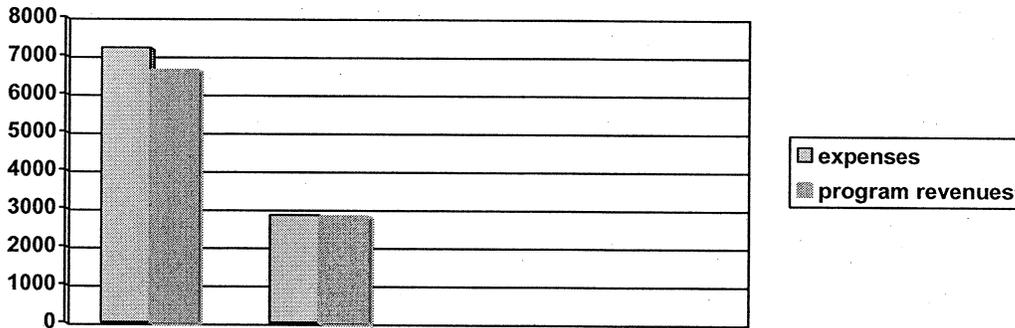


**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

BUSINESS-TYPE ACTIVITIES

Business-type activities decreased the City of Snyder's net position by \$1,209. Key elements of this decrease are as follows.

- Charges for water and sewer services decreased due to decrease in water usage. Expenses increased due to improvements made at the water treatment plant.



Water & Sewer Sanitation

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Snyder uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Snyder's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Snyder's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Snyder's governmental funds reported combined ending fund balances of \$8,392, an increase of \$133 in comparison with the prior year. Approximately 84.33% of this total amount, \$7,077, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is made up of \$833 in *nonspendable fund balance* for prepaid items, inventories and advances to other funds, \$80 restricted for various purposes and \$400 committed to economic development through Chapter 380 agreements.

The general fund is the chief operating fund of the City of Snyder. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,077 while total fund balance reached \$8,389. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 94.94% of total general fund expenditures, while total fund balance represents 113% of that same amount.

**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The fund balance of the City of Snyder's general fund increased by \$129 during the current fiscal year and increased \$1,058 in the prior fiscal year.

- Budgeted sales tax was increased by 6.90% and the actual decrease was 7.00% from sales tax budgeted in 2014.
- Budgeted franchise tax was decreased by 1.25% and the actual decrease was 2.70% from franchise budgeted in 2014.

Proprietary funds. The City of Snyder's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Authority at the end of the year amounted to (\$469), and those for the Sanitation Fund amounted to \$121. The net decrease in unrestricted net position for the Water and Sewer Authority was (\$2,275) and the net decrease for the Sanitation Fund was (\$441). Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Snyder's business-type activities.

General Fund Budgetary Highlights

Actual revenues were lower than final budgeted revenues by \$285 and actual expenditures were \$405 lower than final budgeted expenditures.

The key elements of actual expenditures below budget were as follows:

- Community Services \$236 below budget
- Police \$209 below budget

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Snyder's investment in capital assets for its governmental and business type activities as of September 30, 2015, amounts to \$27,431 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

**CITY OF SNYDER'S Capital Assets
(net of depreciation)**

	Governmental Activities		Business Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Land	\$ 500	\$ 524	\$ 307	\$306	\$ 807	\$ 830
Buildings	259	529	3,785	3,506	4,044	4,035
Improvements other than buildings	1,152	1,115	9,325	10,458	10,477	11,573
Machinery and equipment	1,254	1,458	4,746	4,910	6,000	6,368
Construction in progress	76	91	990	4,534	1,1066	4,625
Total	\$3,241	\$3,717	\$19,153	\$23,714	\$23,394	\$27,431

Additional information on the City of Snyder's capital assets can be found in note III.C on pages 29-31 of this report.

**CITY OF SNYDER, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

LONG-TERM DEBT

Long-term debt. At the end of the current fiscal year, the City of Snyder had bond debt outstanding of \$11,530. Of this amount, \$11,530 comprises debt backed by the full faith and credit of the government. These bonds are paid by revenues of the Water and Sewer Funds.

The City of Snyder's total debt decreased by \$485 (4.04%) during the current fiscal year. The key factors in this decrease were principal payments of \$485.

Additional information on the City of Snyder's long-term debt can be found in note III.F on pages 32-34 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for the City of Snyder is currently 4.1 percent. This is below the state's average unemployment rate of 4.7 percent and below the national average rate of 4.9 percent.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City of Snyder's budget for the 2016 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund decreased to \$7,077.

The budget for general fund total revenue for fiscal year 2016 is \$7,608. This is a decrease of 3.21% from fiscal year 2015.

The property tax rate is .4387 for fiscal year 2016. The minimum charge for water went up from \$28.16 to \$33.16, sewer rates remained the same, and the sanitation collection rates remained the same for the 2016 budget.

Requests for Information

This financial report is designed to provide a general overview of the City of Snyder's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, P.O. Box 1341, City of Snyder, Snyder, Texas, 79550.

CITY OF SNYDER, TEXAS
Statement of Net Position
September 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	DCOS
ASSETS				
Cash and cash equivalents	\$ 5,852,902	\$ 95,522	\$ 5,948,424	\$ 1,093,077
Investments	800,000	800,000	1,600,000	537,866
Receivables (net of allowance for uncollectibles)	1,395,169	1,123,414	2,518,583	339,846
Due from primary government	-	-	-	133,198
Internal balances	775,297	(775,297)	-	-
Inventories	32,897	177,816	210,713	-
Prepaid items	49,000	-	49,000	-
Restricted assets:				
Cash and cash equivalents	79,547	4,902,621	4,982,168	-
Investments	-	2,353,100	2,353,100	-
Capital assets (net of accumulated depreciation)				
Land	524,680	306,521	831,201	740,892
Buildings and system	518,561	3,505,969	4,024,530	-
Improvements other than buildings	1,124,866	10,457,630	11,582,496	2,617,839
Machinery and equipment	1,458,484	4,910,068	6,368,552	1,108
Construction in progress	90,541	4,533,813	4,624,354	-
Total assets	12,701,944	32,391,177	45,093,121	5,463,826
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources- pension	645,330	289,468	934,798	29,933
LIABILITIES				
Accounts payable and other liabilities	885,761	1,217,369	2,103,130	-
Accrued interest payable	-	39,471	39,471	-
Due to component unit	133,198	-	133,198	-
Retainage payable	-	187,091	187,091	-
Customer meter deposits	-	542,834	542,834	-
Noncurrent liabilities:				
Due within one year	33,467	588,982	622,449	338,051
Due in more than one year	2,601,390	16,833,145	19,434,535	3,403,129
Total liabilities	3,653,816	19,408,892	23,062,708	3,741,180
NET POSITION				
Net investment in capital assets	3,717,132	13,620,030	17,337,162	505,744
Restricted for various purposes	82,633	-	82,633	-
Restricted for debt service	-	-	-	-
Unrestricted	5,893,693	(348,277)	5,545,416	1,246,835
Total net position	\$ 9,693,458	\$ 13,271,753	\$ 22,965,211	\$ 1,752,579

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

CITY OF SNYDER, TEXAS
Statement of Activities
For the Year ended September 30, 2015

Function/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 2,347,070	\$ 1,580,185	\$ -	\$ -	\$ (766,885)	\$ -	\$ (766,885)	
Public safety	3,634,361	143,898	142,942	-	(3,347,521)	-	(3,347,521)	
Public works	1,230,913	-	-	23,000	(1,207,913)	-	(1,207,913)	
Culture and recreation	438,425	-	-	-	(438,425)	-	(438,425)	
Total governmental activities	7,650,769	1,724,083	142,942	23,000	(5,760,744)	-	(5,760,744)	
Business-type activities:								
Water and sewer	7,185,880	6,601,615	-	-	-	\$(584,265)	\$(584,265)	
Sanitation	2,812,468	2,779,075	-	23,740	-	(9,653)	(9,653)	
Total business-type activities	9,998,348	9,380,690	-	23,740	-	(593,918)	(593,918)	
Total primary government	\$ 17,649,117	\$ 11,104,773	\$ 142,942	\$ 46,740	\$ (5,760,744)	\$ (593,918)	\$ (6,354,662)	
Component unit:								
Development Corporation of Snyder	\$ 870,685	\$ -	\$ 33,000	\$ -				\$ (837,685)
General revenues:								
Property taxes			2,173,091		2,173,091		2,173,091	-
Sales taxes			2,710,301		2,710,301		2,710,301	903,434
Franchise taxes			778,439		778,439		778,439	-
Alcoholic beverage taxes			11,461		11,461		11,461	-
Hotel/motel occupancy taxes			439,227		439,227		439,227	-
Miscellaneous			9,408		9,408		9,408	-
Unrestricted investment earnings			49,732		60,969		110,701	12,835
Gain on sale of capital assets			-		185,000		185,000	-
Total general revenues			6,171,659		245,969		6,417,628	916,269
Change in net position			410,915		(347,949)		62,966	78,584
Net position - beginning			11,201,231		14,480,346		25,681,577	1,762,991
Prior year adjustment			(1,918,688)		(860,644)		(2,779,332)	(88,996)
Net position - ending			\$ 9,693,458		\$ 13,271,753		\$ 22,965,211	\$ 1,752,579

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

CITY OF SNYDER, TEXAS
Balance Sheet
Governmental Funds
September 30, 2015

	General	Nonmajor Governmental	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 5,849,816	\$ 3,086	\$ 5,852,902
Investments	800,000	-	800,000
Receivables (net of allowance for uncollectibles)	1,285,795	109,374	1,395,169
Advance to other funds	775,297	-	775,297
Prepaid items	49,000	-	49,000
Inventories	8,311	-	8,311
Restricted cash and cash equivalents	79,547	-	79,547
Total assets	<u>\$ 8,847,766</u>	<u>\$ 112,460</u>	<u>\$ 8,960,226</u>
LIABILITIES			
Accounts payable	\$ 315,243	\$ 109,412	\$ 424,655
Due to component unit	133,198	-	133,198
Total liabilities	<u>448,441</u>	<u>109,412</u>	<u>557,853</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue- property taxes	<u>10,000</u>	<u>-</u>	<u>10,000</u>
FUND BALANCES			
Nonspendable for:			
Prepaid items	49,000	-	49,000
Inventories	8,311	-	8,311
Advance to other funds	775,297	-	775,297
Restricted for various purposes	79,547	3,086	82,633
Committed for economic development	399,738	-	399,738
Unassigned	7,077,432	(38)	7,077,394
Total fund balances	<u>8,389,325</u>	<u>3,048</u>	<u>8,392,373</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 8,847,766</u>	<u>\$ 112,460</u>	<u>\$ 8,960,226</u>

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

CITY OF SNYDER, TEXAS
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
September 30, 2015

Total Fund Balances - Governmental Funds	\$	8,392,373
<p>Amounts reported for governmental activities in the statement of net position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. At the beginning of the year, the cost of these assets was \$9,866,866 and the accumulated depreciation was \$6,741,246. The net effect of the beginning balance of the net investment in capital assets in the governmental activities is an increase to net position.</p>		3,125,620
<p>Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of including capital outlays of \$745,267 is to increase net position.</p>		745,267
<p>Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of the current year depreciation expense of \$520,988 is to decrease net position.</p>		(520,988)
<p>Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. Deferred property tax revenue of \$10,000 is recognized in the government-wide financial statements. This results in an increase in net position.</p>		10,000
<p>Related to the City's net pension liability are deferred outflows of resources of \$633,870, whose effect is to increase net position.</p>		633,870
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.</p>		
Compensated absences		(131,691)
Net pension liability		(2,456,576)
<p>Internal service funds are used by management to charge the costs of the central garage to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. This results in a net decrease to net position.</p>		(104,417)
Net Position of Governmental Activities	\$	9,693,458

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

CITY OF SNYDER, TEXAS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2015

REVENUES	General	Nonmajor Governmental	Total Governmental Funds
Taxes:			
Property	\$ 2,134,364	\$ 38,727	\$ 2,173,091
Sales	2,710,301	-	2,710,301
Franchise	778,439	-	778,439
Alcoholic beverage	11,461	-	11,461
Occupancy	-	439,227	439,227
Licenses and permits	144,454	-	144,454
Intergovernmental	142,942	-	142,942
Charges for services	1,298,720	-	1,298,720
Fines and forfeitures	143,898	-	143,898
Interest	49,732	-	49,732
Contributions	23,000	-	23,000
Miscellaneous	137,011	-	137,011
Total Revenues	<u>7,574,322</u>	<u>477,954</u>	<u>8,052,276</u>
EXPENDITURES			
Current:			
General government	2,384,570	35,641	2,420,211
Public safety	3,913,303	-	3,913,303
Public works	1,156,789	-	1,156,789
Culture and recreation	-	438,425	438,425
Total Expenditures	<u>7,454,662</u>	<u>474,066</u>	<u>7,928,728</u>
Excess (deficiency) of revenues over (under) expenditures	119,660	3,888	123,548
OTHER FINANCING SOURCES (USES)			
Proceeds from insurance	9,408	-	9,408
Total other financing sources and uses	<u>9,408</u>	<u>-</u>	<u>9,408</u>
Net change in fund balances	129,068	3,888	132,956
Fund balances -- beginning	8,260,257	(840)	8,259,417
Fund balances -- ending	<u>\$ 8,389,325</u>	<u>\$ 3,048</u>	<u>\$ 8,392,373</u>

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

CITY OF SNYDER, TEXAS
Reconciliation of Statement of Revenues, Expenditures and Changes
In Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2015

