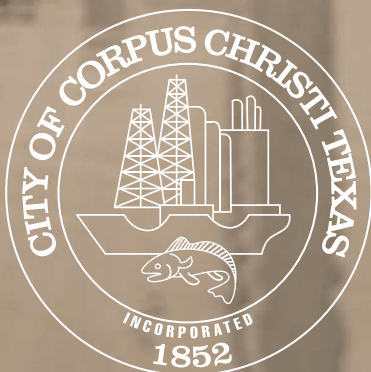


COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

CITY OF CORPUS CHRISTI, TEXAS

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City of
Corpus
Christi

CITY OF CORPUS CHRISTI, TEXAS

Comprehensive Annual Financial Report

For Fiscal Year Ended September 30, 2016

CITY COUNCIL

Mayor Pro-Tem

Lucy Rubio

City Council Members

Carolyn Vaughn
Paulette M. Guajardo
Joe McComb
Rudy Garza, Jr.
Ben Molina
Michael T. Hunter
Greg Smith

City Manager

Margie C. Rose

Assistant City Managers

Mark Van Vleck
Sylvia Carrillo
Samuel “Keith” Selman

Director of Financial Services

Constance P. Sanchez, CPA, CPM

Assistant Director of Financial Services

Alma I. Casas

Controller

Judy Sandroussi

Chief Accountant

Martha A. Messer, CPA

Prepared by the staff of the Financial Services Department



City of
Corpus
Christi

*Barbara Bailey
Rocky Barrera
Eva Barton
Adriana Berlanga
Rose Bond
Margarita Cruz
Kim Galan-Flores
Teddi Giggy
Jason Gooding, CPA
Hilda Mihalco
David Riggs
Diana Silguero
Judy Villalon, CPA*

**Comprehensive Annual Financial Report
For the Year Ended September 30, 2016**

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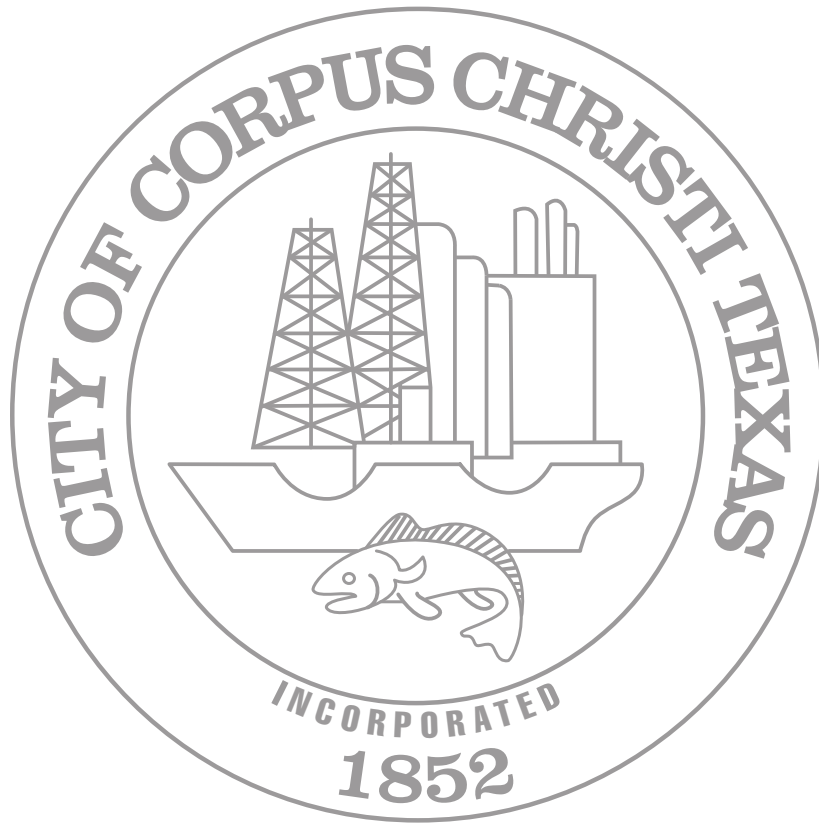
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Introductory Section



April 24, 2017

The Honorable Mayor Pro-Tem Lucy Rubio, Members of the City Council, and
Citizens of the City of Corpus Christi

FINANCIAL SERVICES

PO Box 9277
Corpus Christi
Texas 78469-9277
Phone 361-826-3600
Fax 361-826-3601
www.cctexas.com

Dear Honorable Mayor Pro-Tem, Members of City Council, and Citizens of Corpus
Christi:

Section 103.003 of the Local Government Code requires that municipalities have its records and accounts audited annually and that an annual financial statement be prepared based on the audit. This report is published to fulfill that requirement for the fiscal year ended September 30, 2016.

City management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Padgett Stratemann LLP Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Corpus Christi, Texas (City)’s financial statements for the fiscal year ended September 30, 2016. The independent auditor’s report is located at the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The City was incorporated in 1852. In 1909, the City was organized under a City Charter and operated as a general law city until 1926, at which time a home rule charter with a commission form of government was adopted. The Charter was amended in 1945 to adopt the present and nationally predominant Council-Manager form of government.

The City Council consists of the Mayor and eight Council Members elected for two-year terms. The Mayor and three Council Members are elected at large, and five Council Members are elected from single member districts. The City Council is responsible for passing ordinances, adopting the budget, appointing committees, and appointing the City

Manager, City Secretary, City Auditor, and Municipal Court Judges. The City Manager is the Chief Administrative and Executive Officer and is responsible for carrying out policies and ordinances of the City Council, overseeing day-to-day operations, presenting an annual budget, and hiring all other City employees.

The City provides a full range of services, including a combined utility system (System) consisting of the water, wastewater, storm water, and gas systems; garbage collection and disposal services; police, fire protection, and emergency medical services; the construction and maintenance of streets and other infrastructure; and recreational and cultural activities.

The City is financially accountable for the Corpus Christi Community Improvement Corporation, the Corpus Christi Housing Finance Corporation, the Corpus Christi Industrial Development Corporation, the Coastal Bend Health Facilities Development Corporation, the Corpus Christi Crime Control and Prevention District, the Corpus Christi Business and Job Development Corporation, the North Padre Island Development Corporation (which includes the Reinvestment Zone Number 2), and Reinvestment Zone Number 3. These are shown as ‘blended component units’ within the City’s financial statements.

The City Manager must submit a proposed budget to the City Council at least 60 days prior to the beginning of the fiscal year (October 1st), and the City Council is required to adopt a final budget by no later than the close of the fiscal year (September 30th). This annual budget serves as the foundation for the City’s financial planning and control. The budget is prepared by fund and department (e.g., general fund - police department). Department directors may transfer resources within a department as they see fit. Transfers between funds, however, need approval from the City Council.

ECONOMIC CONDITION

Local Economy

The City of Corpus Christi is the eighth largest city in the State of Texas with a population of 324,074 in 2015 as per the U. S. Census Bureau. The geographic location of the city on the Gulf of Mexico and the Gulf Intercoastal Waterway gives it one of the most strategic locations in the Southwest and has been important to its economic development. The Corpus Christi region has a varied manufacturing and industrial base. Major industries with headquarters or divisions located within the City’s boundaries, or in close proximity, include industrial, petrochemical, construction, convenience store, banking, and financial services.

The federal government also has a major presence within the area with a federal courthouse and the largest industrial employer in South Texas – the Corpus Christi Army Depot, which employs close to 3,500 employees. The Corpus Christi Army Depot (CCAD) is a United States Department of Defense’s Center of Industrial and Technical Excellence for rotary wing aircraft. CCAD is currently the largest facility of its type in the world and serves as a depot training base for active duty Army, National Guard, Reserve, and international personnel. The depot performs overhaul, repair, modification, recapitalization, retrofit, testing, and modernization of helicopters, engines, and components for all services and international sales of rotary wing aircraft.

Additionally, CCAD is a critical asset to the Army's Organic Industrial Base because it has a unique set of capabilities in helicopter and component support essential for all branches of the Department of Defense, Department of Homeland Security, Customs and Border Patrol, and foreign nations.

Two bases make up the South Texas military complex: Naval Air Station Corpus Christi (primary and multi-engine training) and Naval Air Station Kingsville (jet aviation training). The site of the region's third base, Naval Station Ingleside (base for the Navy's mine warfare fleet), which was closed in 2010, was sold in November 2012 by the Port of Corpus Christi to Occidental Petroleum Corporation (Oxy) for \$82.1 million. Oxy is building a petroleum and a distillates export facility and will create 100 jobs when complete. Additionally, Oxy and a Mexican petrochemical company, Mexichem, are jointly building a \$1 billion ethylene cracking plant in Ingleside. The cracking plant is anticipated to be completed in 2017 and will be capable of producing 1.2 billion pounds of ethylene each year. The project is expected to create about 1,700 jobs during construction and more than 150 permanent jobs upon completion.

Texas A&M University-Corpus Christi, also known as the "Island University", continues to grow and expand, both at its Island Campus and at the Momentum Campus that now houses sports facilities including the Dugan Family Soccer and Track Stadium. New student housing, called Momentum Village, opened in 2015, as did the expanded University Center. A groundbreaking ceremony was held for the second phase of Momentum Village in July 2016 which is expected to be completed in 2017. Additionally, the university held a groundbreaking ceremony for the new Life Sciences Research and Engineering building, named Tidal Hall, in September 2016 with an expected completion date of the summer of 2018. Texas A&M University- Corpus Christi received many awards and recognitions in 2016. The university was ranked 8th among colleges in Texas and listed among the "2016 best school nationally for Federal Work-Study (TWS) annual earning per worker." It has been named as one of the Top 50 Colleges for Hispanic Students by BestColleges.com. The Master of Accounting program (MAcc) has been ranked as one of the 30 Most Affordable Graduate Programs in the nation by Accounting Degree Review. The Master of Business Administration program (MBA) was named as one of the most affordable degree programs in the nation by TopManagementDegrees.com. Additionally, the Master of Science in Nursing program (MSN) was ranked as one of the 2016 Best Online Nursing Programs by U.S. News & World Report. The Island University hit an all-time high of enrollment in August 2016 with over 12,000 students and a student-to-faculty ratio of 23-to-1. The campus is unique since it is located on its own 240-acre semi-tropical island.

Corpus Christi's trade area consists of five counties: Aransas, Jim Wells, Kleberg, Nueces and San Patricio. Each of these counties maintains a solid and diversified economic base which contributes material support to Corpus Christi due to its location as a regional trade center and international shipping point. The Corpus Christi economy provides a diversified product market including metal fabrication, chemical processing, farm and ranch equipment, oil field equipment, cement, food processing, electronic and petrochemical products, fishing and seafood products, and more.

The land in the Corpus Christi region has strong mineral deposits and rich soil with the principle crops being grain, sorghum, and cotton. The region also produces a large supply of livestock

including beef and dairy cattle, hogs, and poultry. The oil and gas industry which had been a major factor in the growth and economic stability within the trade area, began to subside in 2015.

Port of Corpus Christi

The trade area's principal outlet for agricultural and petroleum products is the Port of Corpus Christi, which opened to world markets in 1926. It is located along the southeastern coast of Texas on the Gulf of Mexico approximately 150 miles north of the Mexican border. The Port's channel stretches over 30 miles and links the Corpus Christi Bay with the Gulf of Mexico. It is one of the deepest ports along the Gulf of Mexico coast with a channel depth of 45 feet and is currently ranked as the fifth largest port in the United States in terms of tonnage. The Port handled a volume of 103.5 million tons of cargo during the 2015 calendar year, an increase of 2.9% from 2014.

The Port of Corpus Christi has many initiatives underway. The Corpus Christi Ship Channel Improvement Project is underway for further deepening and widening of the Port's ship channels. The project includes: (1) extending La Quinta Ship Channel approximately 1.4 miles at a depth of 39 feet; (2) deepening the extension to a depth of 45 feet to match the original La Quinta Ship Channel; (3) construction of ecosystem restoration features to protect endangered species, wetlands, and seagrass; (4) widening the Ship Channel to 530 feet from Port Aransas to the Harbor Bridge; (5) deepening the Ship Channel from 45 feet to 52 feet; and (6) adding 200-foot wide barge shelves across the Corpus Christi Bay. The first three elements of the project have been completed, and the remaining three are currently pending. The Channel Improvement project was re-authorized in May 2014 by the Resources Reform and Development Act of 2014, and a Limited Reevaluation Report was completed in December 2015 to update project costs and benefits for the remaining elements of the authorized project. Follow-on contracts to deepen and widen the Ship Channel and to add barge shelves are pending appropriation of funding.

The La Quinta Trade Gateway Terminal is a major component of the Port of Corpus Christi's long-term development plan. Located on a 1,100-acre greenfield site on the north side of Corpus Christi Bay. This project will provide a state-of-the-art multi-purpose dock and container facility once complete. Project features consist of the extension of the 45-foot deep La Quinta Ship Channel, construction of a 3800-foot long, three (3) birth ship dock with nine (9) ship-to-shore cranes, 180 acres of container/cargo storage yard, an intermodal rail yard, and over 400 acres of on-site distribution and warehouse centers. The envisioned multi-purpose dock and terminal facility will be able to handle a wide variety of general cargo such as containers, military equipment, wind turbines and steel pipe. The final designs for an initial phase of both the water and land-side infrastructure improvements for the multipurpose facility were completed in the summer of 2016. Preliminary site preparation work was also initiated in the last half of 2016.

Additionally, the Port has plans to construct a new rail yard that will become the mail rail exchange for the Port of Corpus Christi. The new rail interchange, Nueces River Rail Yard (NRRY), will initially consist of four parallel ladder tracks for a total yard capacity of 15,400 feet and 223 rail cars. The Port purchased approximately 36 acres of land at the western end of the Corpus Christi Harbor for this purpose. The project consists of two phases. The first phase was completed in 2015 at a cost of \$17.7 million and included a 9,800-foot long unit train siding

and four additional 4,000-foot parallel tracks providing storage for 200 railcars. The second phase calls for extending four of the tracks under Phase I to full unit train sidings and constructing four additional unit train sidings for a total of eight sidings averaging 8,500 feet long. The total cost for Phase II is approximately \$28.0 million and is expected to be completed in 2017.

Several large companies have located in the area around the Ship Channel. Tianjin Pipe Corporation – America was the first international investment around the Ship Channel. This \$1.3 billion project represents the largest single investment by a Chinese company in a United States manufacturing facility. When fully operational, the project will employ 600 to 800 people producing 500,000 metric tons of seamless steel pipe. Phase One has been completed, and Phase Two should be complete by the end of 2017 with ramping up and commissioning in 2018. M&G is an Italian company located on the north side of the Inner Harbor adjacent to the Nueces River Rail Yard and is projected to be the world’s largest polyethylene terephthalate resin plant and represents a \$1.1 billion investment. The plant is nearing completion and expects to begin operations in the end of the second quarter of 2017. The voestalpine Austrian Group’s \$740 million facility on the Port’s La Quinta Trade Gateway is operating and processing iron ore. They have an annual capacity of around 2 million tons of hot briquetted iron and direct reduced iron and are currently employing 179 people. Corpus Christi Liquefaction, LLC, a subsidiary of Cheniere Energy, is developing a \$13 billion liquefied natural gas export terminal at one of their existing sites in the Ship Channel. It is expected to be constructed in phases and should be operational by 2020. There have been smaller projects announced that total over \$200 million. Magellan with their splitter of natural gas products will begin operating in 2017.

Harbor Bridge Expansion

After conducting a feasibility study and examining the current conditions posed by the Harbor Bridge over the Corpus Christi Ship Channel, the Texas Department of Transportation (TxDOT) moved forward with plans for the improvement and reconstruction of approximately 4.5 miles of the Harbor Bridge. The current proposed replacement bridge estimates a rise of at least 205 feet above the current channel (an increase of at least an additional 67 feet when compared to the existing bridge), allowing larger vessels to pass through the channel and thus increasing the area’s shipping traffic. It is also expected that the bridge will have wider lanes and increased highway access to address current capacity and transportation issues. The Harbor Bridge will be the longest cable-stay bridge in North America and will be the tallest structure in South Texas. It is anticipated to last 170 years. State officials believe the Harbor Bridge Project will attract additional job opportunities to strengthen the area’s economy and provide safety enhancements to travelers. Additionally during the peak of construction, it is anticipated that between 500-700 workers will be utilized.

TxDOT estimates the project will cost approximately \$802.9 million. It is a design-build project and not the traditional design-bid-build used by TxDOT. On January 8, 2016, the Federal Highway Administration released a Record of Decision (ROD) regarding the proposed US 181 Harbor Bridge project from Beach Avenue to Morgan Avenue at the Crosstown Expressway in Nueces County, Texas. The ROD approved the selection of the recommended alternative for the Harbor Bridge, as identified in the project’s Final Environmental Impact Statement (Final EIS),

dated November 2014. This approval completed the environmental approval process for the project.

On February 16, 2016, TxDOT issued the first Notice to Proceed (NTP1) to the awarded Developer, Flat Iron/Dragados. NTP1 is described as a pre-design/planning phase. Subsequently, a groundbreaking ceremony took place in August 2016. Lane closures on the Harbor Bridge began in March 2017. The six-lane structure with shoulders is scheduled to be completed by 2021.

Tourism

Corpus Christi continues to be a favorite vacation spot for visitors and is the seventh most popular tourist destination in Texas according to TripAdvisor.com. The number one reason visitors flock to the area has always been to enjoy miles of beaches along Mustang and Padre Islands, the longest natural barrier island fronting on the Gulf of Mexico. The opposite side of the barrier island provides a shoreline for Corpus Christi Bay, the Laguna Madre, and the various bays and bayous north of the Coastal Bend which are ideal for outdoor recreation.

Tourist facilities located within the City include: a multi-purpose arena, convention center and theater at the American Bank Center, Whataburger Field - home to the Corpus Christi Hooks, the Double-A affiliate of the Houston Astros, Hurricane Alley Waterpark, the Texas State Aquarium, the USS Lexington Museum, the Museum of Science and History, the Art Museum of South Texas, the Multicultural Center/Heritage Park complex, the Congressman Solomon Ortiz International Center, and Concrete Street Amphitheater. These attractions are located in Corpus Christi's SEA District (Sports, Entertainment, and Arts District). This family-friendly area includes many of the City's popular attractions. Day passes can be purchased where residents and visitors are able to play and eat at multiple businesses in the SEA District.

The South Texas Botanical Gardens & Nature Center is one of the Coastal Bend's major tourist destinations and leading nature tourism facility. Strategically situated along Oso Creek on Corpus Christi's rapidly-growing south side, it is part of the city's growing Oso Creek Greenbelt system and is near the northern side of the world-famous King Ranch. The 182-acre venue showcases 11 uniquely-designed floral exhibits and gardens, including the 2,600 square-foot screened Butterfly House, new 1,800 square-foot Samuel Jones Orchid Conservatory, and Anderson Bromeliad Conservatory. It is a key site on the Great Texas Coastal Birding Trail and in Corpus Christi, which has been named "Birdiest City" in the United States by the Audubon Society.

Most recently, Schlitterbahn Waterpark opened on North Padre Island in Corpus Christi. The first of several phases of development, Schlitterbahn offers visitors and residents alike a unique waterpark experience. Additionally, the Texas State Aquarium is undergoing an expansion project that will nearly double its size by adding a \$50 million exhibit called Caribbean Journey which is set to open in 2017. The Texas State Aquarium was elected as the second-best aquarium in the nation for USA Today's 10 Best Readers' Choice.

The Corpus Christi area is also a renowned location for water sports and serves as host to numerous fishing tournaments. The Corpus Christi Marina is the largest municipal marina in

Texas with the deepest water. It has 600 boat slips that are 72% occupied. Approximately 1,000 vessels visit the marina annually. During summer months, approximately 25 to 50 visitors per day pass through requesting information regarding attractions, sights and waterfront excitement. Marina Office Staff act as Ambassadors to visitors on behalf of the City of Corpus Christi. Various events revolve around the Marina. Parades, rallies, seafood sales, Boat Show, Power Boat Races, World Class Sailing Regattas and other events combine to create an extremely busy waterfront area year-round. Most recently, Corpus Christi hosted the 2016 US Windsurfing Nationals in May.

The City also boasts other successful sporting events including the Beach to Bay relay marathon and “Conquer the Coast”, a 65-mile bicycle ride that features a route through the area’s coastal communities. Corpus Christi draws visitors through its multiple festivals including Buccaneer Days, the Jazz Festival, *Dia de los Muertos*, Harbor Lights, the Mayor’s 4th of July Big Bang Celebration, and the monthly Art Walk located in the City’s Marina Arts District. Additionally, Corpus Christi is the home of “*Fiesta de la Flor*” – a festival honoring the slain singing star, Selena Quintanilla Perez. The event began in 2015 and grew even larger in 2016, drawing more than 52,000 fans from across the world and bringing an economic impact of about \$13 million to Corpus Christi.

Construction Permits

The table below shows the number of building permits and the value of those permits for the last ten fiscal years. It should be noted that prior to 2012-2013, the number of building permits included miscellaneous construction in addition to buildings, including roofing, tenant refinishing, repairs, driveways, and site work. Additionally, the 2013-2014 information reflects 14 months of data: August 2013 through September 2014.

Building permits issued in 2016 exceeded the amounts issued from the prior year as well as ten years ago – both in number of permits and dollar value. The number of building permits increased by 21% from 2015 to 2016, and the dollar value increased by 18%. This increase was mainly a result of an increase in new commercial permits and permits for commercial addition/renovation. There was, however, a slight increase in residential permits, as well. The analysis indicates that Corpus Christi’s economy is continuing to rebound and grow – after the decline in the oil and gas industry.

<u>Year</u>	<u>Building Permits</u>	<u>Value</u>
2006-2007	5,699	\$503,027,247
2007-2008	5,118	\$343,865,608
2008-2009	4,022	\$286,139,536
2009-2010	4,052	\$260,412,022
2010-2011	5,447	\$376,894,414
2011-2012	5,728	\$376,144,270
2012-2013	2,437 ⁽¹⁾	\$445,240,284 ⁽¹⁾
2013-2014	2,732 ⁽²⁾	\$535,411,665 ⁽²⁾
2014-2015	4,909	\$589,543,493
2015-2016	5,918	\$692,742,990

- ⁽¹⁾ Prior to 2013, permits included miscellaneous construction in addition to buildings, including roofing, tenant refinishing, repairs, driveways, and site work.
- ⁽²⁾ The 2013-2014 information contains 14 months of data (August 2013 through September 2014)

Employment

The unemployment rate in Corpus Christi increased 26% from the prior year from 5.0% in September 2015 to 6.3% in September 2016 according to the Texas Workforce Commission. This can be attributed to two main reasons. First, the Corpus Christi residents who had been working for the Eagle Ford shale (oil and gas industry) but were laid off, filed for unemployment in Corpus Christi although they had physically been working in Karnes County and Live Oak County. This artificially increased the number of unemployed - as well as the unemployment rate - for 2016 because Corpus Christi had added 2,100 jobs throughout the year. Second, the area realized a slow-down in construction due the completion and winding down of some major projects including voestalpine and M&G Resins. Corpus Christi’s unemployment rate is now higher than the national unemployment rate of 4.8% because of these reasons. However, other projects are scheduled to begin (such as the Harbor Bridge relocation) that will provide new construction jobs to offset the ones recently lost. It should also be noted that over the last ten years, personal (per capita) income in the area increased approximately 20% from \$35,750 in 2007 to \$42,859 in 2016.

Major Expenses

The government’s expenses relating to “police and municipal court”, “fire and ambulance”, and “streets” comprise 58.8% of total expenses for governmental activities as reflected in Exhibit 1-B of the Comprehensive Annual Financial Report (CAFR). Statistical Table 2 “Changes in Net Position” shows expenses by activity for the last ten years. As evidenced by the table below, the government’s expenses relating to these activities have remained relatively constant. Expenses for “fire and ambulance” and “streets” slight increased as a percentage of total expenses for governmental activities over the last ten years, while “police and municipal court” has slightly decreased.

	Expenses as a Percent of		
	Total Governmental Activities		
	2007	2015	Net Change
Police and Municipal Court	30.69%	29.68%	-1.01%
Fire and Ambulance	16.95%	17.93%	0.98%
Street	10.47%	11.15%	0.68%

During this same 10-year period, charges for services, while continuing to increase in amount, have remained relatively stable as a percentage of total revenue.

Long-term financing plan/relevant financing policies

During the fiscal year 2015-2016 budget process, the City Council approved financial budgetary policies as an essential guide to direct the City's financial planning. The City Council reaffirmed the policy to set aside adequate financial resources in the fund balance of the general fund to ensure that current and future services or operations would not be severely impacted by any economic slowdowns, emergencies, national disasters, or other unforeseen circumstances. The accounting for this changed in fiscal year 2015-2016. The amount is reflected as a reserve for contingencies in the unassigned fund balance of the general fund, rather than as a "committed" fund balance of the general fund as had been reflected in prior years.

The City Council's goal for fiscal year 2015-2016 increased the commitment to build and maintain a reserve in the general fund's fund balance from at least ten (10%) to 17% of total annual general fund appropriations up to 25%. Fund balance in excess of the 17% policy requirement may be recommended for expenditure by the City Manager. The general fund's financial statements for fiscal year 2015-2016 reflect an increase of this percentage from 17% to 18.6%. This amount equates to \$42,963,520 of the \$47,040,731 unassigned fund balance at September 30, 2016. The remaining balance in the unassigned fund balance at September 30, 2016, equates to \$4,077,211.

The section that addresses the funding contributions to the Texas Municipal Retirement System (TMRS) was amended to increase the City's contribution from one percent to two percent beginning in fiscal year 2015-2016. The policy states that it is a goal of the City Council to contribute the fully funded contribution rate to TMRS to fund the pension for general employees and for sworn police officers. The policy was amended to direct that an additional two percent be added to the City's contribution for TMRS beginning in fiscal year 2015-2016 and each year thereafter until the actuarially determined fully funded rate is met.

A new section was added to the financial policies for fiscal year 2016 to address the receipt of state hotel occupancy tax funds in a new state hotel occupancy tax fund beginning in fiscal year 2015-2016. The 84th Texas Legislature passed a bill to allow Corpus Christi and three other Texas cities to retain two percent of the state hotel occupancy taxes collected by the cities to be reinvested for beach maintenance and restoration. The policy was amended to add that expenditures in this new fund shall not be used to offset expenditures for Gulf Beach maintenance currently paid for out of the local hotel occupancy tax fund. The fund for Gulf Beach maintenance in the local hotel occupancy tax fund shall not fall below the lesser of \$1,826,088 or 15% of hotel occupancy tax revenue (not including the Convention expansion portion) budgeted. This amount will be in addition to any expenditures budgeted for Gulf Beach maintenance in the state hotel occupancy tax fund.

The remaining sections of the financial policies were consistent with the previous policy and included funding levels from the general fund for street maintenance; funding levels from the general fund for residential/local street capital improvement projects; utilization of a multi-year budget model; quarterly financial reporting and monitoring; the use of nonrecurring revenue to fund one-time expenditures; adherence to the City's Debt Management Policy; continuation of a

10-year capital improvement plan; and utilization of zero-based budgeting type of process for completion of the operating budget.

Major Initiatives

The City of Corpus Christi has adopted a mission statement which has become an integral part in the development of a strategic plan to guide the City. The mission of the City of Corpus Christi is to deliver municipal services which meet the vital health, safety, and general welfare needs of its residents and which sustain and improve their quality of life. As we work to achieve this mission, we will employ fiscal discipline, continuous improvement, first-rate customer service, and straightforward communication. In this work, we will tolerate no mediocrity.

The City Council's priorities/major initiatives for 2016 provide guidance and vision in fulfilling the City's mission and strategic plan. These priorities include: (1) residential road repair; (2) water policy; and (3) economic development policy. These priorities were established at the 2016 City Council retreat held on March 22, 2016.

The first 2016 priority for the City Council is to provide sustainable, sufficient annual funding of a realistic residential road repair and maintenance program, including curb and gutter projects. The City initiated a pilot program in fiscal year 2016 for the reconstruction of two residential streets. This \$2 million program is being funded through the Street Preventative Maintenance Program. Two City Council ad hoc committees were also created to help address this issue. The first was the Ad Hoc Residential Street Infrastructure Advisory Committee and was created to address the operational aspect of residential road repair. This committee met for several months and updated the City Council with its findings at the March 29, 2016 City Council meeting. A report was subsequently presented on May 16, 2016. The second committee was the Charter Review Ad Hoc Committee that was established – in part – to address the financial aspect of residential road repair. One of this committee's recommendations was a charter revision to establish a dedicated fund to be used solely for residential street reconstruction and to authorize the City Council to levy, assess and collect a property tax not to exceed six cents per one hundred dollars of assessed value for residential street reconstruction – to be gradually implemented at a rate of not more than two cents per one hundred dollars of assessed value per year. This charter revision was approved by the voters on November 8, 2016. The voters also approved on November 8, 2016, an \$11 million bond program for residential streets. This bond package allows the City to begin its initiative to repair residential streets and develop its processes and procedures in anticipation of expanding this program.

The second City Council priority deals with developing a long-term water policy. Strategies for this priority include the continuation of water supply development; alignment of water and wastewater strategies with a focus on a consolidated wastewater plant and a solution for the sanitary system overflow (SSO) issue; educating citizens on water supply and water supply strategies; reviewing and governance of the utility rate model; and development of a revised drought contingency plan and drought determination criteria. In addressing water supply development, discussions have begun involving evaluating other sources of water such as desalination, brackish water, effluent, and water storage. Mary Rhodes Pipeline Phase 2, which will draw water from the Lower Colorado River, was completed in October 2016. This project

will provide another water source for Corpus Christi and its region in addition to Lake Corpus Christi, the Choke Canyon Reservoir, and Lake Texana. Long-term planning for water conservation and reuse are also being discussed.

The third City Council priority deals with developing an economic development policy. The City has been working on a targeted economic development policy to recruit desired business niches, develop area-specific plans using tailored incentives, incentivize downtown growth, and address affordable housing/homelessness issues - while expanding diversity of business and retaining and growing existing businesses. Additional strategies include aligning the policies of the Corpus Christi Regional Economic Development Corporation (CCREDC) with those of the Corpus Christi Business and Job Development Corporation (Type A Board); creating policy guidelines to create infill a housing incentive program; and bringing new businesses to City Council District 3. Three status reports on the economic development initiatives were presented to the City Council in 2016. Strategies to address expanding local businesses included completion of a study conducted by the CCREDC to address diversifying the City's business base; the updating of Type A guidelines; and the renewal of the City's contract with the CCREDC. Additionally, the Type A Board awarded two incentive agreements in 2016 to incentivize businesses to expand and create additional jobs for the community. On March 31, 2018, the Type A sales tax dedicated to economic development will expire. On November 8, 2016, the voters approved replacing the Type A sales tax with a Type B sales tax to be effective for 20 years with the use of the proceeds for economic development, affordable housing, and streets.

AWARDS AND ACKNOWLEDGMENTS

Awards

The Corpus Christi Police Department (CCPD) was awarded re-accreditation in April 2016 by the Commission of Accreditation for Law Enforcement Agencies (CALEA). CCPD received its initial advanced accreditation in 2009 and re-accreditation in 2012, complying with 484 standards set by CALEA to achieve professional excellence in policy and practice. The ongoing accreditation process represents an obligation to continue to strive for professional excellence to gain public trust, reduce risk and liability exposure, and for greater accountability.

In April 2016, the Corpus Christi Internal Airport (CCIA) earned the American Association of Airport Executives (AAAE) award for the amount of training completed in 2015. AAAE makes a web-based training system available to airports allowing employees to complete required courses using a computer instead of sitting through classes. The new system saves time and money and is quickly becoming a significant part of CCIA's overall training protocol.

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Corpus Christi for its comprehensive annual financial report (CAFR) for fiscal year ended September 30, 2015, continuing to confirm compliance with both Generally Accepted Accounting Principles (GAAP) and legal requirements. This was the thirty-third consecutive year that the City has received this prestigious award. A Certificate of Achievement is valid for a period of one year only. We

believe that this CAFR 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 City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2015. The City has received twenty-five of these awards. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgments

The preparation of this report is possible only because of the dedication of the staff members in the Department of Financial Services and from the cooperation of all other City departments. Credit must also be given to the Mayor Pro-Tem and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Corpus Christi and in the prudent financial policies to which it subscribes.

Respectfully submitted,



Margie C. Rose
City Manager



Constance P. Sanchez, CPA, CPM
Director of Financial Services



Government Finance Officers Association

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

Presented to

**City of Corpus Christi
Texas**

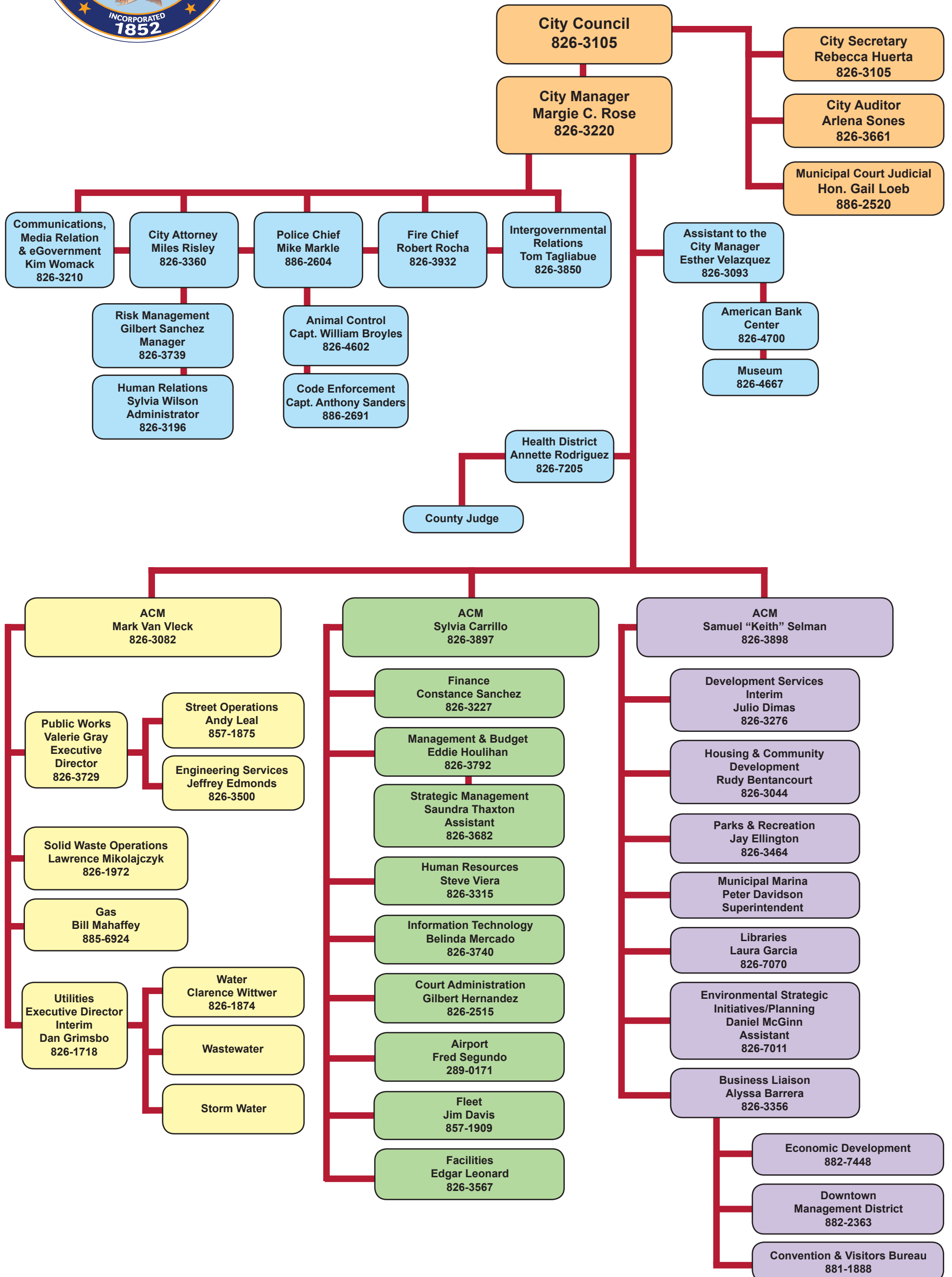
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO



City of Corpus Christi Organizational Chart



Financial Section



Padgett Stratemann

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Corpus Christi, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Corpus Christi, Texas (the "City") as of and for the year ended September 30, 2016, 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 did not audit the financial statements of the Corpus Christi Fire Fighters Retirement System, American Bank Center Convention Center Fund, or the American Bank Center Arena Operations Fund; blended and fiduciary component units, which represent 24%, 29%, and 7%, respectively, of the assets and deferred outflows, net position/fund balances, and revenues/additions of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Corpus Christi Fire Fighters Retirement System, American Bank Center Convention Center Fund, and the American Bank Center Arena Operations Fund, audited separately by other auditors, were not audited in accordance with *Government Auditing Standards*.

AUSTIN

811 BARTON SPRINGS ROAD, SUITE 550
AUSTIN, TEXAS 78704
512 476 0717

HOUSTON

1980 POST OAK BOULEVARD, SUITE 1100
HOUSTON, TEXAS 77056
713 335 8630

SAN ANTONIO

100 N.E. LOOP 410, SUITE 1100
SAN ANTONIO, TEXAS 78216
210 828 6281

TOLL FREE: 800 879 4966
WEB: PADGETT-CPA.COM

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 City'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 City'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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the 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 described in Note 1 to the financial statements, effective October 1, 2015, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are not Within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principle for State and Local Governments*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Our opinions are not modified with respect to these matters.

As described in Note 21 to the financial statements, the City restated beginning fund balance and net position related to the correction of various errors in the previously issued financial statements. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Other Post-Employment Benefits Schedule of Funding Progress, Other Post-Employment Benefits Schedule of Annual Required Contributions, Schedule of Changes in the Net Pension Liabilities and Related Ratios – Texas Municipal Retirement System, Schedule of Changes in the Net Pension Liabilities and Related Ratios – Fire Fighters' Retirement System, Schedule of Contributions – Texas Municipal Retirement System, and Schedule of Contributions – Fire Fighters' Retirement System, as

listed in the table of contents, as well as notes to required supplementary information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, 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's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules, Schedule of Expenditures of Federal/State Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and as required by the *State of Texas Single Audit Circular*, and other information, such as the Introductory Section and the Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules and Schedule of Expenditures of Federal/State Awards 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 Fund Financial Statements and Schedules and Schedule of Expenditures of Federal/State Awards 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control

over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Padgett, Stratemann + Co., L.L.P.

San Antonio, Texas
April 24, 2017

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the City of Corpus Christi’s (City) annual financial report presents an overview, through management’s discussion and analysis (MD&A), of the City’s financial activities and performance during the fiscal year ended September 30, 2016. The MD&A should be read in conjunction with the transmittal letter found in the Introductory Section of this report and the accompanying financial statements and disclosure following this section.

FINANCIAL HIGHLIGHTS

Entity Wide

- The City reevaluated the classification of funds and determined that Solid Waste activities should be included as a Governmental activity at the government-wide level. Accordingly, the beginning Net Position has been reallocated between Governmental and Business-type activities.
- Due to shifts in revenue sources, the Development Services fund now qualifies as a Special Revenue fund. The portion of General Fund beginning fund balance related to Development Services is now included in the financial statements as the beginning balance of Other Governmental funds.
- Coastal Bend Health Facilities Development Corporation has been reclassified to a blended component unit in the Other Governmental funds and the Corpus Christi Convention and Visitors Bureau is no longer reported as a discrete component unit.
- The Firefighters’ Retirement System has been added as a fiduciary fund of the City in fiscal year 2016, and the Deferred Compensation Plan which was previously presented as a fiduciary fund has been determined to not qualify as such.
- Total net position of the City, was \$1.2 billion at September 30, 2016, an increase of \$77.0 million, or 6.76% compared to September 30, 2015 as restated.
- Total net program expenses were \$14.8 million higher than the restated prior year’s amount, reflecting net expenses of \$163.0 million for fiscal year ended September 30, 2016 compared to the restated prior period amount of \$148.1 million.
- Total general revenue and transfers increased \$4.2 million from the restated prior year’s amount of \$235.7 million to \$239.9 million for the fiscal year ended September 30, 2016, an increase of 1.8%.

Governmental Activities

- On a government-wide basis for governmental activities, the City had net program expenses of \$210.4 million for the fiscal ended September 30, 2016, compared to \$197.7 million for the restated prior year, representing a 6.39% increase. General revenues and transfers totaled \$243.8 million for the fiscal year ended September 30, 2016 compared to the restated prior year’s amount of \$241.1 million, with an overall increase of 1.1% in net position for the fiscal year ended September 30, 2016. At September 30, 2016, the City’s governmental activities had \$966.2 million in total liabilities compared to \$719.5 million at the restated prior period, an increase of 34.3%.

Business-Type Activities

- On a government-wide basis for business-type activities, program revenue net of expenses was \$47.5 million for the fiscal year ended September 30, 2016 compared to \$50.0 million for the restated prior period, representing an decrease of -4.32 % from the restated prior year’s balance. The restated net position increased by 5.06 % from \$860.4 million as restated at September 30, 2015 to \$904.0 million as of September 30, 2016. At September 30, 2016, the business-type activities had \$1.1 billion in total liabilities compared to \$1.5 billion as restated at September 30, 2015.

Bond Issues

- During the fiscal year ended September 30, 2016, the City issued 6 series of bonds. \$61.0 million of general improvement refunding bonds for the purpose of refunding the Series 2007 and Series 2009 general improvement bonds for bond savings; \$10 million of Combination Tax and Limited Pledge Revenue Certificates of Obligation to fund capital improvements to the City’s solid waste system; \$2 million of Combination Tax and Limited Pledge Revenue Certificates of Obligation to fund capital improvements to the City’s parks and recreation facilities; \$16.1 million of Corpus Christi General Improvement Refunding bonds to refund the existing 2007A and 2009 General Obligation Improvement bonds and the 2009 Combination Tax and Limited Pledge Revenue Certificates of Obligations for bond savings;\$16.4 million of Combination Tax and Limited Pledge Revenue Certificates of Obligation for the purpose of improving city streets, including utility repair, replacement and relocation; and \$80.4 million of utility system junior lien revenue refunding bond to refund the existing Series 2006 and 2009 Utility System Revenue Improvement and Refunding bonds for bond savings.

General Fund

- At September 30, 2016, unassigned fund balance for the General Fund was \$47.3 million of the General Fund expenditures. This compares to an unassigned fund balance of \$175 thousand, or 0.09% of General Fund expenditures for the restated prior year. The variance is due to a \$39.5 million reclass of major contingencies that was previously reported under the committed fund balance.
- The financial policies state that the City must maintain a reserve for major contingencies of at least 10% and up to 25% of the total General Fund appropriations. The reserve increased in 2016 from 17.0% at September 30, 2015 to 18.6% at September 30, 2016 of the total General Fund appropriations or \$3.4 million, an 8.7% increase from the restated prior year.
- General Fund revenues for the fiscal year ended September 30, 2016 of \$212.9 million were 2.8% lower than the restated prior year revenues of \$219.0 million.
- General Fund expenditures for the fiscal ended September 30, 2016 of \$205.4 million were 0.3% higher than the restated prior year expenditures of \$204.9 million.

**USING THE FINANCIAL SECTION OF THIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

This Comprehensive Annual Financial Report (CAFR) has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as prescribed by the Government Accounting Standards Board (GASB).

The CAFR consists of four sections: introductory, financial, statistical, and single audit. As illustrated in the following chart, Figure 1, the financial section of this report has three components: *management’s discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*.

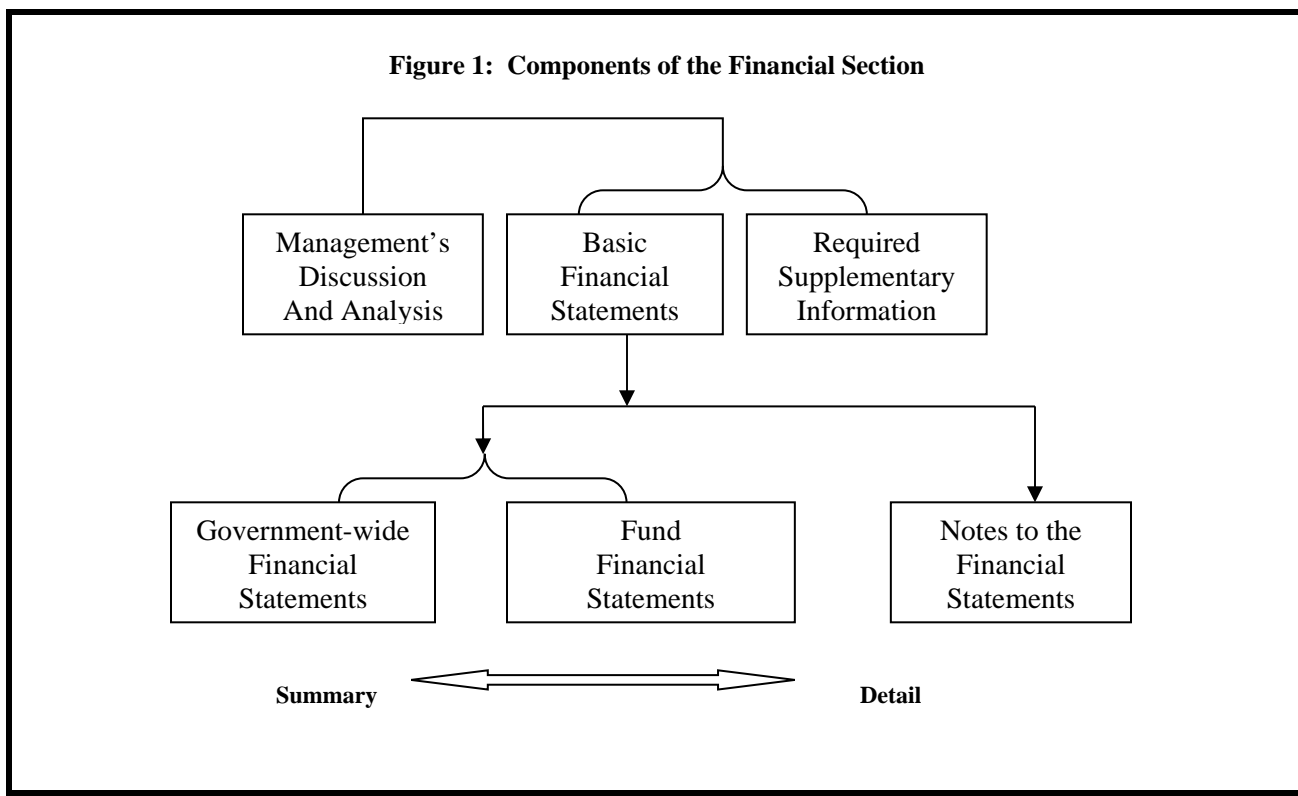


Figure 1 depicts how the required parts of this annual financial report are arranged and relate to one another. In addition to these required elements, a section with combining and individual fund financial statements and schedules that provides details about the non-major governmental funds and internal service funds is included.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements of the City of Corpus Christi are comprised of three elements:

1. **Government-wide financial statements** provide both long-term and short-term information about the City’s overall financial condition. The *Statement of Net Position* and the *Statement of Activities*, which are the government-wide statements, report

information about the City as a whole, and about its activities, in a way that provides information helpful in determining whether the City's financial condition has improved or deteriorated as a result of current year's activities. These statements are presented for both *governmental activities* and *business-type activities*. All assets, liabilities, deferred inflows, and deferred outflows are reported using the accrual basis of accounting so the statements will provide readers with a broad overview of the City's finances, similar to statements used by most private-sector companies. Because of the closeness of their relationship with the primary government (the City), some component units are blended as though they are part of the primary government. The City has no discretely presented component units. This is a change from the restated prior year financial statement presentation.