Net Change in Fund Balances - Governmental Funds	\$	132,956
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of including capital outlays of \$745,267 is to increase net position.		745,267
Depreciation expense is not reflected in the governmental funds, but is recorded in the government-wide financial statements as an expense and an increase to accumulated depreciation. The net effect of the current year depreciation expense of \$520,988 is to decrease net position.		(520,988)
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the net increase in compensated absences payable.		(8,230)
Internal service funds are used by management to charge the costs of the central garage to individual funds. The change in net position of the internal service funds are included in governmental activities in the statement of activities. This results in a net increase to net position.		-
Certain pension expenditures recorded in the fund financial statements must be recorded as deferred outflows of resources in the government-wide financial statements. Contributions made after the measurement date total \$374,805 and increase change in net position. The City's unrecognized deferred outflows for TMRS as of the measurement date must be amortized and the City's pension expense of \$456,594 must be recognized. The City must also apply pension contributions made during the measurement period of \$143,699 to the net pension liability. The net effect of these is an increase to net position.		61,910
Change in net position of governmental activities	\$	410,915

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

CITY OF SNYDER, TEXAS
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2015

REVENUES	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Taxes:				
Property	\$ 2,011,865	\$ 2,011,865	\$ 2,134,364	\$ 122,499
Sales	3,100,000	3,100,000	2,710,301	(389,699)
Franchise	790,000	790,000	778,439	(11,561)
Alcoholic beverage	13,000	13,000	11,461	(1,539)
Licenses and permits	65,900	65,900	144,454	78,554
Intergovernmental	112,500	112,500	142,942	30,442
Charges for services	1,239,565	1,239,565	1,298,720	59,155
Fines and forfeitures	115,000	115,000	143,898	28,898
Interest	25,000	25,000	49,732	24,732
Contributions	-	-	23,000	23,000
Miscellaneous	56,850	386,850	137,011	(249,839)
Total Revenues	<u>7,529,680</u>	<u>7,859,680</u>	<u>7,574,322</u>	<u>(285,358)</u>
EXPENDITURES				
Current:				
General government:				
Administration	329,045	329,045	423,973	(94,928)
Finance and personnel	372,875	386,815	386,806	9
Planning and zoning	334,320	334,320	321,553	12,767
Municipal court	258,635	258,635	263,692	(5,057)
Community services	449,260	926,195	689,928	236,267
Accounting	172,435	172,435	174,259	(1,824)
Data processing	121,910	121,910	124,359	(2,449)
Total general government	<u>2,038,480</u>	<u>2,529,355</u>	<u>2,384,570</u>	<u>144,785</u>
Public safety:				
Police	2,881,980	2,721,105	2,511,724	209,381
Animal control	210,845	210,845	182,045	28,800
Fire	1,217,380	1,217,380	1,219,534	(2,154)
Total public safety	<u>4,310,205</u>	<u>4,149,330</u>	<u>3,913,303</u>	<u>236,027</u>
Public works:				
Street maintenance	1,180,995	1,180,995	1,156,789	24,206
Total expenditures	<u>7,529,680</u>	<u>7,859,680</u>	<u>7,454,662</u>	<u>405,018</u>
Excess of revenues over expenditures	-	-	119,660	119,660
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance	-	-	9,408	9,408
Total other financing sources and uses	-	-	9,408	9,408
Net change in fund balances	-	-	129,068	129,068
Fund balances - beginning	8,260,257	8,260,257	8,260,257	-
Fund balances - ending	<u>\$ 8,260,257</u>	<u>\$ 8,260,257</u>	<u>\$ 8,389,325</u>	<u>\$ 129,068</u>

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

CITY OF SNYDER, 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				Totals	Governmental Activities - Internal Service Fund
	Water & Sewer Current Year	Water & Sewer Prior Year (memo only)	Sanitation Current Year	Sanitation Prior Year (memo only)		
Operating Revenues:						
Water sales	\$ 4,529,699	\$ 4,574,205	\$ -	\$ -	\$ 4,529,699	\$ -
Sewer charges	1,531,824	1,567,673	-	-	1,531,824	-
Charges for billing & collections	363,221	360,753	-	-	363,221	-
Sanitation charges	-	-	1,956,047	1,942,465	1,956,047	-
Landfill gate fees	-	-	820,655	904,779	820,655	-
Water & sewer taps	28,575	40,660	-	-	28,575	-
Plumbing permits & inspections	14,981	14,686	-	-	14,981	-
Other services	133,315	34,819	2,373	5,334	135,688	359,920
Total operating revenues	6,601,615	6,592,796	2,779,075	2,852,578	9,380,690	359,920
Operating Expenses:						
Personnel services	1,245,728	1,343,062	704,547	713,289	1,950,275	74,936
Supplies	470,376	372,858	232,910	262,006	703,286	229,145
Maintenance	634,600	812,139	182,923	130,597	817,523	4,853
Services	2,888,055	2,485,157	857,033	752,957	3,745,088	27,757
Sundry charges	57,108	107,941	58,861	56,427	115,969	4,093
Non capitalized equipment	294	1,117	-	-	294	-
Depreciation	1,389,854	1,314,666	775,554	493,785	2,165,408	19,136
Total operating expenses	6,686,015	6,436,940	2,811,828	2,409,061	9,497,843	359,920
Operating income (loss)	(84,400)	155,856	(32,753)	443,517	(117,153)	-
Nonoperating revenues (expenses):						
Investment earnings	52,646	49,951	8,323	5,983	60,969	-
Interest and fees expense	(499,865)	(435,359)	(640)	-	(500,505)	-
Gain (loss) on sale of assets	-	44,551	185,000	204,555	185,000	-
Bond issuance costs	-	(133,419)	-	-	-	-
Total nonoperating revenues (expenses)	(447,219)	(474,276)	192,683	210,538	(254,536)	-
Capital grant contributions	-	-	23,740	-	23,740	-
Change in net position	(531,619)	(318,420)	183,670	654,055	(347,949)	-
Total net position - beginning	10,785,320	11,195,056	3,695,026	3,040,971	14,480,346	(70,345)
Prior period adjustment	(551,180)	(91,316)	(309,464)	-	(860,644)	(34,072)
Total net position - ending	\$ 9,702,521	\$ 10,785,320	\$ 3,569,232	\$ 3,695,026	\$ 13,271,753	\$ (104,417)

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

CITY OF SNYDER
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2015

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Water & Sewer Current Year	Water & Sewer Prior Year	Sanitation Current Year	Sanitation Prior Year		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 6,232,019	\$ 6,309,185	\$ 2,787,479	\$ 2,880,023	\$ 9,019,498	\$ 3,409
Receipts from interfund services provided	363,221	360,753	-	-	363,221	356,511
Payments to suppliers	(3,000,949)	(2,312,898)	(1,133,962)	(666,701)	(4,134,911)	(285,491)
Payments to employees	(1,268,784)	(1,343,240)	(713,212)	(711,599)	(1,981,996)	(77,092)
Payments for interfund services used	(891,895)	(820,991)	(363,221)	(360,753)	(1,255,116)	-
Net cash provided (used) by operating activities	1,433,612	2,192,809	577,084	1,140,970	2,010,696	(2,663)
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES						
Interfund loans advanced (paid)	775,297	(217,984)	-	-	775,297	-
Increase (decrease) in cash overdrafts	-	-	316,789	-	316,789	273,403
Net cash provided (used) by noncapital financing activities	775,297	(217,984)	316,789	-	1,092,086	273,403
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchases of capital assets	(5,635,601)	(2,293,739)	(1,090,959)	(2,225,655)	(6,726,560)	(270,740)
Proceeds from sale of capital assets	-	44,551	185,000	204,555	185,000	-
Proceeds from issuance of certificates of obligation	-	9,000,000	-	-	-	-
Capital grant proceeds	-	-	23,740	-	23,740	-
Principal paid on certificates of obligation	(666,400)	(631,983)	-	-	(666,400)	-
Interest paid on debt obligations	(501,242)	(420,630)	(640)	-	(501,882)	-
Net cash provided (used) by capital and related financing activities	(6,803,243)	5,698,199	(882,859)	(2,021,100)	(7,686,102)	(270,740)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	(100,000)	-	-	-	(100,000)	-
Purchase of investments	-	-	(11,992)	(17,229)	(11,992)	-
Interest received	51,931	50,017	1,768	4,587	53,699	-
Net cash provided (used) by investing activities	(48,069)	50,017	(10,224)	(12,642)	(58,293)	-

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

CITY OF SNYDER
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	(memo only)		(memo only)		
	Water & Sewer Current Year	Water & Sewer Prior Year	Sanitation Current Year	Sanitation Prior Year	Totals
Net increase (decrease) in cash and cash equivalents	\$ (4,642,403)	\$ 7,723,041	\$ 790	\$ (892,772)	\$ (4,641,613)
Cash and cash equivalents, October 1 (including restricted cash)	9,627,022	1,903,981	12,734	905,506	9,639,756
Cash and cash equivalents, September 30 (including restricted cash)	\$ 4,984,619	\$ 9,627,022	\$ 13,524	\$ 12,734	\$ 4,998,143
	\$ (84,400)	\$ 155,856	\$ (32,753)	\$ 443,517	\$ (117,153)
Reconciliation of Operating Income to net cash provided by operating activities:					
Operating income	1,389,854	1,314,666	775,554	493,785	2,165,408
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	(52,075)	(13,132)	8,404	14,711	(43,671)
Depreciation expense	327	90,274	6,002	(4,718)	6,329
(Increase) decrease in accounts receivable	146,466	40,625	-	-	146,466
(Increase) decrease in inventories	45,700	65,273	-	-	45,700
Increase (decrease) in retainage payable	-	-	-	-	-
Increase (decrease) in customer deposits	-	-	-	-	-
Increase (decrease) in accrued payroll	10,796	539,425	(184,982)	179,251	(174,186)
Increase (decrease) in accounts payable	(23,056)	(178)	(8,665)	1,690	(31,721)
Increase (decrease) in payroll liabilities	-	-	13,524	12,734	13,524
Increase in landfill closure/post closure cost	1,518,012	2,036,953	609,837	697,453	2,127,849
Total adjustments	1,433,612	2,192,809	577,084	1,140,970	2,010,696
Net cash provided by operating activities	\$ 1,433,612	\$ 2,192,809	\$ 577,084	\$ 1,140,970	\$ 2,010,696

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

CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2015

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CITY OF SNYDER, TEXAS
Notes to Financial Statements
September 30, 2015

I. Summary of Significant Accounting Policies

The accounting and reporting policies of the City of Snyder, Texas, (City) included in the accompanying basic financial statements conform to the generally accepted accounting principles (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 following notes to the financial statements are an integral part of the City's Comprehensive Annual Financial Report.

A. Reporting Entity The City of Snyder is a municipal corporation governed by an elected mayor and six-member council. As required by generally accepted accounting principles, these financial statements present the City as the primary government and a component unit for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The discretely presented component unit has a September 30 year-end.

Discretely Presented Component Unit

Development Corporation of Snyder. The City adopted (through the election process) an optional sales tax (3/8%) for economic development purposes and the Corporation was established to administer these funds. The Corporation is a non-profit corporation specifically governed by the Texas Development Corporation Act of 1979, as amended. The purpose of the Development Corporation of Snyder, Inc. (herein known as D.C.O.S.) is to promote, assist, and enhance economic development. The five member Board of Directors is appointed by the Mayor, with the approval of the Council. The Board is regularly accountable to the City Council for all activities undertaken by them or on their behalf. The unit is presented as a governmental fund type.

Complete financial statements for the D.C.O.S. may be obtained at the entity's administrative offices:

Development Corporation of Snyder
3610 College Ave., Ste. A
Snyder, TX 79549

B. Government-Wide and Fund Financial Statements

Government-wide financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

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

Fund financial statements. The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

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

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

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

Property taxes, franchise taxes, licenses, interest revenue and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, if available. Sales taxes collected and held by the state at year-end on behalf of the City also are recognized as revenue. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

The government reports the following major proprietary funds:

Water and Sewer Fund - This fund accounts for the provision of water and sewer services to the residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, billing and collections.

Sanitation Fund - This fund accounts for the provision of garbage collection and disposal, including landfill operations for the residents of the City and some residents of the County.

Additionally, the City reports the following nonmajor fund types:

Special Revenue Funds - Special Revenue Funds, a governmental fund type, are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are restricted, committed or assigned to expenditures for specified purposes.

Internal Service Funds - Internal Service Funds, a proprietary fund type, are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The internal service fund of the City is the Central Garage Fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer fund, the sanitation fund, and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

Cash includes amounts that are subject to immediate use by the entity. Examples of cash are as follows:

- a. Cash on hand
- b. Cash on (demand) deposit with financial institutions that can be withdrawn without prior notice or penalty.
- c. Other deposits or cash management pools that have characteristics similar to demand deposit accounts (that is, additional funds may be deposited to the account at any time and withdrawals can be made at any time without prior notice or penalty.)

Cash equivalents are short-term, highly liquid investments that have both of the following characteristics:

- a. Investments that are readily convertible to known amounts of cash.
- b. Investments that mature in such a short period of time (generally original maturity of three months or less from the date of purchase) that their values are effectively immune from changes in interest rates.

State statutes authorize the City to invest in 1) obligations of the U.S. or its agencies and instrumentalities; 2) obligations of the State of Texas or its agencies; 3) other obligations guaranteed by the U.S. or the State of Texas or their agencies and instrumentalities; 4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; 5) guaranteed or secured certificates of deposit issued by state or national banks domiciled in Texas, savings banks domiciled in Texas, or state or federal credit unions domiciled in Texas; 6) fully collateralized repurchase agreements; and 7) other securities as described in the Texas Local Government Code, Chapter 2256, Public Funds Investment Act. The City is authorized by its governing body to invest in all instruments authorized by the State statutes. Investments are stated at fair value.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds: (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

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

All trade and property tax receivables are shown net of an allowance for uncollectibles.

The City's property tax is levied each October 1, and payable before the first day of February, on 100 percent of assessed value listed for all real and personal property (business property) located in the City. Assessed values are established by the Scurry County Tax Appraisal District and certified by the Board of Equalization.

Property tax revenues are recognized in the fund financial statements when they become available. Available means collected within the current period and the amount expected to be collected soon after year-end to pay liabilities of the current period not to exceed 60 days. The amount of taxes collected in the period 60 days after year-end were deemed immaterial, therefore, the balance of taxes receivable, net of allowance, is reported as deferred inflows of resources. Property taxes attach as an enforceable lien on property as of January 1.

3. Inventories

Inventory is valued at cost using the first-in/first-out method. Inventory in the General Fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed. Reported inventories are equally offset by nonspendable fund balance which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

4. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Funds set aside to cover landfill closure and postclosure costs and customer deposits are also classified as restricted assets.

5. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure and all other tangible and intangible assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the fund financial statements for proprietary funds. Infrastructure acquired beginning in 2004 has been capitalized. Infrastructure acquired prior to this date has not been capitalized. All capital assets are valued at their historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. The capitalization threshold for capital assets is \$1,000. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Depreciable capital assets are depreciated using the straight-line method over the asset's estimated useful life as follows:

Buildings and improvements	25-50 years
Improvements other than buildings	10-50 years
Machinery and equipment	3-10 years

6. Deferred Outflows/Inflows of Resources

Deferred outflows/inflows of resources are separate elements of the financial statements. The City has deferred inflows of resources arising under the modified accrual basis of accounting- unavailable revenue from property taxes. This is deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred outflows and inflows related to pensions, as described in Note IV.D, arising under the full accrual basis of accounting.

7. *Compensated Absences*

Vested or accumulated vacation leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

8. *Long-term Obligations*

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

9. *Comparative Data*

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of those funds.

II. Stewardship, Compliance, and Accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted for the governmental and proprietary fund types. All annual appropriations lapse at fiscal year-end. Encumbrances represent commitments related to unperformed contracts for goods or services.

Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in all funds. Encumbrances outstanding at year-end are closed and re-budgeted in the following year.

Prior to August 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them. The City Council holds public hearings and may add to, subtract from or change appropriations. Any changes in the budget must be within the revenues reserves estimated as available by the City Manager or the revenue estimates must be changed by an affirmative vote of a majority of the City Council.

Prior to September 30, the budget is legally enacted through passage of an ordinance which appropriates totals by fund. Upon written recommendation of the City Manager, the Council may at any time transfer any unencumbered appropriation balance or any portion thereof within a department, office or agency to another department, office or agency. Any supplemental appropriations must be offset by an equal increase in estimated revenues. Management may amend line item budgeted amounts within a department without seeking the approval of the Council.

B. Deficit Fund Equity

The hourly rate charged for services performed by the internal service central garage fund is intended to result in a break-even operation which is reflected in the current year income. The net position is a deficit \$104,417 at September 30, 2015.

Motel tax fund revenue is remitted to the Chamber of Commerce and Western Texas College. Fund balance of the motel tax fund is a deficit \$38 at September 30, 2015.

III. Detailed Notes on All Funds

A. Deposits and Investments

Custodial credit risk- deposits. The City's deposits in financial institutions were entirely covered by federal depository insurance and by securities held by the pledging bank's agent for the City in the City's name. The City's investment policy requires that time deposits be collateralized by U.S. Treasury Obligations.

At year end, DCOS' deposits in financial institutions were entirely covered by federal depository insurance and by securities held by the pledging bank's agent for DCOS in DCOS' name.

At September 30, 2015, the City and DCOS had the following investments, all maturing within one year:

	City <u>Fair Value</u>	DCOS <u>Fair Value</u>
TexPool	\$2,504,222	\$ -
Certificates of Deposit	3,953,100	537,866

Investments included on the statement of net position represent certificates of deposit that have a maturity of more than 90 days.

Interest rate risk. The City's investment policy does not currently limit the weighted average maturity of its investment portfolio; however, the City's time deposits all mature in staggered proportions within six months after yearend. TexPool manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 90 days.

Credit risk – State law limits investments in public funds investment pools to those rated no lower than AAA or AAAM or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2015, the City's investment in TexPool was rated AAAM, by Standard & Poor's, the highest rating a local government investment pool can achieve. Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. The fair value of the City's position in this pool is the same as the value of the pool shares.

Concentration of credit risk. The City's investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified by security type and institution.

B. Receivables

Receivables in the fund financial statements at September 30, 2015 consist of the following:

	General Fund	Water & Sewer Fund	Sanitation Fund	Nonmajor & Other Funds	Total
Delinquent Taxes Receivable	\$ 120,548	\$ -	\$ -	\$ -	\$ 120,548
Less: Allowance for Uncollectibles	(110,548)	-	-	-	(110,548)
Delinquent Tax Receivable, net	10,000	-	-	-	10,000
Sales Tax Receivable	532,792	-	-	-	532,792
Franchise Tax Receivable	204,599	-	-	-	204,599
Other Receivables	537,199	788,722	324,343	109,374	1,759,638
Accrued Interest Receivable	1,205	1,133	9,216	-	11,554
Total Receivables - Net	<u>\$ 1,285,795</u>	<u>\$ 789,855</u>	<u>\$ 333,559</u>	<u>\$ 109,374</u>	<u>\$ 2,518,583</u>

Receivables for DCOS consist of \$133,198 from the primary government for sales tax and \$339,846 in notes receivables from businesses.

Revenues of the Water and Sewer Fund and Sanitation Fund are reported net of uncollectible amounts. Total estimated uncollectible amounts related to revenues of the current period are as follows:

Uncollectibles related to water sales:	\$21,979
Uncollectibles related to sewer charges:	<u>181</u>
Uncollectibles related to the Water and Sewer Fund:	\$22,160
Uncollectibles related to the Sanitation Fund:	\$ 6,410

C. Capital Assets

Governmental Activities:	<u>Beginning Balance</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 499,680	\$ 25,000	\$	\$ 524,680
Construction in progress	<u>76,242</u>	<u>90,541</u>	<u>(76,242)</u>	<u>90,541</u>
Total capital assets, not being depreciated	<u>575,922</u>	<u>115,541</u>	<u>(76,242)</u>	<u>615,221</u>
Capital assets, being depreciated:				
Buildings	685,000	286,625	(928)	970,697
Improvements other than buildings	3,615,407	-	-	3,615,407
Machinery and equipment	<u>5,208,771</u>	<u>690,083</u>	<u>(135,741)</u>	<u>5,763,113</u>
Total capital assets, being depreciated	<u>9,509,178</u>	<u>976,708</u>	<u>(136,669)</u>	<u>10,349,217</u>
Less accumulated depreciation for:				
Buildings	425,587	27,477	(928)	452,136
Improvements other than buildings	2,462,913	27,628	-	2,490,541
Machinery and equipment	<u>3,955,351</u>	<u>485,019</u>	<u>(135,741)</u>	<u>4,304,629</u>
Total accumulated depreciation	<u>6,843,851</u>	<u>540,124</u>	<u>(136,669)</u>	<u>7,247,306</u>
Total capital assets being depreciated, net	<u>2,665,327</u>	<u>436,584</u>	<u>-</u>	<u>3,101,911</u>
Governmental activities capital assets, net	<u>\$ 3,241,249</u>	<u>\$ 552,125</u>	<u>\$ (76,242)</u>	<u>\$ 3,717,132</u>
Business-Type Activities:	<u>Beginning Balance</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Water and sewer activities:				
Capital assets, not being depreciated:				
Land	\$ 185,765	\$ -	\$	\$ 185,765
Construction in progress	<u>990,101</u>	<u>4,494,939</u>	<u>(951,227)</u>	<u>4,533,813</u>
Total capital assets, not being depreciated	<u>1,175,866</u>	<u>4,494,939</u>	<u>(951,227)</u>	<u>4,719,578</u>
Capital assets, being depreciated:				
Buildings	9,932,772	37,935	-	9,970,707
Improvements other than buildings	17,097,667	1,810,083	-	18,907,750
Machinery and equipment	<u>6,036,154</u>	<u>243,871</u>	<u>(66,902)</u>	<u>6,213,123</u>
Total capital assets, being depreciated	<u>33,066,593</u>	<u>2,091,889</u>	<u>(66,902)</u>	<u>35,091,580</u>
Less accumulated depreciation for:				
Buildings	6,340,098	310,251	-	6,650,349
Improvements other than buildings	9,100,383	533,592	-	9,633,975
Machinery and equipment	<u>2,782,285</u>	<u>546,011</u>	<u>(66,902)</u>	<u>3,261,394</u>
Total accumulated depreciation	<u>18,222,766</u>	<u>1,389,854</u>	<u>(66,902)</u>	<u>19,545,718</u>
Total capital assets being depreciated, net	<u>14,843,827</u>	<u>702,035</u>	<u>-</u>	<u>15,545,862</u>
Water and sewer activities capital assets, net	<u>\$ 16,019,693</u>	<u>\$ 5,196,974</u>	<u>\$ (951,227)</u>	<u>\$ 20,265,440</u>

Sanitation activities:	<u>Beginning Balance</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 120,756	\$ -	\$ -	\$ 120,756
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>120,756</u>	<u>-</u>	<u>-</u>	<u>120,756</u>
Capital assets, being depreciated:				
Buildings	425,406	-	-	425,406
Improvements other than buildings	3,845,813	-	-	3,845,813
Machinery and equipment	3,961,435	1,090,959	(498,500)	4,553,894
Total capital assets, being depreciated	<u>8,232,654</u>	<u>1,090,959</u>	<u>(498,500)</u>	<u>8,825,113</u>
Less accumulated depreciation for:				
Buildings	232,865	6,930	-	239,795
Improvements other than buildings	2,518,390	143,568	-	2,661,958
Machinery and equipment	2,468,999	625,056	(498,500)	2,595,555
Total accumulated depreciation	<u>5,220,254</u>	<u>775,554</u>	<u>(498,500)</u>	<u>5,497,308</u>
Total capital assets being depreciated, net	<u>3,012,400</u>	<u>315,405</u>	<u>-</u>	<u>3,327,805</u>
Sanitation activities capital assets, net	\$ <u>3,133,156</u>	\$ <u>315,405</u>	\$ <u>-</u>	\$ <u>3,448,561</u>

Total Business-Type Activities:	<u>Beginning Balance</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 306,521	\$ -	\$ -	\$ 306,521
Construction in progress	990,101	4,494,939	(951,227)	4,533,813
Total capital assets, not being depreciated	<u>1,296,622</u>	<u>4,494,939</u>	<u>(951,227)</u>	<u>4,840,334</u>
Capital assets, being depreciated:				
Buildings	10,358,178	37,935	-	10,396,113
Improvements other than buildings	20,943,480	1,810,083	-	22,753,563
Machinery and equipment	9,997,589	1,334,830	(565,402)	10,767,017
Total capital assets, being depreciated	<u>41,299,247</u>	<u>3,182,848</u>	<u>(565,402)</u>	<u>43,916,693</u>
Less accumulated depreciation for:				
Buildings	6,572,963	317,181	-	6,890,144
Improvements other than buildings	11,618,773	677,160	-	12,295,933
Machinery and equipment	5,251,284	1,171,067	(565,402)	5,856,949
Total accumulated depreciation	<u>23,443,020</u>	<u>2,165,408</u>	<u>(565,402)</u>	<u>25,043,026</u>
Total capital assets being depreciated, net	<u>17,856,227</u>	<u>1,017,440</u>	<u>-</u>	<u>18,873,667</u>
Business-Type activities capital assets, net	\$ <u>19,152,849</u>	\$ <u>5,512,379</u>	\$ <u>(951,227)</u>	\$ <u>23,714,001</u>

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

Governmental activities:

General government	\$ 51,175
Public safety	335,808
Public works	134,005
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of assets	<u>19,136</u>
Total depreciation expense – governmental activities	<u><u>\$ 540,124</u></u>

Business-type activities:

Water and sewer	\$ 1,389,854
Sanitation	<u>775,554</u>
Total depreciation expense – business-type activities	<u><u>\$ 2,165,408</u></u>

Discretely presented component unit

Development Corporation of Snyder:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 1,187,159	\$ -	\$ 446,267	\$ 740,892
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>1,187,159</u>	<u>-</u>	<u>446,267</u>	<u>740,892</u>
Capital assets, being depreciated:				
Buildings and improvements	2,870,941	-	-	2,870,941
Furniture and equipment	<u>43,244</u>	<u>-</u>	<u>-</u>	<u>43,244</u>
Total capital assets, being depreciated	<u>2,914,185</u>	<u>-</u>	<u>-</u>	<u>2,914,185</u>
Less accumulated depreciation for:				
Buildings and improvements	137,416	115,686	-	253,102
Furniture and equipment	<u>40,895</u>	<u>1,241</u>	<u>-</u>	<u>42,136</u>
Total accumulated depreciation, net	<u>178,311</u>	<u>116,927</u>	<u>-</u>	<u>295,238</u>
Total capital assets being depreciated, net	<u>2,735,874</u>	<u>(116,927)</u>	<u>-</u>	<u>2,618,947</u>
DCOS capital assets, net	<u><u>\$ 3,923,033</u></u>	<u><u>\$ (116,927)</u></u>	<u><u>\$ 446,267</u></u>	<u><u>\$ 3,359,839</u></u>

D. Interfund Balances

The General fund loaned the Water and Sewer fund \$850,000 at 2.5% interest, payable monthly in the amount of \$11,040.79, to assist with the cost of renovations to the water plant. The loan matures January 1, 2022. At September 30, 2015, the interfund loan totaled \$775,297.

E. Restricted Assets

Restricted assets in the proprietary fund financial statements at September 30, 2015 consist of the following:

Water & sewer fund:

Bond construction fund	\$ 4,190,172
Customer deposits	542,834
Municipal lease escrow reserve	400,000
C.O. debt service reserve fund	<u>156,091</u>
	<u><u>\$ 5,289,097</u></u>

Sanitation fund:

Landfill closure/postclosure	\$ 1,966,624
	<u><u>\$ 1,966,624</u></u>

F. Long-Term Debt

Changes in long-term liabilities

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

	October 1, 2014	Increase	Decrease	September 30, 2015	Due Within One year
Governmental Type Activities:					
Compensated absences	\$ 126,675	\$ 31,669	\$ (24,476)	\$ 133,868	\$ 33,467
Net pension liability	<u>2,312,395</u>	<u>188,594</u>	<u>-</u>	<u>2,500,989</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 2,439,070</u>	<u>\$ 220,263</u>	<u>\$ -</u>	<u>\$ 2,634,857</u>	<u>\$ 33,467</u>
Business Type Activities:					
Revenue bonds	\$ 12,015,000	\$ -	\$ (485,000)	\$ 11,530,000	\$ 400,000
Unamortized bond premiums	157,458	-	(9,675)	147,783	-
Municipal lease purchase	2,778,085	-	(171,725)	2,606,360	176,602
Closure/postclosure care	1,953,100	13,524	-	1,966,624	-
Compensated absences	52,969	2,427	(5,876)	49,520	12,380
Net pension liability	<u>1,037,245</u>	<u>84,595</u>	<u>-</u>	<u>1,121,840</u>	<u>-</u>
Business-type activity					
Long-term liabilities	<u>\$ 17,993,857</u>	<u>\$ 100,546</u>	<u>\$ (672,276)</u>	<u>\$ 17,422,127</u>	<u>\$ 588,982</u>

For the governmental activities, the general fund has typically been used to liquidate the liability for compensated absences.