2. **Fund financial statements** provide a detailed short-term view of the City's operations, focusing on the most significant funds in greater detail than the government-wide statements. The three types of funds reported are:

- **Governmental funds** – General Fund, Debt Service Fund, Streets Capital Projects Fund, and other non-major funds consisting of special revenue funds, capital project funds, the other debt service funds, focus on how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. The governmental funds statements provide the short-term view that helps determine whether there are more or fewer financial resources to be spent in the near future to finance the City's programs. Because the focus of governmental funds does not encompass the additional long-term focus 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. Due to shifts in revenue sources, the Development Services fund now qualifies as a Special Revenue fund. The portion of General Fund beginning fund balance related to Development Services is now included in the financial statements as the beginning balance of Other Governmental funds. Coastal Bend Health Facilities Development Corporation has been reclassified from a discretely presented component unit to a blended component unit in the Other Governmental funds and the Corpus Christi Convention and Visitors Bureau is no longer reported as a component unit of the City. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- **Proprietary funds** – Enterprise funds and Internal Service funds are used to report services for which the City charges their customers, either internal or external, a fee. These funds, like the government-wide statements, provide both long-term and short-term financial information, however, in more detail. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Utility System, Airport, Golf Courses, and Marina. Internal service funds are used to report activities that provide supplies and services for the City's various other programs and activities.

The City uses internal service funds to account for Stores, Fleet Maintenance Services, Facilities Maintenance Service, Information Technology, Liability and Employee Benefits, and Engineering Services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

- ***Fiduciary funds*** – The City is trustee, or fiduciary, for certain amounts held on behalf of others or, because of an arrangement, can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Fireman’s Retirement System and a Private Purpose Trust Fund are the City’s two fiduciary activities and are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These fiduciary activities are excluded from the City’s government-wide financial statements because the City cannot use these assets to finance its operations.

3. **Notes to the financial statements** provide disclosures and additional information that are essential to the full understanding of the financial information presented in the government-wide and fund financial statements.

Following the notes to the financial statements is *required supplementary information (RSI)* that further explains and supports the information in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

At September 30, 2016, the net position for the City of Corpus Christi totaled \$1.2 billion, \$77.0 million higher than the restated net position at September 30, 2015. The composition of the net position is \$311.4 million for governmental activities and \$904.0 million for business-type activities. The largest portion of the City’s total net position, 89.0%, is net investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment, and construction in progress); less any related debt used to acquire those assets that are still outstanding. The City has \$155.7 million in restricted net position for specific purposes at September 30, 2016, which is a \$14.3 million increase from restated September 30, 2015. The City’s unrestricted net position is a negative \$22.0 million at September 30, 2016. It should be noted that the City has sufficient funds to meet requirements for cash outlays in the next fiscal year.

Table 1 reflects a comparative summary of statement of net position for the City of Corpus Christi.

Table 1
Summary of Net Position
As of September 30, 2016 and 2015
(in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015*	2016	2015*	2016	2015*
Capital assets, net of accumulated depreciation	\$ 692,006	\$ 667,854	\$ 1,564,386	\$ 1,524,111	\$ 2,256,392	\$ 2,191,965
Other assets	517,628	480,757	424,204	458,961	941,833	939,718
Total assets	1,209,634	1,148,611	1,988,591	1,880,062	3,198,225	3,131,683
Deferred outflows of resources	71,313	32,064	25,951	11,646	97,264	43,710
Long-term liabilities	899,163	678,623	1,088,416	1,476,307	1,987,579	2,154,930
Estimated long-term liability claims	9,406	6,990	--	--	9,406	6,990
Other liabilities	57,646	33,854	21,210	16,428	78,856	50,283
Total liabilities	966,216	719,467	1,109,626	1,492,735	2,075,842	2,212,203
Deferred inflows of resources	3,380	3,611	946	1,395	4,326	5,006
Net position						
Net investment in capital assets	304,107	249,204	777,596	787,635	1,081,702	1,036,840
Restricted	137,075	121,204	18,590	20,126	155,665	141,330
Unrestricted	(129,831)	(92,475)	107,785	52,667	(22,046)	(39,808)
Total net position	\$ 311,351	\$ 277,933	\$ 903,970	\$ 860,429	\$ 1,215,321	\$ 1,138,362

*FY 2015 Beginning balances restated

Of the business-type activities, the Utility System fund is the largest operation at the City with total assets of \$1.83 billion, comprising 92% of all business-type activities total assets for 2016, slightly increasing from 88.8% in restated 2015. The Utility System fund net position as of September 30, 2016 was \$781.2 million which is an increase of 7.0% over last year's \$730.0 million net position.

Changes in Net Position

Table 2 reflects a comparative detail of changes in net position for the City of Corpus Christi for the fiscal year ended September 30, 2016 and September 30, 2015.

Table 2
 Changes in Net Position
 For Fiscal Year Ended September 30, 2016
 (in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015*	2016	2015*	2016	2015*
Revenue						
Program revenues						
Charges for services	\$ 91,565	\$ 94,687	\$ 243,585	\$ 235,378	\$ 335,150	\$ 330,065
Operating grants and contributions	11,532	9,899	1,310	1,226	12,842	11,125
Capital grants and contributions	11,479	7,912	11,580	27,220	23,059	35,131
Total program revenues	<u>114,576</u>	<u>112,498</u>	<u>256,474</u>	<u>263,824</u>	<u>371,050</u>	<u>376,322</u>
General revenue						
Property taxes	119,289	103,987	--	--	119,289	103,987
Sales taxes	81,618	96,806	--	--	81,618	96,806
Hotel occupancy taxes	17,636	15,110	--	--	17,636	15,110
Business fees	17,394	17,284	--	--	17,394	17,284
Investment earnings	1,966	1,283	1,955	1,212	3,921	2,495
Total general revenue	<u>237,903</u>	<u>234,471</u>	<u>1,955</u>	<u>1,212</u>	<u>239,859</u>	<u>235,683</u>
Total revenues	<u>352,479</u>	<u>346,968</u>	<u>258,430</u>	<u>265,036</u>	<u>610,909</u>	<u>612,005</u>
Expenses						
General government	23,549	20,530	--	--	23,549	20,530
Police and municipal court	96,428	91,069	--	--	96,428	91,069
Fire and ambulance	58,265	48,724	--	--	58,265	48,724
Emergency management	631	614	--	--	631	614
Inspections	227	2,379	--	--	227	2,379
Streets	36,241	34,051	--	--	36,241	34,051
Health	6,446	5,941	--	--	6,446	5,941
Parks and recreation	22,460	19,929	--	--	22,460	19,929
Libraries	4,895	4,576	--	--	4,895	4,576
Museums	2,085	1,867	--	--	2,085	1,867
Community enrichment	6,113	5,851	--	--	6,113	5,851
Community development	9,393	13,365	--	--	9,393	13,365
Convention and visitors activities	15,460	16,228	--	--	15,460	16,228
Interest on long-term debt	17,315	18,424	--	--	17,315	18,424
Solid waste	25,422	26,672	--	--	25,422	26,672
Utilities	--	--	192,439	198,385	192,439	198,385
Airport	--	--	14,115	13,631	14,115	13,631
Golf centers	--	--	129	215	129	215
Marina	--	--	2,338	1,997	2,338	1,997
Total expenses	<u>324,930</u>	<u>310,220</u>	<u>209,020</u>	<u>214,228</u>	<u>533,950</u>	<u>524,448</u>
Excess revenues over expenses	27,550	36,749	49,409	50,808	76,959	87,557
Transfers in (out)	5,868	6,611	(5,868)	(6,611)	--	--
Increase in net position	33,418	43,360	43,541	44,197	76,959	87,557
Net position at beginning of year	277,933	394,300	860,429	845,121	1,138,362	1,239,421
Prior period adjustment for change in accounting for pension liability		(159,726)		(28,889)	--	(188,615)
Net position at end of year	<u>\$ 311,351</u>	<u>\$ 277,933</u>	<u>\$ 903,970</u>	<u>\$ 860,429</u>	<u>\$ 1,215,321</u>	<u>\$ 1,138,362</u>

*FY 2015 Restated for prior period adjustments

Governmental Activities

As shown in Table 2, there was a \$33.4 million increase in net position for governmental activities for the fiscal year ended September 30, 2016 as compared to the restated prior period. For the fiscal year ended September 30, 2016, revenues totaled \$352.5 million compared to \$347.0 million for the restated prior period, an increase of \$5.5 million or 1.6%. Property tax revenue reflected the highest increase from the restated prior year of \$15.3 million or 14.7% due to the increase in assessed property valuations.

Expenses for governmental activities totaled \$325.0 million for the fiscal year ended September 30, 2016 compared to \$310.2 million for the restated prior period, an increase of approximately \$14.7 million.

Business-Type Activities

As shown in Table 2, there was a \$43.5 million increase in net position for business-type activities for the fiscal year ended September 30, 2016 as compared to the restated prior period, which is a 5.1% increase. For the fiscal year ended September 30, 2016, revenues for business-type activities decreased by \$6.6 million from the restated prior period's amounts.

Revenues for the City's business-type activities are associated with operating activities accounted for in the enterprise funds, the largest activity being the utilities (91.8%) which consists of the gas, water, and wastewater systems. Charges for services for the utilities increased \$14.5 million from the restated prior period. Rate increases were implemented in January 2016. These rates will be effective for a two-year period. Water consumption of 32.4 billion gallons sold was a 3% decrease with respect to the prior year consumption of 33.4 billion gallons sold. The pass-through revenue related to natural gas was \$4.4 million lower than prior year due to low prices. These effects were largely offset by the rate increases. Capital contributions decreased from the prior period because the fiscal year 2015 included extensive grants reimbursements associated with the Airport's runway extension and taxiway rehabilitation.

Expenses reported in the business-type activities decreased by \$5.2 million from the restated prior period. The majority of expenses reported in the business-type activities were utilities (92.1%), reflecting \$192.4 million for the fiscal year ended September 30, 2016 compared to \$198.4 million for the restated prior period. Expenses for the utilities decreased by \$5.9 million from the restated prior year.

FINANCIAL ANALYSIS OF THE CITY'S GOVERNMENTAL FUNDS

Governmental Funds

- Total assets of the General Fund has increased by \$8.9 million at September 30, 2016. Cash, cash equivalents and investments reflect \$53.1 million or 71.9% of total assets with net receivables reporting \$19.8 million, or 26.8% of the total. The majority of the net receivables balance was in property taxes receivables, solid waste receivables, demolition liens, and intergovernmental receivables attributed to sales tax. Some of these receivables

are not available to pay current expenditures and therefore reflected as Deferred Inflows – Unavailable Revenue.

- Total liabilities of the General Fund increased by \$7.4 million from the restated prior year, accrued liability increased by \$3.3 million attributed to payroll clearing, and increased by \$4.6 million in retainage payable.
- General Fund revenues for the fiscal year ended September 30, 2016 reflect a \$6.1 million decrease from the restated prior period revenues due to a decline in sales tax revenue of \$5.1 million, industrial district agreement payments in lieu of taxes. Total property taxes increased \$4.9 million from \$55.7 million, licenses and permits decreased by \$5.6 million due to Development Services Fund being reclassified to the Special Revenue section.
- The General Fund’s unassigned fund balance increased by \$47.1 million from September 30, 2015. In 2016, major contingencies that were previously in the committed balance have now been classified as unassigned.
- Committed for major contingencies in the General Fund decreased by \$39.5 million at September 30, 2016, attributable to the moved major contingencies to unassigned fund balance. The financial policy specifies that the City maintain the commitment for major contingencies of least 10% and up to 25% of the total annual General Fund appropriations. The commitment at September 30, 2016 was 18.6% of the total General Fund appropriations for fiscal ended September 30, 2016.
- The Debt Service Fund’s restricted fund balance increased by \$2.1 million, reporting a balance of \$12.9 million at September 30, 2016.
- The Streets Capital Projects Fund decreased its fund balance by \$976 thousand for the fiscal year ended September 30, 2016. In 2016, the fund received \$18.4 million in certificates of obligation. The fund spent \$21.9 million on capital projects during fiscal year ended September 30, 2016. Total fund balance was \$159.3 million at September 30, 2016.

Non-major Governmental Funds

Funds comprising the non-major governmental category are special revenue, capital projects funds and debt service funds from the Corpus Christi Business and Job Development Corporation. The combined fund balance for all non-major governmental funds at September 30, 2016 was \$189.3 million, as compared to \$171.2 million at September 30, 2015. This represents an \$18.1 million increase or 10.6%. The Street Maintenance Fund increased its fund balance by \$4.2 million due to an increase in revenues being allocated for street maintenance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As shown in Table 3, at September 30, 2016 the City had invested over \$2.3 billion in a broad range of capital assets, including Police and Fire equipment, buildings, park facilities, roads and bridges, and its Utility System and Airport. During fiscal year 2016 the City reevaluated the classification of funds and determined that Solid Waste activities should be included as a

governmental activity at the government-wide level. The amount of this restatement is \$69 million. Governmental activities increased by 24.1 million from the previous year. This increase included \$53.9 million in additions less \$29.7 million of depreciation expense and \$124 thousand for retirements. The beginning balance of Business-type activities capital assets has been restated from prior year due to a change in accounting policy in which the LNRA purchase contract for Lake Texana water which was previously reported as Notes Payable and an associated Water Rights capital asset is now reported as an unconditional purchase obligation (footnote 18) with no associated capital asset. This restatement reduces the beginning balance by \$86 million. The business type activities increased by 40.3 million from the restated prior year. Business activities increased by \$87.3 million in additions less \$40.6 million of depreciation expense and \$6.4 million for retirements. This contributed to a total increase in capital assets of \$64.4 million, or 2.9% over September 30, 2015.

Table 3
Capital Assets (net of depreciation) at September 30, 2016 and 2015
(in 000's)

	Governmental Activities		Business-Type Activities		Total		% Change 2015-2016
	2016	2015*	2016	2015*	2016	2015*	
Land	\$ 68,606	\$ 68,422	\$ 28,589	\$ 28,436	\$ 97,195	\$ 96,858	0.3%
Water rights	--	--	106,808	106,808	106,808	\$ 106,808	0.0%
Buildings	137,062	142,311	48,103	55,694	185,166	\$ 198,005	-6.5%
Improvements	141,219	133,122	199,417	191,035	340,636	\$ 324,157	5.1%
Equipment	33,477	32,269	10,408	10,939	43,886	\$ 43,208	1.6%
Infrastructure	202,422	193,697	776,919	770,295	979,341	\$ 963,992	1.6%
Construction in progress	109,220	98,032	394,143	360,903	503,363	\$ 458,935	9.7%
Total	<u>\$ 692,006</u>	<u>\$ 667,853</u>	<u>\$ 1,564,387</u>	<u>\$ 1,524,110</u>	<u>\$ 2,256,395</u>	<u>\$ 2,191,963</u>	2.9%

*FY2015 restated for prior period adjustments

Long-term Liabilities

Table 4 shows that total long-term liabilities increased \$15 million during the 12 months ended September 30, 2016, from \$1.983 billion at September 30, 2015 to \$1.998 billion at September 30, 2016, or 0.76%. Governmental activities reported a net increase in long-term liabilities of \$54 million or 6.4% which reflects the addition of \$128 million of debt, paying down \$126 million of debt, and increasing other long-term liabilities by \$52 million due mainly to the funding levels for retirement. Business-type activities reported a decrease in long-term liabilities of \$39.4 million or a 3.5% decrease from the restated September 30, 2015 year due to the addition of \$93 million of debt, paying down \$134 million of debt, and increasing other long-term liabilities of \$2 million due mainly to increasing funding levels for retirement.

Table 4
Long-Term Liabilities at September 30, 2016 and 2015
(in 000's)

	Governmental Activities		Business-Type Activities		Total		% Change 2015-2016
	2016	2015*	2016	2015*	2016	2015*	
General obligation bonds	\$ 419,810	\$ 440,945	\$ 17,545	\$ 18,450	\$ 437,355	\$ 459,395	-4.8%
Certificates of obligation	32,253	10,322	10,837	11,222	43,090	21,544	100.0%
Revenue bonds	58,185	65,105	--	--	58,185	65,105	-10.6%
Utility priority revenue bonds	--	--	227,555	336,420	227,555	336,420	-32.4%
Utility junior lien revenue bonds	--	--	655,655	587,835	655,655	587,835	11.5%
Discount on bonds payable	(19)	(22)	(60)	(854)	(79)	(876)	-91.0%
Premium on bonds payable	32,157	24,126	66,218	62,882	98,375	87,008	13.1%
Capital leases	17,486	14,243	1,713	1,564	19,199	15,807	21.5%
Other notes	20,286	22,878	52,884	55,507	73,170	78,385	-6.7%
Total debt	580,158	577,597	1,032,347	1,073,026	1,612,505	1,650,623	-2.3%
Accumulated compensated absences	33,569	34,429	2,666	3,649	36,235	38,078	-4.8%
Landfill closure cost	25,975	28,174	--	--	25,975	28,174	-7.8%
Net pension liability	259,610	204,265	52,684	50,452	312,294	254,717	22.6%
Net OPEB obligation	10,394	11,114	719	667	11,113	11,781	-5.7%
Total long-term liabilities	\$ 909,706	\$ 855,579	\$ 1,088,416	\$ 1,127,794	\$ 1,998,122	\$ 1,983,373	0.7%

*FY2015 restated for prior period adjustments

During the fiscal year, the City completed six bond issuances to fund permanent capital improvements to public facilities, the City's solid waste system and City streets; and to refund existing City General Obligation Improvement Bonds and Utility System Revenue Improvement and Refunding bonds for savings.

In October 2015, the City issued \$61.0 million of Corpus Christi General Improvement Refunding Bonds, Series 2015 for the purpose of refunding the Series 2007 and Series 2009 General Improvement Bonds for bond savings. The City will reduce its total debt service payments over the next 14 years by approximately \$4,123,940 and obtain an economic gain of \$4,282,754. The interest rate for these bonds range between 4.0% and 5.0%.

In October 2015, the City issued \$10.0 million of Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2015 for the purpose of funding capital improvements to the City's Solid Waste System. The interest rates range from 0.350% - 4.493%.

In December 2015, the City issued \$2 million of Combination Tax and Limited Pledge Revenue Certificates of Obligation Series 2016 to fund making capital improvements to the City's parks and recreation facilities. The interest rates range from 2.00% - 5.00%.

In July 2016, the City issued \$16.1 million of Corpus Christi General Improvement Refunding bonds, Series 2016 to refund the existing 2007A and 2009 General Obligation Improvement bonds and the 2009 Combination Tax and Limited Pledge Revenue Certificates of Obligations for bond savings. The City will reduce its total debt service payments over the next 14 years by approximately \$1,052,738 and obtain an economic gain of \$800,430. The interest rates range between 2.00% - 4.00%.

In July 2016, the City issued \$16.4 million of Combination Tax and Limited Pledge Revenue Certificates of Obligation for the purpose of improving city streets, including utility repair, replacement and relocation. The interest rates range between 2.00% - 4.00%.

In August 2016, the City issued \$80.4 million Utility System Junior Lien Revenue Refunding bonds, Series 2016 to refund the existing Series 2006 and 2009 Utility System Revenue Improvement and Refunding bonds for bond savings. The City will reduce its total debt service payments over the next 21 years by approximately \$14,875,001 and obtain an economic gain of \$15,115,209. The interest rates range between 2.00% - 5.00%.

The net pension liability increased from \$254.7 million at September 30, 2015 to \$312.3 million at September 30, 2016, a 23% increase primarily related to investment returns lower than projected, and due to the City's funding its contribution to the Texas Municipal Retirement System (TMRS) at a rate lower than the annual required contribution as actuarially determined. In calendar year 2011, the City Council approved an ordinance to change the "annually repeating" feature of the City's plan regarding updated service credits and 70% consumer price index (CPI) increases for annuitants to "ad hoc" (one time only basis) - thereby reducing the City's full contribution rate for subsequent years. However, these provisions are considered to be substantively automatic due to contract provisions with the Corpus Christi Police Officers' Association; so the full TMRS rate of 20.57% for 2016 is 2.11% more than the 18.46% contribution rate. See "Schedule of Contributions for TMRS" in the Required Supplemental Information. It is the City Council and management's intent to increase the City's TMRS contribution rate by 2% each fiscal year beginning in 2017 until the fully funded rate is achieved. The financial/budgetary policies were amended by the City Council in March 2016 to reflect such a change. (See Note 9 Employee Retirement Benefits in the Notes to the Financial Statements.) An additional factor causing the increase is that a lower discount rate (rate of return on pension plan investments) has been assumed in calculating the actuarial liability. Last year's valuation assumed a discount rate of 7.0%, this year's assumes 6.75%.

The net OPEB (other post-employment benefits) obligation decreased by \$0.7 million from September 30, 2015 to September 30, 2016, a 6.0% decrease. An actuarial valuation was obtained and determined that the total 12-month required contribution (ARC) for the City at September 30, 2016, was \$713 thousand. In an effort to reduce the City's liability, all City retirees who are Medicare-eligible are enrolled in a separate Medicare insurance plan and are not covered by the City's insurance. The unfunded actuarial accrued liability for the City at October 1, 2015, is \$10.9 million. (See Note 10 Post-Employment Health Care Benefits in the Notes to the Financial Statements.)

The landfill closure cost decreased by \$2.2 million from September 30, 2015 to September 30, 2016 due mainly to normal closure/post-closure costs for the Cefe Valenzuela landfill. Additionally, during the year one cell was inactivated and one cell was opened. (See Note 13 Long-Term Obligations in the Notes to the Financial Statements.)

Bond Ratings

In 2016, the City received one bond rating upgrade. Standard & Poor's Ratings Service (S&P) upgraded the City's general obligation bonds to AA in 2016:

- The unenhanced bond ratings for general obligation bonds were assigned Aa2 from Moody's Investors Service, Inc. (Moody's), and AA from Fitch Ratings (Fitch).
- The City's unenhanced bond ratings for 2016 for the priority lien utility revenue bonds were assigned Aa3 from Moody's, AA- from S&P, and AA- from Fitch.
- The City's unenhanced bond ratings for the junior lien utility revenue bonds established in 2015 were A+ by S&P, A+ by Fitch, and by A1 by Moody's.
- The unenhanced bond ratings for the Corpus Christi Business and Job Development's sales tax revenue bonds for the arena and seawall were A1 from Moody's, A+ from S&P, and AA- from Fitch.
- The unenhanced bond ratings for the Corpus Christi Business and Job Development's sales tax revenue bonds for the baseball stadium were A1 from Moody's, A+ from S&P, and AA from Fitch.

GENERAL FUND BUDGETARY HIGHLIGHTS

The financial policies of the City dictate that current budgeted revenues will equal or exceed current budgeted expenditures. The financial policy is to maintain the reserve for major contingencies of least 10% and up to 25% of the total annual General Fund appropriations. The reserve at September 30, 2016 was 18.6% of the total annual General Fund appropriations in 2016.

Exhibit 3 of the Financial Statements reflects the budget to actual budget basis comparisons for the General Fund. The originally adopted General Fund revenue budget (including transfers in) of \$232.2 million was amended by the City Council during 2016 resulting in a net decrease in revenue of \$6.7 million. Major amendment for the revenue decrease in the amount of \$8.0 million were due to a decline in sales tax revenue, industrial district agreement payments in lieu of taxes, and municipal court revenues; \$1.2 million mid-year rebates from Municipal Information Systems Fund, Fleet Maintenance Fund, Development Services Fund, and General Liability Fund. The originally adopted General Fund expenditure budget (including transfers out) of \$231.5 million was amended by the City Council during 2016 resulting in a net increase in expenditures of \$4.8 million. Major amendments included \$4.5 million of encumbrances carried forward into 2016; \$187 thousand transfer to Street Fund from coast savings related to lower premium costs. (See Note 6 Budgetary Data in the Financial Statements for more detail of budget changes.)

Budgetary Variances

General Fund actual budget basis revenue for the 12 months ended September 30, 2016 of \$217.3 million was \$610 thousand over the final budgeted amount.

General Fund actual budget basis expenditures for the 12 months ended September 30, 2016 of \$207.6 million were \$11.1 million under the amended budget amount of \$218.7 million. Main contributing factors were Solid Waste was under budget by \$2.1 million due to encumbrances that will be paid in FY2017, and a reduction in the transfer to Debt Service fund due to a delay in issuance of Certificates of Obligation. Police Department and Municipal Court were \$1.7 million under budget due to salary and operational savings of \$646 thousand in Municipal Court Administration and City Marshals. Parks and recreation was under budget by \$1.9 million mainly due to salary and operational savings. General Government, which includes \$286 thousand in City Attorney, \$123 thousand ACM of Safety, Health and Neighborhoods, \$308 thousand in Public Information, \$172 thousand in Management & Budget, \$203 thousand in Training, and \$793 thousand in Comprehensive Planning was under budget largely due to salary and operational savings. Intergovernmental Relations was under budget by \$188 thousand because lobby contracts were budgeted in the General Fund, but costs were shared by Utilities Funds. Health was under budget by \$783 thousand due to salary and operational savings.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for Corpus Christi increased to 6.3% in September 2016 from 5.0% in September 2015. In December 2016, the unemployment rate increased to 6.1%, which was above the 4.6% unemployment rate for the State of Texas and above the 4.5% national unemployment rate.
- For fiscal year 2016-2017, the Certified Net Assessed Taxable Value experienced an increase of 8.1% to \$18.3 billion. The adopted tax rate for fiscal year 2016-2017 is \$0.606264 per \$100 valuation. The Maintenance and Operations (M&O) rate is \$0.376806 per \$100 valuation, and the Debt Service rate is \$0.229458 per \$100 valuation.
- The City of Corpus Christi has appropriated total revenues and expenditures for fiscal year 2016-2017 of \$865.2 million and \$877.1 million, respectively. Included for the General Fund are revenues budgeted at \$230.9 which is a \$1.2 million decrease over the adopted General Fund budget of \$232.1 million for fiscal year 2015-2016. Ad valorem tax revenue is budgeted at a 4.7% increase from the restated prior year which is estimated to generate an additional \$3.1 million. Sales tax revenue is budgeted at a 1.0% increase over the current year's estimate.
- Included for the General Fund are expenditures budgeted at \$232 million, which is a \$514 thousand decrease over the adopted General Fund budget of \$232,500,653 for fiscal year 2015-2016.
- The Fiscal Year 2016-2017 Budget includes a 2% increase for our Texas Municipal Retirement System contribution rate. Our plan is to increase our contribution rate by 2% a year for Fiscal Year 2015-2016 through Fiscal Year 2019-2020 to reach our fully funded rate.
- The General Fund reflects a transfer of \$13,560,690 to the Street Department for Street Maintenance. This equates to 6% of General Fund revenue (less any grant and Industrial District revenue). The 2016-2017 Budget also includes an additional \$1,000,000 General Fund transfer to the Street Department for the Residential/Local Street Fund.

- Two-year utility rate increases are programmed in the fiscal year 2015-2016 budget as follows: 22.0% average water rate increase for residential customers; 11.1% wastewater rate increase; and 1.9% gas rate increase. The last change in rates was effective January 1, 2016. The rates in effect are for a two year period. The next rate change, if any, will not take effect until January 1, 2018 and will be addressed during our upcoming budget for Fiscal Year 2017-2018.

CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the City Council, citizens, taxpayers, customers, bondholders, creditors, and other governmental sectors with a general overview of the City's financial condition and to demonstrate the City's accountability for the funds it receives.

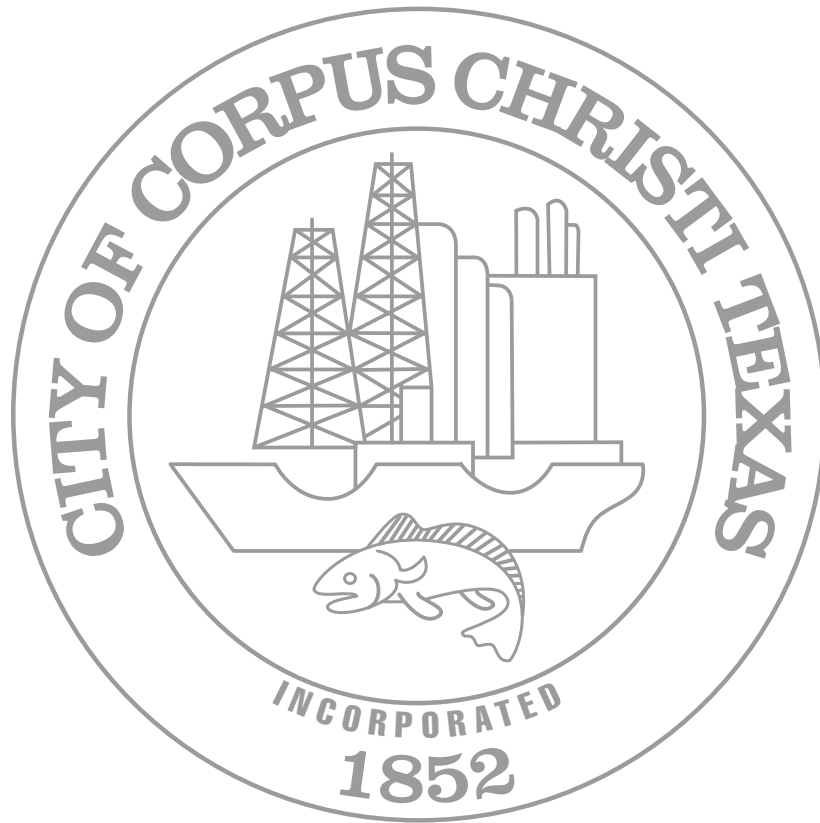
If you have any questions about this report or need additional information, contact:

The City of Corpus Christi
Director of Financial Services
P. O. Box 9277
Corpus Christi, TX 78469-9277

(361) 826-3613

(361) 826-3601 (fax)

or visit our web site at: **www.cctexas.com**



STATEMENT OF NET POSITION
SEPTEMBER 31, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, cash equivalents and investments (Note 5)	\$ 190,966,267	\$ 142,081,535	\$ 333,047,802
Receivables, net of allowance for uncollectibles (Note 7)	31,328,179	29,285,376	60,613,555
Internal balances	3,035,583	(3,035,583)	--
Inventories	1,936,750	921,119	2,857,869
Prepaid items	1,376,378	--	1,376,378
Restricted assets			
Cash, cash equivalents and investments (Note 5)	270,328,793	254,882,993	525,211,786
Receivables, net of allowance for uncollectibles (Note 7)	18,606,599	69,039	18,675,638
Other property	49,871	--	49,871
Land, construction in progress, and water supply rights (Note 8)	177,826,096	529,538,963	707,365,059
Other capital assets, net of accumulated depreciation (Note 8)	514,179,417	1,034,847,137	1,549,026,554
Total assets	<u>1,209,633,933</u>	<u>1,988,590,579</u>	<u>3,198,224,512</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on refunded debt	12,225,811	12,279,876	24,505,687
Deferred outflows related to pension liability (Note 9)	59,086,981	13,671,606	72,758,587
Total deferred outflows of resources	<u>71,312,792</u>	<u>25,951,482</u>	<u>97,264,274</u>
LIABILITIES			
Accounts payable	14,327,596	9,343,329	23,670,925
Accrued expenses	10,701,904	--	10,701,904
Accrued interest	1,794,627	8,644,293	10,438,920
Contractor interest and retainage payable	4,585,953	2,382	4,588,335
Deposits	2,576,299	2,533,556	5,109,855
Liability to claimants - escheat property	117,678	121,825	239,503
Due to other governmental agencies	825,117	--	825,117
Unearned revenue	3,977,022	564,625	4,541,647
Current portion of estimated claims liability (Note 11)	8,197,326	--	8,197,326
Current portion of long-term liabilities (Note 13)			
Long-term debt	42,419,833	42,776,408	85,196,241
Landfill closure cost	774,053	--	774,053
Accumulated unpaid compensated absences	14,452,372	2,231,312	16,683,684

(Continued)

Exhibit 1-A

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Long-term liabilities, excluding current portion (Note 13)			
Long-term debt	537,737,898	989,570,386	1,527,308,284
Estimated liability claims, excluding current portion (Note 11)	9,406,257	--	9,406,257
Landfill closure cost	25,201,287	--	25,201,287
Accumulated unpaid compensated absences	19,116,651	434,196	19,550,847
Net pension liability (Note 9)	259,610,156	52,684,302	312,294,458
Net OPEB obligation (Note 10)	10,393,934	719,017	11,112,951
Total liabilities	<u>966,215,963</u>	<u>1,109,625,631</u>	<u>2,075,841,594</u>
DEFERRED INFLOWS OF RESOURCES			
Unamortized gain on refunded debt	208,681	--	208,681
Deferred inflows related to pension liability (Note 9)	3,171,230	946,083	4,117,313
Total deferred inflows of resources	<u>3,379,911</u>	<u>946,083</u>	<u>4,325,994</u>
NET POSITION			
Net investment in capital assets	304,106,762	777,595,643	1,081,702,405
Restricted for			
Vital statistics records retention	345,278	--	345,278
Passenger facility charges projects	--	2,571,079	2,571,079
Bond interest and redemption	18,999,657	9,825,843	28,825,500
Municipal and Juvenile Court	709,363	--	709,363
Fire contribution trust	5,585	--	5,585
PEG equipment and facilities	1,561,743	--	1,561,743
Tourism (HOT)	6,711,381	--	6,711,381
Traffic safety programs	727,400	--	727,400
State and federal grant programs	928,169	--	928,169
Parks and recreation	5,855,318	--	5,855,318
Infrastructure development	1,705,972	--	1,705,972
Loans	13,577,619	--	13,577,619
Crime control and prevention	4,884,816	--	4,884,816
Business and job development	75,052,357	--	75,052,357
Tax increment zone improvements	6,010,320	--	6,010,320
Improvements to utility lines and facilities	--	6,091,196	6,091,196
Public health	--	96,187	96,187
Law enforcement officers' standards and education	--	5,485	5,485
Unrestricted	<u>(129,830,889)</u>	<u>107,784,915</u>	<u>(22,045,974)</u>
Total net position	<u>\$ 311,350,851</u>	<u>\$ 903,970,348</u>	<u>\$ 1,215,321,199</u>

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

**STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Expenses</u>	<u>Charges for Services</u>
Primary government		
Governmental activities		
General government	\$ 23,549,438	\$ 9,095,175
Police and municipal court	96,427,880	14,709,131
Fire and ambulance	58,265,448	5,577,728
Solid Waste	25,422,366	38,049,509
Emergency management	630,679	--
Inspections	226,501	--
Streets	36,240,932	14,480,032
Health	6,446,306	1,015,996
Parks and recreation	22,459,907	3,320,804
Libraries	4,894,637	132,977
Museums	2,085,260	807,840
Community enrichment	6,112,618	212
Community development	9,393,044	92,924
Convention and visitor activities	15,459,948	4,282,776
Interest on long-term debt	17,314,590	--
Total governmental activities	<u>324,929,554</u>	<u>91,565,104</u>
Business-type activities		
Utilities		
Water	106,291,296	137,305,933
Gas	29,510,720	27,679,719
Wastewater	56,636,897	72,265,040
Airport	14,115,378	4,312,314
Golf centers	128,614	137,977
Marina	2,337,522	1,883,564
Total business-type activities	<u>209,020,427</u>	<u>243,584,547</u>
Total primary government	<u>\$ 533,949,981</u>	<u>\$ 335,149,651</u>

Exhibit 1-B

Program Revenue		Net (expense) revenue and changes in net position		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 7,569	\$ --	\$ (14,446,693)	\$ --	\$ (14,446,693)
2,056,125	100,989	(79,561,635)	--	(79,561,635)
241,673	--	(52,446,047)	--	(52,446,047)
--	--	12,627,143	--	12,627,143
660,009	--	29,330	--	29,330
--	--	(226,501)	--	(226,501)
--	7,825,827	(13,935,073)	--	(13,935,073)
2,893,644	--	(2,536,666)	--	(2,536,666)
2,433,871	776,948	(15,928,284)	--	(15,928,284)
6,000	--	(4,755,660)	--	(4,755,660)
--	--	(1,277,420)	--	(1,277,420)
1,318,020	846,292	(3,948,094)	--	(3,948,094)
1,764,837	1,508,524	(6,026,759)	--	(6,026,759)
150,000	90,000	(10,937,172)	--	(10,937,172)
--	330,613	(16,983,977)	--	(16,983,977)
<u>11,531,748</u>	<u>11,479,193</u>	<u>(210,353,508)</u>	<u>--</u>	<u>(210,353,508)</u>
710,056	4,504,292	--	36,228,985	36,228,985
56,622	--	--	(1,774,379)	(1,774,379)
541,481	900,163	--	17,069,787	17,069,787
1,829	6,175,312	--	(3,625,923)	(3,625,923)
--	--	--	9,363	9,363
--	--	--	(453,958)	(453,958)
<u>1,309,988</u>	<u>11,579,767</u>	<u>--</u>	<u>47,453,875</u>	<u>47,453,875</u>
<u>\$ 12,841,736</u>	<u>\$ 23,058,960</u>	<u>(210,353,508)</u>	<u>47,453,875</u>	<u>(162,899,633)</u>
General revenue				
Taxes				
Property taxes, levied for general purposes		78,863,952	--	78,863,952
Property taxes, levied for debt service		40,425,079	--	40,425,079
Sales taxes		81,618,057	--	81,618,057
Hotel occupancy taxes		17,636,317	--	17,636,317
Business fees		17,394,372	--	17,394,372
Unrestricted investment earnings		1,965,520	1,955,470	3,920,990
Transfers		5,867,890	(5,867,890)	--
Total general revenue and transfers		<u>243,771,187</u>	<u>(3,912,420)</u>	<u>239,858,767</u>
Changes in net position		33,417,679	43,541,455	76,959,134
Net position at beginning of year, restated (Note 21)		<u>277,933,172</u>	<u>860,428,893</u>	<u>1,138,362,065</u>
Net position at end of year		<u>\$ 311,350,851</u>	<u>\$ 903,970,348</u>	<u>\$ 1,215,321,199</u>

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

**GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Street Capital Projects</u>	<u>Other Governmental Funds</u>
ASSETS				
Cash, cash equivalents and investments (Note 5)	\$ 53,145,020	\$ 12,767,314	\$ 163,323,090	\$ 177,494,879
Receivables, net of allowance for uncollectibles (Note 7)	19,796,266	1,194,122	4,765,293	24,055,940
Inventories	--	--	--	441,217
Prepaid items	10,566	--	--	237,005
Advances to other funds (Note 15)	989,606	--	--	--
Total assets	<u>\$ 73,941,458</u>	<u>\$ 13,961,436</u>	<u>\$ 168,088,383</u>	<u>\$ 202,229,041</u>
LIABILITIES				
Accounts payable	\$ 2,872,605	\$ --	\$ 4,106,147	\$ 6,345,782
Accrued liabilities	10,379,978	--	--	321,926
Contractor interest and retainage payable	4,585,953	--	--	-
Deposits	377,706	--	29,396	2,165,809
Liability to claimants - escheat property	96,832	--	--	--
Due to other governmental agencies	416,386	--	--	408,731
Advance from other funds (Note 15)	--	--	--	250,000
Unearned revenues	592,440	--	25,000	3,358,480
Total liabilities	<u>19,321,900</u>	<u>--</u>	<u>4,160,543</u>	<u>12,850,728</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property taxes	1,715,074	1,044,403	--	--
Unavailable Revenue - Contributions and donations	--	--	4,662,357	90,000
	<u>1,715,074</u>	<u>1,044,403</u>	<u>4,662,357</u>	<u>90,000</u>
FUND BALANCES				
Nonspendable				
Inventory	--	--	--	441,217
Prepaid items	10,566	--	--	237,005
Advances to other funds	989,606	--	--	--
Total nonspendable	<u>1,000,172</u>	<u>--</u>	<u>--</u>	<u>678,222</u>
Restricted				
Vital statistic record retention	345,278	--	--	--
Municipal and Juvenile Court				
Municipal Court building security	--	--	--	99,017
Municipal Court technology	--	--	--	176,232
Judicial/Court improvements	69,554	--	--	--
Juvenile Court case manager	--	--	--	364,560
Fire contribution trust	5,585	--	--	--
PEG equipment and facilities	19,768	--	--	1,541,975
Tourism (HOT)	--	--	--	6,711,381
Traffic safety programs	--	--	--	727,400

(Continued)

Exhibit 2-A

**Total
Governmental
Funds**

\$ 406,730,303
 49,811,621
 441,217
 247,571
989,606

\$ 458,220,318

\$ 13,324,534
 10,701,904
 4,585,953
 2,572,911
 96,832
 825,117
 250,000
3,975,920
36,333,171

2,759,477
4,752,357
7,511,834

441,217
 247,571
989,606
1,678,394

345,278

99,017
 176,232
 69,554
 364,560
 5,585
 1,561,743
 6,711,381
 727,400

**GOVERNMENTAL FUNDS
BALANCE SHEET
SEPTEMBER 30, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Streets Capital Projects</u>	<u>Other Governmental Funds</u>
Federal and state grant programs				
Law enforcement	--	--	--	34,103
Fire and ambulance	--	--	--	51,793
CDBG projects	--	--	--	466,626
Health	--	--	--	3,719
Libraries	--	--	--	28
Parks and recreation	--	--	--	5,855,318
Infrastructure	--	--	--	1,705,972
Loans	--	--	--	13,577,619
Crime control and prevention	--	--	--	4,884,816
Business and job development				
Seawall improvement	--	--	--	41,137,763
Arena facility	--	--	--	22,852,295
Economic development	--	--	--	11,062,299
Tax increment zone improvements				
North Padre Island development	--	--	--	2,918,188
Downtown development	--	--	--	3,092,132
Debt service	--	12,917,033	--	6,082,624
Capital projects	--	--	155,816,175	29,829,639
Total restricted	<u>440,185</u>	<u>12,917,033</u>	<u>155,816,175</u>	<u>153,175,499</u>
Committed				
Government access equipment	11,959	--	--	--
Radio system capital replacement	50,970	--	--	--
Parking improvements	--	--	--	131,314
Streets	--	--	--	25,462,688
Obesity prevention - Health	--	--	--	782,791
Sister City programs	--	--	--	9
Park projects	--	--	--	3,318
Development projects	--	--	--	514,634
Local Emergency Planning Committee	--	--	--	47,787
Capital projects	--	--	3,335,024	660,509
Total committed	<u>62,929</u>	<u>--</u>	<u>3,335,024</u>	<u>27,603,050</u>
Assigned				
City Manager Severance	168,547	--	--	--
Visitors facilities	--	--	--	3,034,303
Community enrichment	--	--	--	--
Infrastructure	--	--	--	--
Development Services	--	--	--	4,805,735
Housing	--	--	--	127,330
Industrial development	--	--	--	68,775
Subsequent year's expenditures	3,908,819	--	--	--
Arts and Cultural Commission	2,019	--	--	--
Capital projects	--	--	114,284	42,758
Total assigned	<u>4,079,385</u>	<u>--</u>	<u>114,284</u>	<u>8,078,901</u>
Unassigned	<u>47,321,813</u>	<u>--</u>	<u>--</u>	<u>(247,359)</u>
Total fund balances	<u>52,904,484</u>	<u>12,917,033</u>	<u>159,265,483</u>	<u>189,288,313</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 73,941,458</u>	<u>\$ 13,961,436</u>	<u>\$ 168,088,383</u>	<u>\$ 202,229,041</u>

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

**Exhibit 2-A
(Continued)**

Total Governmental Funds
34,103
51,793
466,626
3,719
28
5,855,318
1,705,972
13,577,619
4,884,816
41,137,763
22,852,295
11,062,299
2,918,188
3,092,132
18,999,657
185,645,814
<u>322,348,892</u>
11,959
50,970
131,314
25,462,688
782,791
9
3,318
514,634
47,787
3,995,533
<u>31,001,003</u>
168,547
3,034,303
--
--
4,805,735
127,330
68,775
3,908,819
2,019
157,042
<u>12,272,570</u>
<u>47,074,454</u>
<u>414,375,313</u>
<u>\$ 458,220,318</u>

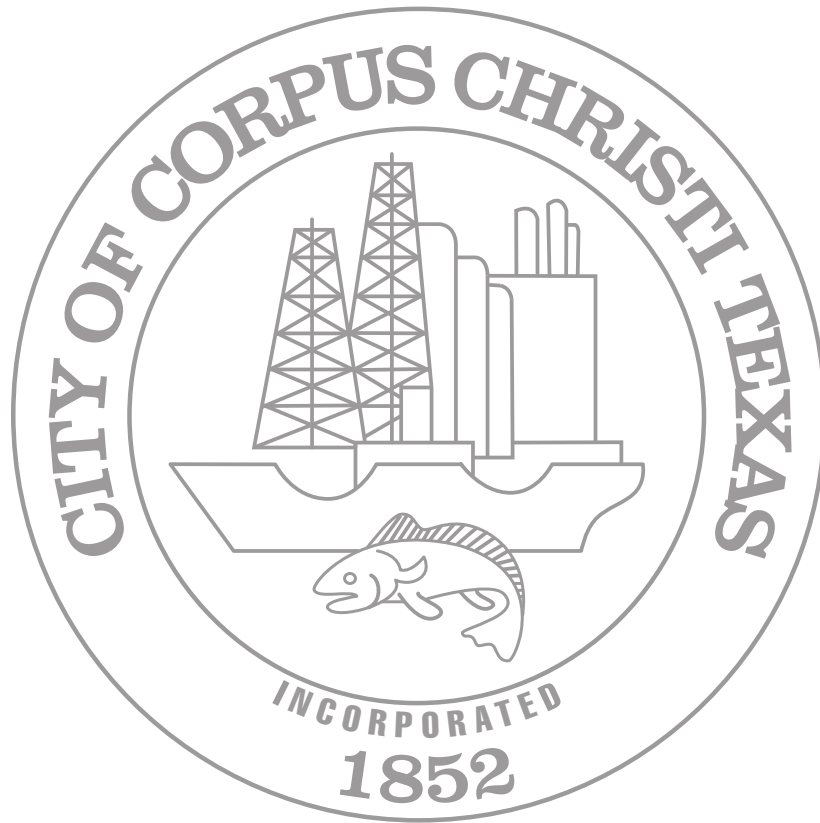


Exhibit 2-B

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

Total fund balance - total governmental funds \$ 414,375,313

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. The cost of assets in governmental activities excluding Internal service funds is \$1,135,903,490 and the accumulated depreciation is \$456,789,671. 679,113,819

Some other long-term assets are not available to pay for current period expenditures and are, therefore, recorded as deferred inflows in the funds. A detail of these assets follows.

Unavailable - Contributions and Donations	\$ 4,752,357	
Unavailable - Property Taxes	2,759,477	7,511,834

Internal service funds are used by management to charge the cost of certain activities, such as inventory of commonly used material and supplies, vehicular fleet and building maintenance, data processing, insurance and engineering. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position. 22,275,728

Deferred inflows and outflows are not reported in the funds.

Unamortized loss on refunded debt	\$ 12,225,811	
Deferred outflows related to pension liability	53,249,952	
Deferred inflows related to pension liability	(2,749,601)	
Unamortized gain on refunded debt	(208,681)	62,517,481

Some liabilities are not due and payable in the current period and therefore are not reported in funds. A detail of these liabilities follows.