Revenue bonds

The annual requirements to retire all revenue bonds outstanding as of September 30, 2015 including interest payments are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total
2016	\$ 400,000	\$ 394,753	\$ 794,753
2017	405,000	383,564	788,564
2018	415,000	371,545	786,545
2019	425,000	358,765	783,765
2020	435,000	345,318	780,318
2021-2025	2,355,000	1,500,590	3,855,590
2026-2030	3,300,000	1,042,562	4,342,562
2031-2034	<u>3,795,000</u>	<u>296,011</u>	<u>4,091,011</u>
	<u>\$ 11,530,000</u>	<u>\$ 4,693,108</u>	<u>\$ 16,223,108</u>

A summary of Revenue Bonds outstanding at September 30, 2015 follows:

\$3,495,000, 2010 Combination Tax and Surplus Revenue Certificates of Obligation due in annual installments of \$165,000 to \$295,000 through March 1, 2025; interest at 0.75 – 4.0%; payable from income derived from the water and sewer enterprise fund; tax revenues serve as collateral \$ 2,530,000

\$9,000,000, 2013 Combination Tax and Surplus Revenue Certificates of Obligation due in annual installments of \$180,000 to \$1,005,000 through March 1, 2034; interest at 3 – 4.0%; payable from income derived from the water and sewer enterprise fund; tax revenues serve as collateral \$ 9,000,000

Total outstanding Revenue Bonds \$11,530,000

Municipal lease agreement

In August 2012, the City acquired \$2,985,314 in energy-saving equipment for use in the Water and Sewer enterprise fund through a lease purchase agreement. Related amortization expense is included in depreciation expense.

The annual requirements to retire the municipal lease agreement outstanding as of September 30, 2015 including interest payments are as follows:

<u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 176,602	\$ 72,263	\$ 248,865
2017	181,617	67,248	248,865
2018	186,775	62,090	248,865
2019	192,079	56,786	248,865
2020	197,533	51,332	248,865
2021-2025	1,075,070	169,255	1,244,325
2026-2028	596,684	25,474	622,158
	<u>\$ 2,606,360</u>	<u>\$ 504,448</u>	<u>\$ 3,110,808</u>

A summary of the Municipal Lease Agreement outstanding at September 30, 2015 follows:

\$2,985,314, Municipal Lease Purchase Agreement due in semi-annual installments of \$40,246 to \$122,702 through February 2028; interest at 2.82%; payable from income derived from the water and sewer enterprise fund	<u>\$2,606,360</u>
Total outstanding Municipal Lease Agreement	<u>\$2,606,360</u>

Discretely Presented Component Unit

The following is a summary of long-term debt activity of the Development Corporation of Snyder for the fiscal year ended September 30, 2015:

	<u>Balance at October 1, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at September 30, 2015</u>	<u>Due Within One Year</u>
Sales tax revenue bonds	\$ 135,000	\$ -	\$ (135,000)	\$ -	\$ -
Notes payable	3,956,125	-	(330,950)	3,625,175	338,051
Net pension liability	107,258	8,747	-	116,005	-
Total long-term debt	<u>\$ 4,198,383</u>	<u>\$ 8,747</u>	<u>\$ (465,950)</u>	<u>\$ 3,741,180</u>	<u>\$ 338,051</u>

The annual requirements to retire all debt outstanding of the Development Corporation of Snyder as of September 30, 2015 including interest payments are as follows:

Fiscal Year Ending September 30,	Notes Payable	Interest	Total
2016	\$ 338,051	\$ 88,318	\$ 426,369
2017	344,876	81,496	426,372
2018	343,923	74,449	418,372
2019	343,202	67,169	410,371
2020	350,722	59,650	410,372
2021-2025	1,493,952	176,478	1,670,430
2026-2027	410,449	10,019	420,468
	\$ 3,625,175	\$ 557,579	\$ 4,182,754

Notes Payable

The Development Corporation of Snyder entered into an agreement with Big Country Electric Cooperative to provide services in order to improve the utility infrastructure for the UCO Spinning Plant. The Development Corporation agreed to reimburse Big Country \$279,000 through a non-interest bearing note. The note is payable in annual installments of \$22,500 for the first six years followed by nine annual installments of \$16,000 each, maturing in 2018. The payments are due annually on January 31 and the note is secured by the gross revenues and receipts of the 3/8% Sales Tax. The note provides for alternate payment schedules if the property known as UCO Spinning Plant is vacant for a period exceeding six months. The outstanding balance of this note is \$40,000.

In February 2012, DCOS authorized the issuance of a loan through the Office of the Governor Economic Development and Tourism Division in the aggregate principal amount of \$3,500,000 to fund land acquisition, rail spur construction, infrastructure improvements and a program loan to WLP Holdings. The loan is scheduled to mature on March 20, 2027 and bears a variable interest rate of the federal funds rate plus 3%. The loan is secured by sales tax revenues. The outstanding balance of the loan is \$2,814,095.

In November 2012, DCOS entered into two agreements with Big Country Electric Cooperative to provide services in order to develop 74 acres of the Rail Park. The Corporation agreed to reimburse Big Country \$740,000 and \$300,000 through a non-interest bearing note. The note is payable in One Hundred eight (108) monthly installments of \$6,852 and \$2,752.29 each and a One Hundred Ninth (109th) final installment of remaining principal and interest, if any. The first installment was due June 20, 2013 and subsequent installments are due on or before the same day of each month thereafter until the principal amount (and any default interest) is paid in full with the final installment of principal and any default interest being due on or before June 20, 2022. The outstanding balance of this note is \$771,080.

Conduit Debt Obligations

In December 2011, DCOS issued Industrial Development Revenue Bonds, Series 2011A and 2011B, in the amounts of \$7.5 million and \$2.5 million, to provide funds to WL Plastics Corporation ("Corporation") to finance the construction and equipping of a manufacturing facility to be located in the City. The bonds are secured by the property financed and are payable solely from payments received from Corporation on the underlying mortgage loans. Neither DCOS, the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

IV. Other Information

A. Risk Management

The City's insurance protection includes multi-peril coverage for building and valuable papers, general liability, auto general liability coverage for bodily injury and property damage, public officials' liability, police liability, volunteer fire and police reserve accidental death and disability, and airport bodily injury and property damage.

In February 2012, the City became fully insured by the Texas Municipal League (TML). The City purchases worker's compensation insurance and is a tax paying employer for unemployment insurance. Medical benefits are provided through a fully funded Intergovernmental Employee Benefits Pool administered by the Texas Municipal League.

B. Contingent Liabilities

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of September 30, 2015, no significant amounts of grant expenditures are open to grantor review, and the City believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City.

C. Landfill Closure Costs

State and federal laws and regulations require that the City of Snyder place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs is \$1,966,624 as of September 30, 2015, which is based on 11.1% usage (filled) of the landfill. It is estimated that an additional \$2,294,177 will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity (2155). The current estimated total cost of the landfill closure and postclosure care (\$4,260,801) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2015. However, the actual cost of closure and postclosure care may be different due to inflation, changes in technology, or changes in landfill laws and regulations.

The City of Snyder is required by state and federal laws and regulations to make annual contributions to finance closure and postclosure care; however, the City began using the landfill on July 1, 1995; and therefore the first annual contribution was not made until Fiscal Year 1995 – 1996. Investments of \$1,966,624 are held for these purposes. These investments are reported as restricted assets. It is anticipated that future inflation costs will be financed in part from earnings on investments. The remaining portion of anticipated future installation costs (including inadequate earnings on investments, if any) and additional costs that may arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

D. Texas Municipal Retirement System (TMRS)

Plan Description

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an 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.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

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

The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. The City has elected that members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

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	45
Inactive employees entitled to but not yet receiving benefits	42
Active employees	85
Total	<u>172</u>

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 for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 17.71% and 16.48% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015, were \$789,146 and were equal to the required contributions.

Net Pension Liability

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

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

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the city, rates are multiplied by a factor of 100.0%. 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	17.50%	4.80%
International Equity	17.50%	6.04%
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:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balance at 12/31/2013	\$ 27,161,823	\$ 23,704,925	\$ 3,456,898
Changes for the year:			
Service Cost	671,639	-	671,639
Interest	1,875,915	-	1,875,915
Changes of benefit terms	-	-	-
Difference between expected and actual experience	201,255	-	201,255
Changes of assumptions	-	-	-
Contributions - employer	-	807,274	(807,274)
Contributions - employee	-	319,081	(319,081)
Net investment income	-	1,355,840	(1,355,840)
Benefit payments, including refunds of employee contributions	(1,397,701)	(1,397,701)	-
Administrative expense	-	(14,158)	14,158
Other changes	-	(1,164)	1,164
Net changes	1,351,108	1,069,172	281,936
Balance at 12/31/2014	\$ 28,512,931	\$ 24,774,097	\$ 3,738,834

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 (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's net pension liability	\$ 7,593,242	\$ 3,738,834	\$ 563,170

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.

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 \$694,922.

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	\$ 151,484	\$ -
Changes in actual assumptions	-	-
Difference between projected and actual investment earnings	242,804	-
Contributions subsequent to the measurement date	570,443	-
Total	\$ 964,731	\$ -

\$570,443 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, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	
2016	\$ 110,472
2017	110,472
2018	110,472
2019	62,872
2020	-
	<u>\$ 394,288</u>

Supplemental Death Benefits Plan

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

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

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

The City's contributions to the TMRS SDBF for the years ended 2015, 2014 and 2013 were \$10,456, \$10,215 and \$9,252, respectively, which equaled the required contributions each year.

E. Fund Balance

The City classifies governmental fund balances in the following categories:

Nonspendable fund balance includes the portion of net resources that cannot be spent because of their form (i.e. inventory, long-term loans, or prepaids) or because they must remain intact such as the principal of an endowment. The City has nonspendable fund balance of \$49,000 for prepaid items, \$8,311 for inventories, and \$775,297 for advances to other funds as of September 30, 2015.

Restricted fund balance includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation.

Municipal court	\$ 28,150
LEOSE police	1,192
Police seizures	406
LEOSE fire	1,638
Building security	9,565
Juvenile cases	36,335
Court efficiency	2,261
TIF Reinvestment Zone No. 1	3,086
Restricted fund balance	<u>\$ 82,633</u>

Committed fund balance includes the portion of net resources upon which the City Council, the City’s highest level of decision-making authority, has imposed limitations on use. Committed funds can be used only for the specific purposes are determined by a formal action of the City Council in the form of a resolution. Commitments may be changed or lifted only by the Council taking the same formal action that originally imposed the constraint. The formal action must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements. The City has \$399,738 in committed fund balance at September 30, 2015.

Assigned fund balance includes the portion of net resources for which an intended use has been established by the City Council or the City Manager authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund.

Unassigned fund balance includes the amounts in the general fund in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. Negative residual amounts for all other governmental funds are reported in this classification. The City had \$7,077,394 in unassigned fund balance at September 30, 2015.

The City will typically use restricted, committed and/or assigned fund balance, in that order, prior to using unassigned fund balance, but it reserves the right to deviate from this general strategy when appropriate.

F. Reinvestment Zones

In December 2011, the City approved the creation of Tax Abatement Reinvestment Zone Number Two (“Zone #2”). The City also approved a seven year, 100% property tax abatement to WL Plastics Corporation for property in Zone #2. There was no financial activity for Zone #2 in fiscal year 2015.

In November 2013, the City Council approved the creation of Tax Increment Financing (TIF) Reinvestment Zone Number 1 (“Zone #1”). 65% of the ad valorem taxes received from property within the zone will go into a special revenue TIF fund that will be used for economic development within the zone. Zone #1 is reported as a nonmajor special revenue fund.

G. Prior Period Adjustment

During fiscal year 2015, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. Upon adoption of GASB No. 68, the City assumed its proportionate share of the net pension liability of the Texas Municipal Retirement System. Adoption of GASB No. 68 required a prior period adjustment to report the effect of GASB No. 68 retroactively. The amount of the prior period adjustment was a decrease in net position on the following opinion units/funds at October 1, 2014:

Government-wide financial statements:	
Governmental activities	\$ (1,918,688)
Business-type activities	(860,644)
DCOS, component unit	(88,996)
	<u>\$ (2,868,328)</u>
Fund financial statements:	
Water & sewer fund	\$ (551,180)
Sanitation fund	(309,464)
Internal service fund	(34,072)
	<u>\$ (894,716)</u>

H. Subsequent Events

The City of Snyder has received a Texas Community Development Block Grant from the Texas Department of Agriculture for an infrastructure improvements project. The City proposes to install 16,500 LF of 8" water line, 6 fire hydrants, 9 valves, 1 commercial meter and all associated appurtenances connecting Chem Plex with the City water lines. The City Council awarded a contract for this project for \$400,282.

CITY OF SNYDER, TEXAS
Schedule of Changes in Net Pension Liability and Related Ratios
Texas Municipal Retirement System
For the Year Ended September 30, 2015 *

	Measurement Date <u>Year Ended December 31, 2014</u>
Total Pension Liability	
Service cost	\$ 671,639
Interest on total pension liability	1,875,915
Changes in benefit terms	-
Differences between expected and actual experience	201,255
Change in assumptions	-
Benefit payments, including refunds of employee contributions	<u>(1,397,701)</u>
Net change in total pension liability	1,351,108
Total pension liability, beginning	27,161,823
Total pension liability, ending (a)	<u>\$ 28,512,931</u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 807,274
Contributions - employee	319,081
Net investment income	1,355,840
Benefit payments, including refunds of employee contributions	(1,397,701)
Administrative expenses	(14,158)
Other	<u>(1,164)</u>
Net change in plan fiduciary net position	1,069,172
Plan fiduciary net position, beginning	23,704,925
Plan fiduciary net position, ending (b)	<u>\$ 24,774,097</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ 3,738,834</u>
Plan fiduciary net position as a percentage of total pension liability	86.9%
Covered employee payroll	\$ 4,558,297
Net pension liability as a percentage of covered employee payroll	82.0%

* A full 10-year schedule will be displayed as it becomes available.

CITY OF SNYDER, TEXAS
Schedule of Employer Contributions
Texas Municipal Retirement System
For the Year Ended September 30, 2015 *

Fiscal Year Ending	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution as a Percentage of Covered Payroll
2015	\$ 789,146	\$ 789,146	-	\$ 4,696,337	16.80%

* A full 10-year schedule will be displayed as it becomes available.

Notes to Required Supplementary Information

Assumptions

The following methods and assumptions were used to determine total pension liability:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	10-year smoothed market; 15% soft corridor
Inflation	3.00%
Salary increases	3.50% to 12.00%, including inflation
Investment rate of return	7.00%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality	RP-2000 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	There were no benefit changes during the year.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Motel Tax Fund – This fund is used to account for the tax upon the occupancy of any sleeping room furnished by any hotel, where the occupancy is the rate of \$2 or more per day.

Tax Increment Financing – This fund is used to account for 65% of the ad valorem taxes collected within the Tax Increment Financing Reinvestment Zone No. 1.

CITY OF SNYDER, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015

	<u>Special Revenue</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Motel Tax Fund</u>	<u>Tax Increment Financing</u>	
ASSETS			
Cash and cash equivalents	\$	\$ 3,086	\$ 3,086
Accounts receivable, net	109,374	-	109,374
Total assets	<u>\$ 109,374</u>	<u>\$ 3,086</u>	<u>\$ 112,460</u>
LIABILITIES			
Cash overdraft	\$ 3,385	\$ -	\$ 3,385
Accounts payable	106,027	-	106,027
Total liabilities	<u>109,412</u>	<u>\$ -</u>	<u>109,412</u>
FUND BALANCES			
Restricted for various purposes		3,086	3,086
Unassigned, designated for tourism	(38)	-	(38)
Total fund balances	<u>(38)</u>	<u>3,086</u>	<u>3,048</u>
Total liabilities and fund balances	<u>\$ 109,374</u>	<u>\$ 3,086</u>	<u>\$ 112,460</u>

CITY OF SNYDER, TEXAS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2015

	Special Revenue		Total Nonmajor Governmental Funds
	Motel Tax Fund	Tax Increment Financing	
REVENUES			
Occupancy tax	\$ 439,227	\$	\$ 439,227
Property taxes		38,727	38,727
Total revenues	<u>439,227</u>	<u>38,727</u>	<u>477,954</u>
EXPENDITURES			
Current:			
General government		35,641	35,641
Culture and recreation	438,425		438,425
Total expenditures	<u>438,425</u>	<u>35,641</u>	<u>474,066</u>
Net change in fund balances	802	3,086	3,888
Fund balances - beginning	<u>(840)</u>		<u>(840)</u>
Fund balances - ending	<u>\$ (38)</u>	<u>\$ 3,086</u>	<u>\$ 3,048</u>

CITY OF SNYDER, TEXAS
Motel Tax Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2015

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES				
Occupancy tax	\$ 500,000	\$ 500,000	\$ 439,227	\$ (60,773)
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>439,227</u>	<u>(60,773)</u>
EXPENDITURES				
Culture and recreation	<u>500,000</u>	<u>500,000</u>	<u>438,425</u>	<u>61,575</u>
Total expenditures	<u>500,000</u>	<u>500,000</u>	<u>438,425</u>	<u>61,575</u>
Net change in fund balance	-	-	802	802
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>(840)</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (38)</u>	<u>\$ -</u>

CITY OF SNYDER, TEXAS
Tax Increment Financing Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2015

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
REVENUES				
Property taxes	\$ 39,060	\$ 39,060	\$ 38,727	\$ (333)
Total revenues	<u>39,060</u>	<u>39,060</u>	<u>38,727</u>	<u>(333)</u>
EXPENDITURES				
General government	<u>39,060</u>	<u>39,060</u>	<u>35,641</u>	<u>3,419</u>
Total expenditures	<u>39,060</u>	<u>39,060</u>	<u>35,641</u>	<u>3,419</u>
Net change in fund balance	-	-	3,086	3,086
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,086</u>	<u>\$ 3,086</u>

Supplementary Individual Fund Financial Statements and Schedules

General Fund

These supplementary statements and schedules are included to provide management and readers additional information for financial analysis.

CITY OF SNYDER, TEXAS
GENERAL FUND
SCHEDULE OF REVENUES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 2015
With Comparative Actual Amounts for Year Ended September 30, 2014

	2015		Variance- Favorable (Unfavorable)	2014
	Budget	Actual		Actual
Taxes:				
Sales Taxes	\$ 3,100,000	\$ 2,710,301	\$ (389,699)	\$ 3,255,941
Ad valorem Taxes	2,011,865	2,134,364	122,499	1,961,319
Franchise Taxes	790,000	778,439	(11,561)	816,773
Liquor Taxes	13,000	11,461	(1,539)	12,082
Total Taxes	5,914,865	5,634,565	(280,300)	6,046,115
Licenses and Permits	65,900	144,454	78,554	56,419
Intergovernmental:				
Texas Department of Transportation	-	-	-	28,556
LEOSE - Police	-	1,859	1,859	1,873
Grant proceeds - TCF #7214242	-	17,500	17,500	-
School Resource Officer	78,000	81,450	3,450	79,600
Emergency Management	26,000	25,736	(264)	7,519
Bullet Proof Vest Program	-	6,255	6,255	-
Juvenile Case Manager Fee	8,500	9,483	983	7,483
LEOSE - Fire	-	659	659	650
Total Intergovernmental	112,500	142,942	30,442	125,681
Charges for Services:				
Administrative Fees	1,194,300	1,227,888	33,588	1,082,239
Municipal Court Fees	45,265	70,832	25,567	67,428
Total Charges for Services	1,239,565	1,298,720	59,155	1,149,667
Fines and Forfeitures	115,000	143,898	28,898	108,421
Miscellaneous:				
Interest	25,000	49,732	24,732	24,012
Proceeds from insurance	-	9,408	9,408	-
Miscellaneous	56,850	137,011	80,161	172,626
Total Miscellaneous	81,850	196,151	114,301	196,638
Contributions	-	23,000	23,000	23,000
Transfer from Reserves	330,000	-	(330,000)	-
Total Revenues	\$ 7,859,680	\$ 7,583,730	\$ (275,950)	\$ 7,705,941

CITY OF SNYDER, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 2015
With Comparative Actual Amounts for Year Ended September 30, 2014

	2015		Variance- Favorable (Unfavorable)	2014
	Budget	Actual		Actual
GENERAL GOVERNMENT:				
Administration:				
Personnel Services	\$ 232,935	\$ 223,662	\$ 9,273	\$ 229,291
Supplies	4,500	3,797	703	2,456
Maintenance	6,570	4,054	2,516	5,725
Services	48,635	160,482	(111,847)	51,868
Sundry Charges	6,405	5,065	1,340	5,874
Non Capitalized Equipment	-	1,020	(1,020)	-
Capital Outlay	30,000	25,893	4,107	-
Totals	<u>329,045</u>	<u>423,973</u>	<u>(94,928)</u>	<u>295,214</u>
Finance:				
Personnel Services	307,880	306,209	1,671	305,953
Supplies	4,010	4,455	(445)	5,210
Maintenance	20,125	19,169	956	15,667
Services	47,410	47,049	361	40,408
Sundry Charges	3,215	6,574	(3,359)	2,725
Capital Outlay	4,175	3,350	825	-
Totals	<u>386,815</u>	<u>386,806</u>	<u>9</u>	<u>369,963</u>
Planning & Zoning				
Personnel Services	254,585	254,450	135	217,283
Supplies	6,380	9,347	(2,967)	6,925
Maintenance	12,035	11,323	712	10,085
Services	34,305	18,698	15,607	38,945
Sundry Charges	1,115	1,521	(406)	929
Capital Outlay	25,900	26,214	(314)	24,618
Totals	<u>334,320</u>	<u>321,553</u>	<u>12,767</u>	<u>298,785</u>
Municipal Court:				
Personnel Services	211,075	211,203	(128)	208,114
Supplies	4,880	3,322	1,558	3,698
Maintenance	9,875	9,307	568	8,857
Services	28,575	32,610	(4,035)	26,029
Sundry Charges	4,230	1,534	2,696	4,479
Non Capitalized Equipment	-	1,870	(1,870)	-
Capital Outlay	-	3,846	(3,846)	4,140
Totals	<u>258,635</u>	<u>263,692</u>	<u>(5,057)</u>	<u>255,317</u>

CITY OF SNYDER, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 2015
With Comparative Actual Amounts for Year Ended September 30, 2014

	2015		Variance- Favorable (Unfavorable)	2014
	Budget	Actual		Actual
Community Services:				
Personnel Services	\$ -	\$ -	\$ -	\$ -
Supplies	5,035	5,048	(13)	11,313
Maintenance	300	2,182	(1,882)	1,029
Services	798,495	627,186	171,309	325,974
Sundry Charges	6,305	5,220	1,085	5,048
Capital Outlay	116,060	50,292	65,768	75,752
Totals	926,195	689,928	236,267	419,116
Accounting:				
Personnel Services	152,720	160,096	(7,376)	153,196
Supplies	3,050	1,850	1,200	3,346
Maintnenace	4,545	2,259	2,286	1,555
Services	9,810	7,289	2,521	9,949
Sundry Charges	660	559	101	494
Non Capitalized Equipment	750	1,230	(480)	-
Capital Outlay	900	976	(76)	-
Totals	172,435	174,259	(1,824)	168,540
Data Processing:				
Personnel Services	87,705	94,314	(6,609)	93,709
Supplies	1,750	1,561	189	2,221
Maintenance	16,300	22,065	(5,765)	17,650
Services	7,690	5,426	2,264	8,242
Sundry Charges	465	511	(46)	576
Non Capitalized Equipment	-	482	(482)	-
Capital Outlay	8,000	-	8,000	11,585
Totals	121,910	124,359	(2,449)	133,983
TOTAL GENERAL GOVERNMENT	2,529,355	2,384,570	144,785	1,940,918

CITY OF SNYDER, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 2015
With Comparative Actual Amounts for Year Ended September 30, 2014

	2015		Variance- Favorable (Unfavorable)	2014
	Budget	Actual		Actual
PUBLIC SAFETY:				
Police:				
Personnel Services	\$ 1,897,925	\$ 1,746,246	\$ 151,679	\$ 1,706,832
Supplies	105,050	83,573	21,477	90,083
Maintenance	57,690	46,275	11,415	64,894
Services	70,840	66,951	3,889	53,687
Sundry Charges	130,990	116,557	14,433	141,088
Non Capitalized Equipment	1,500	503	997	-
Capital Outlay	457,110	451,619	5,491	107,315
Totals	2,721,105	2,511,724	209,381	2,163,899
Animal Control:				
Personnel Services	159,970	139,602	20,368	157,506
Supplies	18,875	14,299	4,576	14,360
Maintenance	8,045	3,892	4,153	4,875
Services	17,800	14,115	3,685	15,197
Sundry Charges	4,900	4,658	242	3,685
Non capitalized equipment	-	-	-	946
Capital Outlay	1,255	5,479	(4,224)	-
Totals	210,845	182,045	28,800	196,569
Fire:				
Personnel Services	823,795	849,023	(25,228)	846,335
Supplies	81,500	66,739	14,761	61,260
Maintenance	84,920	61,794	23,126	78,875
Services	123,900	96,135	27,765	101,993
Sundry Charges	23,765	23,509	256	23,832
Non capitalized equipment	-	98	(98)	2,889
Capital Outlay	79,500	122,236	(42,736)	61,929
Totals	1,217,380	1,219,534	(2,154)	1,177,113
TOTAL PUBLIC SAFETY	4,149,330	3,913,303	236,027	3,537,581

CITY OF SNYDER, TEXAS
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 2015
With Comparative Actual Amounts for Year Ended September 30, 2014

	2015		Variance- Favorable (Unfavorable)	2014
	Budget	Actual		Actual
PUBLIC WORKS:				
Street Maintenance:				
Personnel Services	\$ 306,360	\$ 320,575	\$ (14,215)	\$ 198,929
Supplies	60,600	66,293	(5,693)	78,908
Maintenance	272,640	391,076	(118,436)	201,893
Services	309,640	304,199	5,441	300,992
Sundry Charges	14,355	18,287	(3,932)	12,410
Capital Outlay	217,400	56,359	161,041	229,303
Totals	<u>1,180,995</u>	<u>1,156,789</u>	<u>24,206</u>	<u>1,022,435</u>
TOTAL PUBLIC WORKS	<u>1,180,995</u>	<u>1,156,789</u>	<u>24,206</u>	<u>1,022,435</u>
TOTAL EXPENDITURES	<u>\$ 7,859,680</u>	<u>\$ 7,454,662</u>	<u>\$ 405,018</u>	<u>\$ 6,500,934</u>

Supplementary Individual Fund Financial Statements and Schedules

Enterprise Funds

These supplementary statements and schedules are included to provide management and readers additional information for financial analysis.