Accrued interest	\$ (1,788,625)	
Long-term debt	(577,785,007)	
Accumulated compensated absences	(31,881,433)	
Net pension liability	(237,012,918)	
Landfill closure costs	(25,975,340)	(874,443,323)

Net position of governmental activities \$ 311,350,852

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

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Street Capital Projects</u>
Revenues			
Taxes and business fees	\$ 146,923,528	\$ 40,196,519	\$ --
Licenses and permits	2,011,186	--	--
Intergovernmental	--	--	--
Grants	618,971	--	--
Charges for services	57,146,526	--	--
Fines and forfeitures	4,359,312	--	--
Contributions and donations	--	--	57,214
Special assessments	--	--	79,407
Earnings on investments	402,326	155,688	668,535
Interest on loans	--	--	--
Payments from Texas State Aquarium	--	330,613	--
Sale of City property	--	--	--
Miscellaneous	1,447,113	--	57,369
Total revenues	<u>212,908,962</u>	<u>40,682,820</u>	<u>862,525</u>
Expenditures			
Current			
General government	17,072,869	--	1,069,554
Police and municipal court	78,985,846	--	--
Fire and ambulance	54,325,074	--	--
Emergency management	331,424	--	--
Streets	3,766,136	--	--
Solid waste	23,490,708	--	--
Health	2,995,920	--	--
Parks and recreation	14,446,851	--	--
Libraries	4,040,955	--	--
Museums	1,635,036	--	--
Community enrichment	--	--	--
Community development	--	--	--
Convention and visitors activities	--	--	--
Capital projects	--	--	21,856,339
Debt service			
Principal retirement	4,089,708	26,091,488	--
Interest	245,904	18,434,467	--
Bond issue cost	--	16,714	248,179
Refund of bond issue cost	--	--	--
Paying agent fees	--	819,243	--
Total expenditures	<u>205,426,431</u>	<u>45,361,912</u>	<u>23,174,072</u>
Excess (deficiency) of revenues over (under) expenditures	7,482,531	(4,679,092)	(22,311,547)

(Continued)

Exhibit 2-C

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 50,147,635	\$ 237,267,682
6,311,772	8,322,958
2,761,017	2,761,017
10,877,522	11,496,493
17,707,145	74,853,671
2,188,535	6,547,847
2,225,785	2,282,999
--	79,407
738,830	1,965,379
50,887	50,887
--	330,613
7,289	7,289
<u>1,398,800</u>	<u>2,903,282</u>
94,415,217	348,869,524
7,006,230	25,148,653
11,227,679	90,213,525
184,755	54,509,829
279,287	610,711
24,878,633	28,644,769
--	23,490,708
3,137,431	6,133,351
4,320,990	18,767,841
6,000	4,046,955
--	1,635,036
2,619,871	2,619,871
6,426,611	6,426,611
14,091,247	14,091,247
22,086,732	43,943,071
7,576,618	37,757,814
2,906,691	21,587,062
93,646	358,539
(883)	(883)
30,635	849,878
<u>106,872,173</u>	<u>380,834,588</u>
(12,456,956)	(31,965,064)

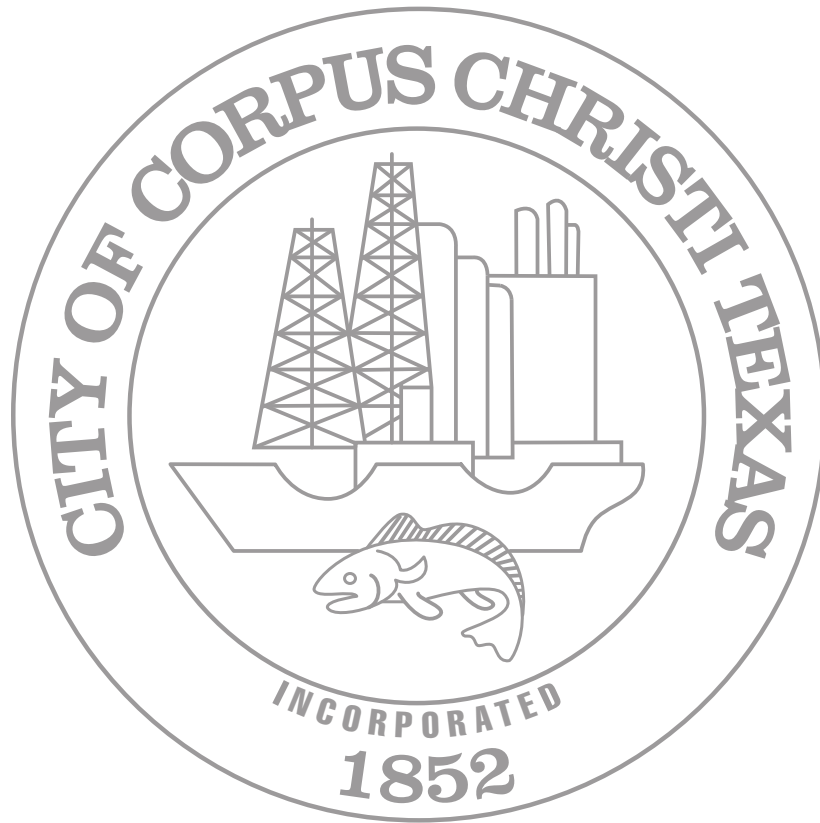
**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Street Capital Projects</u>
Other financing sources (uses)			
Capital leases	6,882,406	--	--
Certificate of obligation bonds issued	--	--	16,430,000
Premium on bonds issued	--	--	1,968,831
Refunding bonds issued	--	77,145,000	--
Premium on refunding bonds issued	--	11,898,979	--
Payment to escrow agent for refunded bonds	--	(88,191,024)	--
Transfers in (Note 15)	7,930,990	6,035,636	2,937,147
Transfers out (Note 15)	(22,049,292)	(70,000)	--
Total other financing sources (uses)	<u>(7,235,896)</u>	<u>6,818,591</u>	<u>21,335,978</u>
Net change in fund balance	246,635	2,139,499	(975,569)
Fund balances at beginning of year, restated (Footnote 21)	<u>52,657,849</u>	<u>10,777,534</u>	<u>160,241,052</u>
Fund balances at end of year	<u>\$ 52,904,484</u>	<u>\$ 12,917,033</u>	<u>\$ 159,265,483</u>

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

**Exhibit 2-C
(Continued)**

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
929,184	7,811,590
12,020,000	28,450,000
107,857	2,076,688
--	77,145,000
--	11,898,979
--	(88,191,024)
16,765,072	33,668,845
(6,748,897)	(28,868,189)
<u>23,073,216</u>	<u>43,991,889</u>
10,616,260	12,026,825
<u>178,672,053</u>	<u>402,348,488</u>
<u>\$ 189,288,313</u>	<u>\$ 414,375,313</u>



**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2016**

Net change in fund balances - total governmental funds \$ 12,026,825

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.

Capital outlays	\$ 51,517,032	
Depreciation	(25,951,128)	
		25,565,904

Revenue in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. 4,752,357

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayment.

Bond proceeds	\$ (103,440,667)	
Refunding bonds issued	(16,130,000)	
Payment to escrow agent for refunded bonds	88,191,024	
Capital leases	(7,811,590)	
Principal retirement	37,757,814	
Interest	5,122,350	
		3,688,931

Delinquent property taxes and special assessments, net of allowance, are not reported as revenue in the governmental funds. These items increased in the current fiscal year. 304,574

Compensated absences reported in the statement of net position did not require the use of current financial resources, and therefore are not expenditures in governmental funds. Compensated absences for governmental funds decreased in the current fiscal year. 1,922,834

Landfill closure costs reported in the statement of net position did not require the use of current financial resources, and therefore are not expenditures in governmental funds. Landfill closure costs decreased in the current year. 2,199,405

Net pension liability and related deferred outflows and inflows reported in the statement of net position did not require the use of current financial resources, and therefore are not an expenditure in the governmental funds. Net pension liability and related deferred outflows and inflows for governmental funds increased in the current fiscal year. (10,714,776)

Internal service funds are used by management to charge the cost of certain activities, such as inventory of commonly used material and supplies, vehicular fleet and building maintenance, data processing, insurance and engineering to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. (6,328,376)

Change in net position of governmental activities \$ 33,417,678

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

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2016

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes and business fees	\$ 155,022,324	\$ 147,182,692	\$ 146,923,528	\$ --
Licenses and permits	1,825,648	1,825,648	2,011,186	--
Grants	324,850	324,850	618,971	--
Charges for services	56,981,806	56,769,879	57,146,526	--
Fines and forfeitures	5,125,220	4,964,852	4,359,312	--
Earnings on investments	107,897	107,897	402,326	--
Miscellaneous	1,062,769	1,144,980	1,447,113	--
Reimbursements	4,974,396	4,974,396	--	4,996,314
Total revenues	<u>225,424,910</u>	<u>217,295,194</u>	<u>212,908,962</u>	<u>4,996,314</u>
Expenditures				
Current				
General government	24,310,833	22,719,395	17,072,869	1,200,703
Police and municipal court	80,320,740	82,028,137	78,985,846	1,380,689
Fire and ambulance	51,388,163	53,214,836	54,325,074	(1,217,870)
Emergency management	499,066	481,120	331,424	--
Streets	3,928,289	3,933,453	3,766,136	--
Solid waste	28,192,224	28,720,902	23,490,708	3,139,552
Health	3,397,630	3,493,709	2,995,920	(285,278)
Parks and recreation	17,723,427	18,643,696	14,446,851	2,337,242
Libraries	4,100,216	4,184,608	4,040,955	--
Museums	1,329,215	1,329,215	1,635,036	--
Debt service				
Principal retirement	--	--	4,089,708	(4,089,708)
Interest	--	--	245,904	(245,904)
Total expenditures	<u>215,189,803</u>	<u>218,749,071</u>	<u>205,426,431</u>	<u>2,219,426</u>
Excess (deficiency) of revenues over (under) expenditures	10,235,107	(1,453,877)	7,482,531	2,776,888
Other financing sources (uses)				
Capital leases	--	--	6,882,406	(6,882,406)
Transfers in (Note 15)	6,730,743	8,173,798	7,930,990	--
Transfers out (Note 15)	(16,310,849)	(17,504,233)	(22,049,292)	4,105,518
Total other financing sources (uses)	<u>(9,580,106)</u>	<u>(9,330,435)</u>	<u>(7,235,896)</u>	<u>(2,776,888)</u>
Net change in fund balance	655,001	(10,784,312)	246,635	--
Fund balance at beginning of year, restated (Footnote 21)	<u>42,280,520</u>	<u>52,657,849</u>	<u>52,657,849</u>	<u>--</u>
Fund balance at end of year	<u>\$ 42,935,521</u>	<u>\$ 41,873,537</u>	<u>\$ 52,904,484</u>	<u>\$ --</u>

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

Exhibit 3

Actual Budget Basis	Variance with Final Budget
\$ 146,923,528	\$ (259,164)
2,011,186	185,538
618,971	294,121
57,146,526	376,647
4,359,312	(605,540)
402,326	294,429
1,447,113	302,133
4,996,314	21,918
<u>217,905,276</u>	<u>610,082</u>
18,273,572	4,445,823
80,366,535	1,661,602
53,107,204	107,632
331,424	149,696
3,766,136	167,317
26,630,260	2,090,642
2,710,642	783,067
16,784,093	1,859,603
4,040,955	143,653
1,635,036	(305,821)
--	--
--	--
<u>207,645,857</u>	<u>11,103,214</u>
10,259,419	11,713,296
--	--
7,930,990	(242,808)
(17,943,774)	(439,541)
<u>(10,012,784)</u>	<u>(682,349)</u>
246,635	11,030,947
52,657,849	--
<u>\$ 52,904,484</u>	<u>\$ 11,030,947</u>

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

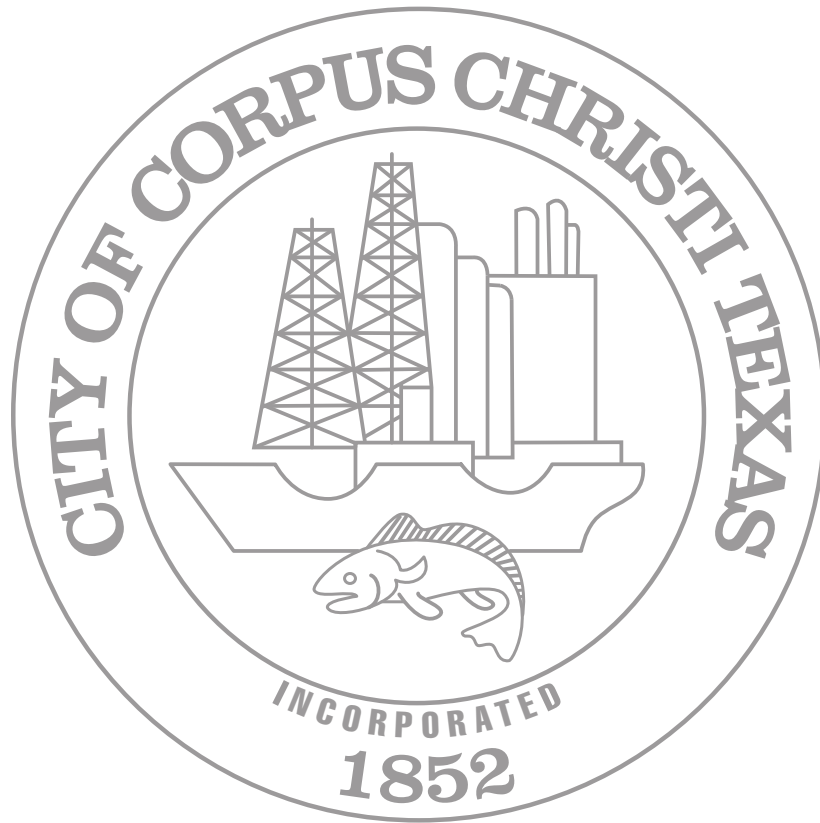
	Enterprise Funds			Internal Service Funds
	Utility System Fund	Other Enterprise Funds	Total	
ASSETS				
Current assets				
Cash, cash equivalents and investments (Note 5)	\$ 132,861,154	\$ 9,220,381	\$ 142,081,535	\$ 54,564,757
Receivables, net of allowance for uncollectibles (Note 7)	29,083,408	201,968	29,285,376	123,157
Inventories	898,710	22,409	921,119	1,495,533
Prepaid items	--	--	--	1,128,807
Restricted assets				
Cash, cash equivalents and investments (Note 5)	--	6,212	6,212	--
Total current assets	<u>162,843,272</u>	<u>9,450,970</u>	<u>172,294,242</u>	<u>57,312,254</u>
Noncurrent assets				
Restricted assets				
Cash, cash equivalents and investments (Note 5)	250,833,544	4,043,237	254,876,781	--
Receivables, net of allowance for uncollectibles (Note 7)	--	69,039	69,039	--
Total noncurrent restricted assets	<u>250,833,544</u>	<u>4,112,276</u>	<u>254,945,820</u>	<u>--</u>
Other assets				
Capital assets (Note 8)	--	--	--	49,871
Land, construction in progress, and water supply rights	480,059,369	49,479,594	529,538,963	310,159
Other capital assets, net of accumulated depreciation	935,758,806	99,088,331	1,034,847,137	12,581,535
Net capital assets	<u>1,415,818,175</u>	<u>148,567,925</u>	<u>1,564,386,100</u>	<u>12,891,694</u>
Total noncurrent assets	<u>1,666,651,719</u>	<u>152,680,201</u>	<u>1,819,331,920</u>	<u>12,941,565</u>
Total assets	<u>1,829,494,991</u>	<u>162,131,171</u>	<u>1,991,626,162</u>	<u>70,253,819</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunded debt	11,814,781	465,095	12,279,876	--
Deferred outflows related to pension liability (Note 9)	11,924,428	1,747,178	13,671,606	5,837,029
Total deferred outflows of resources	<u>23,739,209</u>	<u>2,212,273</u>	<u>25,951,482</u>	<u>5,837,029</u>

(Continued)

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

	Enterprise Funds			Internal Service Funds
	Utility System Fund	Other Enterprise Funds	Total	
LIABILITIES				
Current liabilities				
Accounts payable	\$ 9,275,680	\$ 67,649	\$ 9,343,329	\$ 1,003,062
Accrued expenses	--	--	--	6,002
Accrued interest	8,549,197	95,096	8,644,293	--
Current portion of estimated liability claims (Note 11)	--	--	--	8,197,326
Contractor interest and retainage payable	2,382	--	2,382	--
Deposits	2,381,865	151,691	2,533,556	3,388
Liability to claimants - escheat property	121,825	--	121,825	20,846
Unearned revenue	16,204	548,421	564,625	1,102
Current portion of long-term liabilities (Note 13)				
Long-term debt	41,086,408	1,690,000	42,776,408	690,812
Accumulated unpaid compensated absences	1,935,759	295,553	2,231,312	953,903
Total current liabilities	<u>63,369,320</u>	<u>2,848,410</u>	<u>66,217,730</u>	<u>10,876,441</u>
Noncurrent liabilities				
Estimated liability claims, net of current portion (Note 11)	--	--	--	9,406,257
Long-term liabilities, net of current portion (Note 13)				
Advances from other funds (Note 15)	--	739,606	739,606	--
Long-term debt	960,848,358	28,722,028	989,570,386	1,681,912
Accumulated unpaid compensated absences	347,766	86,430	434,196	733,687
Net pension liability (Note 9)	46,081,765	6,602,537	52,684,302	22,597,238
Net OPEB obligation (Note 10)	616,287	102,730	719,017	10,393,934
Total noncurrent liabilities	<u>1,007,894,176</u>	<u>36,253,331</u>	<u>1,044,147,507</u>	<u>44,813,028</u>
Total liabilities	<u>1,071,263,496</u>	<u>39,101,741</u>	<u>1,110,365,237</u>	<u>55,689,469</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension liability (Note 9)	<u>816,208</u>	<u>129,875</u>	<u>946,083</u>	<u>421,628</u>
NET POSITION				
Net investment in capital assets	657,926,649	119,668,994	777,595,643	10,518,970
Restricted for				
Passenger facility charges projects	--	2,571,079	2,571,079	--
Bond interest and redemption	9,825,843	--	9,825,843	--
Improvements to utility lines and facilities	6,091,196	--	6,091,196	--
Abatement of public health hazards	96,187	--	96,187	--
Law enforcement officers' standards and education	--	5,485	5,485	--
Unrestricted	<u>107,214,622</u>	<u>2,866,270</u>	<u>110,080,892</u>	<u>9,460,781</u>
Total net position	<u>781,154,497</u>	<u>125,111,828</u>	<u>906,266,325</u>	<u>\$ 19,979,751</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time			<u>(2,295,977)</u>	
Net position of business-type activities			<u>903,970,348</u>	

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



PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2016

	Enterprise Funds		Total	Internal Service Funds
	Utility System Fund	Other Enterprise Funds		
Operating revenues				
Charges for services - net	\$ 235,244,177	\$ 10,223,629	\$ 245,467,806	\$ 71,332,691
Operating expenses				
Personal services	36,230,830	5,339,174	41,570,004	17,718,899
Materials and supplies	33,815,416	485,742	34,301,158	1,956,014
Contractual services	30,327,503	2,267,904	32,595,407	19,460,619
Other operating expenses	21,798,667	1,007,030	22,805,697	2,544,807
Uncollectible accounts	2,706,089	52,844	2,758,933	(887)
Depreciation	34,754,419	5,870,551	40,624,970	3,768,878
Self-insurance claims	--	--	--	36,812,660
Other post employment benefits (Note 10)	--	--	--	646,861
Total operating expenses	<u>159,632,924</u>	<u>15,023,245</u>	<u>174,656,169</u>	<u>82,907,851</u>
Operating income (loss)	75,611,253	(4,799,616)	70,811,637	(11,575,160)
Nonoperating revenues (expenses)				
Investment income	1,902,084	53,386	1,955,470	255,090
Interest expense and fiscal charges	(26,663,127)	(955,012)	(27,618,139)	(81,778)
Bond issue costs	(844,599)	--	(844,599)	--
Passenger facility charges	--	1,247,328	1,247,328	--
Customer facility charges	--	947,203	947,203	--
Net gain (loss) on disposal of city property	(397,855)	(6,084,305)	(6,482,160)	(122,039)
Recovery on damage claims	5,103	--	5,103	200,313
Developer deposits	1,636,331	--	1,636,331	--
Reimbursements to developers	(1,210,622)	--	(1,210,622)	--
Contributions from other governmental agencies	1,308,159	1,829	1,309,988	--
Total nonoperating revenues (expenses)	<u>(24,264,526)</u>	<u>(4,789,571)</u>	<u>(29,054,097)</u>	<u>251,586</u>
Change in net position before capital contributions and transfers	51,346,727	(9,589,187)	41,757,540	(11,323,574)
Capital contributions				
Contributions from other governmental agencies	781,346	6,128,889	6,910,235	--
Contributions from developers	2,981,637	--	2,981,637	--
Contributions from others	1,641,472	46,423	1,687,895	--
Total capital contributions	<u>5,404,455</u>	<u>6,175,312</u>	<u>11,579,767</u>	<u>--</u>
Transfers in (out)				
Transfers in (Note 15)	327,833	85,884	413,717	2,781,343
Transfers out (Note 15)	(5,921,674)	(359,931)	(6,281,605)	(1,714,109)
Total transfers	<u>(5,593,841)</u>	<u>(274,047)</u>	<u>(5,867,888)</u>	<u>1,067,234</u>
Change in net position	51,157,341	(3,687,922)	47,469,419	(10,256,340)
Net position at beginning of year	<u>729,997,156</u>	<u>128,799,750</u>		<u>30,236,091</u>
Net position at end of year	<u>\$ 781,154,497</u>	<u>\$ 125,111,828</u>		<u>\$ 19,979,751</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds			<u>(3,927,964)</u>	
Change in net position of business-type activities			<u>43,541,455</u>	

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

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2016**

	Enterprise Funds			Internal Service Funds
	Utility System Fund	Other Enterprise Funds	Total	
Cash flows from operating activities				
Receipts from customers	\$ 230,705,023	\$ 10,329,656	\$ 241,034,679	\$ 9,193,772
Receipts from interfund services provided	1,004,570	--	1,004,570	72,192,996
Payments to suppliers	(59,293,510)	(2,995,805)	(62,289,315)	(31,096,996)
Payments to employees	(32,504,316)	(4,700,535)	(37,204,851)	(15,822,111)
Internal activity - payments to other funds	(29,071,745)	(1,459,686)	(30,531,431)	(4,172,501)
Claims paid	--	--	--	(35,527,152)
Other receipts	--	--	--	234,611
Net cash provided by (used for) operating activities	<u>110,840,022</u>	<u>1,173,630</u>	<u>112,013,652</u>	<u>(4,997,381)</u>
Cash flows from noncapital financing activities				
Changes in interfund borrowings	--	1,029,019	1,029,019	--
Advances from other funds	--	(31,082)	(31,082)	--
Contributions from other government agencies	114,231	1,829	116,060	--
Transfers in from other funds	327,833	85,884	413,717	--
Transfers out to other funds	(5,921,674)	(359,931)	(6,281,605)	(1,319,909)
Net cash provided by (used for) noncapital financing activities	<u>(5,479,610)</u>	<u>725,719</u>	<u>(4,753,891)</u>	<u>(1,319,909)</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	(58,881,135)	(7,668,596)	(66,549,731)	(1,700,444)
Proceeds from sale/disposal of city property	22,839	1,279	24,118	2,427
Developers deposits	1,636,332	--	1,636,332	--
Capital contributions	563,926	134,599	698,525	--
Reimbursements to developers	(979,424)	--	(979,424)	--
Contributions from other governmental agencies	293,331	8,391,963	8,685,294	--
Passenger facility charge	--	1,300,941	1,300,941	--
Customer facility charges	--	932,145	932,145	--
Transfers in from other funds related to capital acquisition	--	--	--	2,781,343
Return of prior year transfers related to capital acquisition	--	--	--	(394,200)
Principal paid on long-term debt	(39,665,850)	(1,430,000)	(41,095,850)	(600,982)
Interest expense and fiscal charges	(44,832,327)	(1,146,400)	(45,978,727)	(81,778)
Recovery on damage claims	5,103	--	5,103	--
Net cash provided by (used for) capital and related financing activities	<u>(141,837,205)</u>	<u>515,931</u>	<u>(141,321,274)</u>	<u>6,366</u>
Cash flows from investing activities				
Investment income	1,902,153	53,386	1,955,539	255,090
Net cash provided by investing activities	<u>1,902,153</u>	<u>53,386</u>	<u>1,955,539</u>	<u>255,090</u>
Net increase (decrease) in cash, cash equivalents and investments	(34,574,640)	2,468,666	(32,105,974)	(6,055,834)
Cash, cash equivalents and investments at beginning of year, including restricted accounts	<u>418,269,338</u>	<u>10,801,164</u>	<u>429,070,502</u>	<u>60,620,591</u>
Cash, cash equivalents and investments at end of year, including restricted accounts	<u>\$ 383,694,698</u>	<u>\$ 13,269,830</u>	<u>\$ 396,964,528</u>	<u>\$ 54,564,757</u>

(Continued)

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2016**

	Enterprise Funds			Internal Service Funds
	Utility System Fund	Other Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 75,611,253	\$ (4,799,616)	\$ 70,811,637	\$ (11,575,160)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	34,754,419	5,870,551	40,624,970	3,768,878
Provision for uncollectible accounts	2,706,089	52,844	2,758,933	(887)
Operating costs paid from bond proceeds	750	--	750	--
Recovery on damage claims	--	--	--	200,313
Changes in assets and liabilities				
Receivables	(3,836,904)	(185,320)	(4,022,224)	273,157
Inventory	(210,892)	(708)	(211,600)	71,740
Prepaid items	--	--	--	939,735
Deferred outflows of resources	(7,695,617)	(1,075,910)	(8,771,527)	(3,662,614)
Accounts payable	725,869	1,341	727,210	(1,250,492)
Accrued expenses	(748,067)	(114,936)	(863,003)	(452,657)
Deposits	379,802	1,003	380,805	(1,260)
Unearned revenue	--	31,488	31,488	(9,200)
Accumulated unpaid compensated absences	(62,128)	47,963	(14,165)	92,927
Net pension liability	9,192,653	1,341,609	10,534,262	4,475,825
Net OPEB obligation	46,088	6,358	52,446	(720,237)
Liability to claimants-escheat property	(2,483)	--	(2,483)	1,502
Estimated claims liability	--	--	--	2,861,181
Deferred inflows of resources	(20,810)	(3,037)	(23,847)	(10,132)
Net cash provided by (used for) operating activities	<u>\$ 110,840,022</u>	<u>\$ 1,173,630</u>	<u>\$ 112,013,652</u>	<u>\$ (4,997,381)</u>
Noncash investing, capital and financing activities				
Contribution of capital assets	\$ 2,981,637	\$ --	\$ 2,981,637	\$ --
Reimbursements to developers accrued but not paid	\$ 151,450	\$ --	\$ 151,450	\$ --
Acquisition of capital assets under capital lease	\$ 430,498	\$ --	\$ 430,498	\$ 778,455
Acquisition of capital assets accrued but not paid	\$ 4,674,683	\$ (177,432)	\$ 4,497,251	\$ --
Bond refunding	\$ 97,699,992	\$ --	\$ 97,699,992	\$ --
Bond issue costs	\$ 123,765	\$ --	\$ 123,765	\$ --
Change in accrued non-operating revenue receivable	\$ (1,518,906)	\$ 1,634,834	\$ 115,928	\$ --
Capitalized interest cost	\$ 12,695,514	\$ 156,841	\$ 12,852,355	\$ --

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

**FIDUCIARY FUNDS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

	Firefighters' Retirement System (1)	Private Purpose Trust Fund
ASSETS		
Current assets		
Cash and cash equivalents (Note 5)	\$ 1,487,986	\$ 24,867
Investments (Note 5)	128,024,792	
Receivables		
Contributions	417,114	--
Interest	333,061	--
Other	3,089	--
Net receivables	<u>753,264</u>	<u>--</u>
Total current assets	<u>130,266,042</u>	<u>24,867</u>
Capital assets		
Furniture and equipment, net of accumulated depreciations	3,551	--
Total assets	<u>130,269,593</u>	<u>24,867</u>
LIABILITIES		
Accounts payable	\$ 148,310	\$ --
Benefits payable	107,480	--
Total liabilities	<u>255,790</u>	<u>--</u>
NET POSITION		
Held in trust for pension benefits	130,013,803	--
Held in trust for individuals and organizations	<u>--</u>	<u>24,867</u>
Total net position	<u>\$ 130,013,803</u>	<u>\$ 24,867</u>

(1) Firefighters' Retirement System financial statements are as of December 31, 2015

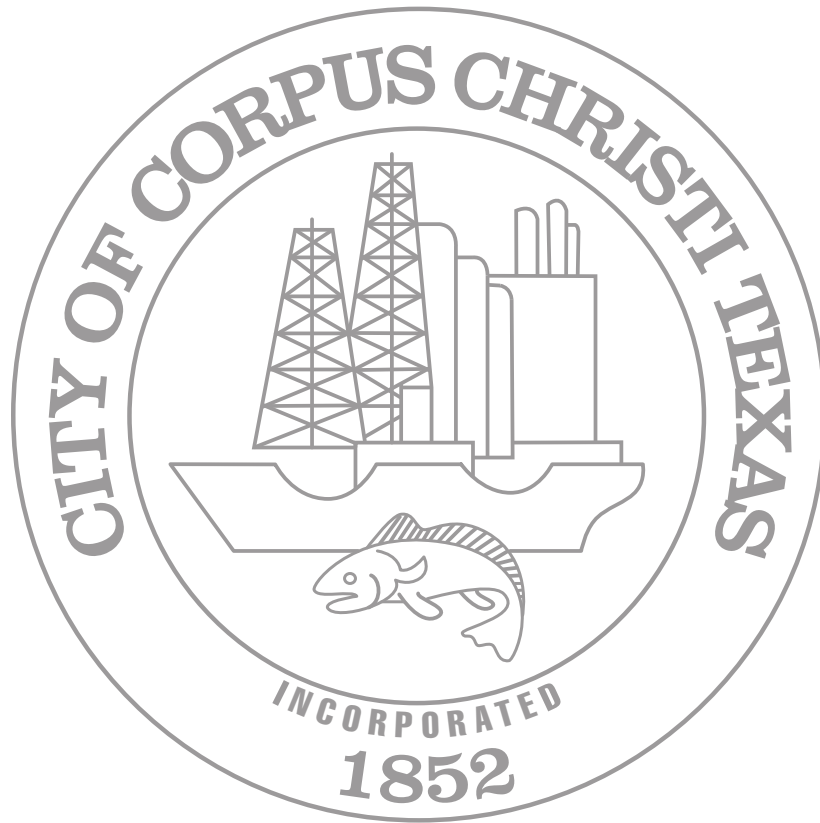
The notes to the financial statements are an integral part of this statement.

**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2016**

	Firefighters' Retirement System (1)	Private Purpose Trust Fund
Additions		
Contributions		
Employer contributions	\$ 6,361,276	\$ --
Employee contributions	3,896,613	--
Other contributions	--	600
Total contributions	10,257,889	600
Investment income		
Interest	1,730,034	36
Dividends	1,125,419	--
Net realized and unrealized gains (losses) on investments	(2,057,239)	--
Total investment income	798,214	36
Less: investment expenses	(485,504)	--
Net investment income	312,710	36
Total additions	10,570,599	636
Deductions		
Benefits	10,838,584	--
Administrative expenses	279,729	--
Refund of contributions	252,902	--
Disbursements for designated purposes	--	234,451
Total deductions	11,371,215	234,451
Net increase (decrease)	(800,616)	(233,815)
Net position at beginning of year, restated	130,814,419	258,683
Net position at end of year	\$ 130,013,803	\$ 24,867

(1) Firefighters' Retirement System financial statements are as of December 31, 2015

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



NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The City of Corpus Christi (the City) was incorporated in 1852 and operates as a Council-Manager form of government. The principal services accounted for as general governmental functions include public safety, health, streets, sanitation, parks and recreation, planning, zoning, and general administrative services.

The accounting and reporting policies of the City relating to the funds include in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the City are described below.

A. Reporting Entity

In evaluating the City as a reporting entity, management has addressed all potential component units for which the City may be financially accountable and, as such, should be included within the City's financial statements. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization, or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. Because of the closeness of their relationship with the primary government (the City), some component units are blended as though they are part of the primary government. The City has no discretely presented component units. This is a change from prior year financial statement presentation.

Blended Component Units

The Corpus Christi Community Improvement Corporation was formed to provide financing for the rehabilitation of residential property in the City. The Corpus Christi Housing Finance Corporation and the Corpus Christi Industrial Development Corporation promote business development and issue housing revenue or industrial development bonds. The City manages the day-to-day operations of these corporations. The Mayor and Council Members are directors of the corporations.

The Coastal Bend Health Facilities Development Corporation (CBHFDC) is a public, non-profit corporation created by the City under State law to facilitate financing and development of health and health-related facilities. The City Council has authority to remove board members at will, and therefore has the ability to impose its will on the organization. The City manages the day-to-day operations of this corporation.

The Corpus Christi Crime Control and Prevention District (District) is a public non-profit corporation created under State law to provide funding for public safety programs. Although the District is legally separate from the City, the District is reported as if it were part of the primary government because it is a financing mechanism for the City to provide public safety to the citizens of the City.

The Corpus Christi Business and Job Development Corporation (CCBJDC) is a public non-profit corporation created by State law to provide funding of voter approved capital improvement programs. The City Council appoints the Board and has financial accountability. Although it is legally separate from the City, CCBJDC is reported as if it were part of the primary government because its primary purpose is to issue revenue bonds to finance major capital improvements on behalf of the City.

North Padre Island Development Corporation (NPIDC) was created by the City pursuant to the Tax Increment Financing Act to facilitate development of the land within the boundaries of the tax increment zone, namely Packery Channel. NPIDC became effective on November 14, 2000, and will terminate on December 31, 2022. The receipt

of post-2000 incremental property taxes from taxing units with property within the boundaries of the zone provides the funding for its projects. The Mayor and Council Members are a voting majority of the board, and the City manages its day-to-day operations.

Complete financial statements for each of the individual blended component units may be obtained from the City's Director of Financial Services at 1201 Leopard Street, Corpus Christi, Texas 78401.

B. Related Organizations and Jointly Governed Organizations

Related organizations and jointly governed organizations provide services within the City that are administered by separate boards or commissions, but the City is not financially accountable, and such organizations are therefore not component units of the City, even though the City Council may appoint a voting majority of an organization's board members. Consequently, financial information for the Coastal Bend Council of Governments, the Regional Transit Authority, the Corpus Christi Housing Authority, the Corpus Christi Regional Economic Development Corporation, the Corpus Christi Convention and Visitor's Bureau, and the Port of Corpus Christi Authority are not included in these financial statements.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. 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 or services.

Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. In the government-wide statement of net position, both the governmental and business-type activities columns are (1) presented on a consolidated basis by column, and (2) reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reflects both the gross and net cost per functional category (police and municipal court, fire, streets, etc.) which are otherwise being supported by general government revenues (e.g., property taxes, sales taxes, certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues from charges for services, franchise fees, fines and forfeitures, licenses and permits fees, and special assessments. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide statement focuses on the substantiality of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds (excluded from the government-wide financial statements). Emphasis is on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column.

D. Measurement Focus, Basis of Accounting, and Financial Statement Preparation

The governmental fund statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (1) demonstrate legal and covenant compliance, (2) demonstrate the source and use of liquid resources, and (3) demonstrate how the City's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements governmental column, a reconciliation is presented on the page following each statement which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

Proprietary funds statements are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and payments relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of operating income, financial position, changes in net position and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

Enterprise funds account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's enterprise funds account for the operations of the City's utility system, airport, golf centers and marina.

Internal service funds of a government which provide services primarily to other funds of the government are presented in the summary form as part of the proprietary fund financial statements. The City's internal service funds account for printing and messenger services, maintaining an inventory of commonly used supplies, vehicle and building maintenance, technology services, risk management, and engineering services to other departments within the City on a cost-reimbursement basis. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level in the Statement of Net Position. The net activity of these services is offset against the appropriate functional activity in the Statement of Activities. This complies with the City's policy of eliminating internal activity from the government-wide statements.

The City's fiduciary funds are presented in the fund financial statements by type (pension and private-purpose). Since by definition these assets are being held for the benefit of a third party (e.g., other local governments, private parties, pension participants) and cannot be used to finance activities or obligations of the government, these funds are not incorporated into the government-wide statements. The City's fiduciary funds are used to account for the assets in the Firefighter's Retirement System held in trust for the exclusive benefit of employees, the financial statements of which are reported as of December 31, 2015, and a fund established to provide cash awards to selected Police Academy graduates.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The criteria used to determine if a governmental or enterprise fund should be reported as a major fund are as follows: the total assets, liabilities, revenues or expenditures/expenses of that governmental or enterprise fund are at least 10% of the corresponding element total for all funds of that category or type (that is, total governmental or total enterprise funds), and the same element that met the 10% criterion above in the governmental or enterprise fund is at least 5% of the corresponding element total for all governmental and enterprise funds combined. The Street Capital Project Fund is presented as a major fund for consistency with prior years. The non-major funds are combined in a single column in the fund financial statements. The City reports the following major funds:

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

The debt service fund is used to account for funds needed to make principal and interest payments on outstanding bonds when due. The City reports this fund as a major fund because of public interest and consistency between years.

The streets capital projects fund is used to account for capital improvements to streets funded mainly through long-term debt and participation of other governmental entities.

The utility system fund is used to account for the operations of the City's combined utilities. The Utility System includes the City's water and storm water system, wastewater disposal system and gas distribution system.

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied. The government-wide financial statements and the proprietary, and fiduciary financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis.

Accrual

Revenues are recognized using the economic resources measurement focus. Revenues are recorded when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

Modified Accrual

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, except for interest payable accrued at the debt issuance date for which cash is received with the debt proceeds, as well as expenditures related to compensated absences, are recorded only when payment is due and will be payable shortly after year-end. General capital assets acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition of assets under capital leases are reported as other financing sources.

The revenues susceptible to accrual are property taxes, franchise fees, sales taxes, licenses, charges for service, interest income and intergovernmental revenues. Grants are recorded as revenues when a qualifying expenditure has been incurred and all eligibility requirements are met including time requirements, and the amount is available (within 60 days of fiscal year end). All other governmental fund revenues are considered to be measurable and available only when cash is received.

E. Cash, Cash Equivalents and Investments

The City’s investment practices are governed by state statutes and by the City’s own Investment Policy. City cash is required to be deposited in Federal Deposit Insurance Corporation (FDIC) insured banks located within the State of Texas. A pooled cash and investment strategy is utilized for all City funds except for the Firefighter’s Retirement System. The City utilizes one central depository bank. Investments are pooled with principal and interest income distributed to each respective fund on a pro rata basis. Cash, Cash Equivalents and Investments are included in both unrestricted as well as restricted assets.

The City’s investments managed through overnight local government investment pools are recorded at amortized cost in accordance with GASB Statement No 79, *Certain External Investment Pools and Pool Participants*. The City reports money market investments at amortized cost. Amortization of premium or accretion of discount is recorded over the term of the investments. The City values its investments in U. S Government Securities within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. Net change in the fair value of investments is recognized and reported as investment income in the financial statements. The City considers all investments with an original maturity of approximately 90 days or less to be cash equivalents. The City’s Investment Policy authorizes investments in: repurchase agreements, public funds investment pool, collateralized and brokered certificates of deposit, money market mutual fund, guaranteed investment contracts, Texas Term Investment Pool and obligations of the United States or its agencies and instrumentalities, excluding mortgage backed securities.

During the fiscal year ending September 30, 2016, the City adopted GASB Statement No. 72, *Fair Value Measurement and Application* and GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*. GASB Statement No. 72, *Fair Value Measurement and Application* provides guidance for

determining a fair value measurement for financial reporting purposes. For additional information on GASB Statement No. 72 *Fair Value Measurement and Application*, see Note 5 Cash, Cash Equivalents and Investments. GASB Statement No. 79 *Certain External Investment Pools and Pool Participants* enhances comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement.

F. Receivables

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Within the governmental fund financial statements, long-term advances and long-term receivables are reflected as unspendable fund balance indicating they do not constitute available expendable resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance for uncollectibles is management’s best estimate of the amount of credit losses based on account delinquencies and historical write-off expense.

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled has been included in the financial statements.

G. Inventories and prepaid items

Inventories are valued at cost, which approximates market, using either the first-in/first-out (FIFO) method or the average cost method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

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

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Capital Assets

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Contributed assets are recorded at fair market value as of the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Life in Years</u>
Dams	100
Water pipelines	40-50
Gas pipelines	40-57
Infrastructure	40-50
Utility plants	40-45
Runways and related improvements	25
Terminals and hangers	40-50
Buildings	15-40
Improvements other than buildings	5-20
Vehicles	4-6

Machinery and equipment	4-15
Office furniture	12

The City has a collection of art housed in the Corpus Christi Museum of Science and History. The collection is not capitalized because it meets all the following conditions.

- The collection is held for reasons other than financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The collection is subject to City policy requiring that the proceeds from sales of collection items be used to acquire other items for collections.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/penditure) until then. The City has two items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statements of net position. A deferred outflow on refunding results when the carrying value of refunded debt was lower than its reacquisition price. This difference is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other deferred outflow is related to the net pension liability. It includes City contributions to the retirement systems contributed subsequent to the measurement date of the net pension liabilities, and changes of assumptions and differences between projected and actual investment earnings which are amortized over subsequent accounting periods as determined by the actuary (Footnote 9).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. One is the deferred inflow on refunding reported in the government-wide statements of net position. A deferred outflow on refunding results when the carrying value of refunded debt was higher than its reacquisition price. This difference is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other deferred outflow is related to the net pension liability and is the difference between expected and actual experience. This is amortized over subsequent accounting periods as determined by the actuary (Footnote 9).

K. Restricted Assets

Certain debt proceeds of the City’s enterprise funds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Developer funds are also classified as restricted.

All revenues received from passenger facility charges (PFC) are reported as restricted assets in the Airport Fund. In accordance with Federal Regulations, PFC funds can only be expended on projects approved by the Federal Aviation Administration. Current approved projects include runway pavement reconstruction, terminal improvements, and runway lighting. It is management's intention to use a portion of the PFC funds on approved projects on a pay-as-you-go basis with the remaining funds to be used to support approved airport revenue bond issues debt service.

Certain assets of governmental funds are reclassified as restricted for presentation on the government-wide statement of net position due to the restriction on the use of these funds for a particular purpose.

When an expense is incurred for purposes for which both restricted and unrestricted assets are available, the City’s policy is to apply restricted assets first.

L. Accumulated Unpaid Compensated Absences

It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. These benefits are accounted for using the termination payment method. All compensated absences are accrued when earned in the government-wide and proprietary fund financial statements. Expenditures are recorded in the governmental funds as employees resign or retire. Compensated absence liabilities are normally paid from the funds reporting payroll and related expenditures including the general fund and special revenue funds.

M. 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. Gains or losses on proprietary fund refundings and on the government-wide financial statements are reported as deferred inflows or outflows and are amortized over the term of the lesser of the new bonds or the refunded bonds using the effective interest method. Bond issuance costs are recognized as expenditures/expenses when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Bond issuance costs are shown in debt service expenditures.

N. Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and the Fire Fighters Retirement System (FFRS) and additions to/deductions from TMRS’s and FFRS’s Fiduciary Net Position have been determined on the same basis as they are reported by TMRS and FFRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Fund Equity

In the government-wide financial statements and proprietary fund financial statements, net position is classified in the following categories:

Net Investment in Capital Assets

This category represents the net carrying value of all capital assets, reduced by the outstanding balances of long-term debt that are attributable to the acquisition, construction or improvement of these assets.

Restricted

The restricted component of net position represents restricted assets reduced by liabilities related to those assets. This category represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted

This category is the “residual” component of net position. It consists of net position that does not meet the definition of “restricted” or “net invested in capital assets.”

In the governmental fund financial statements, the components of fund balances reflect policies and procedures established by actions of the City Council and its designated officials.

The *nonspendable* fund balance includes the portion of net resources that cannot be spent because of their form or because they must be maintained intact. Resources not in spendable form include inventories and prepaid items, long-term advances, long-term receivables, and nonfinancial assets held for resale.

Some resources are spendable but are legally or contractually required to be maintained intact. Such resources include the principal of an endowment.

The *restricted* fund balance includes net resources that can be spent only for the specific purposes stipulated by constitution, external resource providers (creditors, grantors, contributors), laws and regulations of other governments, or through enabling legislation.

The enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources from external resource providers; those resources can be used only for the specific purposes stipulated in the legislation. The City revenue generated through enabling legislation includes Hotel Occupancy taxes, Municipal and Juvenile Court fees, Vital Records fees, Redlight Photo Enforcement fines, and taxes from Crime Control District, CCBJDC, and tax increment zones.

The *committed* fund balance includes spendable net resources that can only be used for specific purposes pursuant to constraints imposed by Council ordinance or resolution no later than the close of the fiscal year. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

The *assigned* fund balance includes amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City Council, the City Manager, or her designee has the authority to assign amounts for a specific purpose as per City Charter, Article I, Section 3 which states, "...the (City) Council...shall enact local legislation, determine policies, appoint the city manager, and which council and city manager shall execute the laws and administer the government of the city." Constraints imposed on the use of assigned amounts can be removed with no formal Council action. The residual fund balance that is not Restricted or Committed in governmental funds except the General Fund is assigned.

The *unassigned* fund balance represents the spendable net resources that have not been restricted, committed, or assigned to specific purposes.

Spending Prioritization in Using Available Resources

When both restricted resources and other resources (i.e., committed, assigned, and unassigned) can be used for the same purpose, the City budget considers restricted resources to be spent first.

When committed, assigned, and unassigned resources can be used for the same purpose, the flow assumption in the City budget is to spend in the sequence of committed resources first, assigned second, and unassigned last.

General Fund Balance Requirements Caused by Council Actions or Management's Intended Use

The *General Fund Reserve for Major Contingencies* is established by the City Council to be maintained at a minimum of 10% and up to 25% of General Fund annual appropriations to provide funding for any unforeseen circumstances that may arise such as an economic slowdown, emergencies, or natural disasters. It is not intended for normal unanticipated expenditures. It has a balance of \$42,963,519 and is classified as unassigned resources.

The *Government Access Equipment Reserve* reflects required contributions made by cable television franchisees set aside for capital needs of government access cable television system or facilities. It has a balance \$11,959 and is classified as committed resources.

The *Reserve for Radio System Capital Replacement* was established through an inter-local agreement with the Regional Transportation Authority regarding an 800 MHz public safety trunked radio system. When other governmental entities wish to participate in the system, a fee is collected based on the proportionate share of radios they will use. Moneys received from these entities are held in reserve to be used for capital replacements and upgrades for the backbone of the system. It has a balance of \$50,970 and is classified as committed resources.

P. New Accounting Pronouncements

Statement No. 72, “Fair Value Measurement and Application” – This statement addresses accounting and financial reporting issues related to fair value measurements. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015. The City has implemented GASB No. 72 in this annual report. Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” – This statement changes the focus of accounting of postemployment benefits other than pension from whether they are responsibly funding the benefits over time to a point-in-time liability that is reflected on the employer’s financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the City in fiscal year 2018.

Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments” – This statement establishes the hierarchy of GAAP for state and local governments. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015. The City has implemented GASB No. 76 in this annual report.

Statement No. 77, “Tax Abatement Disclosures” – This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments. This statement will become effective for the City in fiscal year 2017.

Statement No. 79, “Certain External Investment Pools and Pool Participants” – This statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. The City has implemented GASB No. 79 in this annual report.

Statement No. 80, “Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14” – This statement will enhance the comparability of financial statements among governments. . This statement will become effective for the City in fiscal year 2017.

Statement No. 82, “Pension Issues” – This statement will improve financial reporting by enhancing the consistency in the application of financial reporting requirements to certain pension issues. This statement will become effective for the City in fiscal year 2017.

2. Budget Policy and Budgetary Accounting

City Charter requires the City Manager to submit a proposed budget to the City Council at least sixty days prior to August 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. The budget and tax levy are legally enacted through the passage of ordinances.

Budgets are prepared for all governmental funds except the Federal/State grant fund, the capital projects funds, the community enrichment fund, the infrastructure fund, the Corpus Christi Community Improvement Corporation (CCCIC), the Corpus Christi Housing Finance Corporation (CCHFC), the Coastal Bend Cultural and Educational Facilities Finance Corporation (CBCEFFC), and the Corpus Christi Industrial Development Corporation (CCIDC). The Federal/State grant fund and the capital projects funds adopt project-length budgets. The budgets are prepared on a basis consistent with generally accepted accounting principles, except that expenditures financed by capital leases are not included in the governmental fund budgets, principal and interest payments are included in the activity expenditures and reimbursements are accounted for as revenues rather than reductions of expenditures. The detail of these differences is included in the statement of revenues, expenditures and changes in fund balance – budget and actual in the column titled “Adjustments to Budget Basis.” All annual appropriations lapse at fiscal year end.

The appropriated budget is prepared by fund, department, and activity. The City Manager is authorized to transfer appropriations at the object of expenditure level and department levels within any fund. Any revisions that alter the total appropriations of any fund must be approved by the City Council. During the year, several supplemental appropriations were necessary. All budget amounts presented reflect the original budget and the amended budget which has been adjusted for legally authorized revisions to the annual budget during the year.

Encumbrance accounting is employed in governmental funds. Encumbrances represent commitments related to unperformed contracts for goods or services. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation. Encumbrances outstanding at year end are reported as assigned fund balances and do not constitute expenditures or liabilities until the commitments are honored by inclusion in the subsequent year's budget.

3. Sales Tax Revenue

The City has a 1% city sales tax, a 0.125% sales tax for crime control, a 0.125% sales tax for construction of a multipurpose arena, a 0.125% sales tax for improvements to the downtown seawall, and a 0.125% sales tax for economic development and the construction of a baseball stadium. Sales tax is collected monthly by the State of Texas and remitted to the City. The tax is collected by the merchants, remitted to the State, and then paid to the City by the 10th of the month following collection from the merchants. A two-month lag exists between collection by the merchant and payment to the City by the State.

In governmental funds, sales tax revenue is recognized in the period when the underlying exchange transaction has occurred and the resources are available.

4. Property Taxes

Property taxes are levied and due upon receipt on October 1, based on the value of the previous January 1, and attach as an enforceable lien on property as of January 1 of the subsequent year. The City's property tax is levied each October 1 on the basis of assessed values at the date the enforceable lien attaches. Appraised values are established by the Nueces County Appraisal District, assessed at 100% of appraised value, approved by the Nueces County Appraisal Review Board, and certified by the Chief Appraiser. Responsibility for the billing and collection of the City's taxes is contracted to Nueces County as an efficiency measure.

Taxes are due on receipt of the tax bill and are delinquent if not paid before February of the year following the year in which imposed. Taxes become delinquent on February 1 at which time penalty and interest charges are applicable. Property tax revenues are recorded as revenues when they become available. As permitted by the Constitution of the State of Texas, home rule cities of over 5,000 population shall have a total tax allowable of \$2.50 and shall have a bond allowable of \$1.50 per \$100 valuations (unless City Charter provides less). On April 3, 1993, the citizens of Corpus Christi voted to amend the City Charter which contained a tax limitation of \$0.68 per \$100 of assessed value for all purposes including debt service. The amended charter provided for the tax rate to increase up to the State limit, \$1.50 per \$100 of assessed value, for voter approved debt after April 4, 1993. The State total tax and bond allowable is computed based on 90% collections.

The 2015-2016 tax rates were \$0.376806 for the general fund and \$0.229458 for debt service for a total of \$0.606264 per \$100 of assessed value. Therefore, the City's tax margin of \$0.0737360 per \$100 of assessed value could raise up to \$13,526,836 in additional taxes each year based on the assessed value of \$18,344,955,055. The City could raise up to \$192,009,123 in additional taxes for voter approved tax supported obligations, based on the assessed valuation of \$18,344,955,055 and a debt margin of \$1.046659 calculated on 90% collections.

5. Cash, Cash Equivalents, and Investments

City

In accordance with City policy, the total bank deposits of \$48,605,152 were covered by Federal Depository Insurance (FDIC) or by collateral held by the City's agent in the City's name. The cash funds and short-term investments included in cash and cash equivalents are not subject to collateralization requirements.

As of September 30, 2016, the City had the following cash, cash equivalents and investments:

<u>Type</u>		Weighted Average Maturity (Years)	Fair Value Measurement	Credit Rating (S & P)
Investments measured at fair value:				
Federal Agency Coupon Securities	\$429,818,113	1.113	Level 2	AAA
Federal Agency Discount Notes	89,873,522	0.258	Level 2	AAA
Federal Agency Discount Notes	54,774,607	0.643	Level 2	Not Rated
Investments measured at amortized cost:				
Local government investment pools-overnight	227,365,043	0.003		AAA-m
Money market funds	7,198,067	0.003		AAA-m
Total Investments	<u>809,029,352</u>			
Portfolio weighted average maturity		0.664		
Cash and Cash Equivalents				
Deposits in Bank	\$ 48,605,152			
Cash Funds	649,952			
Total Cash and Cash Equivalents	<u>49,255,104</u>			
Total Cash, Cash Equivalents, and Investments	<u>\$858,284,456</u>			

* Includes the Fiduciary Trust Fund amount of \$24,867.

Fair Value Measurements - During the fiscal year ending September 30, 2016, the City adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which provides guidance for determining a fair value measurement for financial reporting purposes. The City categorizes its investments measured at fair value within the hierarchy established by generally accepted accounting principles. Investments valued at fair value are categorized based on inputs to valuation techniques as follows:

Level 1 input – Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

Level 2 input – Quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 input – Inputs that are unobservable for the asset or liability which are typically based upon the City’s own assumptions as there is little, if any, related market activity.

Hierarchy – The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Inputs – If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Debt securities classified in Level 2 of the fair value hierarchy are valued using a computerized pricing service utilizing a yield-based matrix system to arrive at an estimated market value. The City does not have any Level 1 or Level 3 investments.

Interest rate risk – In accordance with the City’s investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 365 days.

Credit risk - Texas statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a Federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed, insured by, or backed by the full faith and credit of, this State or the United States or their respective agencies and instrumentalities; and (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state (rated as to investment quality by a nationally recognized investment rating firm not less than “A” or its equivalent).

Public funds investment pools in Texas (Pools) are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (PFIA), Chapter 2256 of the Texas Government Code. In addition to other provisions of the PFIA designed to promote liquidity and safety of principal, the (PFIA) requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the fair value of its underlying investment portfolio within one half of one percent of the value of its shares. Investments noted above have been rated AAA-m by Standard & Poor’s or AAA by Moody’s.

Concentration of credit risk – According to the City’s investment policy, the maximum amount that may be invested in any one public funds investment pool is five percent of the total current invested balance of the Public Funds Investment Pool. The maximum total amount that may be invested in any one overnight Public Funds Investment Pool is thirty percent of the Investment Portfolio. There is no limit on the percent of the total Investment Portfolio that may be invested in public funds pools overall.

The concentration of the City’s Investment in debt securities are as follows:

<u>Issuer</u>	<u>Percent of Total Investments</u>
Federal Farm Credit Bank	12.24%
Federal Home Loan Bank	20.74%
Federal Home Loan Mortgage Corporation	29.44%
Federal Agriculture Mortgage Corporation	6.78%

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City's deposits, including blended component units, held at financial institutions at year end were entirely covered by federal depository insurance (FDIC) or were secured by collateral held by the City's agent in the City's name.

Custodial credit risk – investments - For an investment, this is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments are held in the City’s name.

Corpus Christi Firefighters’ Retirement System

The Board of Trustees has established that the System shall keep a sufficient amount of cash on hand to make payments as they become due under the System. If the Board determines that the cash fund of the System contains amounts in excess of the amount needed to make necessary payments as they become due, the Board of Trustees may invest any portion of the excess.

In making investments for the retirement system, the Board of Trustees shall exercise proper judgment and care, taking into account the circumstances prevailing at the time of the investment. The Board of Trustees may not invest in the stock or bonds of one corporation more than five percent of the book value of the assets of a fund. In addition, the System may not own more than five percent of the voting stock of one corporation.

As of December 31, 2015, the System had the following cash, short-term and long-term investments:

<u>Type</u>		<u>Fair Value Measurement</u>
Investments measured at fair value:		
Common and preferred stocks	\$ 44,625,807	Level 2
U.S. Government securities	40,623,956	Level 2
Mutual funds	20,768,462	Level 2
Mutual funds - Real estate	15,386,681	Level 2
Corporate (domestic and foreign) bonds and notes	<u>6,619,886</u>	Level 2
Total Investments	<u>128,024,792</u>	
Cash and Short-term Investments	<u>\$ 1,487,986</u>	
Total Cash and Investments	<u>\$ 129,512,778</u>	

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The investment policy of the plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of the fiduciary net position at December 31, 2015.

The difference between the fair value table and above and the investment allocation table below is due to operating cash and prepaids held by the investment managers.

Fair Value Measurements – During the fiscal year ending December 31, 2015, the System adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which provides guidance for determining a fair value measurement for financial reporting purposes. The System categorizes its investments measured at fair value within the hierarchy established by generally accepted accounting principles. Investments valued at fair value are categorized based on inputs to valuation techniques as follows:

Level 1 input – Inputs representing unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 input – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (for example interest rates, volatilities, credit risks and default rates) or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 input – Significant observable inputs that reflect an entity’s own assumptions that market participants would use in pricing the assets or liabilities.

Hierarchy – The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The table below reflects the composition of the System’s investments as of December 31, 2015:

	Fair Value	% of Portfolio	Investment Policy Asset Allocation
Equities:			
Montag & Caldwell	\$ 17,617,832	13%	10-15%
LSV Asset Management	16,567,370	13%	10-15%
Templeton Int'l.	14,246,870	11%	10-15%
JP Morgan	6,521,592	5%	2.5-7.5%
WCM Investment	6,219,929	5%	2.5-7.5%
Eaton Vance Emerging Mkt	5,434,521	4%	0-10%
Equities total	<u>\$ 66,608,114</u>		
Fixed income:			
Garcia Hamilton	47,820,834	37%	31-41%
Fixed income total	<u>47,820,834</u>		
Alternative investments:			
JPM Strategic RE	15,386,681	12%	5-15%
Alternative investment total	<u>\$ 15,386,681</u>		
Total portfolio	<u><u>\$ 129,815,629</u></u>	100%	

Because of the complexity of the portfolio, the System’s Board of Trustees relies on its consultant to provide the necessary guidance to accomplish the System’s objectives. The Board also understands that return objectives can be achieved while assuming “market” volatility. The Board is willing to forgo potential return in strong markets in return for protection against a severe decline during weak periods.

Concentration of credit risk – As noted in the above schedule, none of the asset classes exceed their maximum percentage of asset allocation. The System is well diversified, with no one issue exceeding 5%. With the exception of the alternative investments, the portfolio can be liquidated within one to two days if so desire. Alternative investments can only be liquidated quarterly.

Interest rate risk – Only the fixed income securities of the Plan are subject to interest rate risk due to the possibility that prevailing interest rates could change before the securities reach maturity. Securities that are subject to interest rate risk as of December 31, 2015, amount to \$47,820,544 and have weighted average duration of 1.30 years. Duration is defined as the change in the value of a fixed income security that will result from a 1% change in interest rates.

Duration is stated in years. For example, 5-year duration means the bond will decrease in value by 5% if interest rates rise 1% and increase in value by 5% if interest rates fall 1%. Securities that are subject to interest rate risk are shown in the following table for the year ending December 31, 2015. The investment policy is silent on the subject of duration.

<u>Investment type</u>	<u>Fair Value</u>	<u>Percentage of Total</u>	<u>Duration (Years)</u>
Mortgage-backed securities	\$ 16,941,128	28.86%	5.30
Treasury	13,801,203	21.16%	0.05
Agency	10,117,190	35.43%	0.28
Corporate bonds	6,694,683	14.00%	0.89
Cash & equivalents	<u>266,340</u>	<u>0.55%</u>	<u>-</u>
Total interest rate sensitive bonds	<u><u>47,820,544</u></u>	100.00%	1.30

Credit risk – Using Standard and Poor’s rating system for fixed income securities as of December 31, 2015, the System’s bonds were rate as noted below. The Investment Policy Statement requires corporate fixed income securities to be at least investment grade at the time of purchase, with additional actions required if any security is downgraded below investment grade after purchase.

	<u>S&P Rating</u>	<u>Fair Value</u>	<u>Percentage of Total</u>
AA		\$ 43,315,971	90.58%
A		2,447,571	5.12%
BBB		1,790,662	3.74%
Not rated		<u>266,340</u>	<u>0.56%</u>
Total credit sensitive bonds		<u>\$ 47,820,544</u>	100.00%

Foreign currency risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As of December 31, 2015, the System did not have direct exposure to foreign currency risk through its investments. The Investment Policy Statement is silent on the subject of foreign currency risk.

6. Budgetary Data

General Fund Budget amendments approved during the year included the following:

(\$6,686,661) to revenue and other financing sources comprised of:

- (\$8,000,000) reducing General Fund revenue due to a decline in sales tax revenue, industrial district agreement payments in lieu of taxes, and municipal court revenues
- \$73,617 first half of reimbursement due from Nueces County for overbilling of election services
- \$8,594 recovery on damage claims
- \$1,212,555 mid-year rebates from Information Technology Fund, Fleet Maintenance Fund, Development Services Fund, and General Liability Fund
- \$13,000 transfer from Corpus Christi Business and Job Development Corporation
- \$5,573 unclaimed monies from the Police Property Room

\$4,752,651 to expenditures and other financing sources comprised of:

- \$4,454,194 for encumbrances approved to carry forward from the end of the prior fiscal year
- \$73,617 first half of reimbursement due from Nueces County for overbilling of election services transferred to Residential and Local Streets Fund
- \$8,594 for vehicle repairs
- \$4,290 from the fund balance assigned for the Arts & Cultural Commission for arts programs
- \$186,925 transfer to Streets fund from cost savings related to lower premium costs
- \$13,000 transfer from Corpus Christi Business and Job Development Corporation for Miradores maintenance
- \$5,573 unclaimed monies from the Police Property Room for use within the Property Room
- \$6,459 transfer of a City Councilmember’s salary and benefits to Streets Fund for street maintenance

Budget variances to expenditures and transfers include the following:

- General Government is under-budget by \$4,445,826, which includes \$294,902 in City Attorney, \$37,234 Americans with Disabilities Act Compliance, \$122,669 Assistant City Manager of Safety, Health and Neighborhoods, \$47,568 Assistant City Manager of General Government and Operations Support, \$397,895 Public Information, \$171,625 Management & Budget, \$205,459 Training, and \$806,814 Comprehensive Planning largely due to salary and operational savings. Intergovernmental

Relations is under-budget by \$188,780 because lobby contracts were budgeted in the General Fund, but costs were shared by Utilities Funds.

- Police Department and Municipal Court were under-budget by \$1,661,603 due to salary and operational savings of \$722,176 in Municipal Court Administration and City Marshals, and \$164,767 in Police Computer Support.
- Solid Waste is under-budget by \$2,090,641 due to encumbrances that will be paid in fiscal year 2017, and a reduction in the transfer to Debt Service fund due to a delay in issuance of Certificates of Obligation.
- Health is under-budget by \$783,468 due to salary and operational savings.
- Parks and recreation is under-budget by \$1,859,601 mainly due to salary and operational savings.

7. Receivables

	<u>General</u>	<u>Debt Service</u>	<u>Street Capital Projects</u>	<u>Utility System</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Unrestricted						
Accounts	\$ 6,611,022	\$ --	\$ --	\$ 28,609,467	\$ 4,783,996	\$ 40,004,485
Taxes	3,391,697	2,065,392	--	--	37,649	5,494,738
Intergovernmental	10,271,364	--	4,662,357	2,597,881	9,252,073	26,783,675
Property leases	6,864	--	--	4,058	--	10,922
Demolition liens	3,556,411	--	--	--	769,629	4,326,040
Special assessments	--	--	756,071	--	4,588	760,659
Employees	35,192	--	--	11,794	1,596	48,582
Miscellaneous	1,575,261	--	--	40,290	10,633	1,626,184
Restricted						
Mortgages and loans	--	--	--	--	13,066,566	13,066,566
Intergovernmental	--	--	--	--	69,039	69,039
Miscellaneous	--	--	--	--	4,989	4,989
Gross receivables	<u>25,447,811</u>	<u>2,065,392</u>	<u>5,418,428</u>	<u>31,263,490</u>	<u>28,000,758</u>	<u>92,195,879</u>
Less allowance for uncollectible	<u>(5,651,545)</u>	<u>(871,270)</u>	<u>(653,135)</u>	<u>(2,180,081)</u>	<u>(3,550,654)</u>	<u>(12,906,685)</u>
Net total receivables	<u>\$ 19,796,266</u>	<u>\$ 1,194,122</u>	<u>\$ 4,765,293</u>	<u>\$ 29,083,409</u>	<u>\$ 24,450,104</u>	<u>\$ 79,289,194</u>

8. Capital Assets

A summary of changes in the capital assets follows. In previous years, business-type activities included the enterprise funds' and Solid Waste's capital assets. During fiscal year 2016 the City reevaluated the classification of funds and determined that Solid Waste activities should be included as a Governmental activity at the government-wide level. Accordingly, the beginning balances of capital assets have been restated to include Solid Waste in Governmental activities and remove them from Business-type activities. The amount of this restatement is \$68,802,569.

The beginning of Business-type activities capital assets has been restated from prior year due to a correction of an error in which the LNRA purchase contract for Lake Texana water which was previously reported as Notes Payable and an associated Water Rights capital asset is now reported as an unconditional purchase obligation (footnote 18) with no associated capital asset. This restatement reduces beginning balance by \$85,778,498.

	Restated Beginning Balance	Additions and Transfers	Retirements	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 68,422,321	\$ 183,614	\$ --	\$ 68,605,935
Construction in Progress	98,032,466	11,187,695	--	109,220,161
Total capital assets, not being depreciated	<u>166,454,787</u>	<u>11,371,309</u>	<u>--</u>	<u>177,826,096</u>
Capital assets, being depreciated				
Buildings	237,904,217	310,593	396,009	237,818,801
Improvements	248,320,135	16,067,239	960,482	263,426,892
Machinery & Equipment	131,221,438	11,535,692	22,064,032	120,693,098
Infrastructure	366,084,953	14,711,098	--	380,796,051
Total capital assets, being depreciated	<u>983,530,743</u>	<u>42,624,622</u>	<u>23,420,523</u>	<u>1,002,734,842</u>
Less accumulated depreciation for:				
Buildings	95,592,757	5,437,451	272,878	100,757,330
Improvements	115,198,321	7,970,075	960,482	122,207,914
Machinery & Equipment	98,952,535	10,326,309	22,062,698	87,216,146
Infrastructure	172,387,864	5,986,171	--	178,374,035
Total accumulated depreciation	<u>482,131,477</u>	<u>29,720,006</u>	<u>23,296,058</u>	<u>488,555,425</u>
Total capital assets, being depreciated, net	<u>501,399,266</u>	<u>12,904,616</u>	<u>124,465</u>	<u>514,179,417</u>
Governmental activities capital assets, net	<u><u>\$ 667,854,053</u></u>	<u><u>\$ 24,275,925</u></u>	<u><u>\$ 124,465</u></u>	<u><u>\$ 692,005,513</u></u>

	Restated Beginning Balance	Additions and Transfers	Retirements	Ending Balance
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 28,436,251	\$ 152,417	\$ --	\$ 28,588,668
Water rights	106,807,672	--	--	106,807,672
Construction in progress	360,903,435	33,239,187	--	394,142,622
Total capital assets, not being depreciated	<u>496,147,358</u>	<u>33,391,604</u>	<u>--</u>	<u>529,538,962</u>
Capital assets, being depreciated				
Buildings	95,948,604	104,609	11,862,479	84,190,734
Improvements	367,667,213	25,179,805	3,462,034	389,384,984
Machinery and equipment	37,237,445	1,807,503	1,927,341	37,117,607
Infrastructure	1,098,683,174	26,822,876	138,849	1,125,367,201
Total capital assets, being depreciated	<u>1,599,536,436</u>	<u>53,914,793</u>	<u>17,390,703</u>	<u>1,636,060,526</u>
Less: accumulated depreciation for				
Buildings	40,254,614	2,133,758	6,301,035	36,087,337
Improvements	176,631,821	16,063,017	2,726,505	189,968,333
Machinery and equipment	26,298,654	2,283,451	1,872,782	26,709,323
Infrastructure	328,387,754	20,144,743	84,102	348,448,395
Total accumulated depreciation	<u>571,572,843</u>	<u>40,624,969</u>	<u>10,984,424</u>	<u>601,213,388</u>
Total capital assets, being depreciated, net	<u>1,027,963,593</u>	<u>13,289,824</u>	<u>6,406,279</u>	<u>1,034,847,138</u>
Business-type activities capital assets, net	<u>\$ 1,524,110,951</u>	<u>\$ 46,681,428</u>	<u>\$ 6,406,279</u>	<u>\$ 1,564,386,100</u>

Depreciation expense is charged to functions as follows:

Governmental activity		Business-type activity	
General government	\$ 1,036,454	Gas	\$ 2,736,068
Police	1,402,855	Water	20,029,479
Fire	1,177,101	Wastewater	11,988,871
Emergency management	2,223	Airport	5,185,857
Inspections	6,638	Golf centers	78,416
Streets	6,391,058	Marina	606,278
Solid waste	4,673,672	Total	<u>\$ 40,624,969</u>
Health	237,499		
Parks and recreation	2,773,093		
Libraries	393,331		
Museums	224,632		
Community enrichment	3,465,532		
Community development	2,884,835		
Convention and visitors facilities	1,282,206		
Internal service fund	3,768,878		
Total	<u>\$ 29,720,007</u>		

9. Employment Retirement Benefits

A. Plan Descriptions

The City participates in funding two retirement plans as follows: (1) all City employees except firefighters participate in the Texas Municipal Retirement System (TMRS) and (2) firefighters participate in the Corpus Christi Fire Fighters Retirement System (FFRS).

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit plan administered by 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.

The City contributes to the FFRS for firefighters in the Corpus Christi Fire Department. FFRS is a single employer, contributory, defined benefit plan. The benefit provisions are authorized by the Texas Local Fire Fighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. The plan is administered by the Board of Trustees of the Corpus Christi Fire Fighters' Retirement System. The City does not have access to nor can it utilize assets within the retirement plan trust. FFRS issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained by writing the Corpus Christi Fire Fighters' Retirement System at 711 N. Carancahua, Suite 724, Corpus Christi, Texas 78475.

B. Benefits Provided

TMRS provides retirement benefits to all City employees except firefighters. 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 payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The City grants a monetary credit referred to as Updated Service Credit. This monetary credit is determined by hypothetically re-computing the member's account balance by assuming that the current member deposit rate of the employing city has always been in effect. The computation also assumes that the member's salary has always been the member's average salary using a salary calculation based on the 36-month period ending a year before the effective date of calculation. This hypothetical account balance is increased by 3% each year (not the actual interest credited to the member's account in previous years), and increased by the city match currently in effect. The resulting sum is then compared to the member's actual account balance increased by the actual city match and actual interest credited. If the hypothetical calculation exceeds the actual calculation, the member is granted a monetary credit (or Updated Service Credit) equal to the difference between the hypothetical calculation and the actual calculation times the percentage adopted. The City increase the annuities of its retirees, effective January 1 of a calendar year at a rate equal to 70% of the increase in the Consumer Price index – all Urban Consumers (CPI-U) between the December preceding the member's retirement date and the December one year before the effective date of the increase, minus any previously granted increases. 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 are vested after 5 years.

The FFRS provides benefits to firefighters in the Corpus Christi Fire Department. The benefits are fully vested after 20 years of credited service. Firefighters may retire at age 54 with 20 years of service. A partially vested benefit is provided for firefighters who terminate employment with at least 10 but less than 20 years of service.

If a terminated firefighter has a partially vested benefit, he may retire starting on the date he would have both completed 20 years of service if he had remained a Corpus Christi firefighter and attained age 54. Effective June 1, 2015, the plan provided a monthly normal service retirement benefit, payable in a Joint and 100% to Spouse form of annuity, equal to the greater of (1) 50.8% of Highest 60-Month Average Pay plus \$150.00 per month for each year of service in excess of 20 years and (2) \$137.00 per month for each year of service.

A retiring firefighter who is at least age 54 with at least 20 years of service has the option to elect the Retroactive Deferred Retirement Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced monthly benefit. The reduced monthly benefit is based on the service and Highest 60-Month Average Pay as if he had terminated employment on his selected RETRO DROP benefit calculation date, which is no earlier than the later of the date he meets the age 54 and 20 years of service requirements and the date three years prior to the date he actually retires. Upon retirement, the member will receive, in addition to his monthly retirement benefit, a lump sum equal to the sum of (1) the amount of monthly contributions the member has made to the System after the RETRO DROP benefit calculation date plus (2) the total of the monthly retirement benefits the member would have received between the RETRO DROP benefit calculation date and the date he retired under the plan. There are no account balances. The lump sum is calculated at the time of retirement and distributed as soon as administratively possible.

There is no provision for automatic postretirement benefit increases. The System has the authority to provide, and has periodically in the past provided, ad hoc postretirement benefit increases.

Membership in the Plans

	<u>City Employees</u>	<u>Fire Fighters</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits	2,060	297	2,357
Inactive employees entitled to but not yet receiving benefits	917	13	930
Current contributing employees	2,346	408	2,754
Total	<u>5,323</u>	<u>718</u>	<u>6,041</u>

C. Contributions

TMRS - 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 of Corpus Christi were required to contribute 6% of their annual gross earnings during the fiscal year. The City's contributions to TMRS for the year ended September 30, 2016, of \$22,672,210 did not equal the required contributions of \$26,260,333.

FFRS - The contribution provisions of the System are authorized by TLFRA. TLFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the city.

Firefighters for the City of Corpus Christi were required to contribute 13.1% of their annual gross earnings during the fiscal year. The City's contributions to FFRS for the year ended September 30, 2016, were \$6,695,120 which equaled the required contributions.

Contribution rates for employees and for the City during the fiscal year were as follows:

	<u>Texas Municipal Retirement System</u>	<u>Fire Fighters Retirement System</u>
Authority establishing contribution obligation	State Legislation	State Legislation
Frequency of contribution	Biweekly	Biweekly
Employee's contribution (percent of earnings)		
October 1, 2015 - September 30, 2016	6.00%	13.10%
City's contribution (percent of earnings)		
October 1, 2015 - December 27, 2015	16.46%	20.78%
December 28, 2015 - September 30, 2016	18.46%	20.78%
City's contribution October 1, 2015 - September 30, 2016	\$22,672,210	\$6,695,120

D. Net Pension Liabilities

The City's net pension liabilities for TMRS was measured as of December 31, 2015. FFRS most recent actuarial study was dated December 31, 2014, and this was rolled forward to the measurement date of December 31, 2015. Total Pension Liabilities (TPL) used to calculate the Net Pension Liabilities were determined by actuarial valuations as of those dates.

Actuarial Assumptions

The Total Pension Liabilities in the December 31, 2015, actuarial valuation (TMRS) and December 31, 2014, actuarial valuation (FFRS) were determined using the following actuarial assumptions:

	<u>City Employees</u>	<u>Fire Fighters</u>
Inflation Rate	2.5%	3.75%
Overall payroll growth	3%	3.75%
Investment rate of return	6.75%, net of pension plan investment expense, including inflation	7.9%, net of pension plan investment expense, including inflation

TMRS - 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 Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used, male rates multiplied by 109% and female rates multiplied by 103% with a 2-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December, 31, 2014. 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 valuations. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. 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. In determining their best portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic equity	17.5%	4.55%
International equity	17.5%	6.10%
Core fixed income	10.0%	1.00%
Non-core fixed income	20.0%	3.65%
Real return	10.0%	4.03%
Real estate	10.0%	5.00%
Absolute return	10.0%	4.00%
Private equity	5.0%	8.00%
Total	100.0%	

FFRS – Mortality rates were based on the gender-distinct RP2000 Combined Healthy Mortality Table for males and for females projected to 2024 by scale AA.

The long-term expected rate of return on pension plan investments is reviewed for each biennial actuarial valuation and was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future net real rates of return by the target asset allocation percentage (currently resulting in 4.24%) and by adding expected inflation (3.75%). In addition, the final 7.90% assumption was selected by “rounding down” and thereby reflects a reduction of 0.09% for adverse deviation. The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Equities		
Large cap domestic	25.0%	5.77%
Small/mid cap domestic	10.0%	6.07%
International developed	12.5%	6.12%
Emerging markets	6.0%	7.29%
Real estate	10.0%	3.90%
Fixed income	36.5%	1.64%
Cash	0	0.40%
Total	100.0%	

Discount Rate

TMRS - The discount rate used to measure the Total Pension Liability was 6.75%. 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 the 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.

FFRS - The discount rate used to measure the total pension liability was 7.9%. No projection of cash flows was used to determine the discount rate because the December 31, 2014 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 23 years. That UAAL was based on an actuarial value of assets that was \$4.5 million less than the plan fiduciary net position as of December 31, 2014. Because of the 23-year amortization period of the UAAL with the lower value of assets, the pension plan’s fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7.9% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

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

The following presents the net pension liabilities of the City, calculated using the discount rates used in the actuarial valuation, 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 or 1-percentage-point higher than the current rate:

	1% Decrease in the Discount Rate	Discount Rate	1% Increase in the Discount Rate
City’s net pension liability (TMRS)	(5.75%) \$334,730,354	(6.75%) \$224,189,853	(7.75%) \$132,739,134
City’s net pension liability (FFRS)	(6.9%) \$110,876,601	(7.9%) \$88,104,603	(8.9%) \$68,664,580
Total net pension liability	\$445,606,955	\$312,294,456	\$201,400,714

Pension Plans Fiduciary Net Positions

TMRS – Detailed information about the TMRS pension plans’ Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

FFRS - FFRS issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained by writing the Corpus Christi Fire Fighters’ Retirement System at 711 N. Carancahua, Suite 724, Corpus Christi, Texas 78475. See that report for all information about the plan fiduciary net position.

Changes in the Net Pension Liabilities

TMRS	Total Pension Liability (a)	Increase	Net Pension Liability (a)-(b)
		(Decrease) Plan Fiduciary Net Position (b)	
Balance, beginning of year	817,028,432	637,287,989	179,740,443
Changes for the year:			
Service cost	16,900,733	-	16,900,733
Interest	56,277,242	-	56,277,242
Difference between expected and actual experience	(1,821,888)	-	(1,821,888)
Change of assumptions	1,101,027	-	1,101,027
Contributions-employer	-	20,275,926	(20,275,926)
Contributions-employee	-	7,392,596	(7,392,596)
Net investment income	-	940,243	(940,243)
Benefit payments, including refunds of employee contributions	(43,036,410)	(43,036,410)	-
Administrative expense	-	(572,772)	572,772
Other changes		(28,289)	28,289
Net changes	29,420,704	(15,028,706)	44,449,410
Balance, end of year	846,449,136	622,259,283	224,189,853

FFRS	Total Pension Liability (a)	Increase	Net Pension Liability (a)-(b)
		(Decrease) Plan Fiduciary Net Position (b)	
Balance, beginning of year	205,789,604	130,814,419	74,975,185
Changes for the year:			
Service cost	4,318,568	-	4,318,568
Interest	16,375,781	-	16,375,781
Changes in benefit provisions	2,725,939		2,725,939
Contributions-employer	-	6,361,276	(6,361,276)
Contributions-employee	-	3,896,613	(3,896,613)
Net investment income	-	312,710	(312,710)
Benefit payments, including refunds of employee contributions	(11,091,486)	(11,091,486)	-
Administrative expense	-	(279,729)	279,729
Net changes	12,328,802	(800,616)	13,129,418
Balance, end of year	218,118,406	130,013,803	88,104,603

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

For the year ended September 30, 2016, the city recognized pension expense of \$42,624,404.

Components of Pension Expense	TMRS	FFRS	Total
Service cost	16,900,733	4,318,568	21,219,301
Interest	56,277,242	16,375,781	72,653,023
Employee contributions	(7,392,596)	(3,896,613)	(11,289,209)
Projected earnings on plan investments	(44,610,159)	(10,290,363)	(54,900,522)
Amortization of deferred outflows (inflows) - Liabilities	(1,632,764)	38,305	(1,594,459)
Amortization of prior year deferred outflows (inflows) - Assets	10,324,211	2,605,829	12,930,040
Administrative expense	572,272	279,729	852,001
Changes in benefit provisions	-	2,725,939	2,725,939
Other changes in Fiduciary Net Position	28,290	-	28,290
Total pension expense	30,467,229	12,157,175	42,624,404

At September 30, 2016, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TMRS		FFRS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	(4,117,313)	-	-	-	(4,117,313)
Changes of assumptions	811,283	-	236,956	-	1,048,239	-
Differences between projected and actual investment earnings	39,706,616	-	9,813,015	-	49,519,631	-
Contributions subsequent to the measurement date	17,241,078	-	4,949,639	-	22,190,717	-
Total	57,758,977	(4,117,313)	14,999,610	-	72,758,587	(4,117,313)

The total of the contributions by the City to the Systems contributed subsequent to the measurement date of the net pension liabilities, December 31, 2015, through September 30, 2016, is a deferred outflow of resources that will be recognized as a reduction in the net pension liabilities in the fiscal year ending September 30, 2017. These amounts are \$17,241,078 (TMRS) and \$4,949,639 (FFRS) for a total of \$22,190,717. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Sept. 30:	TMRS	FFRS	Total
2017	8,691,447	2,644,134	11,335,581
2018	8,802,706	2,644,134	11,446,840
2019	10,172,451	2,644,132	12,816,583
2020	8,733,983	2,033,835	10,767,818
2021	-	38,305	38,305
Thereafter	-	45,430	45,430
Total	36,400,587	10,049,970	46,450,557

F. Deferred Compensation Plan

The City maintains responsibility for reviewing and approving emergency withdrawals from the Internal Revenue Code, Section 457, Deferred Compensation Plans.

10. Post-Employment Health Care Benefits

GASB Statement No. 45: *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (OPEB), establishes accounting standards for postretirement benefits. The standard does not require funding of OPEB expense, but any difference between the annual required contribution (ARC) and the amount funded during the year is required to be recorded in the employer’s financial statement as an increase (or decrease) in the net OPEB obligation. The City is required to obtain an actuarial valuation at least once every two years in accordance with GASB 45 standards. The City’s latest valuation is dated as of October 1, 2015, and discloses the following:

Plan Description and Funding Policy

Employees who retire from the City of Corpus Christi, and eligible dependents and survivors, are eligible to continue to participate in the City's health insurance programs at the “blended” employee group rate which is determined annually by the City of Corpus Christi and approved by the City Council. Retirees have 31 days to elect to enroll in the City's self-funded, single-employer health insurance plan (Citicare, Citicare Public Safety, and Citicare-Fire) in which they were participating at the time of retirement unless otherwise stated in a plan document or collective bargaining agreement. In an effort to reduce the City's liability, retirees who are Medicare-eligible have been enrolled in a separate Medicare insurance plan and are no longer covered by the City's group insurance plan. As of October 1, 2015, a total of 200 eligible retirees and dependents were participating in the City's group health program detailed as follows:

Citicare and Citicare Premium	40
Citicare Public Safety	77
Citicare Fire	83
Pending election	--
Total	<u>200</u>

The plan is funded on a pay-as-you-go basis and incurred \$2,911,504 in claims and other costs in the fiscal year ended September 30, 2016. The funds to pay these claims and other costs are derived in part from retiree premiums, which do not fully cover the costs. The plan is not accounted for as a trust fund because an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

Annual OPEB Cost and Net OPEB Obligation

The City’s annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The City’s annual OPEB cost for each plan for the current year is as follows:

	Citicare	Citicare Public Safety	Citicare Fire	Total
Annual required contribution	\$ 214,613	\$ 317,886	\$ 181,369	\$ 713,868
Interest on net OPEB obligation	279,179	70,762	109,508	459,449
ARC adjustment	(319,894)	(81,083)	(125,479)	(526,456)
Annual OPEB cost	173,898	307,565	165,398	646,861
Contributions made (pay-as-you-go basis)	26,540	255,289	1,032,823	1,314,652
Increase (Decrease) in net OPEB obligation	147,358	52,276	(867,425)	(667,791)
Net OPEB obligation - beginning of year	7,158,417	1,814,419	2,807,906	11,780,742
Net OPEB obligation - end of year	<u>\$ 7,305,775</u>	<u>\$ 1,866,695</u>	<u>\$ 1,940,481</u>	<u>\$ 11,112,951</u>

Three year trend information is as follows:

	Citicare	Citicare Public Safety	Citicare Fire	Total
City's Annual OPEB Cost (APC)				
2014 (14 months)	\$304,160	\$282,758	\$209,501	\$796,419
2015	\$310,751	\$285,869	\$210,783	\$807,403
2016	\$173,898	\$307,565	\$165,398	\$646,861
Percentage of APC contributed				
2014 (14 months)	38.6%	154.7%	-68.0%	N/A
2015	26.1%	99.1%	306.9%	N/A
2016	8.5%	89.3%	490.0%	N/A
Net OPEB Obligation				
2014	\$ 6,928,893	\$ 1,811,850	\$ 3,244,049	\$ 11,984,792
2015	\$ 7,158,417	\$ 1,814,418	\$ 2,807,906	\$ 11,780,741
2016	\$ 7,305,775	\$ 1,866,695	\$ 1,940,481	\$ 11,112,951

Funded Status and Funding Progress

The funded status of the plan as of the last valuation date of October 1, 2015, was as follows:

	Citicare	Citicare Public Safety	Citicare Fire	Total
Actuarial accrued liability	\$ 2,283,060	\$ 5,499,833	\$ 3,144,261	\$ 10,927,154
Actuarial value of plan assets	--	--	--	--
Unfunded actuarial accrued liability	<u>\$ 2,283,060</u>	<u>\$ 5,499,833</u>	<u>\$ 3,144,261</u>	<u>\$ 10,927,154</u>
Funded ratio	0%	0%	0%	0%
Covered payroll	\$ 67,782,272	\$ 30,528,376	\$ 18,725,546	\$ 117,036,194
Unfunded actuarial accrued liability as a percentage of covered payroll	3.4%	18.0%	16.8%	9.3%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Plan Changes

The total GASB 45 actuarial accrued liability for Citicare, Public Safety and Fire decreased from approximately \$11.8 million as of August 1, 2013, to approximately \$10.9 million as of October 1, 2015. The reduction is due to a combination of changes in assumptions and differences between prior assumptions and actual experience. The primary differences causing a reduction in the liability include an 18% reduction in number of retirees and beneficiaries participating in the plan, updates to the per capita claims cost assumptions, and the effect of un-blending the Citicare active and retiree premiums. These reductions were slightly offset by the updated health care cost trend assumptions.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan and include the type of benefits in force at the valuation date and the pattern of sharing benefits between the City and the plan members at that point. Actuarial calculations reflect a long term perspective and employ methods and assumptions that are designed to reduce the short term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions used for this valuation are as follows:

Measurement Date	October 1, 2015
Actuarial Cost Method	Entry Age
Amortization Period	30 years, Open
Amortization Method	Level Percent of Payroll
Discount rate	3.90%
CPI	2.50%
Healthcare Cost Trend Rate	8.75% in fiscal 2017, trending to 5.5% in fiscal 2017, and an ultimate trend rate of 4.0% in 2073
Payroll Growth Rate	2% annually

11. Risk Management

The City operates a risk management program for workers’ compensation claims, liability claims and property insurance. In addition, the City operates an employee benefits program which includes life and health insurance.

A. Insurance

The City self-funds workers’ compensation, general/auto liabilities and health benefits. Purchased insurance coverage includes: Commercial property insurance with a \$250 million limit on all perils and a \$150 million limit on named storm, \$75 million in airport liability, \$10 million of gas utility liability insurance, \$10 million aggregate of excess general liability insurance and statutory excess workers’ compensation coverage. Primary flood coverage provides up to \$500,000 on specified buildings. All funds of the City participate in the program and make payments to the Liability and Employee Benefits Fund based on an annual actuarial analysis. In addition, the City of Corpus Christi provides comprehensive health coverage to employees, dependents and retirees. Coverage becomes effective the first day of employment and the plan has no lifetime limit.

The estimated claims liability of \$17,603,583 at September 30, 2016, of which \$8,197,326 is due within one year, is based on requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund claims liability amounts for fiscal years 2015 and 2016 were:

Fiscal Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2014-2015	\$ 10,934,619	\$ 30,157,544	\$ (26,349,761)	\$ 14,742,402
2015-2016	\$ 14,742,402	\$ 36,812,660	\$ (33,951,479)	\$ 17,603,583

B. Contingent Liabilities

The City is a defendant in various claims and lawsuits involving automobile liability, civil rights liability, contractual issues, and other matters. The City intends to vigorously contest any and all cases while recognizing that sound business judgment may dictate settlement. The estimated liability, which includes an estimate of incurred but not reported claims, is included in the estimated claims liability above. The City estimates that the claims reserves are adequate to cover losses for which the City may be liable. The City believes any unknown claims or changes to the claims would not have a material impact on the City’s basic financial statements. The following is a list of claims and lawsuits that have a reasonable possibility of resulting in a financial impact to the City.

Bourbon Street Bar and Grill vs. the City of Corpus Christi and Doxa Enterprises, LP, Cause No. 2013DCV-6211-G. Plaintiff alleges inverse condemnation alleging loss of use of property and loss of business income. The case is in pretrial discovery and no trial date has been set, despite the case being on file since 2013. The City will defend.

Cantu, Gracie, et al. vs. City of Corpus Christi, Cause No. 2012CCV-60497-4. Plaintiff claims personal injuries for herself, husband and two minor children from a vehicle accident with a City vehicle. Medical expenses reported to the City to date total approximately \$12,000. The City’s maximum exposure is \$500,000 under the Texas Torts Claim Act. The City will defend.

Castro, Helen and Juan vs. City of Corpus Christi, Cause No. 2011CCV-61486-3. Plaintiffs claim personal injuries from a vehicle accident with a City vehicle. Total past medical expenses for both is approximately \$24,057, with the City's maximum exposure of \$500,000 under the Texas Torts Claim Act. The City will defend.

Gonzales, Patrick vs. the City of Corpus Christi, Civil Action No. 2:14-cv-00047. Plaintiff alleges wrongful termination of employment. The case is in the pretrial motion stage. The City and the individual defendants have filed motions seeking to have the Court dismiss Plaintiff's claims. The Court has stayed any further activity while considering the dismissal motions. If the Court denies the individual defendants' motions to dismiss, an interlocutory appeal will be taken to the Fifth Circuit. The City will defend.

Gonzales, Thomas and Melinda vs. the City of Corpus Christi and Teri Nelson-Zepeda d/b/a Nuevo Café. Cause No. 2014CCV-61870-4. Premises liability case where Plaintiffs allege personal injuries caused by a fall. Both written discovery and depositions are ongoing. The City filed a plea to the jurisdiction asserting that the requirements of bringing suit against the City for a premises defect have not and cannot be met. The trial court denied the jurisdictional plea and the trial court's decision is currently on appeal. If the appellate court affirms, then the City will probably appeal to the Supreme Court of Texas. Medicals reported to the City total approximately \$79,588. The City's maximum exposure is \$500,000 under the Texas Torts Claim Act. The City will continue to defend.

Graham Construction Services, Inc. v. City of Corpus Christi and Freese and Nichols, Inc. Graham contracted to build the New Broadway Waste Water Treatment Facility in 2009. More than 6 years after initiating construction, and several years after the initially demanded completion time, Graham sued the City for damages it claimed it incurred in the construction of this Facility. In the lawsuit, Graham claimed more than \$20,000,000 in delay damages. The City had previously indicated willingness to settle the dispute by submitting it to Navigant, a leading engineering firm that focuses on damage estimation and substantiation. Navigant found that the highest sustainable damage calculation was approximately \$2.7 million. Graham refused to settle the dispute and sued the City. The City will fight this case and has already successfully defended Graham's Motion for Partial Summary Judgment. The City anticipates that the maximum liability in this case would not exceed the Navigant estimate. The City also believes that judgment could potentially be rendered in the City's favor on the basis of liquidated damages owed to the City for Graham's delays and direct contract damages for Graham's underperformance of the contract.

Kaufman, In Re: Sharon Kaye and Colin Kelly, Cause No. 03-20305-C-7. This case was originally filed in bankruptcy court, but was removed to state court. Plaintiffs claim the City inversely condemned their house with sewage overflows into his unfinished basement. Plaintiffs' house was appraised at \$200,000, but has since burned down. No trial date has been set. The City will defend.

Nick LeClair and Emily Whipple v. Corpus Christi Police Department, et al Civil Action No. 2:17-cv-00058. This pro se plaintiff claims violation of his 1st, 4th, and 14th Amendment rights as a result of a detention in a police car of approximately 10 minutes. The City of Corpus Christi has not been formally served, but we are expecting service at some point soon. There are no financial caps on liability; however, the City has excess coverage for damages over \$500,000. The City will defend.

Mesa, Graziella G. vs. the City of Corpus Christi, Civil Action No. 2:16-cv-00293. Ms. Mesa filed suit for wrongful termination alleging she was terminated because of her gender (female) and race (Asian) and in retaliation for complaining to Human Resources about discrimination. Ms. Mesa alleges also that her termination was politically motivated in that as an inspector she was forcing a contractor to perform its obligations. The city is contesting this case and it is scheduled for trial on October 16, 2017. The City will defend.

Mills, Yvonne and Hollie Rios vs. the City of Corpus Christi, Cause No. 2015CCV- 60121-2. Plaintiffs allege personal injuries due to a collision with a City vehicle. No trial date has been set and no docket control order entered. The City will defend.

Morales, Maria, et al. vs. the City of Corpus Christi, Civil Action No. 2:16-cv-00049. Plaintiffs allege employment discrimination. Suit has been filed. The individual defendant, a former City employee, has answered. On February 28, 2016, and March 1, 2016, Plaintiffs filed additional charges of discrimination with the Equal Employment Opportunity Commission (“EEOC”). The case was abated while the EEOC made its determination. The EEOC denied the charge of discrimination and the Court permitted the case to proceed. Plaintiffs are still employed by the City; therefore, it is too early to make any type of detailed estimate of the City’s exposure in this case. The City will defend.

Nelson, Martin and Veronica vs. City of Corpus Christi, Cause No. 2016CCV-60240-2. Plaintiffs allege personal injuries due to a collision with a City vehicle. Total estimated medical expenses are approximately \$42,030 in this case. The City’s maximum exposure is \$500,000 under the Texas Torts Claim Act. The City will defend.

Reaves, Hayden and Billy Rochier vs. the City of Corpus Christi, Jorge Hernandez, Kimberly Kay Balboa and Randy Vasquez, Appeal No. 13-14-00704-CV/Cause No. 2014CCV-60190-2. Plaintiff sued for personal injuries sustained in an automobile accident. The City filed a plea to the jurisdiction challenging the court’s jurisdiction to hear the case. The plea was granted. Plaintiff appealed to the court of appeals. The Court of Appeals abated the appeal to permit the appellee to return and ask the trial court for permission to pursue an interlocutory appeal. The trial court, on its own motion, denied the motion but severed the City from the main cause. Plaintiffs appealed the decision of the trial court. All briefs have been filed and oral argument was conducted in January. The City will defend.

Rios, Frances vs. the City of Corpus Christi, Sylvia Flores and Ron Olson, Civil Action No. 2:14-cv-00409. Plaintiff alleges malicious prosecution and false arrest. The case is in the pretrial motion stage. The City has filed motions seeking to have the Court dismiss Plaintiff’s claims. The Court has stayed discovery while considering the motions. If the Court denies the motions as to the individual defendants the City will appeal to the 5th Circuit. The City believes there is no federal law which precludes malicious prosecution and Plaintiff dismisses her state law claim for malicious prosecution. It should be noted that there is a case which could impact on whether there is a federal claim for malicious prosecution pending before the United States Supreme Court. The City also alleges that Plaintiff’s false arrest claim is barred by the applicable statute of limitations. The trial court, on February 1st, granted the City’s motion to dismiss. Plaintiff filed a motion for a new trial which is pending before the trial court.