CITY OF SNYDER, TEXAS
WATER AND SEWER ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (GAAP BASIS) AND ACTUAL

Year Ended September 30, 2015

With Comparative Actual Amounts for Year Ended September 30, 2014

	2015			2014
	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Revenues:				
Water sales	\$ 4,400,000	\$ 4,529,699	\$ 129,699	\$ 4,574,205
Sewer charges	1,540,000	1,531,824	(8,176)	1,567,673
Charges for billing & collections	381,920	363,221	(18,699)	360,753
Water taps	35,000	17,425	(17,575)	29,300
Sewer taps	20,000	11,150	(8,850)	11,360
Plumbing permits & inspections	14,000	14,981	981	14,686
Miscellaneous	30,900	133,315	102,415	34,819
Interest	10,000	52,646	42,646	49,951
Gain (loss) on sale of assets	-	-	-	44,551
Total Revenues	6,431,820	6,654,261	222,441	6,687,298
Expenses:				
Personnel services	1,355,635	1,245,728	109,907	1,343,062
Supplies	463,680	470,376	(6,696)	372,858
Maintenance	804,925	634,600	170,325	812,139
Services	2,705,145	2,888,055	(182,910)	2,485,157
Sundry charges	96,005	57,108	38,897	107,941
Non capitalized equipment	-	294	(294)	1,117
Depreciation	1,264,140	1,389,854	(125,714)	1,314,666
Interest expense	486,885	499,865	(12,980)	435,359
Bond issuance costs	-	-	-	133,419
Total Expenses	7,176,415	7,185,880	(9,465)	7,005,718
Net Income (Loss)	\$ (744,595)	\$ (531,619)	\$ 212,976	\$ (318,420)

CITY OF SNYDER, TEXAS
WATER AND SEWER ENTERPRISE FUND
SCHEDULE OF EXPENSES COMPARED TO BUDGET
Year Ended September 30, 2015

With Comparative Actual Amounts for Year Ended September 30, 2014

	2015		Variance- Favorable (Unfavorable)	2014
	Final Budget	Actual		Actual
SEWER:				
Sanitary Sewer:				
Personnel Services	\$ 149,505	\$ 127,092	\$ 22,413	\$ 173,062
Supplies	59,300	64,324	(5,024)	22,758
Maintenance	38,605	39,234	(629)	31,939
Services	66,355	58,318	8,037	60,297
Sundry Charges	13,000	14,020	(1,020)	33,924
Depreciation	92,025	70,373	21,652	71,565
Totals	418,790	373,361	45,429	393,545
Sewage Treatment:				
Personnel Services	248,335	265,135	(16,800)	253,243
Supplies	56,660	43,805	12,855	46,159
Maintenance	201,880	90,902	110,978	213,069
Services	301,555	313,675	(12,120)	324,018
Sundry Charges	10,650	5,150	5,500	10,223
Depreciation	218,090	262,235	(44,145)	245,151
Totals	1,037,170	980,902	56,268	1,091,863
WATER:				
Water Production:				
Personnel Services	432,385	362,313	70,072	388,209
Supplies	226,800	226,633	167	201,919
Maintenance	266,910	272,644	(5,734)	155,535
Services	2,024,130	2,191,048	(166,918)	1,760,213
Sundry Charges	19,255	24,163	(4,908)	21,879
Non capitalized equipment	-	-	-	783
Depreciation	280,800	387,422	(106,622)	343,091
Totals	3,250,280	3,464,223	(213,943)	2,871,629

CITY OF SNYDER, TEXAS
WATER AND SEWER ENTERPRISE FUND
SCHEDULE OF EXPENSES COMPARED TO BUDGET
Year Ended September 30, 2015

With Comparative Actual Amounts for Year Ended September 30, 2014

	2015			2014
	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Water Distribution:				
Personnel Services	\$ 151,925	\$ 125,770	\$ 26,155	\$ 173,063
Supplies	77,320	93,121	(15,801)	56,338
Maintenance	195,705	143,395	52,310	313,542
Services	138,410	146,800	(8,390)	171,885
Sundry Charges	15,000	6,060	8,940	36,820
Depreciation	312,190	309,546	2,644	294,527
Totals	<u>890,550</u>	<u>824,692</u>	<u>65,858</u>	<u>1,046,175</u>
Utility Department:				
Personnel Services	373,485	365,418	8,067	355,485
Supplies	43,600	42,493	1,107	45,684
Maintenance	101,825	88,425	13,400	98,054
Services	174,695	178,214	(3,519)	168,744
Sundry Charges	38,100	7,715	30,385	5,095
Non capitalized equipment	-	294	(294)	334
Depreciation	361,035	360,278	757	360,332
Totals	<u>1,092,740</u>	<u>1,042,837</u>	<u>49,903</u>	<u>1,033,728</u>
Non-Operating:				
Interest and fees	486,885	499,865	(12,980)	435,359
Bond issuance costs	-	-	-	133,419
Totals	<u>486,885</u>	<u>499,865</u>	<u>(12,980)</u>	<u>568,778</u>
TOTAL EXPENSES	<u>\$ 7,176,415</u>	<u>\$ 7,185,880</u>	<u>\$ (9,465)</u>	<u>\$ 7,005,718</u>

CITY OF SNYDER, TEXAS
SANITATION ENTERPRISE FUND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 2015

With Comparative Actual Amounts for Year Ended September 30, 2014

	2015			2014
	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Revenues:				
Sanitation charges	\$ 2,000,000	\$ 1,956,047	\$ (43,953)	\$ 1,942,465
Landfill gate fees	765,000	820,655	55,655	904,779
Miscellaneous	1,300	2,373	1,073	5,334
Interest	6,050	8,323	2,273	5,983
Grant - COG	-	23,740	23,740	-
Gain (loss) on sale of asset	-	185,000	185,000	204,555
Total Revenues	2,772,350	2,996,138	223,788	3,063,116
Expenses:				
Personnel	732,590	704,547	28,043	713,289
Supplies	301,300	232,910	68,390	262,006
Maintenance	181,295	182,923	(1,628)	130,597
Services	912,725	857,033	55,692	752,957
Sundry charges	82,380	58,861	23,519	56,427
Depreciation	742,720	775,554	(32,834)	493,785
Interest	-	640	(640)	-
Total Expenses	2,953,010	2,812,468	140,542	2,409,061
Net Income (Loss)	\$ (180,660)	\$ 183,670	\$ 364,330	\$ 654,055

CITY OF SNYDER, TEXAS
SANITATION ENTERPRISE FUND
SCHEDULE OF EXPENSES COMPARED TO BUDGET
Year Ended September 30, 2015
With Comparative Actual Amounts for Year Ended September 30, 2014

	2015			2014
	Final Budget	Actual	Variance- Favorable (Unfavorable)	Actual
Collection:				
Personnel Services	\$ 332,115	\$ 307,506	\$ 24,609	\$ 301,702
Supplies	118,450	108,484	9,966	115,670
Maintenance	95,495	83,871	11,624	53,530
Services	310,230	306,753	3,477	281,253
Sundry Charges	10,100	21,970	(11,870)	10,568
Depreciation	196,555	175,532	21,023	151,969
Total Expenses	<u>1,062,945</u>	<u>1,004,116</u>	<u>58,829</u>	<u>914,692</u>
Landfill:				
Personnel Services	400,475	397,041	3,434	411,587
Supplies	182,850	124,426	58,424	146,336
Maintenance	85,800	99,052	(13,252)	77,067
Services	602,495	550,280	52,215	471,704
Sundry Charges	72,280	36,891	35,389	45,859
Depreciation	546,165	600,022	(53,857)	341,816
Total Expenses	<u>1,890,065</u>	<u>1,807,712</u>	<u>82,353</u>	<u>1,494,369</u>
Interest expense	<u>-</u>	<u>640</u>	<u>(640)</u>	<u>-</u>
TOTAL EXPENSES	<u><u>\$ 2,953,010</u></u>	<u><u>\$ 2,812,468</u></u>	<u><u>\$ 140,542</u></u>	<u><u>\$ 2,409,061</u></u>

CITY OF SNYDER, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source¹
September 30, 2015 and 2014

Governmental funds capital assets:	<u>2015</u>	<u>2014</u>
Land	\$ 524,680	\$ 499,680
Buildings	695,312	663,469
Improvements Other than Buildings	3,615,407	3,615,407
Machinery and Equipment	<u>5,641,863</u>	<u>5,088,309</u>
Total governmental funds capital assets	<u>\$ 10,477,262</u>	<u>\$ 9,866,865</u>
Investments in governmental funds capital assets by source:		
General fund	<u>\$ 10,477,262</u>	<u>\$ 9,866,865</u>
Total governmental funds capital assets	<u>\$ 10,477,262</u>	<u>\$ 9,866,865</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF SNYDER, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity¹
September 30, 2015

Function and Activity	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Total
General Government:					
Manager	\$ -	\$ 1,812	\$ -	\$ 59,355	\$ 61,167
City Clerk/Finance	-	-	-	22,339	22,339
Records / City Secretary	-	-	-	50,024	50,024
Data Processing	-	-	-	42,049	42,049
Community Service/Council	361,464	395,325	496,537	124,741	1,378,067
Municipal Court	-	-	-	40,447	40,447
Total general government	<u>361,464</u>	<u>397,137</u>	<u>496,537</u>	<u>338,955</u>	<u>1,594,093</u>
Public Safety:					
Police	-	25,260	-	1,581,537	1,606,797
Animal Control	-	135,051	-	85,339	220,390
Fire	-	134,067	-	2,141,413	2,275,480
Inspection	-	-	-	87,910	87,910
Total public safety	<u>-</u>	<u>294,378</u>	<u>-</u>	<u>3,896,199</u>	<u>4,190,577</u>
Public Works:					
Street system	163,216	3,797	3,118,870	1,406,709	4,692,592
Total public works	<u>163,216</u>	<u>3,797</u>	<u>3,118,870</u>	<u>1,406,709</u>	<u>4,692,592</u>
Total governmental funds capital assets	<u>\$ 524,680</u>	<u>\$ 695,312</u>	<u>\$ 3,615,407</u>	<u>\$ 5,641,863</u>	<u>\$ 10,477,262</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

CITY OF SNYDER, TEXAS
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity ¹
For the Year Ended September 30, 2015

Function and Activity	Governmental Funds Capital Assets October 1, 2014	Additions	Deductions	Governmental Funds Capital Assets September 30, 2015
General Government:				
Manager	\$ 60,290	\$ 25,893	25,016	\$ 61,167
City Clerk/Finance	15,713			15,713
Accounting/Personnel	24,405	3,350	4,968	22,787
Records	41,806	976	238	42,544
Data Processing	34,550		-	34,550
Community Service/Council	1,299,248	50,292	928	1,348,612
Municipal Court	41,304	3,846	5,058	40,092
Total general government	<u>1,517,316</u>	<u>84,357</u>	<u>36,208</u>	<u>1,565,465</u>
Public Safety:				
Police	1,151,108	451,619	54,129	1,548,598
Animal Control	214,910	5,479	-	220,389
Fire	2,283,051	122,236	42,551	2,362,736
Inspection	64,249	25,216	1,981	87,484
Total public safety	<u>3,713,318</u>	<u>604,550</u>	<u>98,661</u>	<u>4,219,207</u>
Public Works:				
Street system	4,636,231	56,359	-	4,692,590
Total public works	<u>4,636,231</u>	<u>56,359</u>	<u>-</u>	<u>4,692,590</u>
Total governmental funds capital assets	\$ <u>9,866,865</u>	\$ <u>745,266</u>	\$ <u>134,869</u>	\$ <u>10,477,262</u>

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

Statistical Section

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	61
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the sales tax.	67
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	73
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	78
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	80

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Snyder, Texas
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 1,655,998	\$ 2,367,514	\$ 2,304,225	\$ 2,705,813	\$ 2,662,052	\$ 2,705,813	\$ 2,932,876	\$ 3,126,495	\$ 3,241,249	\$ 3,717,131
Restricted	29,279	12,438	18,109	28,940	38,875	28,940	-	-	63,556	82,633
Unrestricted	3,608,749	4,234,799	5,328,134	5,496,272	5,269,815	5,496,272	6,037,594	6,842,848	7,896,426	5,893,694
Total governmental activities net position	\$ 5,294,026	\$ 6,614,751	\$ 7,650,468	\$ 8,231,025	\$ 7,970,742	\$ 8,231,025	\$ 8,990,470	\$ 9,969,343	\$ 11,201,231	\$ 9,693,458
Business-type activities										
Net investment in capital assets	\$ 9,622,889	\$ 9,847,422	\$ 9,714,522	\$ 10,405,374	\$ 10,278,269	\$ 10,405,374	\$ 10,174,101	\$ 10,384,788	\$ 12,112,688	\$ 13,620,030
Unrestricted	2,622,196	3,013,452	3,685,041	2,820,996	2,931,718	2,820,996	4,259,152	3,851,239	2,367,658	(348,277)
Total business-type activities net position	\$ 12,245,085	\$ 12,860,874	\$ 13,399,563	\$ 13,226,370	\$ 13,209,987	\$ 13,226,370	\$ 14,433,253	\$ 14,236,027	\$ 14,480,346	\$ 13,271,753
Primary government										
Net investment in capital assets	\$ 11,278,887	\$ 12,214,936	\$ 12,018,747	\$ 13,111,187	\$ 12,940,321	\$ 13,111,187	\$ 13,106,977	\$ 13,511,283	\$ 15,353,937	\$ 17,337,161
Restricted	29,279	12,438	18,109	28,940	38,875	28,940	--	--	63,556	82,633
Unrestricted	6,230,945	7,248,251	9,013,175	8,317,268	8,201,533	8,317,268	10,316,746	10,694,087	10,264,084	5,545,417
Total primary government net position	\$ 17,539,111	\$ 19,475,625	\$ 21,050,031	\$ 21,457,395	\$ 21,180,729	\$ 21,457,395	\$ 23,423,723	\$ 24,205,370	\$ 25,681,577	\$ 22,965,211