Rodriguez, Nora vs. City of Corpus Christi, Cause No. 2:13-cv-00134. Case was tried to a verdict in November, 2015. The Court entered judgment on the verdict in an amount exceeding \$600,000. Post-judgment motions were filed with the Court. All appeal briefs have been filed.

Ray Rosas, et al v. City of Corpus Christi, et al, Civil Action No. 2:17-cv-70. Plaintiff claims violation of his 4th Amendment rights. More specifically, Plaintiff claims he was falsely arrested by City of Corpus Christi Police, claiming that he was subject to excessive force and malicious prosecution. There are no financial caps on liability; however, the City has excess coverage for damages over \$500,000. The City will defend.

Saenz, Corina vs. the City of Corpus Christi, Cause No. 2015CCV-61621-1. Plaintiff alleges wrongful termination of employment. Suit has been filed, answered and discovery is ongoing. The trial court permitted Plaintiff to proceed with extensive discovery and the City appealed to the Supreme Court of Texas. The case is stayed pending a ruling from the Supreme Court. The City will defend.

Salinas, Maria, et al. vs. Ricardo Alvarado Garcia, City of Corpus Christi, Association of Staffing D/B/A Advanced Temporaries, Inc. and Daniel Gonzalez, Cause No. 2014DCV-5689-F. Plaintiff sued the City of Corpus Christi and others alleging personal injuries sustained in a motor vehicular accident. City filed a plea to the jurisdiction, which was granted, to dismiss its employee from the case. The City will be defended as additional insured by Advanced Temporaries’ insurance company.

Texas Commission on Environmental Quality (TCEQ) v. City, et al (threatened litigation and administrative actions). The TCEQ has filed three administrative actions against the City over the City's water interruptions established in 2015 and 2016. The TCEQ may file a lawsuit or other administrative action against the City and other parties relating to a water interruption in December 2016. Penalties currently demanded by the State of Texas for these actions are approximately \$13,000; however, amounts for the December 2016 interruption could be higher. If requested, injunctive relief could result in increased future expenditures on the City's water system relating to cross-connection controls, all of which would be funded by water rates or reimbursement by water customers.

United States vs. City of Corpus Christi (threatened litigation). Department of Justice Environmental Protection Administration and City are working on a consent decree regarding Administrative Orders on six sewer sheds for overflows. A settlement is being negotiated for improvements to City's sewer system. The latest settlement proposals would give the City approximately 15 years to construct extensive improvements and repairs to City sewer system. These required repairs and improvements to the City's wastewater treatment system will be paid for by wastewater rates.

United States vs. City of Corpus Christi, Cause No. 2:12-cv-217. United States Department of Justice alleged in federal court that the City's use of a physical ability test for its police academy discriminated against females from 2005-2011. The parties have agreed to a consent decree with the City providing back pay to claimants and pension contributions for approximately 7 "priority hires". The amounts requested by the DOJ have been set aside; however, details relating to the timing of contributions remain open.

Watson, James H., and others similarly situated vs. The City of Allen, et al., Civil Action No. 4:15-cv-335-A. Plaintiff sued Southlake, Texas, because he paid a civil penalty as a result of the City of Southlake's photographic traffic monitoring system (red light camera). Plaintiff alleges that the statute authorizing photographic traffic monitoring systems violates the Constitution of the State of Texas. Plaintiff is seeking to have the statute declared unconstitutional and is seeking restitution of his civil penalty. Plaintiff has also sued over 60 municipalities throughout the state of Texas. Plaintiff is seeking to have the suit certified as a class action and is seeking return of all civil penalties paid by anyone from April, 2013 to the present. The trial court dismissed Plaintiff's suit, but the 5th Circuit reversed and returned the case to state court. The trial court granted the cities' plea to the jurisdiction, and Plaintiff has appealed.

Zuniga, Mary vs. City of Corpus Christi, et al., Civil Action No. 2:15-cv-00503. Plaintiff claims she suffered personal injuries due to excessive force by City of Corpus Christi and its Police Officers. As a civil rights case, there are no financial caps on liability; however, the City has excess coverage for civil rights damages over \$500,000. This case is set for trial on May 15th. Motions for summary judgment have been filed by City and defendant officers. The City will defend.

12. Operating Leases

A. Property Leased From Others

The City leases various office space sites and equipment under operating leases. Most of the leases are cancellable and extendable on a monthly basis.

B. Property Leased To Others

The City is the lessor of airport floor space, real property, and parking spaces under operating leases expiring through the fiscal year 2028. The arena operating leases expire through the fiscal year 2017. Minimum rentals to be received from future leases are:

<u>Fiscal Year Ending September 30,</u>	<u>Enterprise Funds</u>	<u>Special Revenue Funds</u>
2017	\$ 3,527,352	\$ 76,400
2018	2,508,242	--
2019	1,644,293	--
2020	1,490,149	--
2021	1,490,014	--
2022-2028	6,658,680	--
Total minimum future rentals	<u>\$ 17,318,730</u>	<u>\$ 76,400</u>

Minimum future rentals do not include contingent rentals that may be received if the lessee meets certain performance clauses under the leases.

13. Long-term obligations

The following is a summary of long-term obligation transactions of the City for the year ended September 30, 2016:

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Long-term debt					
General obligation bonds	\$ 440,945,000	\$ 77,145,000	\$ (98,280,000)	\$ 419,810,000	\$ 25,170,000
Certificates of obligation	10,322,569	28,450,000	(6,520,000)	32,252,569	1,795,000
Revenue bonds	65,105,000	--	(6,920,000)	58,185,000	7,270,000
Discount on bonds payable	(22,871)	--	4,196	(18,675)	--
Premium on bonds payable	24,126,185	13,975,667	(5,944,607)	32,157,245	--
Capital leases	14,243,403	8,589,474	(5,347,308)	17,485,569	5,534,945
Other notes payable	22,877,509	--	(2,591,489)	20,286,020	2,649,888
Total long-term debt	<u>577,596,795</u>	<u>128,160,141</u>	<u>(125,599,208)</u>	<u>580,157,728</u>	<u>42,419,833</u>
Landfill closure cost	28,174,744	--	(2,199,405)	25,975,339	774,053
Accumulated compensated absences	34,429,112	13,592,286	(14,452,374)	33,569,024	14,452,374
Net Pension Liability	204,264,431	99,360,125	(44,014,400)	259,610,156	--
Net OPEB obligation	11,114,171	591,803	(1,312,040)	10,393,934	--
Governmental activities Long-term liabilities	<u>\$ 855,579,253</u>	<u>\$ 241,704,355</u>	<u>\$ (187,577,427)</u>	<u>\$ 909,706,181</u>	<u>\$ 57,646,260</u>
Business-type activities					
Long-term debt					
General obligation bonds	\$ 18,450,000	\$ --	\$ (905,000)	\$ 17,545,000	\$ 1,140,000
Certificates of obligation	11,222,430	--	(385,000)	10,837,430	405,000
Priority Revenue bonds	336,420,000	--	(108,865,000)	227,555,000	20,845,000
Junior Lien Revenue bonds	587,835,000	80,415,000	(12,595,000)	655,655,000	17,095,000
Discount on bonds payable	(854,150)	--	793,691	(60,459)	--
Premium on bonds payable	62,882,207	12,259,888	(8,923,691)	66,218,404	--
Capital leases	1,564,120	606,200	(457,490)	1,712,830	539,297
Utility notes payable	55,506,951	--	(2,623,362)	52,883,589	2,752,111
Total long-term debt	<u>1,073,026,558</u>	<u>93,281,088</u>	<u>(133,960,852)</u>	<u>1,032,346,794</u>	<u>42,776,408</u>
Accumulated compensated absences	3,649,493	1,247,327	(2,231,312)	2,665,508	2,231,312
Net Pension Liability	50,451,195	12,346,603	(10,113,496)	52,684,302	--
Net OPEB Obligation	666,571	55,058	(2,612)	719,017	--
Business-type activities Long-term liabilities	<u>\$ 1,127,793,817</u>	<u>\$ 106,930,076</u>	<u>\$ (146,308,272)</u>	<u>\$ 1,088,415,621</u>	<u>\$ 45,007,720</u>

In the schedule above, General obligation bonds, Certificates of obligation, Capital leases, Accumulated compensated absences, Net pension liability, and Net OPEB obligation beginning balances changed from prior year due to Solid Waste activities being reclassified from Business-type activities to Governmental activities based on a change in accounting policy in the amount of \$28,174,744. Beginning Utility notes payable is reduced from prior year due to a change in accounting policy in which the LNRA purchase contract which was previously reported as a utility Note Payable is now reported as an unconditional purchase obligation in the amount of \$85,778,499 (Footnote 18).

In the governmental funds, the OPEB obligation will be liquidated by the General Fund (84%), Special Revenue funds (8%), and Internal Service funds (8%) based on the allocation of the cost of self-insurance for health benefits. General Fund will typically liquidate 86% and Special Revenue and Internal Service funds will liquidate 14% of the pension liability.

A. Bonds

Bonds payable at September 30, 2016, are comprised of the following:

Governmental activities

General Obligation Bonds

\$3,830,000	2007 Texas Military Value Revolving Loan Program Bonds due in annual installments of \$180,000 to \$310,000 through September 1, 2026, interest at 3.75% to 4.00%	\$2,290,000
\$31,145,000	2007-A General Improvement due in annual installments of \$1,355,000 to \$2,350,000 through March 1, 2027, interest at 4.00% to 5.00%	1,520,000
\$88,725,000	2009 General Improvement Bonds due in annual installments of \$3,370,000 to \$6,495,000 through July 31, 2029, interest at 3.00% to 5.00%	7,675,000
\$13,685,000	2010 General Improvement Bonds due in annual installments of \$525,000 to \$950,000 through July 31, 2030, interest at 2.75% to 4.25%	10,430,000
\$44,695,000	2012 General Improvement Bonds due in annual installments of \$500,000 to \$3,610,000 through March 1, 2032, interest at 2.00% to 5.00%	42,695,000
91.36% of \$29,855,000	2012C General Improvement Refunding bonds due in annual installments of \$2,250,000 to \$3,530,000 through March 1, 2023, interest at 2.00% to 5.00%	17,885,000
\$107,660,000	2012D General Improvement Refunding bonds due in annual installments of \$545,000 to \$6,185,000 through March 1, 2032, interest at .29% to 4.03%	95,685,000
\$82,025,000	2013 General Improvement Bonds due in annual installments of \$1,500,000 to \$6,360,000 through March 1, 2033, interest at 2.00% to 5.00%	76,055,000
\$90,520,000	2015 General Improvement Bonds due in annual installments of \$2,090,000 to \$6,775,000 through March 1, 2035, interest at 2.00% to 5.00%	88,430,000
\$61,015,000	2015 General Improvement Refunding Bonds due in annual installments of \$1,405,000 to \$6,075,000 through March 1, 2029, interest at 4.00% to 5.00%	61,015,000
\$16,130,000	2016 General Improvement Refunding Bonds due in annual installments of \$45,000 to \$5,745,000 through March 1, 2029, interest at 2.00% to 4.00%	<u>16,130,000</u>
Total General Obligation Bonds		<u>419,810,000</u>

Certificates of Obligation

34.58% of \$6,985,000 2007 Certificate of Obligation, Texas Military Preparedness Commission, due in annual installments of \$290,000 to \$565,000 through September 1, 2026, interest at 4.00% to 4.375%	\$347,569
\$8,460,000 2009 Combination Tax and Limited Pledge Revenue Certificates of Obligation due in annual installments of \$300,000 to \$580,000 through July 31, 2029, interest at 4.00% to 5.00%	1,090,000
\$12,000,000 2008 Combination Tax and Solid Waste Revenue Certificates of Obligation due in annual installments of \$245,000 to \$285,000 through March 1, 2018, interest at 3.50% to 4.00%	560,000
\$3,000,000 2010 Combination Tax and Limited Pledge Revenue Certificates of Obligation due in annual installments of \$110,000 to \$210,000 through July 31, 2030, interest at 3.00% to 4.50%	2,310,000
\$10,020,000 2015 Combination Tax and Limited Pledge Revenue Certificates of Obligation due in annual installments of \$410,000 to \$700,000 through March 1, 2035, interest at 0.350% to 4.493%	9,610,000
\$2,000,000 2016 Combination Tax and Limited Pledge Revenue Certificates of Obligation due in annual installments of \$95,000 to \$135,000 through September 1, 2035, interest at 2.00% to 5.00%	1,905,000
\$16,430,000 2016A combination Tax and Limited Pledge Revenue Certificates of Obligation due in annual installments of \$585,000 to \$950,000 through March 1, 2036, interest at 2.00% to 4.00 %	<u>16,430,000</u>
Total Certificates of Obligation	<u>32,252,569</u>

Revenue Bonds

\$13,445,000 2008 North Padre Island Development Corporation Tax Increment Contract Revenue Refunding Bonds due in annual installments of \$165,000 to \$1,605,000 through September 15, 2022, interest at 4.50%	\$7,860,000
\$29,075,000 2012 Corpus Christi Business and Job Development Corporation Sales Tax Revenue Refunding Bonds due in annual installments of \$1,720,000 to \$2,810,000 through March 1, 2026, interest at 3.00% to 5.00%	23,705,000
\$30,555,000 2014 Corpus Christi Business and Job Development Corporation Sales Tax Revenue Refunding Bonds due in annual installments of \$1,800,000 to \$3,290,000 through September 1, 2025, interest at 2.00% to 5.00%	24,520,000
\$7,840,000 2014 Corpus Christi Business and Job Development Corporation Sales Tax Revenue Bonds due in annual installments of \$1,825,000 to \$2,100,000 through September 1, 2017, interest at 2.00% to 5.00%	<u>2,100,000</u>
Total Revenue Bonds	<u>58,185,000</u>

Total Governmental Activities

\$510,247,569

Business-type activities

General Obligation Bonds

\$8,340,000 2012A General Improvement Airport Refunding Bonds due in annual installments of \$350,000 to \$915,000 beginning March 1, 2015 and ending March 15, 2023, interest at 2.00% to 3.25%	\$5,450,000
\$9,880,000 2012B General Improvement Airport Refunding Bonds due in annual installments of \$45,000 to \$1,385,000 beginning March 1, 2014 and ending March 1, 2030, interest at 2.00% to 4.00%	9,740,000
8.64% of \$29,855,000 2012C General Improvement Refunding bonds due in annual installments of \$2,250,000 to \$3,375,000 through March 1, 2023, interest at 2.00% to 5.00%	<u>2,355,000</u>
Total General Obligation Bonds	<u>17,545,000</u>

Certificates of Obligation

\$6,985,000 2007 Certificate of Obligation, Texas Military Preparedness Commission, due in annual installments of \$290,000 to \$565,000 through September 1, 2026, interest at 4.00% to 4.375%	657,430
\$5,500,000 2010 Combination Tax and Limited Pledge Airport Revenue Certificates of Obligation due in annual installments of \$195,000 to \$340,000 through March 1, 2024, and \$2,025,000 term bond due March 1, 2030, interest at 5.00% to 6.25%	4,525,000
\$5,990,000 2012 Combination Tax and Surplus Airport Revenue Certificates of Obligation due in annual installments of \$165,000 to \$385,000 through March 1, 2037, interest at 3.12% to 5.00%	<u>5,655,000</u>
Total Certificates of Obligation	<u>10,837,430</u>

Priority Revenue Bonds

\$70,390,000 2005 Utility Revenue Refunding Bonds due in annual installments of \$2,200,000 to \$10,965,000 through July 15, 2020, interest at 3.00% to 5.25%	38,485,000
\$5,160,000 2005 Lavaca-Navidad River Authority Water Supply Facilities Revenue Refunding Bonds due in annual installments of \$20,000 to \$715,000 through July 15, 2017, interest at 3.25% to 4.00%	715,000
\$96,490,000 2009 Utility System Revenue Improvement Bonds due in annual installments of \$1,730,000 to \$6,135,000 through July 15, 2039, interest at 2.50% to 5.25%	4,295,000
\$8,000,000 2010 Utility System Revenue Bonds due in annual installments of \$730,000 to \$885,000 beginning July 15, 2020 and ending July 15, 2029, interest at 1.591% to 2.587%	8,000,000
\$14,375,000 2010A Utility System Revenue Improvement Bonds due in annual installments of \$1,440,000 to \$1,835,000 through July 15, 2019, interest at 3.00% to 4.00%	5,295,000
\$60,625,000 Taxable Series 2010 Utility System Revenue Improvement Bonds (Direct Subsidy – Build America Bonds) payable as \$12,730,000 July 15, 2025 term bond, \$12,940,000 July 15, 2030 term bond, and \$34,955,000 July 15, 2040 term bond due in	

mandatory redemptions of \$1,945,000 to \$4,155,000 July 15, 2020 through July 15, 2040, interest at 5.43% to 6.243%	60,625,000
\$52,500,000 2012 Utility System Revenue Bonds due in annual installments of \$910,000 to \$3,080,000 beginning July 15, 2015 and ending July 15, 2042, interest at 2.00% to 5.00%	49,440,000
\$2,600,000 2015 Marina System Revenue Bonds, Taxable due in annual installments of \$140,000 to \$205,000 beginning March 1, 2016 ending March 1, 2029, interest at 3.00%	2,460,000
\$62,785,000 2015 Nueces River Authority Water Supply Facilities Revenue Refunding Bonds due in annual installments of \$4,220,000 to \$6,520,000 through July 15, 2027, interest at 3.00% to 5.00%	<u>58,240,000</u>
Total Priority Revenue Bonds	<u>227,555,000</u>
Junior Lien Revenue Bonds	
\$155,660,000 2012A Utility System Junior Lien Revenue and Refunding Bonds due in annual installments of \$1,655,000 to \$15,355,000 beginning July 15, 2013 and ending July 15, 2042, interest at 2.00% to 5.00%	127,605,000
\$69,085,000 2012B Utility System Junior Lien Revenue Improvement Bonds due in annual installments of \$1,240,000 to \$3,935,000 beginning July 15, 2013 and ending July 15, 2042, interest at 2.00% to 5.00%	63,125,000
\$97,930,000 2013 Utility System Junior Lien Revenue Improvement Bonds due in annual installments of \$1,000,000 to \$3,635,000 beginning July 15, 2014 ending July 15, 2031, interest at 3.00% to 5.00%	95,930,000
\$93,600,000 2015A Utility System Junior Lien Revenue Improvement Bonds due in annual installments of \$1,515,000 to \$5,715,000 beginning July 15, 2016 ending July 15, 2045, interest at 3.00% to 5.00%	92,085,000
\$49,585,000 2015B Utility System Junior Lien Revenue Improvement Bonds due in annual installments of \$8,975,000 to \$10,905,000 beginning July 15, 2041 ending July 15, 2045, interest at 2.00%	49,585,000
\$101,385,000 2015C Utility System Junior Lien Revenue Improvement Bonds due in annual installments of \$1,465,000 to \$6,045,000 beginning July 15, 2016 ending July 15, 2045, interest at 3.00% to 5.00%	99,920,000
\$46,990,000 2015D Utility System Junior Lien Revenue Refunding Bonds due in annual installments of \$3,470,000 to \$5,110,000 beginning July 15, 2017 ending July 15, 2026, interest at 3.00% to 5.00%	46,990,000
\$80,415,000 2016 Utility System Junior Lien Revenue Refunding Bonds due in annual installments of \$355,000 to \$5,355,000 beginning July 15, 2017 ending July 15, 2039, interest at 2.00 to 5.00%	<u>80,415,000</u>
Total Junior Lien Revenue Bonds	<u>655,655,000</u>
Total Business-type Activities	<u>\$911,592,430</u>

The annual requirements to amortize all bonded debt outstanding as of September 30, 2016, are as follows:

Fiscal Year	Governmental Activities			
	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2017	25,170,000	16,696,129	1,795,000	1,159,487
2018	26,070,000	15,915,499	1,850,000	1,107,569
2019	27,385,000	15,099,828	1,605,000	1,057,547
2020	28,325,000	14,186,920	1,260,000	1,013,859
2021	28,170,000	13,174,158	1,300,000	973,939
2022-2026	127,245,000	49,393,871	7,527,569	4,194,459
2027-2031	102,675,000	22,943,506	8,415,000	2,649,739
2032-2036	50,325,000	4,716,078	8,500,000	858,373
2037-2038	4,445,000	190,338	--	--
Total	<u>\$ 419,810,000</u>	<u>\$ 152,316,326</u>	<u>\$ 32,252,569</u>	<u>\$ 13,014,973</u>

Fiscal Year	Governmental Activities	
	Revenue Bonds	
	Principal	Interest
2017	7,270,000	2,563,819
2018	5,420,000	2,245,469
2019	5,775,000	2,011,244
2020	6,165,000	1,726,069
2021	6,560,000	1,422,068
2022-2026	26,995,000	2,745,128
Total	<u>\$ 58,185,000</u>	<u>\$ 12,713,797</u>

Fiscal Year	Business-Type Activities		Business-Type Activities	
	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2017	1,140,000	558,850	405,000	496,513
2018	1,170,000	525,650	425,000	475,763
2019	1,205,000	487,375	450,000	454,888
2020	1,245,000	447,756	465,000	434,038
2021	1,290,000	406,566	490,000	411,919
2022-2026	6,245,000	1,381,144	3,462,430	1,676,289
2027-2031	5,250,000	378,522	3,070,000	782,019
2032-2036	--	--	1,685,000	270,344
2037-2038	--	--	385,000	7,700
Total	<u>\$ 17,545,000</u>	<u>\$ 4,185,863</u>	<u>\$ 10,837,430</u>	<u>\$ 5,009,471</u>

Fiscal Year	Business-Type Activities		Business-Type Activities	
	Priority Revenue Bonds		Junior Lien Revenue Bonds	
	Principal	Interest	Principal	Interest
2017	20,845,000	11,150,151	17,095,000	29,253,513
2018	18,200,000	10,222,864	20,230,000	31,284,106
2019	16,770,000	9,377,026	23,355,000	30,385,106
2020	18,375,000	8,712,275	20,180,000	29,330,256
2021	9,105,000	7,789,441	28,955,000	28,389,306
2022-2026	51,890,000	31,970,389	123,855,000	121,277,032
2027-2031	32,290,000	20,147,830	83,590,000	95,915,332
2032-2036	27,635,000	12,803,960	104,835,000	74,673,163
2037-2041	29,365,000	4,796,766	128,830,000	48,501,057
2042	3,080,000	123,200	104,730,000	13,667,350
Total	<u>\$ 227,555,000</u>	<u>\$ 117,093,902</u>	<u>\$ 655,655,000</u>	<u>\$ 502,676,221</u>

\$12,917,033 is available in the Debt Service Fund to service general obligation bonds. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

The interest subsidy on Build America Bonds (Revenue bonds Taxable Series 2010) is deposited directly with the paying agent and shows as a Contribution from other governmental agencies in the financial statements.

The City also may be contingently liable for rebates to the Federal government associated with interest earned on proceeds of tax exempt bonds issued. Based on regulations of the Tax Reform Act of 1986, the rebate would not be made until five years from the bond issuance date and may be liquidated through lower interest earnings in future years. For the fiscal year ended September 30, 2016, the City has no arbitrage liability.

The City issued \$61,015,000 of Corpus Christi General Improvement Refunding Bonds, Series 2015, dated October 1, 2015 to refund: \$16,175,000 of General Improvement Bonds, Series 2007A, and \$48,765,000 of General Obligation Improvement Bonds, Series 2009. The City will reduce its total debt service payments over the next 14 years by approximately \$4,123,940 and obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,282,754. The reacquisition price exceeded the net carrying amount of the old debt by \$5,023,022. This amount is recorded as a deferred outflow and amortized over the life of the refunded debt.

The City issued \$16,130,000 of Corpus Christi General Improvement Refunding Bonds, Series 2016, dated July 1, 2016 to refund: \$3,225,000 of General Improvement Bonds, Series 2007A, \$8,300,000 of General Improvement Bonds, Series 2009 and \$4,835,000 of Combination Tax & Limited Pledge Revenue Certificates of Obligations, Series 2009. The City will reduce its total debt service payments over the next 14 years by approximately \$1,052,738 and obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$800,430. The reacquisition price exceeded the net carrying amount of the old debt by \$972,303. This amount is recorded as a deferred outflow and amortized over the life of the refunded debt.

The City issued \$80,415,000 of Utility System Junior Lien Revenue Refunding Bonds, Series 2016 dated August 1, 2016 to refund: \$3,720,000 of Utility System Revenue Improvement & Refunding Bonds, Series 2006 and \$81,015,000 of Utility System Revenue Improvement & Refunding Bonds, Series 2009. The City will reduce its total debt service payments over the next 21 years by approximately \$14,875,001 and obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$15,115,209. The reacquisition price exceeded the net carrying amount of the old debt by \$7,094,538. This amount is recorded as a deferred outflow and amortized over the life of the refunded debt.

B. Capital Leases

The City has entered into lease agreements as lessee for the acquisition of the following assets: various trucks and heavy equipment for the Solid Waste Department, Health Department, Street Department, Fire Department, and Utilities; building and improvements for the Emergency Operations Center and Development Services Department; containers for the Solid Waste Department; and computer and connectivity equipment for several City departments. These lease agreements qualify as capital leases for accounting purposes, and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is a schedule of assets leased under capital leases as of September 30, 2016.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Land	\$ 66,359	\$ --
Building	1,260,821	--
Machinery and equipment	35,532,860	2,854,461
Less accumulated depreciation	(17,764,502)	(1,100,088)
Total	<u>\$ 19,095,538</u>	<u>\$ 1,754,373</u>

The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at September 30, 2016:

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2017	5,893,862	572,131
2018	5,162,869	506,938
2019	3,761,646	379,267
2020	2,279,071	245,175
2021	1,182,659	80,242
Total minimum lease payments	<u>18,280,107</u>	<u>1,783,753</u>
Less amount representing interest	794,538	70,923
Present value of minimum lease payments	<u>\$ 17,485,569</u>	<u>\$ 1,712,830</u>

C. Other Notes Payable, Governmental Activities

Other notes payable of the Governmental activities as of September 30, 2016, are as follows:

\$7,390,000 2012 Public Property Finance Contractual Obligation - Compass Bank due in installments of \$550,000 to \$685,000 through March 1, 2024, interest at 2.17%	\$ 5,120,000
\$8,000,000 2014 Tax Notes - American National Bank due in annual installments of \$1,075,000 to \$1,215,000 through March 1, 2021, interest at 1.54%	5,830,000
\$9,000,000 2014 Public Property Finance Contractual Obligation - Frost Bank due in installments of \$655,000 to \$870,000 through March 1, 2026, interest at 2.44%	7,675,000
42% of \$5,090,000 2015 Tax Notes - Bank of New York due in annual installments of \$560,000 to \$2,030,000 through September 1, 2021, interest at 4.281%	<u>1,661,020</u>
Total	<u><u>\$ 20,286,020</u></u>

The annual requirements to amortize the notes outstanding as of September 30, 2016, are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	2,649,888	433,784
2018	2,644,490	376,476
2019	2,671,392	320,262
2020	2,737,691	263,888
2021	3,462,559	205,889
2022-2026	6,120,000	322,392
Total	<u><u>\$ 20,286,020</u></u>	<u><u>\$ 1,922,691</u></u>

D. Utility System Notes Payable

The Utility System notes payable of \$52,883,589 consists of \$50,589,610 related to an agreement with the Bureau of Reclamation for water rights and recreational facilities at Choke Canyon Dam, and \$2,293,979 which represents 58% of the 2015 Tax Notes for military preparedness projects.

Choke Canyon Dam

The U.S. Department of the Interior, through the Bureau of Reclamation (the Bureau), constructed a 700,000 acre feet dam on the Frio River, known as the Choke Canyon Dam (the Project). The City and the Nueces River Authority (the Authority) are local sponsors of the Project and entered into an agreement with the Bureau to provide a portion of the funds necessary to construct the dam (cost of water supply rights).

The dam site will remain the property of the Bureau although the City and Authority have the right, in perpetuity, to impound 80% and 20% respectively, of the water in the Project's reservoir. Pursuant to a separate agreement between the City and the Authority, the City, in exchange for certain services, will pay the Authority \$100,000 per calendar year plus additional sums for water used as specified in the agreement. The Bureau also constructed recreation and fish and wildlife facilities. At September 30, 2016, the City's share of the liability of the reservoir and related facilities, excluding interest, totaled \$50,589,610 and is payable over a 30 year period at an interest rate of 5.116%.

All costs are recorded as Water Supply Rights and Choke Canyon construction and related facilities in the Utility System. The City is responsible for the care, operation, and maintenance of the Project which must be carried out in compliance with the applicable government requirements.

The annual requirements to amortize the notes outstanding as of September 30, 2016, are as follows:

Fiscal Year	Business-Type Activities	
	Principal	Interest
2017	2,752,111	2,683,547
2018	2,805,652	2,546,600
2019	2,903,190	2,406,139
2020	3,047,957	2,260,329
2021	4,116,112	2,106,898
2022-2026	17,108,357	7,867,458
2027-2031	12,539,616	3,315,554
2032-2036	2,429,032	1,710,638
2037-2041	3,117,290	1,022,380
2042-2044	2,064,273	204,070
Total	<u>\$ 52,883,589</u>	<u>\$ 26,123,613</u>

E. Closure and Post-closure Care Costs

State and Federal laws and regulations require the City to 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 landfills, an accrued liability has been recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfills no longer accept waste. The estimated remaining total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of September, 30, 2016, and is assigned to periods based on cumulative landfill use. The City ceased accepting waste for disposal at the J.C. Elliott Landfill on November 10, 2007, and began full-time waste operations at Cefe Valenzuela Landfill. The estimated liability for landfill closure and post-closure costs recorded in the business-type activities at September, 30, 2016, is \$25,975,339 for both the J.C. Elliott Landfill and the Cefe Valenzuela Landfill. The current portion of this amount is \$774,053, the majority of which is related to the costs for gas and water monitoring, site inspection and record-keeping for J.C. Elliott Landfill. The closure and post-closure costs that have not been recognized in these financial statements is \$3,511,382. The actual costs of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. As of September 30, 2016, Cefe Valenzuela Landfill was at 73.46% filled capacity for developed cells and 5.17% filled capacity for the entire permitted site, with an estimated remaining life as currently permitted between 71 and 95 years. This year one cell was inactivated and an additional 2 cells were opened.

14. Advance Refundings and Defeasances

In prior years, the City refinanced other bond issues through the issuance of refunding bonds. The proceeds from the refunding bonds have been deposited in irrevocable trusts which, together with interest earnings on those deposits, will provide amounts sufficient for future redemption or payment of principal and interest of the issues refunded. The trust account assets and liabilities for the defeased bonds are not included in the City’s financial statements. On September 30, 2016, \$448,190,000 of bonds outstanding were considered legally defeased.

15. Interfund Transfers, Receivables and Payables

Interfund transfers for the year ended September 30, 2016, are as follows:

	Transfers Out						Total
	General	Debt Service	Non-major Governmental	Utility System Fund	Non-major Proprietary	Internal Service	
Transfers In:							
General	\$ --	\$ --	\$ 1,440,447	\$ 5,137,838	\$ 310,699	\$ 1,042,006	\$ 7,930,990
Debt service	3,433,652	--	2,321,303	--	49,232	231,449	6,035,636
Streets capital projects	--	--	2,937,147	--	--	--	2,937,147
Non-major government	16,668,133	--	--	--	--	96,939	16,765,072
Utility system	--	--	--	--	--	327,833	327,833
Non-major proprietary	--	70,000	--	--	--	15,884	85,884
Internal Service	1,947,507	--	50,000	783,836	--	--	2,781,343
Total	\$ 22,049,292	\$ 70,000	\$ 6,748,897	\$ 5,921,674	\$ 359,931	\$ 1,714,111	\$ 36,863,905

During the year, various interfund transfers were made to finance expenditures and service debt. The \$22,049,292 General Fund transfers out includes transfers of \$3,433,652 for payment of debt service, \$909,706 for capital equipment, \$1,037,801 for future capital replacement, \$185,000 to subsidize the arena/convention center operations, \$15,324,317 to streets, \$196,799 to the Federal/State Grants Fund as matching grants, and \$962,017 to Medicaid 1115 Waiver.

The General Fund received transfers in of \$7,930,990 of which \$6,031,290 was for administrative service charges and \$144,693 was indirect cost reimbursements from the Federal/State Grants Fund. \$529,452 was for the transfer of 5 employees from Risk funds to General Fund and \$13,000 was from Corpus Christi Business and Job Development Corporation for Mirador maintenance. \$700,000 and \$512,555 was the return of previously contributed funds from Development Services and Internal Service funds respectively.

The Debt Service Fund received transfers in of \$6,035,636 from the various funds (including the General Fund) for payment of debt service principal and interest and to establish debt service reserves.

Streets Capital Projects Fund received \$2,937,147 from Parks Capital Projects Fund.

Transfers were made from the Utility System Fund to the Maintenance Service Fund consisting of \$783,836 for future capital replacement. The Utility System Fund also transferred \$5,137,838 to General Fund for administrative service charges.

Marina received \$70,000 from Debt Service Fund for interest.

The Internal Service Funds transferred out \$1,042,006 to the General Fund, \$96,939 to Non-Major Government Funds, \$327,833 to Utility System Funds, and \$15,884 to Non-Major Proprietary Funds to return unused contributed funds.

Interfund advances outstanding at September 30, 2016, are as follows:

To	From	Amount
Golf Fund	General Fund	\$ 739,606
Public Health & Safety Capital Project Fund	General Fund	250,000
		<u>\$ 989,606</u>

The General Fund advanced the Golf Fund money to cover its negative unassigned fund balance. This advance is expected to be paid back over a period of 4-5 years, based on anticipated increased revenues from the Golf courses due to a management contract with a private firm. The General Fund made an advance to the Public Health & Safety Capital Project Fund as a loan approved by ordinance. The loan is to fund the Police Public Safety Warehouse Project and will be repaid from the Law Enforcement Trust Fund over a 4 year period.

There were no interfund receivables and payables at September 30, 2016.

16. Fund Deficits

At fiscal year end, the Golf Centers Fund had an accumulated deficit. The City entered into a management contract with a private firm to operate the golf centers beginning February 1, 2011. Revenues from the lease payments are expected to reduce the deficit.

As a result of the implementation of GASB 68, beginning in Fiscal Year 2014-2015, three Internal Service Funds have a negative fund balance: Stores, Engineering and Information Technology. The full Net Pension Liability must now be recorded, but the City’s policy is to fund long-term liabilities on a pay-as-you-go basis. Therefore these Internal Service Funds will likely continue to carry negative fund balances in future fiscal years.

17. Conduit Debt Obligations

The Corpus Christi Housing Finance Corporation (CCHFC) and the Coastal Bend Health Facilities Development Corporation are public non-profit corporations created by the City under State law to facilitate financing of authorized projects. These entities issued bonds to unrelated commercial entities. As of September 30, 2016, there were five series of bonds outstanding with an aggregate principal amount payable of \$52,532,908. The bonds are not liabilities of the City or the respective corporations and are solely payable from revenues of the various commercial entities.

18. Commitments

The City has entered or will enter into contracts for the construction or renovation of various facilities as follows:

	<u>Project Authorization</u>	<u>Expenditures Through 09/30/2016</u>	<u>Funds Committed 9/30/2016</u>	<u>Additional Project Authorization to be Committed</u>
Airport	\$ 80,235,088	\$ 62,659,100	\$ 6,730,977	\$ 10,845,011
Arena	247,569	148,994	--	98,575
Bayfront Development	14,190,693	8,406,591	5,581,977	202,125
City Buildings and Facilities	12,039,908	8,797,388	1,361,548	1,880,973
Convention Facility	298,264	271,524	--	26,740
Library	103,167	40,155	--	63,012
Packery Channel	3,310,194	1,304,478	349,046	1,656,670
Park	27,589,808	12,334,896	2,868,433	12,386,479
Police Building	752,874	196,691	34,331	521,852
Fire	2,239,199	338,190	66,474	1,834,535
Public Health & Safety	1,658,781	1,540,825	12,591	105,366
Sanitary Landfill	12,464,467	6,902,047	697,107	4,865,314
Seawall	3,316,743	2,708,245	675,571	(67,072)
Street	238,527,419	83,490,413	41,721,348	113,315,658
Water	328,251,236	188,639,927	35,070,213	104,541,096
Storm Water	137,402,193	39,074,114	14,685,994	83,642,085
Wastewater	243,702,409	119,777,726	30,272,569	93,652,114
Gas	16,087,710	7,900,656	626,004	7,561,051
Total	<u>\$ 1,122,417,723</u>	<u>\$ 544,531,959</u>	<u>\$ 577,885,764</u>	<u>\$ 437,131,583</u>

The City entered into an agreement with the Lavaca Navidad River Authority to acquire the rights to purchase water from Lake Texana for a period of forty-two years. The annual payments are based on a formula which includes a percentage of the operating and maintenance expenses of Lake Texana and a percentage of the principal and interest on the bonds associated with the construction of the reservoir. The percentage is based on the portion of Lake Texana's firm yield which is allocated to the City. From the inception of the agreement through January 10, 2018, the City was allocated 41,840 acre feet out of a total firm yield of 74,500 acre feet. As of January 11, 2018, the City's allocation of water will be reduced from 41,840 acre feet to 36,440 acre feet, thus reducing the portion of costs paid by the City from 56.16% to 48.91%. The minimum annual payments based on the City's current allocation of Lake Texana water on this unconditional purchase obligation are as follows:

<u>Fiscal Year</u>	<u>Fixed</u>	<u>Variable</u>	<u>Total</u>
2017	\$ 1,924,808	\$ 3,485,452	\$ 5,410,260
2018	1,921,525	3,561,086	5,482,611
2019	1,922,713	3,638,362	5,561,075
2020	1,921,596	3,717,315	5,638,911
2021	1,924,329	3,797,980	5,722,309
2022-2026	9,610,285	20,262,494	29,872,779
2027-2031	9,608,496	22,558,479	32,166,975
2031-2035	7,684,373	19,873,759	27,558,132
Total	<u>\$ 36,518,125</u>	<u>\$ 80,894,927</u>	<u>\$ 117,413,052</u>

The assigned fund balance in the General Fund includes \$3,908,819 encumbered commitments related to unperformed contracts for goods or services.

19. Service Concession Arrangement for City Golf Courses

The City has an agreement with Foresight Corpus Christi Golf, LLC (Foresight), under which Foresight will operate and collect user fees from the Gabe Lozano, Sr. Golf Course and the Oso Beach Golf Course. Foresight pays the City 50% of net cash flows from operations annually. The City uses the funds received to fund the City's operational, debt service, and capital improvement costs related to the golf courses. The City reports the golf courses and related equipment as a capital asset with a carrying amount of \$513,358 at September 30, 2016.

20. Segment Information for Enterprise Funds

The City has pledged future utility revenues, net of specified operating expense, to repay \$166,140,000 of priority revenue bonds and \$655,655,000 of junior lien revenue bonds. Proceeds of the bonds provided financing for the construction of improvements to its utility system or were used to refund previously issued bonds. The bonds are payable solely from utility net revenues and are payable through 2045. The City's policy is to establish and maintain rates and charges for facilities and services provided by the utility system that will produce revenues sufficient to pay in each fiscal year the operating and debt service expenses of the system and to cover average annual debt service requirements at 1.25 times for priority revenue bonds and 1.15 times for junior lien revenue bonds. Annual principal and interest payments on the bonds are expected to require approximately 80% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,422,347,723. Principal and interest paid for the current year and total net revenues were \$70,419,377 and \$100,246,030, respectively. Because the utility system fund is a segment and reported as a major fund in the fund financial statements, segment disclosures herein are not reported.

The City has pledged future revenues of the City Marina, net of specified operating expense, to repay \$2,460,000 of priority revenue bonds. Proceeds of the bonds provided financing for improvements to the Marina. The bonds are payable solely from Marina net revenues and are payable through 2030. Annual principal and interest payments on the bonds are expected to require approximately 46% of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,048,750. Principal and interest paid for the current year and total net revenues were \$215,900 and \$471,177, respectively. The marina activity is accounted for in other enterprise funds in the fund financial statements.

Segment information of the marina fund as of and for the year ended September 30, 2016, is as follows:

	Marina Fund
Current assets, excluding restricted assets	\$ 1,030,099
Capital assets	8,581,034
Total assets	<u>9,611,133</u>
Deferred outflows of resources	268,472
Current liabilities	690,558
Long-term liabilities	5,502,232
Total liabilities	<u>6,192,790</u>
Deferred inflows of resources	17,340
Net position	
Investment in capital assets, net of related debt	3,598,405
Unrestricted	71,070
Net position	<u>\$ 3,669,475</u>
Operating revenue	\$ 1,919,347
Depreciation	(606,278)
Other operating expenses	<u>(1,448,170)</u>
Operating loss	(135,101)
Nonoperating expense	(161,164)
Change in net position before transfers	<u>(296,265)</u>
Transfers	21,372
Change in net position	(571,158)
Net position beginning of year	3,944,368
Net position end of year	<u>\$ 3,373,210</u>
Net cash flow provided by	
Operating activities	\$ 527,575
Noncapital financing activities	21,372
Capital and related financing activities	73,634
Investment activities	4,353
Beginning cash, cash equivalents and investments	384,453
Ending cash, cash equivalents and investments	<u>\$ 1,011,387</u>

21. Other Information

Prior Period Adjustments

During fiscal year 2016 the City reevaluated the classification of funds and determined that Solid Waste activities should be included as a Governmental activity at the government-wide level. Accordingly, the beginning Net Position has been reallocated between Governmental and Business-type activities. Due to shifts in revenue sources, the Development Services fund now qualifies as a Special Revenue fund. The portion of General Fund beginning fund balance related to Development Services is now included in the financial statements as the beginning balance of Other Governmental funds. Coastal Bend Health Facilities Development Corporation has been reclassified from a discretely presented component unit to a blended component unit in the Other Governmental funds (footnote 1A) and the Corpus Christi Convention and Visitors Bureau is no longer reported as a component unit of the City.

After a reevaluation of accounts receivable related to revenues, an additional accrual was needed for Sales Taxes, Liquor by the Drink revenues, and certain business fees. The City also reevaluated the allocation of internal service activity between the governmental and business-type activities. The effect of these changes are reflected in the beginning net position in the government-wide financial statements and in the beginning fund balances in the General Fund and Other Governmental funds:

	Government-wide Statement of Activities			Fund Level	
				Statement of Revenues, Expenditures and Changes in Fund Balances	
	Governmental Activities	Business-type Activities	Discretely Presented Component Units	General Fund	Other Governmental Funds
Beginning Net position/Fund balances as previously reported	285,697,675	844,043,749	1,213,171	51,521,501	171,187,758
Solid Waste activity no longer reclassified from Governmental to Business-type activity	(14,753,158)	14,753,158	-	-	-
Convention and Visitors Bureau not a Component Unit of City	-	-	(1,209,452)	-	-
Coastal Bend Health Facilities Development Corp. presented as a Special Revenue fund	3,719	-	(3,719)	-	3,719
Development Services presented as a Special Revenue fund	-	-	-	(5,048,318)	5,048,318
Change in accrual period for Sales and Liquor by the Drink taxes	7,680,024	-	-	5,247,768	2,432,256
Change in accrual period for certain business fees	936,899	-	-	936,899	-
Reallocation of internal service activity	(1,631,987)	1,631,987	-	-	-
Prior period adjustment	(7,764,503)	16,385,145	(1,213,171)	1,136,349	7,484,293
Beginning Net position/ Fund balances as restated	277,933,172	860,428,894	-	52,657,850	178,672,051

The Firefighters' Retirement System has been added as a fiduciary fund of the City in fiscal year 2016, and the Deferred Compensation Plan which was previously presented as a fiduciary fund has been determined to not qualify as such. The net effect of this change is to increase the beginning net position of the fiduciary funds by \$50,174,652.

Subsequent Events

In December 2016, the City issued \$7.4 million of General Improvement Refunding Bonds, Series 2016A for the purpose of refunding the Series 2007 General Improvement Bonds in the amount of \$2,290,000, the Series 2007 Combination Tax and Utility System Certificates of Obligations in the amount of \$1,005,000 and the Series 2015 Tax Notes in the amount of \$3,955,000. The City will reduce its total debt service payments over the next 10 years by approximately \$684,000. The reacquisition price exceeded the net carrying amount of the old debt by \$219,140. The interest rate for these bonds range from 1.7% to 3.5%.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS PLANS - ANALYSIS OF FUNDING PROGRESS
YEAR ENDED SEPTEMBER 30, 2016**

Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Percentage of Unfunded Actuarial Accrued Liability to Covered Payroll Ratio
Other Post Employment Benefits Plan - Citicare						
8/1/2011	-	1,224,232	0.0%	1,224,232	61,862,815	2.0%
8/1/2013	-	3,800,918	0.0%	3,800,918	60,938,657	6.2%
10/1/2015	-	2,283,060	0.0%	2,283,060	67,782,272	3.4%
Other Post Employment Benefits Plan - Public Safety						
8/1/2011	-	5,139,857	0.0%	5,139,857	26,515,429	19.4%
8/1/2013	-	4,461,663	0.0%	4,461,663	28,335,830	15.7%
10/1/2015	-	5,499,833	0.0%	5,499,833	30,528,376	18.0%
Other Post Employment Benefits Plan - Fire						
8/1/2011	-	6,351,600	0.0%	6,351,600	20,862,937	30.4%
8/1/2013	-	3,558,944	0.0%	3,558,944	23,486,591	15.2%
10/1/2015	-	3,144,261	0.0%	3,144,261	18,725,546	16.8%

OTHER POST EMPLOYMENT BENEFITS PLANS ANNUAL REQUIRED CONTRIBUTIONS

	(1) Annual Required Contribution (ARC)	(2) Actual Contribution	Percentage of of ARC Contributed (2) / (1)
Citicare			
8/1/2011	94,775	(79,992)	-84.4%
8/1/2013	350,161	117,308	33.5%
10/1/2015	214,613	26,540	12.4%
Public Safety			
8/1/2011	295,160	445,823	151.0%
8/1/2013	296,175	437,319	147.7%
10/1/2015	317,886	255,289	80.3%
Fire			
8/1/2011	355,425	358,718	100.9%
8/1/2013	229,235	(142,356)	-62.1%
10/1/2015	181,369	1,032,823	569.5%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITIES AND RELATED
RATIOS (1)
TEXAS MUNICIPAL RETIREMENT SYSTEM

	<u>2015</u>	<u>2016</u>
Total Pension Liabilities		
Service cost	\$ 14,552,695	\$ 16,900,733
Interest	54,768,864	56,277,242
Changes of benefit terms	-	-
Difference between expected and actual experience	(5,660,997)	(1,821,888)
Changes of assumptions	-	1,101,027
Benefit payments	<u>(43,536,263)</u>	<u>(43,036,410)</u>
Net Change in Total Pension Liabilities	20,124,299	29,420,704
Total Pension Liabilities - Beginning	796,904,133	817,028,432
Total Pension Liabilities - Ending (a)	<u>\$ 817,028,432</u>	<u>\$ 846,449,136</u>
Plan Fiduciary Net Positions		
Contributions - Employer	\$ 17,786,102	\$ 20,275,926
Contributions - Employee	6,905,864	7,392,596
Net investment income	35,519,832	940,244
Benefit payments	(43,536,263)	(43,036,410)
Administrative expense	(370,905)	(572,772)
Other	<u>(30,495)</u>	<u>(28,290)</u>
Net Change in Plan Fiduciary Net Positions	\$ 16,274,135	\$ (15,028,706)
Plan Fiduciary Net Positions - Beginning	621,013,854	637,287,989
Plan Fiduciary Net Positions - Ending (b)	<u>\$ 637,287,989</u>	<u>\$ 622,259,283</u>
Net Pension Liabilities - Ending (a) - (b)	\$ 179,740,443	\$ 224,189,853
Plan Fiduciary Net Positions as a Percentage of Total Pension Liabilities	78%	74%
Covered Employee Payroll	115,045,985	123,183,185
Net Pension Liabilities as a Percentage of Covered Employee Payroll	156%	182%

(1) Measurement date is December 31, nine months prior to the fiscal year end. This schedule is presented to fulfill the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only available information is shown. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

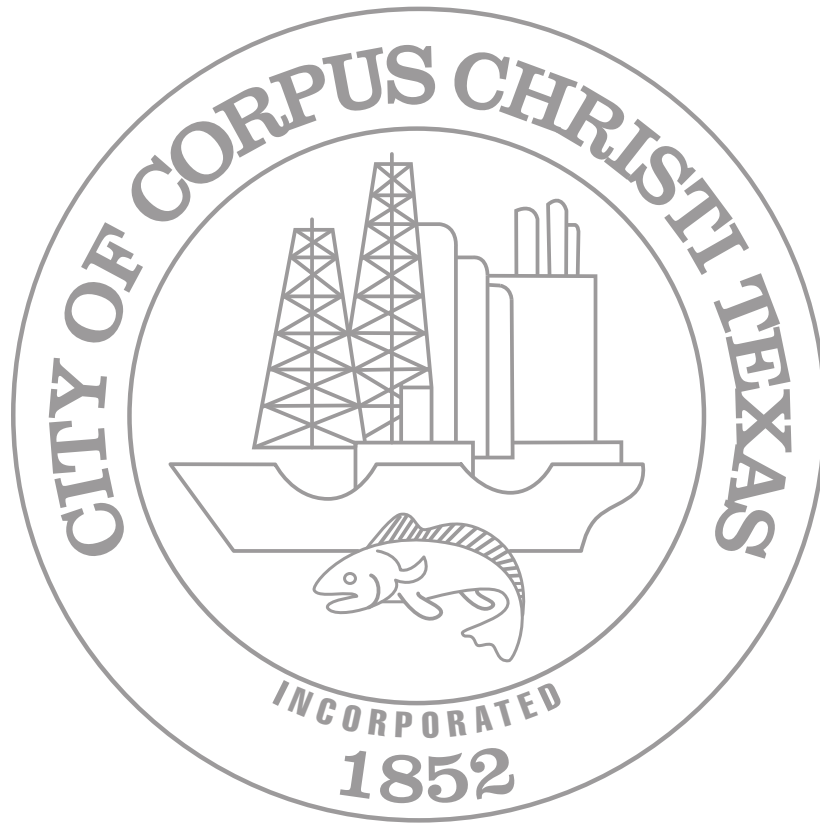
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITIES AND RELATED
RATIOS (1)
FIRE FIGHTERS' RETIREMENT SYSTEM

	<u>2015</u>		<u>2016</u>
Total Pension Liabilities			
Service cost	\$ 4,144,217		\$ 4,318,568
Interest	15,650,548		16,375,781
Changes of benefit terms	-		2,725,939
Difference between expected and actual experience	-		-
Changes of assumptions	313,566		-
Benefit payments	<u>(11,612,717)</u>		<u>(11,091,486)</u>
Net Change in Total Pension Liabilities	8,495,614		12,328,802
Total Pension Liabilities - Beginning	197,293,990 (2)		205,789,604 (3)
Total Pension Liabilities - Ending (a)	<u>\$ 205,789,604</u>		<u>\$ 218,118,406</u>
Plan Fiduciary Net Positions			
Contributions - Employer	\$ 6,007,048		\$ 6,361,276
Contributions - Employee	3,526,756		3,896,613
Net investment income	6,949,478		312,710
Benefit payments	(11,612,717)		(11,091,486)
Administrative expense	(215,379)		(279,729)
Other	-		-
Net Change in Plan Fiduciary Net Positions	\$ 4,655,186		\$ (800,616)
Plan Fiduciary Net Positions - Beginning	126,159,233		130,814,419
Plan Fiduciary Net Positions - Ending (b)	<u>\$ 130,814,419</u>		<u>\$ 130,013,803</u>
Net Pension Liabilities - Ending (a) - (b)	\$ 74,975,185		\$ 88,104,603
Plan Fiduciary Net Positions as a Percentage of Total Pension Liabilities	64%		60%
Covered Employee Payroll	29,484,531		30,612,492
Net Pension Liabilities as a Percentage of Covered Employee Payroll	254%		288%

(1) Measurement date is December 31, nine months prior to the fiscal year end. This schedule is presented to fulfill the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only available information is shown. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

(2) Determined from the total pension liability as of December 31, 2014, but based on the actuarial assumptions for the December 31, 2012, actuarial valuation, using the roll back procedure allowed for the initial year of implementing GASB 68.

(3) Determined from the beginning of year total pension liability based on a special study based on the December 31, 2014, actuarial valuation, using the roll forward procedure allowed by GASB 68.



**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Actuarially determined contribution	\$ 14,035,058	\$ 15,448,938	\$ 21,009,512	\$ 24,362,494
Contributions in relation to actuarially determined contribution	<u>14,035,058</u>	<u>15,448,938</u>	<u>17,100,193</u>	<u>18,330,551</u>
Contribution deficiency	-	-	3,909,319	6,031,943
Covered employee payroll	96,443,164	100,314,248	108,555,179	114,395,501
Contributions as a percentage of covered employee payroll	14.55%	15.40%	15.75%	16.02%

Notes to Schedule

Valuation date:

Actuarial determined contribution rates are calculated as of December 31 and become effective in January, 12 months and a day later.

Methods and assumptions used to determine contribution rate for 2016:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	10 year smoothed; 15% soft corridor
Inflation	2.5%
Salary increases	3.5% to 10.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB
Updated service credits and Cost of Living Adjustments	For calendar year 2012-2016, the City adopted an ordinance to change the "annually repeating" feature of the City's plan regarding updated service credits and 70% CPI increases to annuitants to "ad hoc" (one time only basis). However, these changes are considered to be substantively automatic so the full rate contribution has been calculated assuming that they will occur.

* FY2014 was a 14 month year

City of Corpus Christi

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 *</u>	<u>2015</u>	<u>2016</u>
\$ 25,218,616	\$ 22,769,666	\$ 22,665,524	\$ 27,872,623	\$ 24,928,854	\$ 26,260,333
<u>16,832,574</u>	<u>15,541,644</u>	<u>16,101,720</u>	<u>20,302,711</u>	<u>19,083,912</u>	<u>22,672,210</u>
8,386,042	7,228,022	6,563,804	7,569,912	5,844,942	3,588,123
110,562,068	108,260,052	107,828,105	135,847,965	117,949,385	126,809,960
15.22%	14.36%	14.93%	14.95%	16.18%	17.88%

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FIRE FIGHTERS' RETIREMENT SYSTEM**

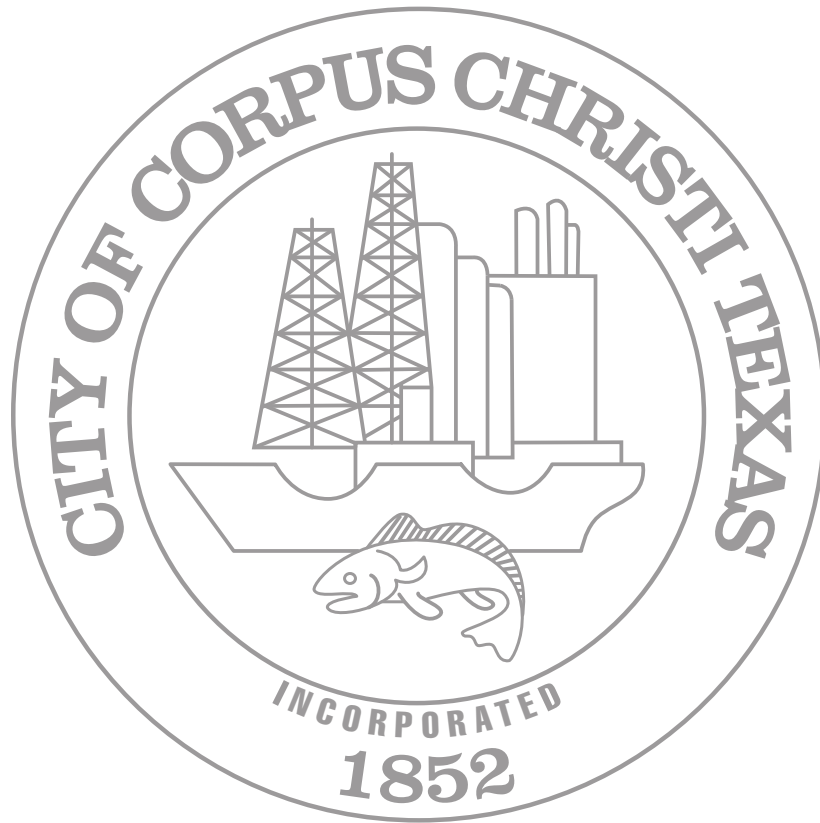
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Required contributions	\$ 3,040,260	\$ 3,541,183	\$ 3,964,376	\$ 4,440,572
Contributions in relation to required contributions	<u>3,040,260</u>	<u>3,541,183</u>	<u>3,964,376</u>	<u>4,440,572</u>
Contribution deficiency	-	-	-	-
Covered employee payroll	21,946,798	NA	24,268,094	NA
Contributions as a percentage of covered employee payroll	13.85%		16.34%	

Notes

* FY2014 was a 14 month year

City of Corpus Christi

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 *</u>	<u>2015</u>	<u>2016</u>
\$ 5,158,128	\$ 5,254,970	\$ 5,640,851	\$ 7,009,621	\$ 6,266,444	\$ 6,695,120
<u>5,158,128</u>	<u>5,254,970</u>	<u>5,640,851</u>	<u>7,009,621</u>	<u>6,266,444</u>	<u>6,695,120</u>
-	-	-	-	-	-
27,723,869	NA	29,459,098	NA	30,156,126	33,713,950
18.61%		19.15%		20.78%	19.86%



***Combining and Individual Fund
Financial Statements and Schedules***

Governmental Funds

General Fund – Used to account for resources traditionally associated with government and which are not required to be accounted for in another fund.

General Fund

Exhibit 6-A

**GENERAL FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS	
Cash, cash equivalents and investments	\$ 53,145,020
Accounts	6,611,022
Property leases	6,864
Taxes	3,391,697
Demolition liens	3,556,411
Employees	35,192
Intergovernmental	10,271,364
Miscellaneous	1,575,261
Allowance for uncollectibles	<u>(5,651,545)</u>
Net receivables	19,796,266
Prepaid items	10,566
Advances to other funds	<u>989,606</u>
Total assets	<u><u>\$ 73,941,458</u></u>
LIABILITIES	
Accounts payable	\$ 2,872,605
Accrued liabilities	10,379,978
Contractor interest and retainage payable	4,585,953
Deposits	377,706
Liability to claimants - escheat property	96,832
Due to other governmental agencies	416,386
Unearned revenues	
Other	592,440
Total liabilities	<u><u>19,321,900</u></u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes	<u>1,715,074</u>
FUND BALANCES	
Nonspendable	
Prepaid items	10,566
Advances to other funds	989,606
Total nonspendable	<u>1,000,172</u>
Restricted	
Vital statistic record retention	345,278
Judicial/Court improvements	69,554
Fire contribution trust	5,585
PEG equipment and facilities	19,768
Total restricted	<u>440,185</u>
Committed	
Government access equipment	11,959
Radio system capital replacement	50,970
Total committed	<u>62,929</u>
Assigned	
Assigned City Mgr. Severance	168,547
Subsequent year's expenditures	3,908,819
Arts and Cultural Commission	2,019
Total assigned	<u>4,079,385</u>
Unassigned	47,321,813
Total fund balances	<u><u>52,904,484</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 73,941,458</u></u>

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Taxes				
General property taxes				
Ad valorem taxes - current	\$ 64,800,000	\$ 64,800,000	\$ 64,125,164	\$ --
Ad valorem taxes - delinquent	950,001	950,001	1,165,559	--
Penalties and interest	699,999	699,999	896,655	--
Industrial District - in lieu of taxes	9,900,000	8,150,000	8,116,784	--
Other Payment in lieu of taxes	56,000	56,000	98,766	--
Special Inventory Tax Escrow Refund	75,000	75,000	49,026	--
Housing Authority - in lieu of taxes	29,000	29,000	26,225	--
Total general property taxes	<u>76,510,000</u>	<u>74,760,000</u>	<u>74,478,179</u>	<u>--</u>
City sales tax	<u>59,590,000</u>	<u>53,500,368</u>	<u>53,242,181</u>	<u>--</u>
Liquor drink tax	<u>1,435,513</u>	<u>1,435,513</u>	<u>1,422,106</u>	<u>--</u>
Bingo tax	<u>360,855</u>	<u>360,855</u>	<u>386,690</u>	<u>--</u>
Business fees				
Electric franchise	9,795,156	9,795,156	9,910,543	--
Electric franchise - Nueces Co-op	85,000	85,000	91,688	--
Telecommunications fees	3,552,500	3,552,500	3,662,907	--
CATV franchise	3,640,000	3,640,000	3,681,419	--
Taxicab franchise	52,000	52,000	46,515	--
AT&T right of way lease fee	1,300	1,300	1,300	--
Total business fees	<u>17,125,956</u>	<u>17,125,956</u>	<u>17,394,372</u>	<u>--</u>
Total taxes and business fees	<u>155,022,324</u>	<u>147,182,692</u>	<u>146,923,528</u>	<u>--</u>
Licenses and permits				
Amusement licenses	18,500	18,500	15,161	--
Pipeline - license fee	62,340	62,340	58,151	--
Auto wrecker permits	18,000	18,000	25,046	--
Taxi driver permits	6,300	6,300	9,830	--
Metal recycling permits	12	12	3,511	--
Other business licenses	20,000	20,000	16,452	--
Revocable easement fees	--	--	65,662	--

(Continued)

Exhibit 6-B

<u>Actual Budget Basis</u>	<u>Variance with Final Budget</u>
\$ 64,125,164	\$ (674,836)
1,165,559	215,558
896,655	196,656
8,116,784	(33,216)
98,766	42,766
49,026	(25,974)
26,225	(2,775)
<u>74,478,179</u>	<u>(281,821)</u>
<u>53,242,181</u>	<u>(258,187)</u>
<u>1,422,106</u>	<u>(13,407)</u>
<u>386,690</u>	<u>25,835</u>
9,910,543	115,387
91,688	6,688
3,662,907	110,407
3,681,419	41,419
46,515	(5,485)
1,300	--
<u>17,394,372</u>	<u>268,416</u>
<u>146,923,528</u>	<u>(259,164)</u>
15,161	(3,339)
58,151	(4,189)
25,046	7,046
9,830	3,530
3,511	3,499
16,452	(3,548)
65,662	65,662

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Licenses and permits (continued)				
Vacant building inspection fees	--	--	300	--
Special event permits	996	996	2,350	--
Beach parking permits	750,000	750,000	858,781	--
Fire prevention permits	200,000	200,000	224,055	--
Pet licenses	72,000	72,000	80,641	--
Food service permits	675,000	675,000	648,391	--
Ambulance permits	2,500	2,500	2,855	--
Total licenses and permits	<u>1,825,648</u>	<u>1,825,648</u>	<u>2,011,186</u>	<u>--</u>
Grants				
Federal Emergency Management Assistance	--	--	221,221	--
EEOC contribution	11,600	11,600	77,400	--
HUD Intrim Agreeemnt Reim/Grnts	103,250	103,250	95,696	--
Drug test reimbursements	20,000	20,000	7,710	--
Sexual Assault Exam	130,000	130,000	154,168	--
General Land Office - beach cleaning	60,000	60,000	62,776	--
Total grants	<u>324,850</u>	<u>324,850</u>	<u>618,971</u>	<u>--</u>
Charges for services				
General governmental services				
Attorney fees - demolition & paving liens	50,000	50,000	91,605	--
Sale of City publications	324	324	416	--
Candidate filing fees	1,200	1,200	1,700	--
Total general governmental services	<u>51,524</u>	<u>51,524</u>	<u>93,721</u>	<u>--</u>
Police				
Police towing and storage charges	1,485,000	1,485,000	1,561,620	--
Police impound certified mail recovery	75,000	75,000	109,950	--
Police accident reports	41,800	41,800	64,350	--
Proceeds from auction	925,000	925,000	876,003	--
Proceeds from auction - online	14,400	14,400	6,530	--
Police property room money	--	5,573	12,662	--
Parking meter collections	291,000	291,000	182,770	--
Police open record request	26,400	26,400	25,916	--
Police subpoenas	3,600	3,600	3,709	--
Fingerprinting fees	6,000	6,000	6,360	--
Customs/FBI	140,000	140,000	86,558	--

(Continued)

Exhibit 6-B

<u>Actual Budget Basis</u>	<u>Variance with Final Budget</u>
300	300
2,350	1,354
858,781	108,781
224,055	24,055
80,641	8,641
648,391	(26,609)
<u>2,855</u>	<u>355</u>
<u>2,011,186</u>	<u>185,538</u>
221,221	221,221
77,400	65,800
95,696	(7,554)
7,710	(12,290)
154,168	24,168
<u>62,776</u>	<u>2,776</u>
<u>618,971</u>	<u>294,121</u>
91,605	41,605
416	92
<u>1,700</u>	<u>500</u>
<u>93,721</u>	<u>42,197</u>
1,561,620	76,620
109,950	34,950
64,350	22,550
876,003	(48,997)
6,530	(7,870)
12,662	7,089
182,770	(108,230)
25,916	(484)
3,709	109
6,360	360
86,558	(53,442)

**GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	Budget		Actual GAAP Basis	Adjustments Budget Basis
	Original	Final		
Police (continued)				
Police Security Services	75,000	75,000	105,991	--
DWI Videotaping	1,500	1,500	1,635	--
Alarm system permits and services	504,000	504,000	656,100	--
800 MHz radio	174,260	174,260	197,004	--
9-1-1 wireless service fees	1,620,000	1,620,000	1,594,791	--
9-1-1 wireline service fees	1,104,000	1,104,000	1,322,025	--
Police C.A.D. calls	2,620	2,620	1,827	--
Restitution	1,600	1,600	2,581	--
CCISD-Crossing guards	25,000	25,000	26,758	--
School crossing guard program	68,171	68,171	63,918	--
Nueces county - Metrocom	1,212,000	1,212,000	1,134,238	--
Pound fees & handling charges	81,492	81,492	56,473	--
Animal trap fees	1,200	1,200	650	--
Microchipping fees	7,000	7,000	4,725	--
Deceased Animal Pick Up	7,500	7,500	8,060	--
S/N Kennel Cough	--	--	3,876	--
Adoption fees	--	--	1,224	--
Animal Control Adoption	45,000	45,000	37,265	--
Total police	<u>7,938,543</u>	<u>7,944,116</u>	<u>8,155,569</u>	<u>--</u>
Fire				
Hazmat response calls	10,000	10,000	500	--
US Dept. of Homeland Security	65,000	65,000	--	--
Honor Guard	500	500	807	--
Fire service - outside city limits	--	--	300	--
Emergency management alert system fees	--	--	6,061	--
Pipeline reporting administrative fees	45,000	45,000	52,000	--
Total fire	<u>120,500</u>	<u>120,500</u>	<u>59,668</u>	<u>--</u>
Ambulance				
Emergency calls	6,100,000	6,100,000	5,487,012	--
Nueces Co OCL charges	20,000	20,000	31,048	--
Total Ambulance	<u>6,120,000</u>	<u>6,120,000</u>	<u>5,518,060</u>	<u>--</u>
Streets				
State of Texas - expressway lighting	144,000	144,000	162,605	--
Port of CC-Bridge Lighting	84,575	84,575	11,031	--
Total streets	<u>228,575</u>	<u>228,575</u>	<u>173,636</u>	<u>--</u>
Solid waste services				
Residential refuse collection fees	16,625,700	16,625,700	17,233,484	--
Commercial and industrial refuse collection	1,816,850	1,816,850	1,872,373	--
Municipal solid waste system service charge	3,603,250	3,603,250	3,632,031	--
Refuse disposal charges	8,675,486	8,675,486	8,717,745	--
Disposal charges - landfill project	3,375,350	3,375,350	3,320,085	--
Refuse collection permits	20,300	20,300	10,072	--
Special debris pickup	400,000	400,000	243,630	--
SW-Mulch	27,775	27,775	15,761	--
Brush fees	70,000	70,000	72,324	--
Recycling	950,000	950,000	873,574	--
Recycling collection fees	1,000,000	1,000,000	1,021,052	--
Recycling Bank fees	753,500	753,500	755,203	--
Recycling Bank Incentive fees	254,000	254,000	251,385	--
Unsecured load charge	45,675	45,675	30,790	--
Total solid waste services	<u>37,617,886</u>	<u>37,617,886</u>	<u>38,049,509</u>	<u>--</u>

(Continued)

Exhibit 6-B

<u>Actual Budget Basis</u>	<u>Variance with Final Budget</u>
105,991	30,991
1,635	135
656,100	152,100
197,004	22,744
1,594,791	(25,209)
1,322,025	218,025
1,827	(793)
2,581	981
26,758	1,758
63,918	(4,253)
1,134,238	(77,762)
56,473	(25,019)
650	(550)
4,725	(2,275)
8,060	560
3,876	3,876
1,224	1,224
37,265	(7,735)
<u>8,155,569</u>	<u>211,453</u>
500	(9,500)
--	(65,000)
807	307
300	300
6,061	6,061
52,000	7,000
<u>59,668</u>	<u>(60,832)</u>
5,487,012	(612,988)
31,048	11,048
<u>5,518,060</u>	<u>(601,940)</u>
162,605	18,605
11,031	(73,544)
<u>173,636</u>	<u>(54,939)</u>
17,233,484	607,784
1,872,373	55,523
3,632,031	28,781
8,717,745	42,259
3,320,085	(55,265)
10,072	(10,228)
243,630	(156,370)
15,761	(12,014)
72,324	2,324
873,574	(76,426)
1,021,052	21,052
755,203	1,703
251,385	(2,615)
30,790	(14,885)
<u>38,049,509</u>	<u>431,623</u>

**GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Health services				
Vital records office sales	427,000	427,000	450,654	--
Laboratory services	--	22,500	20,195	--
Nueces County - health administration	205,408	205,408	169,558	--
Swimming pool inspection fees	45,800	45,800	77,923	--
Private Vaccine Program Income	200,000	120,000	74,623	--
Medicaid WHS Program Income	200,000	5,000	314	--
TB/PC Fees	--	35,000	41,475	--
Total health services	<u>1,078,208</u>	<u>860,708</u>	<u>834,742</u>	<u>--</u>
Recreation services				
Swimming pools	160,818	160,818	181,405	--
Swimming instruction fees	84,376	84,376	96,971	--
H.E. Butt tennis center	35,339	35,339	26,648	--
Al Kruse tennis center	20,297	20,297	17,149	--
Athletic events	149,585	149,585	148,596	--
Athletic instruction fees	35,765	35,765	50,871	--
Facilities rentals	45,640	45,640	56,075	--
Latchkey program	2,463,400	2,463,400	2,545,513	--
Buc days/Bayfest	27,000	27,000	54,648	--
Heritage Park revenues	1,640	1,640	705	--
Pavilion Rentals	1,000	1,000	243	--
Tourist district rentals	16,296	16,296	14,685	--
Camping Permit Fees	2,500	2,500	4,509	--
Senior Center rentals	32,000	32,000	28,624	--
Class instruction fees	62,000	62,000	14,967	--
Recreation instruction fees	50,005	50,005	32,172	--
Recreation center rentals	8,505	8,505	10,295	--
Other recreation services	15,400	15,400	36,728	--
Total recreation services	<u>3,211,566</u>	<u>3,211,566</u>	<u>3,320,804</u>	<u>--</u>
(Continued)				
Libraries				
Fines	66,850	66,850	62,298	--
Lost book charges	5,604	5,604	6,709	--
Copy machine sales	47,236	47,236	46,341	--
Other library revenue	40,165	40,165	11,826	--
Interlibrary fees	427	427	565	--
Library book sales	3,315	3,315	5,238	--
Total libraries	<u>163,597</u>	<u>163,597</u>	<u>132,977</u>	<u>--</u>
Museums				
Admissions	216,142	216,142	257,913	--
Museum gift shop sales	97,402	97,402	120,187	--
Special program fees	--	--	186,838	--
McGregor reproduction fees	12,887	12,887	3,000	--
Facility rental	46,527	46,527	49,333	--
Education group programs	43,854	43,854	80,051	--
School District - museum educational progr:	22,000	22,000	22,000	--
Parties and recitals	12,595	12,595	11,829	--
Museum - other revenue	--	--	76,689	--
Total museums	<u>451,407</u>	<u>451,407</u>	<u>807,840</u>	<u>--</u>
Total charges for services	<u>56,981,806</u>	<u>56,769,879</u>	<u>57,146,526</u>	<u>--</u>

(Continued)

Exhibit 6-B

Actual Budget Basis	Variance with Final Budget
450,654	23,654
20,195	(2,305)
169,558	(35,850)
77,923	32,123
74,623	(45,377)
314	(4,686)
41,475	6,475
<u>834,742</u>	<u>(25,966)</u>
181,405	20,587
96,971	12,595
26,648	(8,691)
17,149	(3,148)
148,596	(989)
50,871	15,106
56,075	10,435
2,545,513	82,113
54,648	27,648
705	(935)
243	(757)
14,685	(1,611)
4,509	2,009
28,624	(3,376)
14,967	(47,033)
32,172	(17,833)
10,295	1,790
36,728	21,328
<u>3,320,804</u>	<u>109,238</u>
62,298	(4,552)
6,709	1,105
46,341	(895)
11,826	(28,339)
565	138
5,238	1,923
<u>132,977</u>	<u>(30,620)</u>
257,913	41,771
120,187	22,785
186,838	186,838
3,000	(9,887)
49,333	2,806
80,051	36,197
22,000	--
11,829	(766)
76,689	76,689
<u>807,840</u>	<u>356,433</u>
<u>57,146,526</u>	<u>376,647</u>

**GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Fines and forfeitures				
Moving vehicle fines	2,793,086	2,793,086	921,247	--
School Crssg Gd Pgm-Cvl Citation	36,000	36,000	--	--
Parking fines	77,046	38,872	38,872	--
Civil parking citations	300,000	300,000	227,806	--
General fines	733,302	733,302	1,764,591	--
Officers fees	162,113	162,113	167,212	--
Uniform Traffic Act fines	74,947	50,353	50,353	--
Warrant fees	112,624	112,624	73,566	--
Municipal Court				
State fee discount	247,803	150,203	150,203	--
Time Pay Fee - Court	18,007	18,007	13,561	--
Time Pay Fee - City	72,027	72,027	54,367	--
644.102 Comm Vehicle Enforce	27,600	27,600	32,806	--
Miscellaneous revenue	54,446	54,446	5,905	--
Juvenile expungement fee	150	150	(63)	--
Failure to appear fines	198,157	198,157	5,478	--
Animal control fines	16,033	16,033	10,723	--
Other court fines	201,879	201,879	842,685	--
Total fines and forfeitures	<u>5,125,220</u>	<u>4,964,852</u>	<u>4,359,312</u>	<u>--</u>
Earnings on investments	<u>107,897</u>	<u>107,897</u>	<u>402,326</u>	<u>--</u>
Miscellaneous				
Rental of general property	310,000	310,000	292,638	--
Recovery on damage claims	20,000	28,594	9,796	--
Contributions and donations	900	900	17,422	--
Automated teller machines	1,200	1,200	1,200	--
Late fees on returned check	--	--	210	--
Radio system participation	9,500	9,500	23,045	--
Graffiti control	3,000	3,000	1,086	--
Sale of city property	--	--	47,777	--
Copy sales	3,000	3,000	4,141	--
Adminstrative processing fee	12,000	12,000	(54)	--
Demolition and weed liens	161,600	161,600	247,949	--
Purchase discounts	220,000	220,000	205,246	--
Vending machine sales	35,945	35,945	29,521	--
Late Fees on delinquent	1,800	1,800	2,520	--
Naming rights for convention center	185,000	185,000	185,000	--
Miscellaneous	98,824	172,441	379,616	--
Total miscellaneous revenue	<u>1,062,769</u>	<u>1,144,980</u>	<u>1,447,113</u>	<u>--</u>
Reimbursements				
Interdepartmental	3,135,752	3,135,752	--	3,157,718
Finance cost recovery - CIP	1,178,736	1,178,736	--	1,178,736
Fire hydrant maintenance	327,472	327,472	--	327,472
800 MHz radio - interdepartmental	332,436	332,436	--	332,388
Total reimbursements revenue	<u>4,974,396</u>	<u>4,974,396</u>	<u>--</u>	<u>4,996,314</u>
Total revenues	<u>225,424,910</u>	<u>217,295,194</u>	<u>212,908,962</u>	<u>4,996,314</u>

(Continued)

Exhibit 6-B

<u>Actual Budget Basis</u>	<u>Variance with Final Budget</u>
921,247	(1,871,839)
--	(36,000)
38,872	--
227,806	(72,194)
1,764,591	1,031,289
167,212	5,099
50,353	--
73,566	(39,058)
150,203	--
13,561	(4,446)
54,367	(17,660)
32,806	5,206
5,905	(48,541)
(63)	(213)
5,478	(192,679)
10,723	(5,310)
842,685	640,806
<u>4,359,312</u>	<u>(605,540)</u>
<u>402,326</u>	<u>294,429</u>
292,638	(17,362)
9,796	(18,798)
17,422	16,522
1,200	--
210	210
23,045	13,545
1,086	(1,914)
47,777	47,777
4,141	1,141
(54)	(12,054)
247,949	86,349
205,246	(14,754)
29,521	(6,424)
2,520	720
185,000	--
379,616	207,175
<u>1,447,113</u>	<u>302,133</u>
3,157,718	21,966
1,178,736	--
327,472	--
332,388	(48)
<u>4,996,314</u>	<u>21,918</u>
<u>217,905,276</u>	<u>610,082</u>

**GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual GAAP Basis</u>	<u>Adjustments Budget Basis</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources				
Capital leases	--	--	6,882,406	(6,882,406)
Transfers in				
Administrative charges				
Federal grants	80,000	80,000	100,164	--
Visitor facility	130,716	130,716	130,716	--
Reinvestment Zone #2	28,578	28,578	28,578	--
Reinvestment Zone #3	2,436	2,436	2,436	--
CC Business & Job Development Corp.	86,270	86,270	86,270	--
Gas division	771,289	771,289	771,289	--
Wastewater division	1,475,624	1,475,624	1,475,624	--
Water division	2,890,925	2,890,925	2,890,925	--
Airport	253,616	253,616	253,616	--
Golf	4,312	4,312	4,312	--
Development Services	334,753	334,753	334,753	--
Marina	52,771	52,771	52,771	--
Other				
Liability & Employee Benefits Fund	529,452	716,377	716,377	--
CC Business & Job Development Corp.	--	13,000	13,000	--
Development Services	--	700,000	700,000	--
Fleet Maintenance	--	170,680	170,680	--
Information Technology	--	154,950	154,950	--
Federal grants	90,001	307,501	44,529	--
Total transfers in	<u>6,730,743</u>	<u>8,173,798</u>	<u>7,930,990</u>	<u>--</u>
Transfers out				
Debt Service Fund	(237,840)	(237,840)	(3,433,652)	3,195,812
For Community Service	(156,076)	(156,076)	(147,246)	--
Police Grants Cash Match	(62,000)	(62,000)	(49,551)	--
Street Fund	(14,130,933)	(15,324,317)	(15,324,317)	--
Visitor's Facility Fund	(185,000)	(185,000)	(185,000)	--
For capital outlay	(1,039,000)	(1,039,000)	(1,037,802)	--
For capital replacement	--	--	(909,706)	909,706
Medicaid 1115 Waiver Fund	--	--	(962,018)	--
Development Services Fund	(500,000)	(500,000)	--	--
Total transfers out	<u>(16,310,849)</u>	<u>(17,504,233)</u>	<u>(22,049,292)</u>	<u>4,105,518</u>
Total other sources	<u>(9,580,106)</u>	<u>(9,330,435)</u>	<u>(7,235,896)</u>	<u>(2,776,888)</u>
 Total revenues and other sources	 <u>\$ 215,844,804</u>	 <u>\$ 207,964,759</u>	 <u>\$ 205,673,066</u>	 <u>\$ 2,219,426</u>

Exhibit 6-B

<u>Actual Budget Basis</u>	<u>Variance with Final Budget</u>
--	--
100,164	20,164
130,716	--
28,578	--
2,436	--
86,270	--
771,289	--
1,475,624	--
2,890,925	--
253,616	--
4,312	--
334,753	--
52,771	--
716,377	--
13,000	--
700,000	--
170,680	--
154,950	--
44,529	(262,972)
<u>7,930,990</u>	<u>(242,808)</u>
(237,840)	--
(147,246)	8,830
(49,551)	12,449
(15,324,317)	--
(185,000)	--
(1,037,802)	1,198
--	--
(962,018)	(962,018)
--	500,000
<u>(17,943,774)</u>	<u>(439,541)</u>
<u>(10,012,784)</u>	<u>(682,349)</u>
<u>\$ 207,892,492</u>	<u>\$ (72,267)</u>

**GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Actual GAAP Expenditures</u>					
	<u>Personal Services</u>	<u>Materials & Supplies</u>	<u>Contractual Services</u>	<u>Other Charges</u>	<u>Capital Outlays</u>	<u>Reimbursements</u>
General government						
Control						
City Council and City Secretary	\$ 636,150	\$ 17,113	\$ 96,230	\$ 131,681	\$ --	\$ --
Group Managers	443,075	1,532	78,703	49,922	--	--
City Auditor	364,412	9,124	9,733	64,353	--	--
City Manager's Office	651,101	4,649	11,610	56,683	--	--
Management and budget office	491,607	2,261	5,273	65,652	--	--
Public Information	392,591	14,637	316,597	35,074	--	--
Capital budgeting	152,005	356	677	16,656	--	(589,368)
Total general government - control	<u>3,130,941</u>	<u>49,672</u>	<u>518,823</u>	<u>420,021</u>	<u>--</u>	<u>(589,368)</u>
Staff agencies						
Director of finance	316,207	408	187,782	46,776	--	--
Accounting	1,822,372	33,644	617,418	427,623	16,240	(589,368)
Central cashiering	465,418	11,296	8,533	160,972	--	--
Cash management	291,555	7,276	9,230	59,840	--	--
City Attorney	2,177,043	17,864	144,187	229,826	--	--
Economic development	--	--	300,667	--	--	--
Economic development incentives	--	--	--	1,850,079	--	--
Housing & Community Development	96,476	5,343	3,791	171,547	--	(21,520)
Downtown Management District	--	--	266,757	--	--	--
Planning	--	190	51,043	--	--	--
NCAD/NC-Administration	--	--	1,363,685	--	--	--
Human resources	1,025,572	13,702	66,804	223,348	--	--
Training	170,481	5,959	199,803	21,192	--	(447)
ADA Compliance	29,592	468	28,047	7,536	--	--
Human relations	240,451	1,450	11,872	45,481	--	--
Fair housing	41,646	318	14,144	11,407	--	--
Total staff agencies	<u>6,676,813</u>	<u>97,918</u>	<u>3,273,763</u>	<u>3,255,627</u>	<u>16,240</u>	<u>(611,335)</u>
Other expenditures						
Uncollectible accounts	--	--	--	239,468	--	--
Major memberships	--	--	109,570	--	--	--
Purchasing/messenger service allocation	--	--	--	484,716	--	--
Reserve appropriations	--	--	--	--	--	--
Reserve for accrued pay	--	--	--	--	--	--
Total other expenditures	<u>--</u>	<u>--</u>	<u>109,570</u>	<u>724,184</u>	<u>--</u>	<u>--</u>
Total general government	<u>9,807,754</u>	<u>147,590</u>	<u>3,902,156</u>	<u>4,399,832</u>	<u>16,240</u>	<u>(1,200,703)</u>

(Continued)

City of Corpus Christi

Exhibit 6-C

Total Expenditures	Adjustments Budget Basis	Actual Budget Basis	Budget		Variance with Final Budget
			Original	Final	
\$ 881,174	\$ --	\$ 881,174	\$ 911,511	\$ 960,206	\$ 79,032
573,232	--	573,232	921,884	931,249	358,017
447,622	--	447,622	450,051	466,144	18,522
724,043	--	724,043	714,388	719,172	(4,871)
564,793	--	564,793	743,317	736,417	171,624
758,899	--	758,899	877,035	1,067,367	308,468
(419,674)	589,368	169,694	180,912	180,912	11,218
<u>3,530,089</u>	<u>589,368</u>	<u>4,119,457</u>	<u>4,799,098</u>	<u>5,061,467</u>	<u>942,010</u>
551,173	--	551,173	380,593	565,593	14,420
2,327,929	589,368	2,917,297	2,935,017	3,013,763	96,466
646,219	--	646,219	654,233	659,363	13,144
367,901	--	367,901	371,504	371,504	3,603
2,568,920	--	2,568,920	2,815,599	2,855,145	286,225
300,667	--	300,667	282,000	282,000	(18,667)
1,850,079	--	1,850,079	2,100,000	2,100,000	249,921
255,637	21,520	277,157	316,962	319,786	42,629
266,757	--	266,757	300,000	300,837	34,080
51,233	--	51,233	604,000	844,383	793,150
1,363,685	--	1,363,685	1,316,000	1,401,472	37,787
1,329,426	--	1,329,426	1,410,817	1,411,768	82,342
396,988	447	397,435	553,867	600,612	203,177
65,643	--	65,643	102,841	102,841	37,198
299,254	--	299,254	313,418	313,513	14,259
67,515	--	67,515	74,100	74,210	6,695
<u>12,709,026</u>	<u>611,335</u>	<u>13,320,361</u>	<u>14,530,951</u>	<u>15,216,790</u>	<u>1,896,429</u>
239,468	--	239,468	500,000	500,000	260,532
109,570	--	109,570	100,000	110,000	430
484,716	--	484,716	484,716	484,716	--
--	--	--	1,896,068	1,346,422	1,346,422
--	--	--	<u>2,000,000</u>	--	--
<u>833,754</u>	<u>--</u>	<u>833,754</u>	<u>4,980,784</u>	<u>2,441,138</u>	<u>1,607,384</u>
<u>17,072,869</u>	<u>1,200,703</u>	<u>18,273,572</u>	<u>24,310,833</u>	<u>22,719,395</u>	<u>4,445,823</u>

GENERAL FUND
SCHEDULE OF EXPENDITURES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016

	Actual GAAP Expenditures					
	Personal Services	Materials & Supplies	Contractual Services	Other Charges	Capital Outlays	Reimbursements
Police and municipal court						
Police						
Administration	2,671,263	75,504	346,258	374,268	--	--
Police training	1,403,072	58,712	31,339	174,467	--	--
Criminal investigation	6,356,206	166,755	8,102	538,001	31,956	--
Narcotics/Vice Investigations	2,990,160	96,690	122,033	277,453	--	--
Uniformed division	31,088,076	723,279	376,758	6,810,511	15,000	--
Forensics services division	1,351,582	41,461	29,131	96,408	--	--
School crossing guards	--	310	165,899	17,580	--	--
Parking control	261,333	8,775	165,530	72,474	--	--
MetroCom	4,155,477	17,009	453,872	174,311	--	--
Police computer support	73,999	1,293	697,451	157,440	--	(778,622)
9-1-1 call delivery wireline	54,380	36,524	271,415	128,616	--	--
9-1-1 call delivery wireless	--	12,096	231,243	13,278	--	--
Building maintenance and operations	28,928	56,280	777,468	188,244	--	--
Vehicle pound operation	386,254	11,723	1,169,405	39,083	--	--
Central information	1,289,383	33,792	9,103	137,037	--	--
Criminal intelligence unit	1,470,243	28,979	10,888	76,368	--	--
Beach safety	156,626	--	--	--	--	--
Police Special Events	151,332	--	--	--	--	--
Animal Control	1,433,380	305,297	185,753	676,428	322,742	--
Low Cost Spay Neuter Clinic	210,499	53,332	10,234	12,720	--	--
Code enforcement	1,057,950	58,866	343,956	439,137	53,218	--
Total police	56,590,143	1,786,677	5,405,838	10,403,824	422,916	(778,622)
Municipal court						
Administration	1,202,736	11,040	199,428	586,121	--	--
Municipal juvenile court	1,026,874	5,979	20,034	59,933	--	--
Detention facility	1,386,244	13,800	97,156	112,788	--	--
City marshals	297,792	12,847	63,504	58,794	--	--
Total municipal court	3,913,646	43,666	380,122	817,636	--	--
Total police and municipal court	60,503,789	1,830,343	5,785,960	11,221,460	422,916	(778,622)
Fire and Ambulance						
Administration and training	609,916	11,893	147,785	213,687	--	--
Fire Safety Education	--	--	6,139	--	--	--
Fire academy training	2,590,736	69,421	73,109	50,275	--	--
Communications	89,151	20,681	48,265	100,272	--	--
Apparatus and shop	332,962	197,615	360,873	25,826	--	--
Stations	38,646,343	627,449	1,081,471	2,396,939	1,798,750	(327,472)
Fire prevention	1,754,941	19,409	14,036	180,677	--	--
Honor Guard	--	--	--	431	--	--
Life guarding and first response	194,990	17,371	16,170	66,217	66,357	--
Fire support services	781,468	40,895	4,571	44,436	--	--
City ambulance operations	182,085	620,325	475,182	50,167	623,260	--
Total fire and ambulance	45,182,592	1,625,059	2,227,601	3,128,927	2,488,367	(327,472)

(Continued)

City of Corpus Christi

Exhibit 6-C
(Continued)

Total Expenditures	Adjustments Budget Basis	Actual Budget Basis	Budget		Variance with Final Budget
			Original	Final	
3,467,293	--	3,467,293	3,841,209	3,851,209	383,916
1,667,590	--	1,667,590	2,221,557	1,901,557	233,967
7,101,020	--	7,101,020	6,946,809	7,246,809	145,789
3,486,336	--	3,486,336	3,546,741	3,560,190	73,854
39,013,624	909,706	39,923,330	38,456,537	39,085,575	(837,755)
1,518,582	--	1,518,582	1,492,298	1,485,298	(33,284)
183,789	--	183,789	175,516	175,516	(8,273)
508,112	--	508,112	619,742	594,742	86,630
4,800,669	--	4,800,669	5,238,676	5,193,676	393,007
151,561	778,622	930,183	858,106	928,106	(2,077)
490,935	--	490,935	499,090	504,090	13,155
256,617	--	256,617	236,700	266,700	10,083
1,050,920	--	1,050,920	1,252,606	1,243,280	192,360
1,606,465	--	1,606,465	1,352,698	1,488,698	(117,767)
1,469,315	--	1,469,315	1,679,808	1,614,708	145,393
1,586,478	--	1,586,478	1,228,439	1,606,952	20,474
156,626	--	156,626	156,626	156,626	--
151,332	--	151,332	151,332	151,332	--
2,923,600	(307,639)	2,615,961	2,682,699	2,791,108	175,147
286,785	--	286,785	292,798	328,062	41,277
1,953,127	--	1,953,127	1,982,368	2,052,798	99,671
<u>73,830,776</u>	<u>1,380,689</u>	<u>75,211,465</u>	<u>74,912,355</u>	<u>76,227,032</u>	<u>1,015,567</u>
1,999,325	--	1,999,325	2,145,885	2,535,176	535,851
1,112,820	--	1,112,820	1,118,028	1,118,697	5,877
1,609,988	--	1,609,988	1,533,263	1,533,863	(76,125)
432,937	--	432,937	611,209	613,369	180,432
<u>5,155,070</u>	<u>--</u>	<u>5,155,070</u>	<u>5,408,385</u>	<u>5,801,105</u>	<u>646,035</u>
<u>78,985,846</u>	<u>1,380,689</u>	<u>80,366,535</u>	<u>80,320,740</u>	<u>82,028,137</u>	<u>1,661,602</u>
983,281	--	983,281	985,456	1,010,919	27,638
6,139	--	6,139	6,120	6,120	(19)
2,783,541	--	2,783,541	2,682,666	3,023,857	240,316
258,369	--	258,369	266,772	282,700	24,331
917,276	--	917,276	1,155,438	964,235	46,959
44,223,480	(859,352)	43,364,128	41,446,729	42,970,451	(393,677)
1,969,063	--	1,969,063	1,713,487	1,918,217	(50,846)
431	--	431	4,080	431	--
361,105	--	361,105	415,011	399,208	38,103
871,370	--	871,370	874,198	868,991	(2,379)
1,951,019	(358,518)	1,592,501	1,838,206	1,769,707	177,206
<u>54,325,074</u>	<u>(1,217,870)</u>	<u>53,107,204</u>	<u>51,388,163</u>	<u>53,214,836</u>	<u>107,632</u>

City of Corpus Christi

GENERAL FUND
SCHEDULE OF EXPENDITURES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016

	Actual GAAP Expenditures					
	Personal Services	Materials & Supplies	Contractual Services	Other Charges	Capital Outlays	Reimbursements
Emergency management	98,210	33,448	29,311	170,455	--	--
Streets						
Street lighting	--	9,868	3,649,644	--	--	--
Harbor Bridge Lighting	--	--	106,624	--	--	--
Total streets	--	9,868	3,756,268	--	--	--
Solid Waste						
Solid waste office	720,461	36,109	398,999	278,939	--	--
J.C. Elliot Transfer Station	1,567,112	307,284	506,185	345,348	301,859	(469,200)
Refuse collection	3,735,153	617,752	1,352,019	825,144	3,634,514	--
Refuse disposal	68,234	5,147	91,360	26,093	--	--
Brush collection	1,628,652	196,928	522,267	352,272	--	--
Elliot Closure/Postclosure exp	--	--	126,418	--	--	--
Graffiti Clean-up Project	235,896	11,473	1,765	14,004	--	--
Cefe Valenzuela landfill operation	756,595	78,072	4,969,092	248,762	--	--
Total solid waste	8,712,103	1,252,765	7,968,105	2,090,562	3,936,373	(469,200)
Health						
Administration and special programs	622,981	7,239	97,922	139,794	314,837	--
T.B. Clinic - Health Department	57,205	3,480	16,199	4,366	--	--
Immunization	168,453	56,057	8,234	32,051	--	--
Vital statistics	108,508	13,158	9,088	18,345	--	--
Nursing	89,428	3,823	12,077	30,332	--	--
Environmental health	341,013	8,771	16,474	84,274	--	--
STD clinic	109,282	(215)	415	5,840	--	--
Laboratory	174,102	9,798	5,085	8,364	11,131	--
Mental health	--	--	49,500	--	--	--
Health office building	1,056	566	132,622	203,016	--	--
Regional Hlth Awareness Bd	14,201	1,985	5,043	20	--	--
Total health	1,686,229	104,662	352,659	526,402	325,968	--
Parks and recreation						
Director of parks and recreation	787,628	3,562	286,762	179,130	--	--
Park operation	2,116,800	285,167	832,183	1,010,773	36,660	(264,000)
Park construction	243,562	211,695	13,481	97,895	42,346	--
Program services admin	314,433	6,570	68,836	225,639	--	--
Senior community services	655,688	28,976	223,940	435,733	--	--
P&R priority maint response	71,857	34,724	3	--	--	--
Beach & Park Code Compliance	141,946	5,619	1,908	--	--	--
Athletics	250,493	39,229	160,890	175,894	--	--
Aquatics	540,694	163,330	112,219	183,101	--	--
Recreation centers	111,675	31,979	111,398	32,448	--	--
Multicultural center	102,619	5,866	40,945	21,970	--	(131,229)
Latchkey program	1,847,650	149,251	106,261	299,952	--	--
Beach maintenance/safety	--	211	--	4,932	--	--
Beach parking permits	82,140	12,221	56,421	35,658	--	--
Beach maintenance and operations	501,686	164,936	515,448	170,627	266,332	(1,825,088)
Oso Bay Learning Center	225,768	73,775	84,364	3,302	--	--
Tennis center operations	27,259	26,011	178,958	65,723	--	--
Corpus Christi Independent School District	--	--	141,365	--	--	--
Public Art Maintenance	--	8,635	25,140	--	--	--
Tourist district	422,706	73,962	315,267	143,710	38,758	--
Natatorium	--	281	150,192	--	--	--
Total parks and recreation	8,444,604	1,326,000	3,425,981	3,086,487	384,096	(2,220,317)
Libraries						
Central	728,340	607,980	229,833	283,389	--	--
Anita & W.T. Neyland Branch	302,373	20,739	51,124	87,121	--	--
Ben McDonald Branch	295,413	16,747	76,754	110,664	--	--
Owen Hopkins Brance	270,790	18,031	34,468	72,134	--	--
Janet F. Harte Branch	221,259	18,870	48,387	99,310	--	--
Dr. Clotilde P. Garcia Branch	275,580	9,094	71,291	91,264	--	--
Total libraries	2,093,755	691,461	511,857	743,882	--	--