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Snyder, Texas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 1,009,469	\$ 1,022,022	\$ 1,046,631	\$ 1,175,111	\$ 1,462,938	\$ 1,613,685	\$ 1,584,187	\$ 1,851,500	\$ 1,879,404	\$ 2,347,070
Public safety	2,098,644	2,332,849	2,457,143	2,557,987	2,889,310	3,334,049	3,262,081	3,378,246	3,691,936	3,634,361
Public works	732,315	729,010	733,408	829,240	988,021	1,057,328	1,074,849	1,197,706	902,713	1,230,913
Culture and recreation	188,834	237,280	249,778	269,714	249,666	330,846	409,941	433,360	432,968	438,425
Total governmental activities expenses	4,029,262	4,321,161	4,486,960	4,832,052	5,589,935	6,335,907	6,331,058	6,860,812	6,907,021	7,650,769
Business-type activities:										
Water and sewer	3,770,340	3,890,563	4,070,465	4,202,249	4,453,234	4,840,082	5,359,047	5,959,164	6,570,359	6,686,015
Sanitation	1,784,203	1,841,592	1,988,643	2,185,031	2,143,949	2,478,742	2,473,142	2,678,390	2,409,061	2,811,828
Interest expense	207,604	183,811	159,727	159,896	139,842	55,728	147,973	214,530	435,359	500,505
Total business-type activities expenses	5,762,147	5,915,966	6,218,835	6,547,176	6,737,025	7,374,552	7,980,162	8,852,084	9,414,779	9,998,348
Total primary government expenses	\$ 9,791,409	\$ 10,237,127	\$ 10,705,795	\$ 11,379,228	\$ 12,326,960	\$ 13,710,459	\$ 14,311,220	\$ 15,712,896	\$ 16,321,800	\$ 17,649,117
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 389,137	\$ 752,496	\$ 740,131	\$ 881,765	\$ 694,770	\$ 1,050,803	\$ 1,034,499	\$ 1,278,267	\$ 1,357,010	\$ 1,580,185
Public safety	129,907	131,822	89,598	64,408	102,716	110,432	107,594	108,867	108,421	143,898
Public works	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	55,083	50,976	71,731	80,124	93,355	88,371	127,482	328,534	125,681	142,942
Capital grants and contributions	-	639,019	-	-	-	-	496,536	-	23,000	23,000
Total governmental activities program revenues	\$ 574,127	\$ 1,574,313	\$ 901,460	\$ 1,026,297	\$ 890,841	\$ 1,249,606	\$ 1,766,111	\$ 1,715,668	\$ 1,614,112	\$ 1,890,025
Business-type activities:										
Charges for services:										
Water and sewer	\$ 4,412,806	\$ 4,309,073	\$ 4,439,340	\$ 4,323,192	\$ 4,642,289	\$ 5,397,767	\$ 6,023,918	\$ 5,999,504	\$ 6,592,796	\$ 6,601,615
Sanitation	1,934,285	2,038,732	2,062,580	1,991,976	2,018,784	2,251,576	2,312,820	2,680,803	2,852,578	2,779,075
Operating grants and contributions	-	-	-	400	-	-	-	-	-	-
Capital grants and contributions	68,179	-	-	-	27,000	252,092	37,908	-	-	23,740
Total business-type activities program revenues	6,415,270	6,347,805	6,501,920	6,315,568	6,688,073	7,901,435	8,374,646	8,680,307	9,445,374	9,404,430
Total primary government program revenues	\$ 6,989,397	\$ 7,922,118	\$ 7,403,380	\$ 7,341,865	\$ 7,578,914	\$ 9,151,041	\$ 10,140,757	\$ 10,395,975	\$ 11,059,486	\$ 11,294,455

City of Snyder, Texas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (expense) revenue	\$ (3,455,135)	\$ (2,746,848)	\$ (3,585,500)	\$ (3,805,755)	\$ (4,699,094)	\$ (5,086,301)	\$ (4,564,947)	\$ (5,145,144)	\$ (5,292,909)	\$ (5,760,744)
Governmental activities	653,123	431,839	283,085	(231,608)	(48,952)	526,883	394,484	(171,777)	30,595	(593,918)
Business-type activities	\$ (2,802,012)	\$ (2,315,009)	\$ (3,302,415)	\$ (4,037,363)	\$ (4,748,046)	\$ (4,559,418)	\$ (4,170,463)	\$ (5,316,921)	\$ (5,262,314)	\$ (6,354,662)
Total primary government net expense										
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 1,163,180	\$ 1,269,279	\$ 1,331,243	\$ 1,416,014	\$ 1,499,673	\$ 1,667,672	\$ 1,761,229	\$ 1,895,078	\$ 1,961,319	\$ 2,173,091
Sales taxes	1,504,884	1,732,137	2,106,473	1,888,290	1,951,708	2,375,209	2,511,844	3,069,630	3,255,941	2,710,301
Franchise taxes	712,207	642,230	700,267	753,814	699,926	842,262	757,649	758,122	816,773	778,439
Alcoholic beverage	5,776	7,853	8,146	8,007	6,112	5,384	5,359	11,903	12,082	11,461
Hotel/motel occupancy taxes	196,563	219,997	255,449	280,544	259,601	327,731	371,089	435,612	432,968	439,227
Investment earnings	136,181	184,067	167,299	41,632	21,791	23,901	23,223	24,677	24,012	49,732
Gain on sale of capital assets	10	12,010	52,335	(1,991)	-	(1,479)	(98)	4,977	21,702	-
Miscellaneous	-	-	-	-	-	-	-	-	-	9,408
Total governmental activities	3,718,801	4,067,573	4,621,212	4,386,310	4,438,811	5,240,680	5,430,295	6,199,999	6,524,797	6,171,659
Business-type activities:										
Investment earnings	100,439	164,598	127,894	39,235	33,311	31,296	13,206	14,588	55,934	60,969
Gain on sales of capital assets	(5,651)	19,352	127,710	19,179	(741)	1,456	171,424	4,300	249,106	185,000
Total business-type activities	94,788	183,950	255,604	58,414	32,570	32,752	184,630	18,888	305,040	245,969
Total primary government	\$ 3,813,589	\$ 4,251,523	\$ 4,876,816	\$ 4,444,724	\$ 4,471,381	\$ 5,273,432	\$ 5,614,925	\$ 6,218,887	\$ 6,829,837	\$ 6,417,628
Change in Net Position										
Governmental activities	\$ 263,666	\$ 1,320,725	\$ 1,035,712	\$ 580,555	\$ (260,283)	\$ 154,379	\$ 865,349	\$ 1,054,855	\$ 1,231,888	\$ 410,915
Business-type activities	747,911	615,789	538,689	(173,194)	(16,382)	559,635	579,114	(152,889)	335,635	(347,949)
Total primary government	\$ 1,011,577	\$ 1,936,514	\$ 1,574,401	\$ 407,361	\$ (276,665)	\$ 714,014	\$ 1,444,463	\$ 901,966	\$ 1,567,523	\$ 62,966

City of Snyder, Texas
Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Nonspendable	\$ 239	\$ 238	\$ 237	\$ 232	\$ 232	\$ 232	\$ 233	\$ 230	\$ 67	\$ 833
Restricted	-	-	-	-	-	-	-	-	64	79
Committed	-	-	-	-	-	-	-	251	506	400
Unassigned	2,071	2,747	3,865	4,114	3,921	4,574	5,518	6,328	7,623	7,077
Total general fund	<u>\$ 2,310</u>	<u>\$ 2,985</u>	<u>\$ 4,102</u>	<u>\$ 4,346</u>	<u>\$ 4,153</u>	<u>\$ 4,806</u>	<u>\$ 5,751</u>	<u>\$ 6,809</u>	<u>\$ 8,260</u>	<u>\$ 8,389</u>

All other governmental funds
 Restricted
 Unreserved, reported in:
 Special revenue funds
 Total other governmental funds

	\$ 29	\$ 12	\$ 18	\$ 29	\$ 39	\$ -	\$ -	\$ (1)	\$ (1)	\$ -
	\$ 29	\$ 12	\$ 18	\$ 29	\$ 39	\$ -	\$ -	\$ (1)	\$ (1)	\$ 3

Note: The substantial decrease in unassigned fund balance is explained in the Management's Discussion and Analysis.

City of Snyder, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 3,924	\$ 3,871	\$ 4,402	\$ 4,347	\$ 4,417	\$ 5,218	\$ 5,407	\$ 6,171	\$ 6,479	\$ 6,112
Licenses and permits	25	29	43	37	23	30	34	146	56	144
Intergovernmental	55	51	72	80	93	88	127	106	126	143
Charges for services	373	680	679	778	641	966	945	1,069	1,150	1,299
Fines and forfeitures	121	103	102	79	103	110	108	108	108	144
Interest	91	132	134	34	20	23	22	24	24	50
Contributions and donations	83	-	-	-	-	-	497	223	23	23
Miscellaneous	-	73	65	55	42	55	55	63	151	137
Total Revenues	4,672	4,939	5,497	5,410	5,339	6,490	7,195	7,910	8,117	8,052
Expenditures										
General government	976	977	1,016	1,118	1,446	1,474	1,438	1,731	1,826	2,310
Public safety	1,876	2,011	1,924	2,325	2,896	2,816	2,744	2,914	3,370	3,334
Public works	667	674	698	737	934	915	892	1,063	793	1,101
Culture and recreation	189	237	250	270	250	331	410	433	433	438
Capital outlay	163	394	538	708	362	302	806	639	512	745
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	3,871	4,293	4,426	5,158	5,888	5,838	6,290	6,780	6,934	7,928
Excess of revenues over (under) expenditures	801	646	1,071	252	(549)	652	905	1,130	1,183	124

City of Snyder, Texas
Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other financing sources (uses)										
Proceeds from sale of assets	-	12	52	8	(1)	(1)	-	5	22	9
Transfers in	-	-	-	-	-	-	-	-	246	0
Total other financing sources (uses)	-	12	52	8	(1)	(1)	-	5	268	9
Net change in fund balances	\$ 801	\$ 658	\$ 1,123	\$ 260	\$ (550)	\$ 651	\$ 905	\$ 1,135	\$ 1,451	\$ 133
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

City of Snyder, Texas
Tax Revenue by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property	Sales & Use	Occupancy	Franchise	Alcoholic Beverage	Total
2006	\$ 1,186	\$ 1,505	\$ 197	\$ 1,031	\$ 6	\$ 3,925
2007	1,269	1,732	220	642	8	3,871
2008	1,331	2,106	255	700	8	4,400
2009	1,416	1,888	281	754	8	4,347
2010	1,500	1,952	260	700	6	4,418
2011	1,668	2,375	328	842	5	5,218
2012	1,761	2,512	371	758	5	5,407
2013	1,895	3,070	436	758	12	6,171
2014	1,961	3,256	433	817	12	6,479
2015	2,173	2,710	439	778	12	6,112

City of Snyder, Texas
Assessed Value and Estimated Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended	Total Assessed	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value ¹ as a Percentage of Actual Value
2006	\$ 309,552,578	\$ 29,490,934	\$ 280,061,644	0.4288	\$ 280,061,644	110.53%
2007	349,163,837	39,683,193	309,480,644	0.4102	309,480,644	112.82%
2008	309,480,644	46,857,621	262,623,023	0.3843	262,623,023	117.84%
2009	294,652,169	4,949,824	289,702,345	0.4038	289,702,345	101.71%
2010	336,212,168	10,236,424	325,975,744	0.4310	325,975,744	103.14%
2011	332,838,865	4,636,829	328,202,036	0.4445	328,202,036	101.41%
2012	343,818,578	1,696,835	342,121,743	0.4445	342,121,743	100.50%
2013	365,340,602	14,487,492	350,853,110	0.4445	350,853,110	104.13%
2014	385,179,707	4,232,603	380,947,104	0.4445	380,947,104	101.11%
2015	463,792,092	10,728,810	453,063,282	0.4387	453,063,282	102.37%

Source: Scurry County Appraisal District

Note: Assessed values are determined as of January 1, and relate to taxes levied on the first day of the following fiscal year.

Assessed value is equal to 100% of estimated value. All property is assessed the same rate regardless of real or personal property, commercial, residential, or industrial.

¹Includes tax-exempt property.

City of Snyder, Texas
Property Tax Rates¹
Direct and Overlapping² Governments
Last Ten Fiscal Years

Fiscal Year	City of Snyder Tax Rate			Overlapping Tax Rates												Total Direct & Overlapping Rates	
	Scurry County			S I S D				Western Texas College				Scurry County Hospital					
	Operating	Debt Service	Total	Operating	Debt Service	Total	Operating	Debt Service	Total	Operating	Debt Service	Total	Operating	Debt Service	Total		
2006	0.4288	0.000	0.4288	0.4884	0.002	0.4909	1.5000	0.1800	1.6800	0.1341	0.000	0.1341	0.1341	0.000	0.000	0.1341	2.7338
2007	0.4102	0.000	0.4102	0.2780	0.0174	0.2954	1.0400	0.0750	1.1150	0.1282	0.000	0.1282	0.1282	0.000	0.000	0.1282	1.9488
2008	0.4123	0.000	0.4123	0.2470	0.000	0.2470	1.1015	0.0615	1.1630	0.1174	0.000	0.1174	0.1174	0.000	0.000	0.1174	1.9397
2009	0.4038	0.000	0.4038	0.5910	0.0467	0.6377	1.0400	0.1240	1.1640	0.1520	0.000	0.1520	0.1520	0.000	0.000	0.1520	2.6275
2010	0.4310	0.000	0.4310	0.3375	0.0435	0.3810	1.0400	0.1240	1.1640	0.1523	0.000	0.1523	0.1523	0.000	0.000	0.1523	2.3983
2011	0.4445	0.000	0.4445	0.3559	0.0430	0.3989	1.0400	0.1240	1.1640	0.2114	0.000	0.2114	0.2114	0.000	0.000	0.2114	2.4888
2012	0.4445	0.000	0.4445	0.2790	0.0346	0.3136	1.0400	0.1240	1.1640	0.1858	0.000	0.1858	0.1858	0.000	0.000	0.1858	2.3179
2013	0.4445	0.000	0.4445	0.2790	0.0346	0.3136	1.0400	0.1240	1.1640	0.1858	0.000	0.1858	0.1858	0.000	0.000	0.1858	2.3285
2014	0.4445	0.000	0.4445	0.2841	0.0287	0.3128	1.0400	0.1240	1.1640	0.2457	0.000	0.2457	0.2457	0.000	0.000	0.2457	2.3734
2015	0.4387	0.000	0.4445	0.2843	0.0357	0.3200	1.0400	0.1240	1.1640	0.3275	0.000	0.3275	0.3275	0.000	0.000	0.3275	2.5098

Source: Scurry County Tax Collector, Snyder Independent School District, and Western Texas College

¹Tax rate is per \$100 of taxable assessed value

²Overlapping rates are those of local and county governments that apply to property owners within the City of Snyder. Not all overlapping rates apply to all City of Snyder property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

The Hospital District's M&O is included in with Scurry County in 2009. Their rate was 0.2700 and they had no debt service.