(Continued)

City of Corpus Christi

Exhibit 6-C
(Continued)

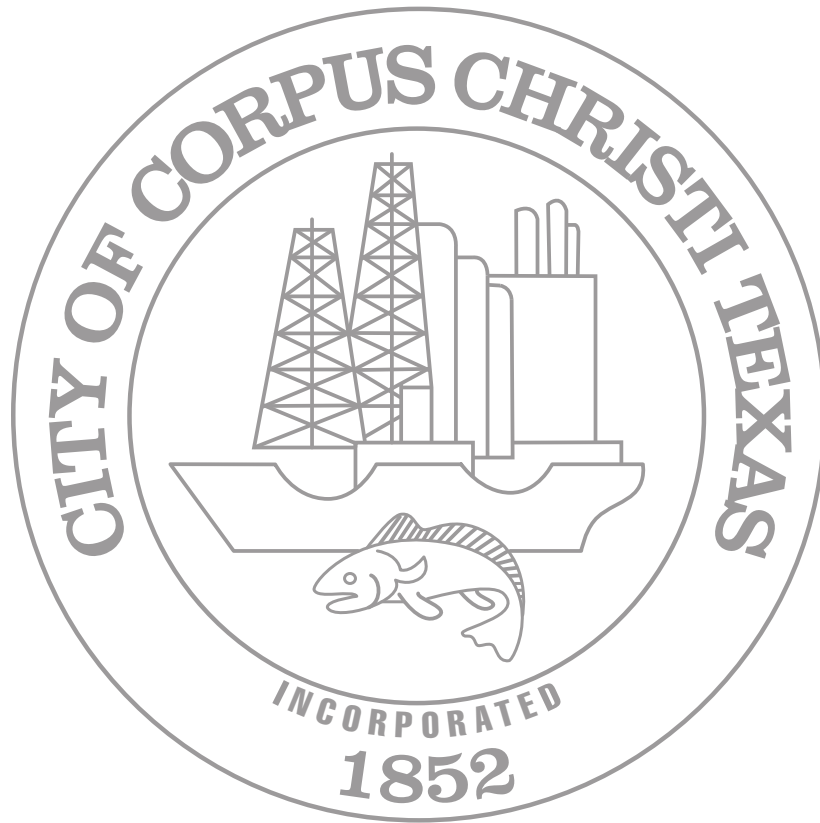
Total Expenditures	Adjustments Budget Basis	Actual Budget Basis	Budget		Variance with Final Budget
			Original	Final	
331,424	--	331,424	499,066	481,120	149,696
3,659,512	--	3,659,512	3,793,089	3,822,653	163,141
106,624	--	106,624	135,200	110,800	4,176
3,766,136	--	3,766,136	3,928,289	3,933,453	167,317
1,434,508	6,258	1,440,766	1,528,424	1,794,259	353,493
2,558,588	987,932	3,546,520	3,284,229	3,567,060	20,540
10,164,582	(1,409,740)	8,754,842	9,671,738	9,104,632	349,790
190,834	710,130	900,964	946,017	955,742	54,778
2,700,119	654,841	3,354,960	2,901,301	3,345,576	(9,384)
126,418	--	126,418	243,000	261,693	135,275
263,138	--	263,138	268,947	269,883	6,745
6,052,521	2,190,131	8,242,652	9,348,568	9,422,057	1,179,405
23,490,708	3,139,552	26,630,260	28,192,224	28,720,902	2,090,642
1,182,773	(285,278)	897,495	979,972	1,198,963	301,468
81,250	--	81,250	64,505	158,052	76,802
264,795	--	264,795	567,593	266,823	2,028
149,099	--	149,099	151,093	151,960	2,861
135,660	--	135,660	268,023	309,120	173,460
450,532	--	450,532	502,239	517,196	66,664
115,322	--	115,322	134,832	134,832	19,510
208,480	--	208,480	210,525	233,925	25,445
49,500	--	49,500	54,000	54,000	4,500
337,260	--	337,260	374,572	378,562	41,302
21,249	--	21,249	90,276	90,276	69,027
2,995,920	(285,278)	2,710,642	3,397,630	3,493,709	783,067
1,257,082	--	1,257,082	1,034,977	1,249,805	(7,277)
4,017,583	380,925	4,398,508	4,762,835	4,988,105	589,597
608,979	--	608,979	663,054	736,399	127,420
615,478	--	615,478	617,891	666,551	51,073
1,344,337	--	1,344,337	1,431,928	1,445,356	101,019
106,584	--	106,584	195,624	231,116	124,532
149,473	--	149,473	168,419	168,575	19,102
626,506	--	626,506	704,891	694,891	68,385
999,344	--	999,344	1,015,656	1,028,546	29,202
287,500	--	287,500	323,892	328,989	41,489
40,171	131,229	171,400	175,665	175,940	4,540
2,403,114	--	2,403,114	2,539,873	2,491,888	88,774
5,143	--	5,143	8,882	8,882	3,739
186,440	--	186,440	205,983	218,103	31,663
(206,059)	1,825,088	1,619,029	1,751,489	1,860,320	241,291
387,209	--	387,209	434,844	444,788	57,579
297,951	--	297,951	292,522	300,175	2,224
141,365	--	141,365	50,000	141,365	--
33,775	--	33,775	22,100	45,390	11,615
994,403	--	994,403	1,172,370	1,267,980	273,577
150,473	--	150,473	150,532	150,532	59
14,446,851	2,337,242	16,784,093	17,723,427	18,643,696	1,859,603
1,849,542	--	1,849,542	1,783,789	1,915,977	66,435
461,357	--	461,357	491,292	491,709	30,352
499,578	--	499,578	502,157	513,863	14,285
395,423	--	395,423	428,633	401,660	6,237
387,826	--	387,826	435,534	409,975	22,149
447,229	--	447,229	458,811	451,424	4,195
4,040,955	--	4,040,955	4,100,216	4,184,608	143,653

GENERAL FUND
SCHEDULE OF EXPENDITURES (BUDGET BASIS), COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016

	<u>Actual GAAP Expenditures</u>					
	<u>Personal Services</u>	<u>Materials & Supplies</u>	<u>Contractual Services</u>	<u>Other Charges</u>	<u>Capital Outlays</u>	<u>Reimbursements</u>
Museums						
Museum of Science and History	--	1,058	481,556	1,152,422	--	--
Total museums	--	1,058	481,556	1,152,422	--	--
Debt service						
Principal retired	--	--	--	4,089,708	--	--
Interest	--	--	--	245,904	--	--
Total debt service	--	--	--	4,335,612	--	--
Total expenditures	<u>136,529,036</u>	<u>\$ 7,022,254</u>	<u>\$ 28,441,454</u>	<u>\$ 30,856,041</u>	<u>\$ 7,573,960</u>	<u>\$ (4,996,314)</u>

Exhibit 6-C
(Continued)

Total Expenditures	Adjustments Budget Basis	Actual Budget Basis	Budget		Variance with Final Budget
			Original	Final	
1,635,036	--	1,635,036	1,329,215	1,329,215	(305,821)
1,635,036	--	1,635,036	1,329,215	1,329,215	(305,821)
4,089,708	(4,089,708)	--	--	--	--
245,904	(245,904)	--	--	--	--
4,335,612	(4,335,612)	--	--	--	--
<u>\$ 205,426,431</u>	<u>\$ 2,219,426</u>	<u>\$ 207,645,857</u>	<u>\$ 215,189,803</u>	<u>\$ 218,749,071</u>	<u>\$ 11,103,214</u>



Debt Service Fund

Debt Service Fund – Also known as the *Interest and Sinking Fund*. Was established to account for funds needed to make principal and interest payments on outstanding bonds when due.

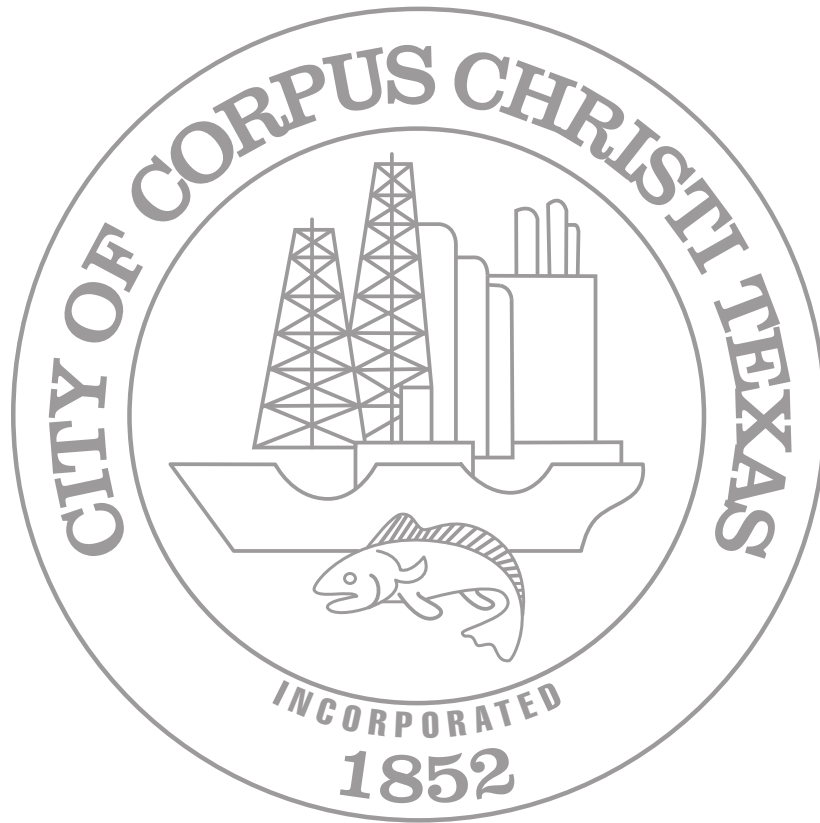


Exhibit 7-A

**DEBT SERVICE FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS

Cash, cash equivalents and investments	\$ 12,767,314
Receivables	
Taxes	2,065,392
Allowance for uncollectibles	<u>(871,270)</u>
Net receivables	<u>1,194,122</u>
Total assets	<u>\$ 13,961,436</u>

LIABILITIES

Total liabilities	\$ <u> --</u>
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DEFERRED INFLOWS OF RESOURCES

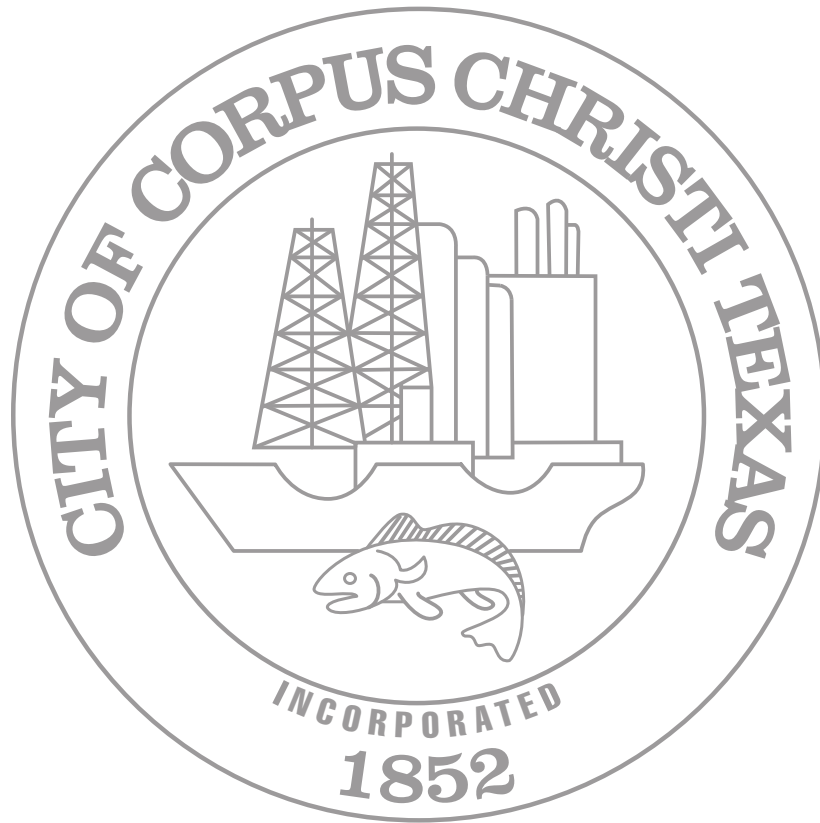
Property taxes	<u>1,044,403</u>
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FUND BALANCE

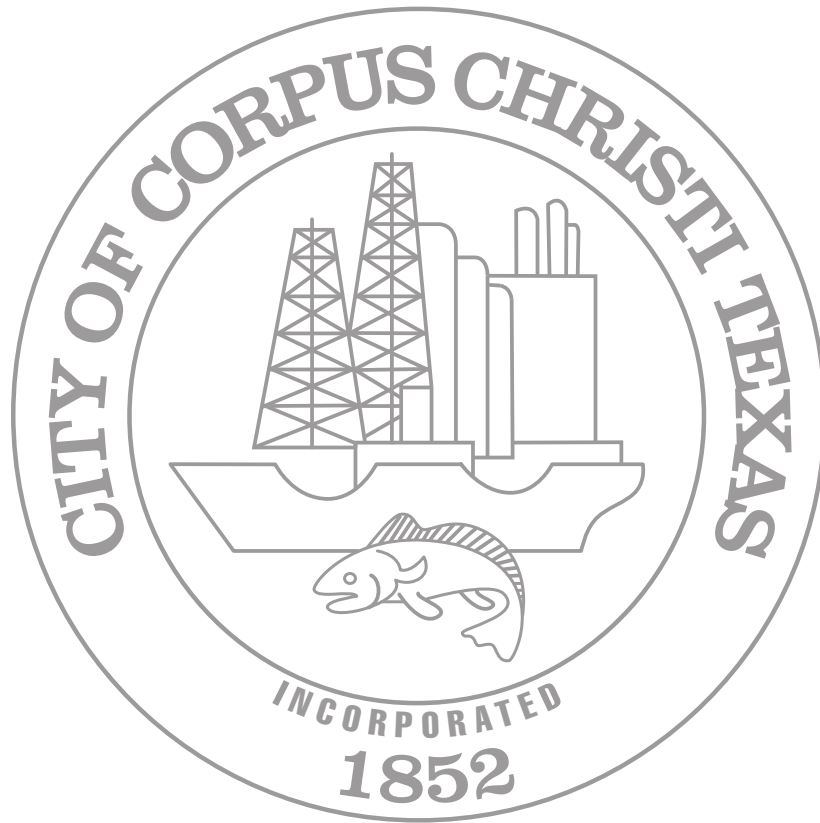
Restricted	
Debt service	<u>12,917,033</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,961,436</u>

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
YEAR ENDED SEPTEMBER 30, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Ad valorem taxes	\$ 40,155,000	\$ 40,154,999	\$ 40,196,519	\$ 41,520
Earnings on investments	36,612	36,613	155,688	119,075
Payments from Texas State Aquarium	330,613	330,613	330,613	--
Total revenues	<u>40,522,225</u>	<u>40,522,225</u>	<u>40,682,820</u>	<u>160,595</u>
Expenditures				
Debt service				
Principal retirement	26,975,000	26,975,000	26,091,488	883,512
Interest	19,421,610	19,351,610	18,434,467	917,143
Bond issue cost	--	--	16,714	(16,714)
Paying agent fees	45,000	45,000	819,243	(774,243)
Total expenditures	<u>46,441,610</u>	<u>46,371,610</u>	<u>45,361,912</u>	<u>1,009,698</u>
Deficiency of revenues under expenditures	(5,919,385)	(5,849,385)	(4,679,092)	1,170,293
Other financing sources				
Refunding bonds issued	--	--	77,145,000	77,145,000
Premium on refunding bonds sold	--	--	11,898,979	11,898,979
Payment to escrow agent for refunded bonds	--	--	(88,191,024)	(88,191,024)
Transfers in from				
General fund	7,018,763	7,018,764	3,433,652	(3,585,112)
Airport fund	--	--	49,232	49,232
Hotel occupancy tax fund	--	--	2,136,500	2,136,500
Visitors facilities fund	--	--	184,803	184,803
Facilities maintenance fund	--	--	231,449	231,449
Transfers out to Marina fund	--	(70,000)	(70,000)	--
Total other financing sources	<u>7,018,763</u>	<u>6,948,764</u>	<u>6,818,591</u>	<u>(130,173)</u>
Net change in fund balance	1,099,378	1,099,379	2,139,499	1,040,120
Fund balance at beginning of year	<u>8,853,991</u>	<u>10,777,534</u>	<u>10,777,534</u>	<u>--</u>
Fund balance at end of year	<u>\$ 9,953,369</u>	<u>\$ 11,876,913</u>	<u>\$ 12,917,033</u>	<u>\$ 1,040,120</u>



Non-major Governmental Funds



NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2016

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund Corpus Christi Business and Job Development Corporation	Total
ASSETS				
Cash, cash equivalents and investments	\$ 121,040,297	\$ 50,261,108	\$ 6,193,474	\$ 177,494,879
Receivables, net of allowance for uncollectibles	23,522,556	533,384	--	24,055,940
Inventories	441,217	--	--	441,217
Prepaid items	237,005	--	--	237,005
Total assets	<u>\$ 145,241,075</u>	<u>\$ 50,794,492</u>	<u>\$ 6,193,474</u>	<u>\$ 202,229,041</u>
LIABILITIES				
Accounts payable	\$ 5,540,950	\$ 804,832	\$ --	\$ 6,345,782
Accrued liabilities	321,926	--	--	321,926
Deposits	2,165,809	--	--	2,165,809
Due to other governmental agencies	408,731	--	--	408,731
Advance from other funds	--	250,000	--	250,000
Unearned revenues	3,285,635	72,845	--	3,358,480
Total liabilities	<u>11,723,051</u>	<u>1,127,677</u>	<u>--</u>	<u>12,850,728</u>
DEFERRED INFLOWS OF RESOURCES				
Contributions and donations	--	90,000	--	90,000
Total deferred inflows of resources	<u>--</u>	<u>90,000</u>	<u>--</u>	<u>90,000</u>
FUND BALANCES				
Nonspendable				
Inventory	441,217	--	--	441,217
Prepaid items	237,005	--	--	237,005
Total nonspendable	<u>678,222</u>	<u>--</u>	<u>--</u>	<u>678,222</u>
Restricted				
Tourism (HOT)	6,711,381	--	--	6,711,381
Public education governmental cable tv	1,541,975	--	--	1,541,975
Traffic safety programs	727,400	--	--	727,400
Law enforcement	34,103	--	--	34,103
Fire and ambulance	51,793	--	--	51,793
CDBG projects	466,626	--	--	466,626
Libraries	28	--	--	28
Parks and recreation	5,855,318	--	--	5,855,318
Infrastructure	1,705,972	--	--	1,705,972
Municipal Court building security	99,017	--	--	99,017
Municipal Court technology	176,232	--	--	176,232
Juvenile Court case manager	364,560	--	--	364,560
Loans	13,577,619	--	--	13,577,619

(Continued)

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2016

Exhibit 8-A
(Continued)

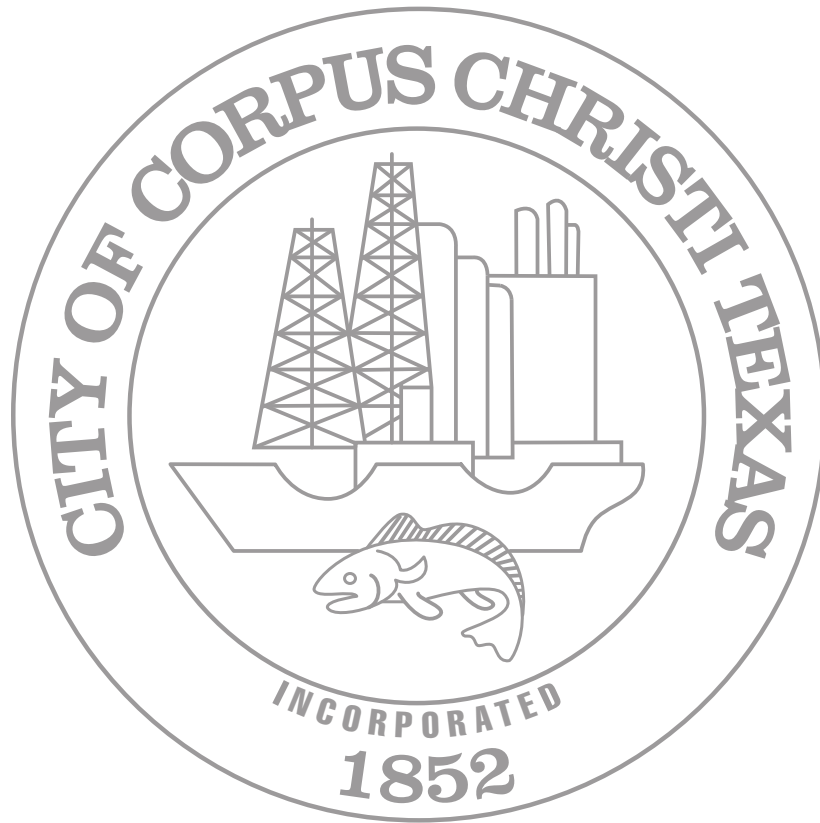
	Special Revenue Funds	Capital Projects Funds	Debt Service Fund Corpus Christi Business and Job Development Corporation	Total
Crime control and prevention	4,884,816	--	--	4,884,816
Seawall improvement	22,606,542	17,184,325	1,346,896	41,137,763
Arena facility	19,828,465	98,755	2,925,075	22,852,295
Economic development	9,140,796	--	1,921,503	11,062,299
North Padre Island development	910,000	2,008,188	--	2,918,188
Downtown development	3,092,132	--	--	3,092,132
Debt service	6,082,624	--	--	6,082,624
Capital projects	--	29,829,639	--	29,829,639
Total restricted	97,861,118	49,120,907	6,193,474	153,175,499
Committed				
Parking improvements	131,314	--	--	131,314
Streets	25,462,688	--	--	25,462,688
Obesity prevention - Health	782,791	--	--	782,791
Sister City programs	9	--	--	9
Park projects	3,318	--	--	3,318
Development projects	514,634	--	--	514,634
Local Emergency Planning Committee	47,787	--	--	47,787
Capital projects	--	660,509	--	660,509
Total committed	26,942,541	660,509	--	27,603,050
Assigned				
Visitors facilities	3,034,303	--	--	3,034,303
Development Services	4,805,735	--	--	4,805,735
Housing	127,330	--	--	127,330
Industrial development	68,775	--	--	68,775
Capital projects	--	42,758	--	42,758
Total assigned	8,036,143	42,758	--	8,078,901
Unassigned	--	(247,359)	--	(247,359)
Total fund balances	133,518,024	49,576,815	6,193,474	189,288,313
Total liabilities, deferred inflows of resources, and fund bal:	\$ 145,241,075	\$ 50,794,492	\$ 6,193,474	\$ 202,229,041

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund Corpus Christi Business and Job Development Corporation	Eliminations
Revenues				
Taxes and business fees	\$ 50,147,635	\$ --	\$ --	\$ --
Licenses and permits	6,311,772	--	--	--
Intergovernmental	2,761,017	--	--	--
Grants	10,877,522	--	--	--
Charges for services	17,707,145	--	--	--
Fines and forfeitures	2,188,535	--	--	--
Contributions and donations	1,458,733	767,052	--	--
Earnings on investments	429,980	272,825	36,025	--
Interest on loans	50,887	--	--	--
Sale of city property	7,289	--	--	--
Miscellaneous	1,398,800	--	--	--
Total revenues	<u>93,339,315</u>	<u>1,039,877</u>	<u>36,025</u>	<u>--</u>
Expenditures				
Current				
General government	5,458,967	1,547,263	--	--
Police and municipal court	11,227,679	--	--	--
Fire and ambulance	184,755	--	--	--
Emergency management	279,287	--	--	--
Streets	24,878,633	--	--	--
Health	3,137,431	--	--	--
Parks and recreation	4,320,990	--	--	--
Libraries	6,000	--	--	--
Community enrichment	2,619,871	--	--	--
Community development	6,426,611	--	--	--
Convention and visitors activities	14,091,247	--	--	--
Capital projects	4,395,146	17,691,586	--	--
Debt service				
Principal retirement	1,566,618	--	6,010,000	--
Interest	434,722	--	2,471,969	--
Bond issuance cost	--	93,646	--	--
Refund of bond issuance cost	--	(883)	--	--
Paying agent fees	28,635	--	2,000	--
Total expenditures	<u>79,056,592</u>	<u>19,331,612</u>	<u>8,483,969</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	14,282,723	(18,291,735)	(8,447,944)	--
Other financing sources (uses)				
Proceeds from the issuance of capital leases	929,184	--	--	--
Certificates of obligation bonds issued	--	12,020,000	--	--
Premium on bonds sold	--	107,857	--	--
Transfers in	16,765,072	270,000	8,487,966	(8,757,966)
Transfers out	(12,569,716)	(2,937,147)	--	8,757,966
Total other financing sources (uses)	<u>5,124,540</u>	<u>9,460,710</u>	<u>8,487,966</u>	<u>--</u>
Net change in fund balances	19,407,263	(8,831,025)	40,022	--
Fund balances at beginning of year, restated (Footnote 21)	114,110,761	58,407,840	6,153,452	--
Fund balances at end of year	<u>\$ 133,518,024</u>	<u>\$ 49,576,815</u>	<u>\$ 6,193,474</u>	<u>\$ --</u>

Exhibit 8-B

<u>Total</u>	
\$	50,147,635
	6,311,772
	2,761,017
	10,877,522
	17,707,145
	2,188,535
	2,225,785
	738,830
	50,887
	7,289
	<u>1,398,800</u>
	94,415,217
	7,006,230
	11,227,679
	184,755
	279,287
	24,878,633
	3,137,431
	4,320,990
	6,000
	2,619,871
	6,426,611
	14,091,247
	22,086,732
	7,576,618
	2,906,691
	93,646
	(883)
	<u>30,635</u>
	<u>106,872,173</u>
	(12,456,956)
	929,184
	12,020,000
	107,857
	16,765,072
	<u>(6,748,897)</u>
	<u>23,073,216</u>
	10,616,260
	<u>178,672,053</u>
\$	<u><u>189,288,313</u></u>



Special Revenue Funds

Special Revenue Funds

Special Revenue Funds are used to account for resources allocated to specific purposes. A special revenue fund continues in existence as long as governmental resources are allocated to its specific purpose.

Visitors Facilities Fund – This fund records revenues and expenditures related to the Convention Center, Arena, and other tourist-related activities.

Hotel Occupancy Tax Fund – This fund accounts for revenues and expenditures of the hotel/motel occupancy taxes.

State Hotel Occupancy Tax for Beaches Fund – This fund accounts for revenues and expenditures of the portion of state hotel/motel occupancy taxes allocated to the City for the purpose of cleaning, maintenance and erosion control of public beaches and bay shores.

Public Education and Governmental Cable TV Fund (PEG) – This fund accounts for cable franchise revenues and PEG facilities and equipment expenditures. The fund is a result of the cable franchise converting from a local franchise to state franchise in 2012. The funds are restricted by both state and federal law for PEG facilities and equipment.

Development Services Fund – This fund records revenues and expenditures related to the administration of building and development codes and facilitation of development of the City.

Red Light Photo Enforcement Fund – This fund records revenues and expenditures related to red light camera violations.

Parking Improvement Fund – This fund records a portion of Parking Meter revenue committed to be used for parking improvements.

Street Maintenance Fund – This fund records Street Maintenance Fees and other Streets revenue committed for use to manage, maintain, and develop the street system.

Residential/Local Street Fund – This fund records revenues committed to reconstruction of residential and local streets and related expenses.

Federal/State Grants Fund – This fund accounts for grant programs.

Municipal Court Fees Fund – This fund records revenues and expenditures related to fees designated for Municipal Court Building Security, Technology, and Juvenile Case Managers.

Community Enrichment Fund – This fund records revenues and expenditures for community enrichment programs and activities not in the General Fund.

Infrastructure Fund – This fund records revenues and expenditures related to developers' participation in the enhancement of streets and roads in neighborhood subdivisions.

Local Emergency Planning Committee – This fund was established by Interlocal Agreement between the County of Nueces, City of Corpus Christi, and the Port of Corpus Christi Authority for the purposes of implementing the federally mandated plan and required training under the Community Right-To-Know Act.

Health Medicaid Waiver Fund – This fund accounts for revenues passed from the Federal government through the State to fund educational and self-management health programs in order to prevent chronic diseases, with the overall goal of reducing medical costs. It is administered by the City Health Department.

Corpus Christi Community Improvement Corporation – This fund accounts for revenues and expenditures of the Corpus Christi Community Improvement Corporation.

Corpus Christi Housing Finance Corporation – This fund accounts for revenues and expenditures of the Corpus Christi Housing Finance Corporation.

Corpus Christi Industrial Development Corporation – This fund accounts for revenues and expenditures of the Corpus Christi Industrial Development Corporation.

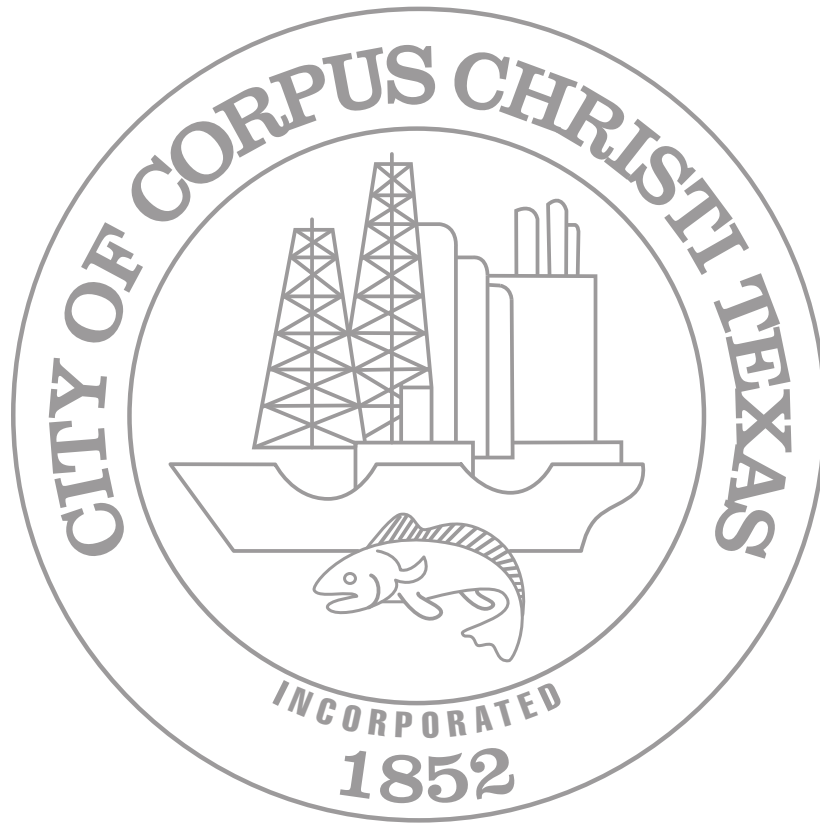
Coastal Bend Health Facilities Development Corporation – This fund accounts for revenues and expenditures of the Corpus Christi Health Facilities Development Corporation which is a public non-profit corporation created by State law to facilitate financing and development of health and health-related facilities.

Corpus Christi Crime Control and Prevention District – This fund is a public non-profit corporation created under State law to provide for funding of public safety programs.

Corpus Christi Business and Job Development Corporation – This fund is a public non-profit corporation created under Section 4A of the Development Corporation Act of the State of Texas, to provide funding of voter approved capital improvement programs for the seawall, the arena, and the baseball stadium; for the promotion and development of new and expanded business enterprises; and for assisting qualified citizens with affordable housing.

North Padre Island Development Corporation – This fund accounts for the facilitation of development of land within the boundaries of the Tax Increment Zone No. 2. The fund is utilized for Packery Channel development and improvement projects within the Zone.

Reinvestment Zone # 3, City of Corpus Christi, Texas – This fund accounts for the facilitation of development of land within the boundaries of the Tax Increment Zone No. 3. The fund is utilized for downtown development and improvement projects within the Zone.



**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2016**

	Visitors Facilities	Hotel Occupancy Tax	State Hotel Occupancy Tax for Beaches	Public Education and Governmental Cable TV	Development Services
ASSETS					
Cash, cash equivalents and investments	\$ 4,717,915	\$ 5,723,123	\$ 1,541,441	\$ 1,369,910	\$ 4,865,975
Receivables					
Accounts	2,439,628	1,653,653	--	176,349	--
Mortgages and loans	--	--	--	--	--
Demolition liens	--	--	--	--	--
Special assessments	--	--	--	--	--
Intergovernmental	--	--	1,173,259	--	--
Miscellaneous	--	--	--	--	--
Allowance for uncollectibles	(251,902)	--	--	--	--
Net receivables	<u>2,187,726</u>	<u>1,653,653</u>	<u>1,173,259</u>	<u>176,349</u>	<u>--</u>
Due from other funds	--	--	--	--	--
Inventories	76,990	--	--	--	--
Prepaid items	<u>192,518</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u>\$ 7,175,149</u>	<u>\$ 7,376,776</u>	<u>\$ 2,714,700</u>	<u>\$ 1,546,259</u>	<u>\$ 4,865,975</u>
LIABILITIES					
Accounts payable	\$ 977,309	\$ 665,395	\$ 6,064	\$ 4,284	\$ 51,057
Accrued liabilities	321,926	--	--	--	--
Deposits	1,160	--	--	--	9,183
Due to other funds	--	--	--	--	--
Due to other governmental agencies	--	--	--	--	--
Other	--	--	--	--	--
Unearned revenues					
Demolition liens and other	--	--	--	--	--
Asset seizure and forfeiture	--	--	--	--	--
Grants	--	--	--	--	--
Other	2,570,943	--	--	--	--
Total unearned revenues	<u>2,570,943</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total liabilities	<u>3,871,338</u>	<u>665,395</u>	<u>6,064</u>	<u>4,284</u>	<u>60,240</u>

(Continued)

Exhibit 9-A

<u>Redlight Photo Enforcement</u>	<u>Parking Improvement</u>	<u>Street Maintenance</u>	<u>Residential Local Streets</u>	<u>Federal/ State Grants</u>	<u>Municipal Court Fees</u>	<u>Community Enrichment</u>	<u>Infrastructure</u>
\$ 1,479,156	\$ 170,566	\$ 24,461,332	\$ 2,654,455	\$ 479,024	\$ 639,809	\$ 3,289,024	\$ 3,444,751
--	--	1,232,414	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	769,629	--	--	--
--	--	--	--	4,588	--	--	--
--	--	--	--	1,307,425	--	--	--
--	--	--	--	--	--	--	--
--	--	(74,594)	--	(704,823)	--	--	--
--	--	<u>1,157,820</u>	--	<u>1,376,819</u>	--	--	--
--	--	--	--	19,342	--	--	--
--	--	364,227	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>\$ 1,479,156</u>	<u>\$ 170,566</u>	<u>\$ 25,983,379</u>	<u>\$ 2,654,455</u>	<u>\$ 1,875,185</u>	<u>\$ 639,809</u>	<u>\$ 3,289,024</u>	<u>\$ 3,444,751</u>
\$ 414,852	\$ 39,252	\$ 2,810,919	\$ --	\$ 326,437	\$ --	\$ --	\$ --
--	--	--	--	--	--	--	--
--	--	--	--	231,212	--	--	1,738,779
--	--	--	--	--	--	--	--
336,904	--	--	--	71,827	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	69,882	--	--	--
--	--	--	--	34,109	--	--	--
--	--	--	--	213,549	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	<u>317,540</u>	--	--	--
<u>751,756</u>	<u>39,252</u>	<u>2,810,919</u>	--	<u>947,016</u>	--	--	<u>1,738,779</u>

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2016**

FUND BALANCES	Visitors Facilities	Hotel Occupancy Tax	State Hotel Occupancy Tax for Beaches	Public Education and Governmental Cable TV	Development Services
Nonspendable					
Inventory	76,990	--	--	--	--
Prepaid items	192,518	--	--	--	--
Total nonspendable	<u>269,508</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Restricted					
Tourism (HOT)	--	6,711,381	--	--	--
Public education governmental cable tv	--	--	--	1,541,975	--
Traffic safety programs	--	--	--	--	--
Law enforcement	--	--	--	--	--
Fire and ambulance	--	--	--	--	--
CDBG projects	--	--	--	--	--
Health	--	--	--	--	--
Libraries	--	--	--	--	--
Community enrichment	--	--	--	--	--
Parks and recreation	--	--	2,708,636	--	--
Infrastructure	--	--	--	--	--
Municipal Court building security	--	--	--	--	--
Municipal Court technology	--	--	--	--	--
Juvenile Court case manager	--	--	--	--	--
Loans	--	--	--	--	--
Crime control and prevention	--	--	--	--	--
Seawall improvement	--	--	--	--	--
Arena facility	--	--	--	--	--
Economic development	--	--	--	--	--
North Padre Island development	--	--	--	--	--
Downtown development	--	--	--	--	--
Debt service	--	--	--	--	--
Total restricted	<u>--</u>	<u>6,711,381</u>	<u>2,708,636</u>	<u>1,541,975</u>	<u>--</u>
Committed					
Parking improvements	--	--	--	--	--
Streets	--	--	--	--	--
Obesity prevention - Health	--	--	--	--	--
Sister City programs	--	--	--	--	--
Park projects	--	--	--	--	--
Development projects	--	--	--	--	--
Local Emergency Planning Committee	--	--	--	--	--
Total committed	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Assigned					
Visitors facilities	3,034,303	--	--	--	--
Development Services	--	--	--	--	4,805,735
Housing	--	--	--	--	--
Industrial development	--	--	--	--	--
Total assigned	<u>3,034,303</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,805,735</u>
Total fund balances	<u>3,303,811</u>	<u>6,711,381</u>	<u>2,708,636</u>	<u>1,541,975</u>	<u>4,805,735</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 7,175,149</u>	<u>\$ 7,376,776</u>	<u>\$ 2,714,700</u>	<u>\$ 1,546,259</u>	<u>\$ 4,865,975</u>

City of Corpus Christi

Exhibit 9-A
(Continued)

<u>Redlight Photo Enforcement</u>	<u>Parking Improvement</u>	<u>Street Maintenance</u>	<u>Residential Local Streets</u>	<u>Federal/ State Grants</u>	<u>Municipal Court Fees</u>	<u>Community Enrichment</u>	<u>Infrastructure</u>
--	--	364,227	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	364,227	--	--	--	--	--
--	--	--	--	--	--	--	--
727,400	--	--	--	--	--	--	--
--	--	--	--	34,103	--	--	--
--	--	--	--	51,793	--	--	--
--	--	--	--	466,626	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	28	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	375,619	--	2,771,063	--
--	--	--	--	--	--	--	1,705,972
--	--	--	--	--	99,017	--	--
--	--	--	--	--	176,232	--	--
--	--	--	--	--	364,560	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
727,400	--	--	--	928,169	639,809	2,771,063	1,705,972
--	131,314	--	--	--	--	--	--
--	--	22,808,233	2,654,455	--	--	--	--
--	--	--	--	--	--	9	--
--	--	--	--	--	--	3,318	--
--	--	--	--	--	--	514,634	--
--	--	--	--	--	--	--	--
--	131,314	22,808,233	2,654,455	--	--	517,961	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
727,400	131,314	23,172,460	2,654,455	928,169	639,809	3,289,024	1,705,972
<u>\$ 1,479,156</u>	<u>\$ 170,566</u>	<u>\$ 25,983,379</u>	<u>\$ 2,654,455</u>	<u>\$ 1,875,185</u>	<u>\$ 639,809</u>	<u>\$ 3,289,024</u>	<u>\$ 3,444,751</u>

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2016**

	Local Emergency Planning Committee	Health Medicaid Waiver	Corpus Christi Community Improvement Corporation	Corpus Christi Housing Finance Corporation	Corpus Christi Industrial Development Corporation
ASSETS					
Cash, cash equivalents and investments	\$ 80,512	\$ 794,033	\$ 2,983,923	\$ 127,330	\$ 68,775
Receivables					
Accounts	--	--	--	397,152	--
Taxes	--	--	--	--	--
Mortgages and loans	--	--	13,066,566	--	--
Demolition liens	--	--	--	--	--
Special assessments	--	--	--	--	--
Intergovernmental	--	--	--	--	--
Miscellaneous	--	--	--	--	--
Allowance for uncollectibles	--	--	(2,293,778)	--	--
Net receivables	<u>--</u>	<u>--</u>	<u>10,772,788</u>	<u>397,152</u>	<u>--</u>
Due from other funds	--	--	--	--	--
Inventories	--	--	--	--	--
Prepaid items	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u>\$ 80,512</u>	<u>\$ 794,033</u>	<u>\$ 13,756,711</u>	<u>\$ 524,482</u>	<u>\$ 68,775</u>
LIABILITIES					
Accounts payable	\$ 7,000	\$ 11,242	\$ --	\$ --	\$ --
Accrued liabilities	--	--	--	--	--
Deposits	25,725	--	159,750	--	--
Due to other funds	--	--	19,342	--	--
Due to other governmental agencies	--	--	--	--	--
Unearned revenues					
Demolition liens and other	--	--	--	--	--
Asset seizure and forfeitures	--	--	--	--	--
Grants	--	--	--	--	--
Other	<u>--</u>	<u>--</u>	<u>--</u>	<u>397,152</u>	<u>--</u>
Total unearned revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>397,152</u>	<u>--</u>
Total liabilities	<u>32,725</u>	<u>11,242</u>	<u>179,092</u>	<u>397,152</u>	<u>--</u>

(Continued)

City of Corpus Christi

Exhibit 9-A
(Continued)

Coastal Bend Health Facilities Development Corporation	Corpus Christi Crime Control and Prevention District	Corpus Christi Business and Job Development Corporation	North Padre Island Development Corporation	Reinvestment Zone #3	Eliminations	Total
\$ 3,719	\$ 3,768,568	\$ 48,257,907	\$ 6,955,860	\$ 3,163,189	\$ --	\$ 121,040,297
--	--	--	--	--	--	5,899,196
--	--	--	36,764	885	--	37,649
--	--	--	--	--	--	13,066,566
--	--	--	--	--	--	769,629
--	--	--	--	--	--	4,588
--	1,136,566	3,447,786	--	--	--	7,065,036
--	4,989	--	--	--	--	4,989
--	--	--	--	--	--	(3,325,097)
--	1,141,555	3,447,786	36,764	885	--	23,522,556
--	--	--	--	--	(19,342)	--
--	--	--	--	--	--	441,217
--	--	44,487	--	--	--	237,005
<u>\$ 3,719</u>	<u>\$ 4,910,123</u>	<u>\$ 51,750,180</u>	<u>\$ 6,992,624</u>	<u>\$ 3,164,074</u>	<u>\$ (19,342)</u>	<u>\$ 145,241,075</u>
\$ --	\$ 25,307	\$ 129,890	\$ --	\$ 71,942	\$ --	\$ 5,540,950
--	--	--	--	--	--	321,926
--	--	--	--	--	--	2,165,809
--	--	--	--	--	(19,342)	--
--	--	--	--	--	--	408,731
--	--	--	--	--	--	69,882
--	--	--	--	--	--	34,109
--	--	--	--	--	--	213,549
--	--	--	--	--	--	2,968,095
--	--	--	--	--	--	3,285,635
--	25,307	129,890	--	71,942	(19,342)	11,723,051

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2016

FUND BALANCES	Local Emergency Planning Committee	Health Medicaid Waiver	Corpus Christi Community Improvement Corporation	Corpus Christi Housing Finance Corporation	Corpus Christi Industrial Development Corporation
Nonspendable					
Inventory	--	--	--	--	--
Prepaid items	--	--	--	--	--
Total nonspendable	--	--	--	--	--
Restricted					
Tourism (HOT)	--	--	--	--	--
Public education governmental cable tv	--	--	--	--	--
Traffic safety programs	--	--	--	--	--
Law enforcement	--	--	--	--	--
Fire and ambulance	--	--	--	--	--
CDBG projects	--	--	--	--	--
Health	--	--	--	--	--
Libraries	--	--	--	--	--
Parks and recreation	--	--	--	--	--
Infrastructure	--	--	--	--	--
Municipal Court building security	--	--	--	--	--
Municipal Court technology	--	--	--	--	--
Juvenile Court case manager	--	--	--	--	--
Loans	--	--	13,577,619	--	--
Crime control and prevention	--	--	--	--	--
Seawall improvement	--	--	--	--	--
Arena facility	--	--	--	--	--
Economic development	--	--	--	--	--
North Padre Island development	--	--	--	--	--
Downtown development	--	--	--	--	--
Debt service	--	--	--	--	--
Total restricted	--	--	13,577,619	--	--
Committed					
Parking improvements	--	--	--	--	--
Streets	--	--	--	--	--
Obesity prevention - Health	--	782,791	--	--	--
Sister City programs	--	--	--	--	--
Park projects	--	--	--	--	--
Development projects	--	--	--	--	--
Local Emergency Planning Committee	47,787	--	--	--	--
Total committed	47,787	782,791	--	--	--
Assigned					
Visitors facilities	--	--	--	--	--
Development Services	--	--	--	--	--
Housing	--	--	--	127,330	--
Industrial development	--	--	--	--	68,775
Total assigned	--	--	--	127,330	68,775
Total fund balances	47,787	782,791	13,577,619	127,330	68,775
Total liabilities, deferred inflows of resources, and fund balance	\$ 80,512	\$ 794,033	\$ 13,756,711	\$ 524,482	\$ 68,775

City of Corpus Christi

Exhibit 9-A
(Continued)

Coastal Bend Health Facilities Development Corporation	Corpus Christi Crime Control and Prevention District	Corpus Christi Business and Job Development Corporation	North Padre Island Development Corporation	Reinvestment Zone #3	Eliminations	Total
--	--	--	--	--	--	441,217
--	--	44,487	--	--	--	237,005
--	--	44,487	--	--	--	678,222
--	--	--	--	--	--	6,711,381
--	--	--	--	--	--	1,541,975
--	--	--	--	--	--	727,400
--	--	--	--	--	--	34,103
--	--	--	--	--	--	51,793
--	--	--	--	--	--	466,626
3,719	--	--	--	--	--	3,719
--	--	--	--	--	--	28
--	--	--	--	--	--	5,855,318
--	--	--	--	--	--	1,705,972
--	--	--	--	--	--	99,017
--	--	--	--	--	--	176,232
--	--	--	--	--	--	364,560
--	--	--	--	--	--	13,577,619
--	4,884,816	--	--	--	--	4,884,816
--	--	22,606,542	--	--	--	22,606,542
--	--	19,828,465	--	--	--	19,828,465
--	--	9,140,796	--	--	--	9,140,796
--	--	--	910,000	--	--	910,000
--	--	--	--	3,092,132	--	3,092,132
--	--	--	6,082,624	--	--	6,082,624
3,719	4,884,816	51,575,803	6,992,624	3,092,132	--	97,861,118
--	--	--	--	--	--	131,314
--	--	--	--	--	--	25,462,688
--	--	--	--	--	--	782,791
--	--	--	--	--	--	9
--	--	--	--	--	--	3,318
--	--	--	--	--	--	514,634
--	--	--	--	--	--	47,787
--	--	--	--	--	--	26,942,541
--	--	--	--	--	--	3,034,303
--	--	--	--	--	--	4,805,735
--	--	--	--	--	--	127,330
--	--	--	--	--	--	68,775
--	--	--	--	--	--	8,036,143
3,719	4,884,816	51,620,290	6,992,624	3,092,132	--	133,518,024
\$ 3,719	\$ 4,910,123	\$ 51,750,180	\$ 6,992,624	\$ 3,164,074	\$ (19,342)	\$ 145,241,075