City of Snyder, Texas
Principal Property Taxpayers
Fiscal Year End 2015 and 2006
(amounts expressed in thousands)

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-Mart Real Estate Bus	\$ 8,152	1	1.8%			
Wal-Mart Stores	7,821	2	1.7%	\$ 2,785	6	1.0%
Baker Hughes Oilfield Sol.	5,916	3	1.3%			
Walton, ED Const.	5,074	4	1.1%			
H I E Hotel, LLC	4,900	5	1.1%			
Cudd Pumping Services	4,195	6	0.9%	1,795	7	0.6%
Grimmet Bros, Inc.	4,187	7	0.9%	1,742	8	0.6%
Oncor Electric Delivery LLC	4,029	8	0.9%			
Palace at Park Central LLC	3,600	9	0.8%			
Baar, Michael, LLC	3,600	10	0.8%			
TXU Electric Delivery				3,714	1	1.3%
Southwestern Bell Telephone				3,687	2	1.3%
Cox Communications				3,397	3	1.2%
Spirit Spe. US Snyder				3,056	4	1.1%
Basic Energy Services				3,056	5	1.1%
United Supermarket				1,659	9	0.6%
Talbott, Cloyce A.				1,642	10	0.6%
Totals	\$ 51,474		11.4%	\$ 26,533		9.5%

Source: Scurry County Appraisal District

City of Snyder, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended	Total Tax Levy for Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2006	\$ 1,146,301	\$ 1,109,974	96.83%	\$ 33,616		\$ 1,143,590	99.8%
2007	1,208,128	1,175,245	97.28%	30,205		1,205,450	99.8%
2008	1,274,579	1,243,278	97.54%	28,323		1,271,601	99.8%
2009	1,383,865	1,347,968	97.41%	31,549		1,379,517	99.7%
2010	1,618,718	1,431,099	88.41%	183,438		1,614,537	99.7%
2011	1,719,293	1,569,380	91.28%	145,139		1,714,519	99.7%
2012	1,719,042	1,676,668	97.54%	37,053		1,713,721	99.7%
2013	1,822,737	1,781,214	97.72%	39,687		1,820,901	99.9%
2014	1,918,640	1,875,104	97.73%	28,043		1,903,147	99.2%
2015	2,150,281	2,102,723	97.79%	-		2,102,723	97.8%

City of Snyder, Texas
Taxable Sales by Category
Last Ten Calendar Years
(amounts expressed in thousands)

	Calendar Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Construction	\$ 3,917	\$ 4,739	\$ 5,940	\$ 5,310	\$ 6,444	\$ 7,441	\$ 7,759	\$ 8,695	\$ 9,976	\$ 3,196
Mining/Quarrying/Oil & Gas Extraction	518,219	642,397	389,733	158,386	588,193	703,643	733,093	508,852	773,350	360,988
Manufacturing	2,500	6,736	7,422	7,407	85,262	13,818	16,898	21,513	19,919	7,701
Wholesale Trade	8,107	10,183	12,946	9,475	8,341	12,003	11,730	12,167	13,330	4,297
Transportation/Warehousing	15	9	-	251	70	123	56	130	35	-
Retail Trade	59,116	60,896	71,108	63,205	66,797	73,668	78,338	82,832	88,604	40,289
Information	7,351	4,447	3,661	3,279	3,292	3,765	4,005	4,315	4,737	2,430
Finance/Insurance	-	28	36	35	41	92	130	1,947	77	41
Real Estate/Rental/Leasing	5,794	4,179	4,894	4,458	4,215	5,096	6,508	8,336	8,664	2,044
Professional/Scientific/Technical Services	602	596	507	386	354	557	561	626	1,081	339
Admin/Support/Waste mgmg/Remediation Serv.	934	1,315	1,435	1,089	1,274	1,157	762	681	1,034	468
Educational Services	6	5	23	13	9	6	3	2	3	-
Health Care/Social Assistance	34	43	177	185	238	150	186	126	322	191
Arts/Entertainment/Recreation	77	200	139	216	120	109	308	431	432	187
Accommodation/Food Services	14,095	15,744	16,949	16,069	17,044	18,293	20,077	21,445	22,184	4,457
Other Services (except Public Administration)	6,394	7,398	8,047	6,819	7,934	8,717	9,535	9,692	9,758	-
Total	\$ 627,161	\$ 758,915	\$ 523,017	\$ 276,583	\$ 789,628	\$ 848,638	\$ 889,949	\$ 681,790	\$ 953,506	\$ 426,628
City direct sales tax	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

Source: State Comptroller of Texas
(information available for current year is only for first two quarters)

City of Snyder, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Capital Leases	Water Sewer Bonds	Capital Leases			
2006	-	-	\$ 4,745	-	\$ 4,745	2.64%	\$ 440
2007	-	-	4,155	-	4,155	2.31%	385
2008	-	-	3,545	-	3,545	1.97%	329
2009	-	-	2,905	-	2,905	1.62%	269
2010	-	-	5,812	-	5,812	2.59%	519
2011	-	-	5,063	-	5,063	2.25%	452
2012	-	-	4,304	2,985	7,289	2.68%	639
2013	-	-	3,514	2,945	6,459	2.38%	567
2014	-	-	12,172	2,778	14,950	5.60%	1,335
2015	-	-	11,678	2,606	14,284	5.28%	1,257

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

¹See the Schedule of Demographic and Economic Statistics for personal income and population data.

City of Snyder, Texas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligations Bonds	Percentage of Estimated Actual Taxable Value¹ of Property	Per Capita²
2006	-	0.00%	-
2007	-	0.00%	-
2008	-	0.00%	-
2009	-	0.00%	-
2010	-	0.00%	-
2011	-	0.00%	-
2012	-	0.00%	-
2013	-	0.00%	-
2014	-	0.00%	-
2015	-	0.00%	-

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

¹See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics

City of Snyder, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2015
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
City of Snyder direct debt	\$ -	100.00%	\$ -
Scurry County	14,395	19.05%	2,742
Western Texas College	14,030	19.64%	2,755
Snyder Independent School District	26,995	15.29%	4,128
Scurry County Hospital District	-	17.84%	-
Total direct and overlapping debt	<u>\$ 55,420</u>		<u>\$ 9,625</u>

Sources:

- Assessed value data used to estimate applicable percentages provided by the Scurry County Appraisal District.
- Debt outstanding data provided by the individual entities.

Note:

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

¹The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the governments boundaries and dividing it by the county's total taxable assessed value.

City of Snyder, Texas
 Legal Debt Margin Information
 Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 26,418	\$ 28,006	\$ 31,886	\$ 35,020	\$ 34,645	\$ 33,748	\$ 34,552	\$ 36,534	\$ 38,518	\$ 46,679
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 26,418	\$ 28,006	\$ 31,886	\$ 35,020	\$ 34,645	\$ 33,748	\$ 34,552	\$ 36,534	\$ 38,518	\$ 46,679
Total net debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed Value	\$ 456,063
Add Back: exempt property	10,729
Total Assessed Value	<u>\$ 466,792</u>
Debt limit (10% of total assessed value)	46,679
Debt applicable to limit:	
General obligation bonds	-
Legal debt margin	<u>\$ 46,679</u>

Note: Under state finance law, the City of Snyder's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**City of Snyder, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Water & Sewer Revenue Bonds

Fiscal Year	Water & Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	\$ 4,502,854	\$ 3,749,224	\$ 753,630	\$ 565,000	\$ 207,604	0.98
2007	4,557,246	3,114,195	1,443,051	590,000	183,812	1.86
2008	4,521,210	3,299,151	1,222,059	610,000	159,282	1.59
2009	4,320,129	3,473,424	846,705	640,000	137,786	1.09
2010	4,647,640	3,617,898	1,029,742	325,000	42,218	2.80
2011	5,399,028	4,055,157	1,343,871	755,000	188,560	1.42
2012	6,012,799	4,188,779	1,824,020	755,000	138,303	2.04
2013	5,957,620	4,780,613	1,177,007	785,000	116,281	1.31
2014	6,602,087	5,122,274	1,479,813	465,000	327,237	1.87
2015	6,625,686	5,296,161	1,329,525	485,000	408,948	1.49

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Water & Sewer Charges and Other includes investment earnings but not tap fees. Operating expenses do not include interest or depreciation.

City of Snyder, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	(in thousands) Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2006	10,783	\$ 179,505	\$ 16,647	36.0	4,606	5.00%
2007	10,783	179,505	16,647	36.0	4,816	4.80%
2008	10,783	179,505	16,647	36.0	5,306	4.10%
2009	10,783	179,505	16,647	36.0	5,244	6.80%
2010	11,202	224,813	20,069	34.5	5,066	6.42%
2011	11,202	224,813	20,069	34.5	5,027	5.40%
2012	11,400	271,913	23,852	33.9	7,216	4.30%
2013	11,400	271,913	23,852	33.6	7,573	4.60%
2014	11,202	267,190	23,852	33.0	5,017	3.20%
2015	11,368	270,297	23,777	33.0	5,039	4.10%

Data Sources: U.S. Census, Snyder Independent School District, Western Texas College, Texas Workforce Commission.

Note: Population, median age, education level information and personal income are based on 2010 census. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census as of September 30.

City of Snyder, Texas
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL FUND										
Administration	2	2	2	2	2	2	2	2	2	2
Finance	5	5	5	2	2	2	2	4	4	4
Planning & Zoning	2	2	2	2	2	2	2	2	3	3
Municipal Court	2	2	3	3	3	3	3	3	3	3
Community Service	0	0	0	0	0	0	0	0	0	0
Accounting	0	0	0	3	3	3	2	0	0	0
Data Processing	0	0	0	2	2	2	2	1	1	1
City Sec./Records Management	0	0	0	2	2	2	0	0	2	2
Police	20	20	21	22	22	22	22	22	23	27
Animal Control	3	3	3	3	3	3	3	3	3	3
Fire	9	9	9	9	10	10	10	10	10	10
Street	4	4	4	4	4	4	4	4	4	5
Total General Fund	47	47	48	52	53	53	52	51	55	60
WATER & SEWER										
Sanitary Sewer	2	2	2	2	2	2	2	2	2	2
Wastewater Treatment	5	5	5	5	5	5	5	5	5	3
Treatment - Water	5	5	5	5	5	5	5	5	5	6
Distribution - Water	2	2	2	2	2	2	2	2	2	3
Utility	9	9	9	7	7	7	6	6	6	6
Total Water & Sewer Fund	23	23	23	21	21	21	20	20	20	20
SANITATION										
Sanitation/Collection	5	5	5	5	5	5	5	5	5	6
Sanitation/Landfill	6	6	6	6	6	6	6	6	6	5
Total Sanitation Fund	11									
INTERNAL SERVICE										
Central Garage	1	1	1	1	1	1	1	1	1	1
Total Central Garage	1									
TOTAL	82	82	83	85	86	86	86	86	87	92

Source: City of Snyder Human Resources Office

City of Snyder, Texas
Operating Indicators by Function
Last Ten Fiscal Years

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Physical arrests	903	834	827	884	812	868	535	478	588	478
Traffic violations	6,650	6,479	6,057	5,180	6,157	4,829	6,434	5,601	5,299	4,949
Fire										
Number of calls answered	380	341	523	407	393	550	372	439	452	463
Inspections	132	132	132	149	115	87	63	113	72	77
Public Education Programs	-	-	-	-	-	-	-	-	-	21
Highways and streets										
Street resurfacing (blocks)	64	79	115	144	-	-	80	100	-	50
Sanitation										
Refuse collected (tons/day)	132	135	119	125	144	114	117	150	175	175
Recyclables collected (tons/mo)	13	16	29	30	20	29	27	27	24	25
Water										
New connections	1,403	1,387	1,562	1,192	1,033	1,156	1,325	1,510	1,561	1,723
Water mains breaks	87	63	46	37	55	82	33	25	48	80
Average daily consumption (millions of gallons)	2	2	2	2	2	2	2	2	2	2
Wastewater										
Average daily sewage treatment (thousands of gallons)	930	1,119	1,094	1,089	1,184	984	923	991	1,400	1,454

Sources: Various government departments.

City of Snyder, Texas
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	16	19	19	20	21	21	21	21	22	22
Fire stations	1	1	1	1	1	1	1	1	1	1
Sanitation										
Collection trucks	6	6	6	6	6	6	6	6	6	6
Highways and streets										
Streets (miles)	111	111	111	111	111	111	111	111	111	111
Streetlights	1,168	1,168	1,180	1,180	1,177	1,177	1,177	1,177	1,177	1,177
Traffic signals (controlled by City)	1	1	-	-	-	-	-	-	-	-
Culture and recreation										
Parks acreage	126	126	126	126	126	126	126	126	126	126
Swimming pools	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	91	91	91	91	91	91	91	91	91	91
Fire hydrants	330	330	331	334	424	424	424	424	424	424
Maximum daily capacity (thousands of gallons)	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Sewer										
Sanitary sewers (miles)	87	87	87	87	87	87	87	87	87	87
Storm sewers (miles)	2	2	2	2	2	2	2	2	2	2
Maximum daily treatment capacity (thousands of gallons)	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310	2,310

Sources: Various city departments.