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2016

	Visitors Facilities	Hotel Occupancy Tax	State Hotel Occupancy Tax for Beaches	Public Education and Governmental Cable TV	Development Services	Redlight Photo Enforcement
Revenues						
Taxes and business fees	--	14,769,247	2,867,070	736,284	--	--
Licenses and permits	--	--	--	--	6,253,984	--
Intergovernmental	--	--	--	--	--	--
Grants	--	--	--	--	--	--
Charges for services	4,282,776	--	--	--	--	--
Fines and forfeitures	--	--	--	--	--	1,852,580
Contributions and donations	150,000	--	--	--	--	--
Earnings on investments	6,000	16,183	3,083	7,788	22,088	4,900
Interest on loans	-	-	-	-	-	-
Sale of City property	--	--	--	--	--	--
Miscellaneous	--	--	--	--	7,569	--
Total revenues	<u>4,438,776</u>	<u>14,785,430</u>	<u>2,870,153</u>	<u>744,072</u>	<u>6,283,641</u>	<u>1,857,480</u>
Expenditures						
Current						
General government	--	--	--	128,352	5,244,432	--
Police and municipal court	--	--	--	--	--	1,783,829
Fire and ambulance	--	--	--	--	--	--
Emergency management	--	--	--	--	--	--
Streets	--	--	--	--	--	--
Health	--	--	--	--	--	--
Parks and recreation	--	1,825,088	161,517	--	--	--
Libraries	--	--	--	--	--	--
Community enrichment	--	920,745	--	--	--	--
Community development	--	--	--	--	--	--
Convention and visitors activities	4,988,380	9,102,867	--	--	--	--
Capital projects	96,990	180,355	--	840,046	217,888	99,774
Debt service						
Principal retirement	--	--	--	--	--	--
Interest	--	--	--	--	--	--
Paying agent fees	-	-	-	-	-	-
Interest on interfund borrowings	-	-	-	-	-	-
Total expenditures	<u>5,085,370</u>	<u>12,029,055</u>	<u>161,517</u>	<u>968,398</u>	<u>5,462,320</u>	<u>1,883,603</u>
Excess (deficiency) of revenues over (under) expenditures	(646,594)	2,756,375	2,708,636	(224,326)	821,321	(26,123)
Other financing sources (uses)						
Capital leases	--	--	--	--	--	--
Transfers in	1,634,026	--	--	--	20,849	714
Transfers out	(315,519)	(2,150,084)	--	--	(1,084,753)	--
Total other financing sources (uses)	<u>1,318,507</u>	<u>(2,150,084)</u>	<u>--</u>	<u>--</u>	<u>(1,063,904)</u>	<u>714</u>
Net change in fund balance	671,913	606,291	2,708,636	(224,326)	(242,583)	(25,409)
Fund balances at beginning of year, restated (Footnote 21)	<u>2,631,898</u>	<u>6,105,090</u>	<u>--</u>	<u>1,766,301</u>	<u>5,048,318</u>	<u>752,809</u>
Fund balances at end of year	<u><u>3,303,811</u></u>	<u><u>6,711,381</u></u>	<u><u>2,708,636</u></u>	<u><u>1,541,975</u></u>	<u><u>4,805,735</u></u>	<u><u>727,400</u></u>

(Continued)

Exhibit 9-B

Parking Improvement	Street Maintenance	Residential Local Streets	Federal/ State Grants	Municipal Court Fees	Community Enrichment	Infrastructure
--	450,883	450,883	--	--	--	--
--	57,788	--	--	--	--	--
--	2,761,017	--	--	--	--	--
--	--	--	9,380,457	--	--	--
117,517	13,078,891	--	181,254	--	--	--
--	--	--	--	335,955	--	--
--	--	--	--	--	836,378	345,239
1,084	88,975	8,564	996	2,718	22,615	9,527
--	--	--	--	--	--	--
--	6,032	--	--	--	212	--
--	7,626	--	134,678	--	--	--
118,601	16,451,212	459,447	9,697,385	338,673	859,205	354,766
--	--	--	--	--	--	--
--	--	--	1,946,439	289,616	--	--
--	--	--	184,755	--	--	--
--	--	--	138,576	--	--	--
229,074	24,649,559	--	--	--	--	--
--	--	--	1,752,302	--	--	--
--	--	--	2,172,523	--	161,862	--
--	--	--	6,000	--	--	--
--	--	--	1,666,169	--	--	--
--	--	--	1,603,945	--	--	--
--	--	--	--	--	--	--
--	975,753	--	59,133	--	996,381	345,240
--	656,618	--	--	--	--	--
--	40,072	--	--	--	--	--
--	--	--	--	--	--	--
--	--	--	--	--	--	--
229,074	26,322,002	--	9,529,842	289,616	1,158,243	345,240
(110,473)	(9,870,790)	459,447	167,543	49,057	(299,038)	9,526
--	929,184	--	--	--	--	--
--	14,192,154	1,193,384	196,798	397	13,584	--
--	--	--	(414,694)	--	--	--
--	15,121,338	1,193,384	(217,896)	397	13,584	--
(110,473)	5,250,548	1,652,831	(50,353)	49,454	(285,454)	9,526
241,787	17,921,912	1,001,624	978,522	590,355	3,574,478	1,696,446
131,314	23,172,460	2,654,455	928,169	639,809	3,289,024	1,705,972

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2016

	Local Emergency Planning Committee	Health Medicaid Waiver	Corpus Christi Community Improvement Corporation	Corpus Christi Housing Finance Corporation	Corpus Christi Industrial Development Corporation	Coastal Bend Health Facilities Development Corporation
Revenues						
Taxes and business fees	--	--	--	--	--	--
Licenses and permits	--	--	--	--	--	--
Intergovernmental	--	--	--	--	--	--
Grants	--	--	1,497,065	--	--	--
Charges for services	--	--	--	42,037	--	--
Fines and forfeitures	--	--	--	--	--	--
Contributions and donations	127,116	--	--	--	--	--
Earnings on investments	536	3,564	288	3	--	--
Interest on loans	--	--	50,887	--	--	--
Sale of City property	--	--	--	--	--	--
Miscellaneous	--	1,202,338	46,589	--	--	--
Total revenue	<u>127,652</u>	<u>1,205,902</u>	<u>1,594,829</u>	<u>42,040</u>	<u>--</u>	<u>--</u>
Expenditures						
Current						
General government	--	--	--	--	--	--
Police and municipal court	--	--	--	--	--	--
Fire and ambulance	--	--	--	--	--	--
Emergency management	140,711	--	--	--	--	--
Streets	--	--	--	--	--	--
Health	--	1,385,129	--	--	--	--
Parks and recreation	--	--	--	--	--	--
Libraries	--	--	--	--	--	--
Community enrichment	--	--	--	--	--	--
Community development	--	--	2,104,017	1,710	--	--
Convention and visitors activities	--	--	--	--	--	--
Capital projects	--	--	--	--	--	--
Debt service						
Principal retirement	--	--	--	--	--	--
Interest	--	--	--	--	--	--
Paying agent fees	--	--	--	--	--	--
Total expenditures	<u>140,711</u>	<u>1,385,129</u>	<u>2,104,017</u>	<u>1,710</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(13,059)	(179,227)	(509,188)	40,330	--	--
Other financing sources (uses)						
Capital leases	--	--	--	--	--	--
Transfers in	132	962,018	--	--	--	--
Transfers out	--	--	--	--	--	--
Total other financing sources (uses)	<u>132</u>	<u>962,018</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(12,927)	782,791	(509,188)	40,330	--	--
Fund balances at beginning of year, restated (Footnote 21)	<u>60,714</u>	<u>--</u>	<u>14,086,807</u>	<u>87,000</u>	<u>68,775</u>	<u>3,719</u>
Fund balances at end of year	<u><u>47,787</u></u>	<u><u>782,791</u></u>	<u><u>13,577,619</u></u>	<u><u>127,330</u></u>	<u><u>68,775</u></u>	<u><u>3,719</u></u>

City of Corpus Christi

Exhibit 9-B
(Continued)

Corpus Christi Crime Control and Prevention District	Corpus Christi Business and Job Development Corporation	North Padre Island Development Corporation	Reinvestment Zone #3	Eliminations	Total
6,601,264	19,965,816	3,405,002	901,186	--	50,147,635
--	--	--	--	--	6,311,772
--	--	--	--	--	2,761,017
--	--	--	--	--	10,877,522
4,670	--	--	--	--	17,707,145
--	--	--	--	--	2,188,535
--	--	--	--	--	1,458,733
20,083	197,469	511	13,005	--	429,980
--	--	--	--	--	50,887
1,045	--	--	--	--	7,289
--	--	--	--	--	1,398,800
6,627,062	20,163,285	3,405,513	914,191	--	93,339,315
--	86,183	--	--	--	5,458,967
7,207,795	--	--	--	--	11,227,679
--	--	--	--	--	184,755
--	--	--	--	--	279,287
--	--	--	--	--	24,878,633
--	--	--	--	--	3,137,431
--	--	--	--	--	4,320,990
--	--	--	--	--	6,000
--	--	32,957	--	--	2,619,871
--	2,643,747	--	73,192	--	6,426,611
--	--	--	--	--	14,091,247
583,586	--	--	--	--	4,395,146
--	--	910,000	--	--	1,566,618
--	--	394,650	--	--	434,722
--	--	28,635	--	--	28,635
7,791,381	2,729,930	1,366,242	73,192	--	79,056,592
(1,164,319)	17,433,355	2,039,271	840,999	--	14,282,723
--	--	--	--	--	929,184
4,587	--	--	--	(1,453,571)	16,765,072
--	(10,027,223)	(28,578)	(2,436)	1,453,571	(12,569,716)
4,587	(10,027,223)	(28,578)	(2,436)	--	5,124,540
(1,159,732)	7,406,132	2,010,693	838,563	--	19,407,263
6,044,548	44,214,158	4,981,931	2,253,569	--	114,110,761
4,884,816	51,620,290	6,992,624	3,092,132	--	133,518,024

Exhibit 10-A

**VISITORS FACILITIES FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS

Cash, cash equivalents and investments	\$ 4,717,915
Receivables	
Accounts	2,439,628
Allowance for uncollectibles	<u>(251,902)</u>
Net receivables	2,187,726
Inventories	76,990
Prepaid Items	<u>192,518</u>
Total assets	<u>\$ 7,175,149</u>

LIABILITIES

Accounts payable	\$ 977,309
Accrued liabilities	321,926
Deposits	<u>1,160</u>
Total liabilities	3,871,338

FUND BALANCES

Nonspendable	
Inventory	76,990
Prepaid items	<u>192,518</u>
Total nonspendable	269,508
Assigned	
Visitors facilities	<u>3,034,303</u>
Total fund balance	<u>3,303,811</u>
Total liabilities and fund balance	<u>\$ 7,175,149</u>

**VISITORS FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Arena	\$ 2,735,882	\$ 2,735,882	\$ 1,999,076	\$ (736,806)
Convention center services	2,371,462	2,371,462	2,164,077	(207,385)
Bayfront rentals, events & contract	113,500	113,500	119,623	6,123
Total charges for services	5,220,844	5,220,844	4,282,776	(938,068)
Contributions and donations	--	--	150,000	150,000
Earnings on investments	--	--	6,000	6,000
Total revenues	5,220,844	5,220,844	4,438,776	(782,068)
Expenditures				
Current				
Arena	3,351,869	3,351,869	2,725,215	626,654
Arena maintenance/improvements	409,561	422,298	55,563	366,735
Arena marketing/co-promotion	600,000	600,000	330,000	270,000
Auditorium/convention center	1,436,379	1,436,379	1,055,719	380,660
Bayfront Arts and Science Park	898,373	927,973	709,222	218,751
Cultural facility maintenance	116,267	135,454	90,785	44,669
Uncollectible accounts	--	--	21,876	(21,876)
Other	4,920	4,920	--	4,920
Capital projects	--	185,500	96,990	88,510
Total expenditures	6,817,369	7,064,393	5,085,370	1,979,023
Deficiency of revenues under expenditures	(1,596,525)	(1,843,549)	(646,594)	1,196,955
Other financing sources (uses)				
Transfers in	1,217,487	1,403,026	1,634,026	231,000
Transfers out	(315,519)	(315,519)	(315,519)	--
Total other financing sources	901,968	1,087,507	1,318,507	231,000
Net change in fund balance	(694,557)	(756,042)	671,913	1,427,955
Fund balance beginning of year	1,096,092	2,631,898	2,631,898	--
Fund balance end of year	\$ 401,535	\$ 1,875,856	\$ 3,303,811	\$ 1,427,955

Exhibit 11-A

**HOTEL OCCUPANCY TAX FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS		
Cash, cash equivalents and investments		\$ 5,723,123
Receivables		
Accounts		<u>1,653,653</u>
Total assets		<u><u>\$ 7,376,776</u></u>
LIABILITIES		
Accounts payable		<u>\$ 665,395</u>
Total liabilities		665,395
FUND BALANCES		
Restricted		
Tourism (HOT)		<u>6,711,381</u>
Total liabilities and fund balance		<u><u>\$ 7,376,776</u></u>

HOTEL OCCUPANCY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Hotel occupancy tax	\$ 11,877,285	\$ 11,877,285	\$ 11,532,788	\$ (344,497)
Hotel occupancy tax-Convention expansion	3,393,412	3,393,412	3,236,459	(156,953)
Total hotel occupancy taxes	<u>15,270,697</u>	<u>15,270,697</u>	<u>14,769,247</u>	<u>(501,450)</u>
Earnings on investments	6,900	6,900	16,183	9,283
Total revenues	<u>15,277,597</u>	<u>15,277,597</u>	<u>14,785,430</u>	<u>(492,167)</u>
Expenditures				
Current				
Parks and recreation				
Beach cleaning	1,825,088	1,825,088	1,825,088	--
Community enrichment				
Art Museum of South Texas	340,000	340,000	340,000	--
Multicultural services support	131,230	131,230	131,230	--
Arts grants and projects	200,000	289,475	203,587	85,888
Harbor Playhouse	13,335	13,335	7,964	5,371
Tourist area amenities	200,000	200,000	12,741	187,259
Museum Marketing	25,000	38,037	30,223	7,814
Baseball stadium	175,000	175,000	175,000	--
Botanical Gardens	20,000	20,000	20,000	--
Convention and visitors activities				
Convention center/auditorium	3,000,000	3,000,000	3,000,000	--
Convention center maintenance	4,607,308	4,954,663	953,699	4,000,964
Convention and Visitors Bureau-convention promotion	4,960,000	4,960,000	4,905,114	54,886
Convention events	260,000	260,000	244,054	15,946
Miscellaneous	22,000	14,500	--	14,500
Reserve appropriation	400,000	400,000	--	400,000
Capital projects	--	180,355	180,355	--
Total expenditures	<u>16,178,961</u>	<u>16,801,683</u>	<u>12,029,055</u>	<u>4,772,628</u>
Excess of revenues over expenditures	(901,364)	(1,524,086)	2,756,375	4,280,461
Other financing sources (uses)				
Transfers out	<u>(2,136,500)</u>	<u>(2,136,500)</u>	<u>(2,150,084)</u>	<u>(13,584)</u>
Net change in fund balance	(3,037,864)	(3,660,586)	606,291	4,266,877
Fund balance at beginning of year	<u>5,511,877</u>	<u>6,105,090</u>	<u>6,105,090</u>	<u>--</u>
Fund balance at end of year	<u>\$ 2,474,013</u>	<u>\$ 2,444,504</u>	<u>\$ 6,711,381</u>	<u>\$ 4,266,877</u>

Exhibit 12-A

**STATE HOTEL OCCUPANCY TAX FOR BEACHES FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS		
Cash, cash equivalents and investments		\$ 1,541,441
Receivables		
Intergovernmental		<u>1,173,259</u>
Total assets		<u>\$ 2,714,700</u>
LIABILITIES		
Accounts payable		<u>\$ 6,064</u>
Total liabilities		6,064
FUND BALANCE		
Restricted		
Parks and recreation		<u>2,708,636</u>
Total liabilities and fund balance		<u>\$ 2,714,700</u>

**STATE HOTEL OCCUPANCY TAX FOR BEACHES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Hotel occupancy tax	\$ 2,900,000	\$ 2,900,000	\$ 2,867,070	\$ (32,930)
Earnings on investments	--	--	3,083	3,083
Total revenues	<u>2,900,000</u>	<u>2,900,000</u>	<u>2,870,153</u>	<u>(29,847)</u>
Expenditures				
Current				
Parks and recreation				
Beach code compliance	--	123,320	10,521	112,799
Beach maintenance and operations	--	485,262	150,996	334,266
Reserve appropriation	--	2,291,418	--	2,291,418
Total expenditures	<u>--</u>	<u>2,900,000</u>	<u>161,517</u>	<u>2,738,483</u>
Net change in fund balance	2,900,000	--	2,708,636	2,708,636
Fund balance at beginning of year	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balance at end of year	<u>\$ 2,900,000</u>	<u>\$ --</u>	<u>\$ 2,708,636</u>	<u>\$ 2,708,636</u>

Exhibit 13-A

**PUBLIC EDUCATION AND GOVERNMENTAL CABLE TV FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS

Cash, cash equivalents and investments	\$	1,369,910
Receivables		
Accounts		<u>176,349</u>
Total assets	\$	<u><u>1,546,259</u></u>

LIABILITIES

Liabilities		
Accounts payable	\$	4,284

FUND BALANCE

Restricted		
Public education governmental cable tv programs		<u>1,541,975</u>
Total liabilities and fund balance	\$	<u><u>1,546,259</u></u>

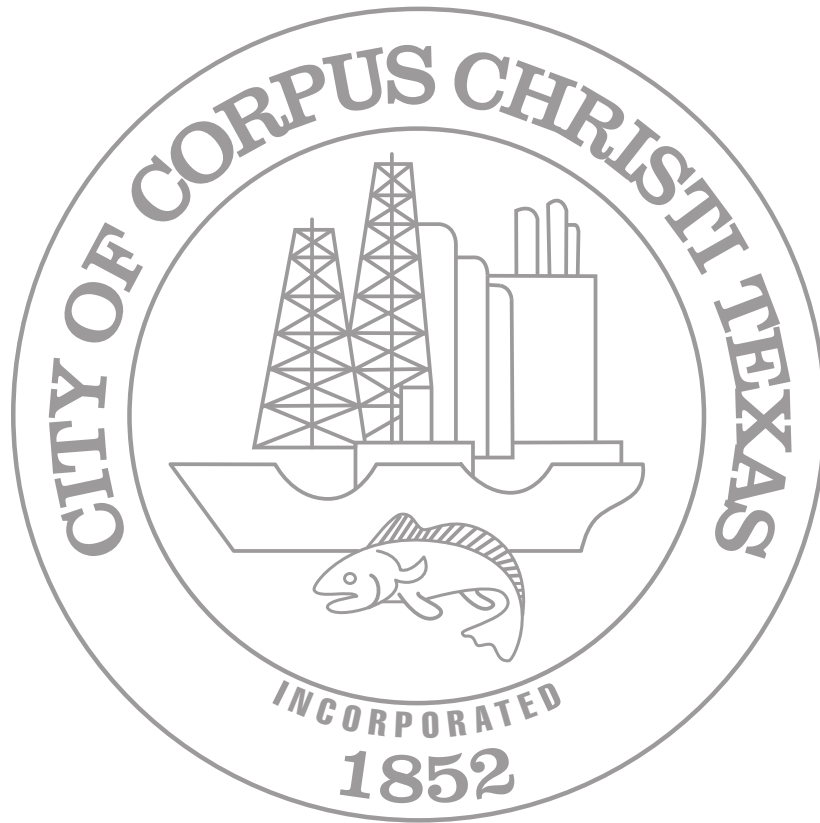
Exhibit 13-B

**PUBLIC EDUCATION AND GOVERNMENTAL CABLE TV FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes and business fees	\$ 650,000	\$ 650,000	\$ 736,284	\$ 86,284
Earnings on investments	--	--	7,788	7,788
Total revenues	<u>650,000</u>	<u>650,000</u>	<u>744,072</u>	<u>94,072</u>
Expenditures				
Current				
General government	--	320,000	128,352	191,648
Capital projects	650,000	1,373,964	840,046	533,918
Total expenditures	<u>650,000</u>	<u>1,693,964</u>	<u>968,398</u>	<u>725,566</u>
Net change in fund balance	--	(1,043,964)	(224,326)	819,638
Fund balance at beginning of year	--	1,766,301	1,766,301	--
Fund balance at end of year	<u>\$ --</u>	<u>\$ 722,337</u>	<u>\$ 1,541,975</u>	<u>\$ 819,638</u>

**DEVELOPMENT SERVICES
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS		
Cash, cash equivalents and investments		<u>\$ 4,865,975</u>
Total assets		<u><u>\$ 4,865,975</u></u>
LIABILITIES		
Accounts payable		\$ 51,057
Deposits		<u>9,183</u>
Total liabilities		60,240
FUND BALANCE		
Assigned Development services		<u>4,805,735</u>
Total liabilities and fund balance		<u><u>\$ 60,240</u></u>



DEVELOPMENT SERVICES
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Adjustments</u> <u>Budget Basis</u>	<u>Actual</u> <u>Budget Basis</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>				
Revenues						
Licenses and permits						
Beer and liquor licenses	\$ 79,984	\$ 79,984	\$ 134,115	--	\$ 134,115	\$ 54,131
Electricians licenses and exam fees	37,000	37,000	40,430	--	40,430	3,430
House mover licenses	266	266	266	--	266	--
Building permits	3,100,000	3,100,000	3,347,914	--	3,347,914	247,914
Electrical permits	167,296	167,296	333,083	--	333,083	165,787
Plumbing permits	340,991	340,991	294,681	--	294,681	(46,310)
Mechanical permits	113,000	113,000	220,344	--	220,344	107,344
Certificate of occupancy fee	35,000	35,000	34,826	--	34,826	(174)
Plan review fee	1,250,000	1,250,000	1,343,101	--	1,343,101	93,101
Mechanical registration fees	22,000	22,000	24,295	--	24,295	2,295
Lawn irrigator registration	3,800	3,800	4,185	--	4,185	385
Backflow prev. assembly tester	11,941	11,941	11,475	--	11,475	(466)
Driveway permit fee	21,500	21,500	10,076	--	10,076	(11,424)
Street cut permits	--	--	10,309	--	10,309	10,309
Street easement closure fees	13,000	13,000	12,502	--	12,502	(498)
Easement Closure FMV fee	--	--	3,430	--	3,430	3,430
Backflow prev device filling fee	50,000	50,000	130,300	--	130,300	80,300
Research and survey fee	5,000	5,000	6,617	--	6,617	1,617
Deferment Agreement fee	10,000	10,000	15,416	--	15,416	5,416
Construction documents fee	372	372	6	--	6	(366)
Billboard fee	8,500	8,500	28,981	--	28,981	20,481
Forfeited House Mover Deposit	--	--	1,000	--	1,000	1,000
House moving route permits	900	900	732	--	732	(168)
Oversize load permits	8,000	8,000	76,736	--	76,736	68,736
Total licenses and permits	<u>5,278,550</u>	<u>5,278,550</u>	<u>6,084,820</u>	<u>--</u>	<u>6,084,820</u>	<u>806,270</u>
Earnings on investments	9,617	9,617	22,088	--	22,088	12,471
Interdepartmental	1,034,172	1,034,172	--	1,034,164	1,034,164	(8)
Miscellaneous	--	--	7,569	--	7,569	7,569
General governmental services						
Zoning fees	140,000	140,000	89,884	--	89,884	(50,116)
Platting fees	55,950	55,950	70,454	--	70,454	14,504
Board of Adjustment appeal fees	2,550	2,550	8,698	--	8,698	6,148
GIS Sales	100	100	128	--	128	28
Total general governmental services	<u>198,600</u>	<u>198,600</u>	<u>169,164</u>	<u>--</u>	<u>169,164</u>	<u>(29,436)</u>
Total revenues	<u>6,520,939</u>	<u>6,520,939</u>	<u>6,283,641</u>	<u>1,034,164</u>	<u>7,317,805</u>	<u>796,866</u>

(Continued)

	Budget		Actual	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
	Original	Final				
Expenditures						
Current						
Development Services administration	2,000,391	3,613,131	2,166,578	118,226	2,284,804	(1,328,327)
Special services	1,903,701	2,172,328	1,104,226	578,925	1,683,151	(489,177)
Reserve appropriations	57,101	57,101	--	--	--	(57,101)
Inspections	2,545,003	2,479,036	1,973,628	337,013	2,310,641	(168,395)
Capital projects	--	247,889	217,888	--	217,888	(30,001)
Total expenditures	<u>6,506,196</u>	<u>8,569,485</u>	<u>5,462,320</u>	<u>1,034,164</u>	<u>6,496,484</u>	<u>(2,073,001)</u>
Excess (deficiency) of revenues over (under) expenditures	14,743	(2,048,546)	821,321	--	821,321	2,869,867
Other financing sources						
Transfers in						
General Fund	500,000	520,849	20,849	--	20,849	(500,000)
Transfers out						
Administrative Service Charge	(334,753)	(334,753)	(334,753)	--	(334,753)	--
Transfer to General Fund	--	(700,000)	(700,000)	--	(700,000)	--
Transfers for capital replacement	(50,000)	(50,000)	(50,000)	--	(50,000)	--
Total other financing sources	<u>115,247</u>	<u>(563,904)</u>	<u>(1,063,904)</u>	<u>--</u>	<u>(1,063,904)</u>	<u>(500,000)</u>
Net change in fund balance	129,990	(2,612,450)	(242,583)	--	(242,583)	2,369,867
Fund balance at beginning of year	<u>3,318,332</u>	<u>5,048,318</u>	<u>5,048,318</u>	<u>--</u>	<u>5,048,318</u>	<u>--</u>
Fund balance at end of year	<u>\$ 3,448,322</u>	<u>\$ 2,435,868</u>	<u>\$ 4,805,735</u>	<u>\$ --</u>	<u>\$ 4,805,735</u>	<u>\$ 2,369,867</u>

Exhibit 15-A

**REDLIGHT PHOTO ENFORCEMENT FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS	
Cash, cash equivalents and investments	<u>\$ 1,479,156</u>
Total assets	<u><u>\$ 1,479,156</u></u>
LIABILITIES	
Accounts payable	\$ 414,852
Due to other governmental agencies	<u>336,904</u>
Total liabilities	751,756
FUND BALANCE	
Restricted	
Traffic safety programs	<u>727,400</u>
Total liabilities and fund balance	<u><u>\$ 1,479,156</u></u>

REDLIGHT PHOTO ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ 1,823,688	\$ 1,823,688	\$ 1,852,580	\$ 28,892
Earnings on investments	--	--	4,900	4,900
Total revenues	<u>1,823,688</u>	<u>1,823,688</u>	<u>1,857,480</u>	<u>33,792</u>
Expenditures				
Current				
Police and municipal court	1,896,185	1,860,559	1,783,829	76,730
Capital projects	--	85,439	99,774	(14,335)
Total expenditures	<u>1,896,185</u>	<u>1,945,998</u>	<u>1,883,603</u>	<u>62,395</u>
Net change in fund balance	(72,497)	(122,310)	(26,123)	96,187
Other financing sources				
Transfers in	--	714	714	--
Excess of revenues over expenditures	(72,497)	(121,596)	(25,409)	96,187
Fund balance at beginning of year	<u>400,993</u>	<u>752,809</u>	<u>752,809</u>	<u>--</u>
Fund balance at end of year	<u>\$ 328,496</u>	<u>\$ 631,213</u>	<u>\$ 727,400</u>	<u>\$ 96,187</u>

**PARKING IMPROVEMENT FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS		
Cash, cash equivalents and investments		<u>\$ 170,566</u>
Total assets		<u><u>\$ 170,566</u></u>
LIABILITIES		
Accounts payable		<u>\$ 39,252</u>
Total liabilities		39,252
FUND BALANCE		
Committed Parking improvements		<u>131,314</u>
Total liabilities and fund balance		<u><u>\$ 170,566</u></u>

PARKING IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 101,011	\$ 101,011	\$ 117,517	\$ 16,506
Earnings on investments	--	--	1,084	1,084
Total revenues	<u>101,011</u>	<u>101,011</u>	<u>118,601</u>	<u>17,590</u>
Expenditures				
Streets	101,011	200,568	229,074	(28,506)
Total expenditures	<u>101,011</u>	<u>200,568</u>	<u>229,074</u>	<u>(28,506)</u>
Net change in fund balance	--	(99,557)	(110,473)	(10,916)
Fund balance at beginning of year	<u>233,814</u>	<u>241,787</u>	<u>241,787</u>	<u>--</u>
Fund balance at end of year	<u>\$ 233,814</u>	<u>\$ 142,230</u>	<u>\$ 131,314</u>	<u>\$ (10,916)</u>

**STREET MAINTENANCE FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS

Cash, cash equivalents and investments	\$ 24,461,332
Receivables	
Accounts	1,232,414
Allowance for uncollectibles	(74,594)
Net receivables	<u>1,157,820</u>
Inventories	<u>364,227</u>
Total assets	<u>\$ 25,983,379</u>

LIABILITIES

Accounts payable	\$ 2,810,919
Total liabilities	<u>2,810,919</u>

FUND BALANCE

Nonspendable	
Inventory	364,227
Committed	
Streets	<u>22,808,233</u>
Total fund balance	<u>23,172,460</u>
Total liabilities and fund balance	<u>\$ 25,983,379</u>

STREET MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016

	Budget		Actual	Adjustments		Variance with
	Original	Final		Budget Basis	Actual Budget Basis	
Revenues						
Industrial District - In-Lieu	\$ 550,000	\$ 550,000	\$ 450,883	\$ --	\$ 450,883	\$ (99,117)
Licenses and permits	44,400	44,400	57,788	--	57,788	13,388
Intergovernmental	2,688,486	2,688,486	2,761,017	--	2,761,017	72,531
Charges for services	12,203,768	12,203,768	13,078,891	--	13,078,891	875,123
Earnings on investments	26,006	26,006	88,975	--	88,975	62,969
Sale of City property	--	--	6,032	--	6,032	6,032
Interdepartmental	529,404	529,404	--	529,404	529,404	--
Miscellaneous	3,000	3,000	7,626	--	7,626	4,626
Total revenues	16,045,064	16,045,064	16,451,212	529,404	16,980,616	935,552
Expenditures						
Current						
Traffic engineering	754,432	764,432	743,402	2,060	745,462	(18,970)
Traffic signals	2,143,809	2,378,535	1,446,548	49,208	1,495,756	(882,779)
Signs & markings	880,764	1,142,663	882,237	--	882,237	(260,426)
Residential traffic management	25,000	10,000	--	--	--	(10,000)
Street administration	907,403	975,208	337,210	529,404	866,614	(108,594)
Street planning	482,121	749,246	586,134	--	586,134	(163,112)
Street preventative maintenance	15,350,625	27,965,750	10,311,545	--	10,311,545	(17,654,205)
Base restoration	1,986,735	2,603,679	2,446,937	89,116	2,536,053	(67,626)
Surface preservation	9,735,689	10,950,757	7,817,068	556,306	8,373,374	(2,577,383)
Reserve appropriation	5,447	5,447	--	--	--	(5,447)
Uncollectible accounts	50,953	50,953	78,478	--	78,478	27,525
Capital projects	--	--	975,753	(929,184)	46,569	46,569
Debt service						
Principal retirement	--	--	656,618	(656,618)	--	--
Interest	--	--	40,072	(40,072)	--	--
Total expenditures	32,322,978	47,596,670	26,322,002	(399,780)	25,922,222	(21,674,448)
Excess (deficiency) of revenues over (under) expenditures	(16,277,914)	(31,551,606)	(9,870,790)	929,184	(8,941,606)	22,610,000
Other financing sources						
Capital leases	--	--	929,184	(929,184)	--	--
Transfers in	14,130,933	14,192,154	14,192,154	--	14,192,154	--
Total other financing sources	14,130,933	14,192,154	15,121,338	(929,184)	14,192,154	--
Net change in fund balance	(2,146,981)	(17,359,452)	5,250,548	--	5,250,548	22,610,000
Fund balance at beginning of year	2,512,050	17,921,912	17,921,912	--	17,921,912	--
Fund balance at end of year	\$ 365,069	\$ 562,460	\$ 23,172,460	\$ --	\$ 23,172,460	\$ 22,610,000

**RESIDENTIAL/LOCAL STREET FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS	
Cash, cash equivalents and investments	<u>\$ 2,654,455</u>
Total assets	<u><u>\$ 2,654,455</u></u>
LIABILITIES	
Liabilities	\$ --
FUND BALANCE	
Committed	
Residential/Local Streets	<u>2,654,455</u>
Total fund balance	<u>2,654,455</u>
Total liabilities and fund balance	<u><u>\$ 2,654,455</u></u>

RESIDENTIAL/LOCAL STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Industrial District - in lieu of taxes	\$ 550,000	\$ 550,000	\$ 450,883	\$ (99,117)
Earnings on investments	--	--	8,564	8,564
Total revenues	<u>550,000</u>	<u>550,000</u>	<u>459,447</u>	<u>(90,553)</u>
Expenditures				
Capital projects	--	6,459	--	(6,459)
Total expenditures	<u>--</u>	<u>6,459</u>	<u>--</u>	<u>(6,459)</u>
Excess (deficiency) of revenues over (under) expenditures	550,000	543,541	459,447	(84,094)
Other financing sources				
Transfers in	1,000,000	1,193,384	1,193,384	--
Total other financing sources	<u>1,000,000</u>	<u>1,193,384</u>	<u>1,193,384</u>	<u>--</u>
Net change in fund balance	1,550,000	1,736,925	1,652,831	(84,094)
Fund balance at beginning of year	<u>1,000,000</u>	<u>1,001,624</u>	<u>1,001,624</u>	<u>--</u>
Fund balance at end of year	<u>\$ 2,550,000</u>	<u>\$ 2,738,549</u>	<u>\$ 2,654,455</u>	<u>\$ (84,094)</u>

Exhibit 19-A

**FEDERAL/STATE GRANTS FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS

Cash, cash equivalents and investments	\$ 479,024
Receivables	
Demolition liens	769,629
Special assessments	4,588
Intergovernmental	1,307,425
Allowance for uncollectibles	<u>(704,823)</u>
Net receivables	1,376,819
Due from other funds	<u>19,342</u>
Total assets	<u><u>\$ 1,875,185</u></u>

LIABILITIES

Accounts payable	\$ 326,437
Deposits	231,212
Due to other governmental agencies	71,827
Unearned revenues	
Demolition liens and other	69,882
Asset seizure and forfeitures	34,109
Grants	213,549
Total unearned revenues	<u>317,540</u>
Total liabilities	<u>947,016</u>

FUND BALANCE

Restricted	
CDBG	466,626
Fire and ambulance	51,793
Law enforcement	34,103
Libraries	28
Parks and recreation	375,619
Total fund balance	<u>928,169</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 1,875,185</u></u>

**FEDERAL/STATE GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues				
Grants				
State of Texas	\$ 4,626,854	\$ 53,899,980	\$ 976,393	\$ 54,876,373
Federal Government	22,466,410	68,109,975	7,576,767	75,686,742
Drug forfeitures				
State	565,208	2,491,740	299,025	2,790,765
Federal	384,968	3,479,171	102,004	3,581,175
Local grants and contributions	426,268	3,116,790	426,268	3,543,058
Total grants	<u>28,469,708</u>	<u>131,097,656</u>	<u>9,380,457</u>	<u>140,478,113</u>
Charges for services	--	5,140,607	181,254	5,321,861
Earnings on investments	995	188,681	996	189,677
Miscellaneous	134,678	1,279,394	134,678	1,414,072
Total revenue	<u>28,605,381</u>	<u>137,706,338</u>	<u>9,697,385</u>	<u>147,403,723</u>
Expenditures				
Current				
Police and municipal court	3,645,674	22,446,782	1,946,439	24,393,221
Fire and ambulance	445,678	11,260,121	184,755	11,444,876
Emergency management	277,151	69,534	138,576	208,110
Streets	--	7,560,375	--	7,560,375
Health	3,735,387	16,327,723	1,752,302	18,080,025
Parks and recreation	3,857,973	19,612,267	2,172,523	21,784,790
Libraries	6,000	3,043,501	6,000	3,049,501
Community enrichment	8,998,592	21,625,894	1,666,169	23,292,063
Community development	7,285,731	20,651,346	1,603,945	22,255,291
Museums	--	266,127	--	266,127
Capital projects	135,829	13,447,552	59,133	13,506,685
Total expenditures	<u>28,388,015</u>	<u>136,311,222</u>	<u>9,529,842</u>	<u>145,841,064</u>
Excess (deficiency) of revenues over (under) expenditures	217,366	1,395,116	167,543	1,562,659
Other financing sources (uses)				
Transfers in				
Corpus Christi Community Improvement Corporation	--	67,106	--	67,106
General fund	197,328	2,040,610	196,798	2,237,408
Total transfers in	<u>197,328</u>	<u>2,107,716</u>	<u>196,798</u>	<u>2,304,514</u>
Transfers out				
Police Capital Projects Fund	(270,000)	(570,000)	(270,000)	(840,000)
General fund	(144,694)	(1,954,310)	(144,694)	(2,099,004)
Total transfers out	<u>(414,694)</u>	<u>(2,524,310)</u>	<u>(414,694)</u>	<u>(2,939,004)</u>
Total other financing sources (uses)	<u>(217,366)</u>	<u>(416,594)</u>	<u>(217,896)</u>	<u>(634,490)</u>
Net change in fund balance	<u>\$ --</u>	<u>\$ 978,522</u>	<u>(50,353)</u>	<u>\$ 928,169</u>
Fund balance at beginning of year			978,522	
Fund balance at end of year			<u>\$ 928,169</u>	

**MUNICIPAL COURT FEES FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS		
Cash, cash equivalents and investments		<u>\$ 639,809</u>
Total assets		<u><u>\$ 639,809</u></u>
LIABILITIES		
Liabilities		\$ --
FUND BALANCE		
Restricted		
Municipal Court building security		99,017
Municipal Court technology		176,232
Juvenile Court case manager		<u>364,560</u>
Total fund balance		<u><u>639,809</u></u>
Total liabilities and fund balance		<u><u>\$ 639,809</u></u>

**MUNICIPAL COURT FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Municipal Court building security fee	\$ 82,600	\$ 82,600	\$ 80,333	\$ (2,267)
Municipal Court technology fee	108,475	108,475	106,624	(1,851)
Juvenile Court case manager fee	146,800	146,800	148,998	2,198
Earnings on investments	--	--	2,718	2,718
Total revenues	<u>337,875</u>	<u>337,875</u>	<u>338,673</u>	<u>798</u>
Expenditures				
Current				
Municipal Court building security	94,000	94,000	87,999	(6,001)
Municipal Court technology	212,720	212,720	50,778	(161,942)
Juvenile Court case managers	162,975	167,919	150,839	(17,080)
Total expenditures	<u>469,695</u>	<u>474,639</u>	<u>289,616</u>	<u>(185,023)</u>
Excess (deficiency) of revenues over (under) expenditures	(131,820)	(136,764)	49,057	185,821
Other financing sources				
Transfers in	<u>49,349</u>	<u>49,746</u>	<u>397</u>	<u>(49,349)</u>
Net change in fund balance	(82,471)	(87,018)	49,454	136,472
Fund balance at beginning of year	<u>506,549</u>	<u>590,355</u>	<u>590,355</u>	<u>--</u>
Fund balance at end of year	<u>\$ 424,078</u>	<u>\$ 503,337</u>	<u>\$ 639,809</u>	<u>\$ 136,472</u>

Exhibit 21-A

**COMMUNITY ENRICHMENT FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS	
Cash, cash equivalents and investments	<u>\$ 3,289,024</u>
Total assets	<u><u>\$ 3,289,024</u></u>
LIABILITIES	
Total liabilities	\$ -
FUND BALANCE	
Restricted	
Parks and recreation	2,771,063
Committed	
Sister City programs	9
Park projects	3,318
Development projects	<u>514,634</u>
Total committed	<u>517,961</u>
Total fund balance	<u><u>3,289,024</u></u>
Total liabilities and fund balance	<u><u>\$ 3,289,024</u></u>

Exhibit 21-B

**COMMUNITY ENRICHMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2016**

Revenues	
Contributions and donations	\$ 836,378
Earnings on investments	22,615
Sale of City property	212
Total revenues	859,205
Expenditures	
Current	
Parks and recreation	161,862
Capital projects	996,381
Total expenditures	1,158,243
Excess (deficiency) of revenues over (under) expenditures	(299,038)
Other financing sources	
Transfers in	13,584
Net change in fund balance	(285,454)
Fund balance at beginning of year	3,574,478
Fund balance at end of year	\$ 3,289,024

Exhibit 22-A

**INFRASTRUCTURE FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS		
Cash, cash equivalents and investments		<u>\$ 3,444,751</u>
Total assets		<u><u>\$ 3,444,751</u></u>
LIABILITIES		
Deposits		<u>\$ 1,738,779</u>
Total liabilities		1,738,779
FUND BALANCE		
Restricted Infrastructure		<u>1,705,972</u>
Total liabilities and fund balance		<u><u>\$ 3,444,751</u></u>

Exhibit 22-B

**INFRASTRUCTURE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2016**

Revenues	
Contributions and donations	\$ 345,239
Earnings on investments	9,527
Total revenues	<u>354,766</u>
Expenditures	
Capital projects	<u>345,240</u>
Net change in fund balance	9,526
Fund balance at beginning of year	<u>1,696,446</u>
Fund balance at end of year	<u><u>\$ 1,705,972</u></u>

Exhibit 23-A

**LOCAL EMERGENCY PLANNING COMMITTEE
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS	
Cash, cash equivalents and investments	<u>\$ 80,512</u>
Total assets	<u><u>\$ 80,512</u></u>
LIABILITIES	
Accounts payable	\$ 7,000
Deposits	<u>25,725</u>
Total liabilities	32,725
FUND BALANCE	
Committed	
Local Emergency Planning Committee	<u>47,787</u>
Total liabilities and fund balance	<u><u>\$ 80,512</u></u>

Exhibit 23-B

LOCAL EMERGENCY PLANNING COMMITTEE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and donations	\$ 98,500	\$ 98,500	\$ 127,116	\$ 28,616
Earnings on investments	--	--	536	536
Total revenues	<u>98,500</u>	<u>98,500</u>	<u>127,652</u>	<u>29,152</u>
Expenditures				
Current				
Emergency management	<u>116,175</u>	<u>164,179</u>	<u>140,711</u>	<u>23,468</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,675)</u>	<u>(65,679)</u>	<u>(13,059)</u>	<u>52,620</u>
Other financing sources				
Transfers in	<u>--</u>	<u>132</u>	<u>132</u>	<u>--</u>
Total other financing sources	<u>--</u>	<u>132</u>	<u>132</u>	<u>--</u>
Net change in fund balance	(17,675)	(65,547)	(12,927)	52,620
Fund balance at beginning of year	<u>51,667</u>	<u>60,714</u>	<u>60,714</u>	<u>--</u>
Fund balance at end of year	<u>\$ 33,992</u>	<u>\$ (4,833)</u>	<u>\$ 47,787</u>	<u>\$ 52,620</u>

Exhibit 24-A

**HEALTH MEDICAID WAIVER FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS		
Cash, cash equivalents and investments		<u>\$ 794,033</u>
Total assets		<u><u>\$ 794,033</u></u>
LIABILITIES		
Accounts payable		\$ 11,242
FUND BALANCE		
Committed		
Medicaid 1115 Waiver		<u>782,791</u>
Total liabilities and fund balance		<u><u>\$ 794,033</u></u>

**HEALTH MEDICAID WAIVER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Medicaid 1115 Transfer	\$ 1,204,158	\$ 1,204,158	\$ 1,202,338	\$ (1,820)
Earnings on investments	--	--	3,564	3,564
Total revenues	<u>1,204,158</u>	<u>1,204,158</u>	<u>1,205,902</u>	<u>1,744</u>
Expenditures				
Current				
Obesity Prevention - Health	<u>2,210,208</u>	<u>2,210,208</u>	<u>1,385,129</u>	<u>(825,079)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,006,050)</u>	<u>(1,006,050)</u>	<u>(179,227)</u>	<u>826,823</u>
Other financing sources				
Transfers in	1,006,050	1,006,050	962,018	(44,032)
Net change in fund balance	--	--	782,791	782,791
Fund balance at beginning of year	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 782,791</u>	<u>\$ 782,791</u>

Exhibit 25-A

**CORPUS CHRISTI COMMUNITY IMPROVEMENT CORPORATION
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS

Cash, cash equivalents and investments	\$ 2,983,923
Receivables	
Mortgages and loans	13,066,566
Allowance for uncollectibles	<u>(2,293,778)</u>
Net receivables	<u>10,772,788</u>
 Total assets	 <u><u>\$ 13,756,711</u></u>

LIABILITIES

Deposits	\$ 159,750
Due to other funds	19,342
Total liabilities	<u>179,092</u>

FUND BALANCE

Restricted	
Loans	<u>13,577,619</u>
Total liabilities and fund balance	<u><u>\$ 13,756,711</u></u>

Exhibit 25-B

**CORPUS CHRISTI COMMUNITY IMPROVEMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2016**

Revenues	
Federal Government	\$ 1,497,065
Earnings on investments	288
Interest on loans	50,887
Miscellaneous	46,589
Total revenues	<u>1,594,829</u>
Expenditures	
Current	
Community development	
Grants	1,507,939
Administration costs	63,515
Forgiven and uncollectible loans	532,563
Total expenditures	<u>2,104,017</u>
Net change in fund balance	(509,188)
Fund balance at beginning of year	<u>14,086,807</u>
Fund balance at end of year	<u><u>\$ 13,577,619</u></u>

**CORPUS CHRISTI HOUSING FINANCE CORPORATION
SCHEDULE OF NET POSITION
SEPTEMBER 30, 2016**

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Schedule of Net Position</u>
ASSETS			
Cash, cash equivalents and investments	\$ 127,330	\$ --	\$ 127,330
Receivables			
Accounts	397,152	--	397,152
Capital assets, net of accumulated depreciation	--	795,445	795,445
Total assets	<u>\$ 524,482</u>	<u>795,445</u>	<u>1,319,927</u>
LIABILITIES			
Unearned revenues			
Other	\$ 397,152	--	397,152
Total liabilities	<u>397,152</u>	<u>--</u>	<u>397,152</u>
FUND BALANCE			
Assigned			
Housing	127,330	(127,330)	--
Total liabilities and fund balance	<u>\$ 524,482</u>		
NET POSITION			
Investment in capital assets		795,445	795,445
Unrestricted		<u>127,330</u>	<u>127,330</u>
Total net position		<u>\$ 922,775</u>	<u>\$ 922,775</u>

**CORPUS CHRISTI HOUSING FINANCE CORPORATION
SCHEDULE OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2016**

	Governmental Funds	Adjustments	Schedule of Activities
Expenditures/expenses			
Community development	\$ 1,710	\$ 27,508	\$ 29,218
Total expenditures/expenses	<u>1,710</u>	<u>27,508</u>	<u>29,218</u>
Program revenue			
Charges for services	42,037	--	42,037
Net program revenue (expense)	<u>40,327</u>	<u>(27,508)</u>	<u>12,819</u>
General revenue			
Earnings on investments	<u>3</u>	<u>--</u>	<u>3</u>
Change in fund balance/net position	40,330	(27,508)	12,822
Fund balance/net position beginning of year	<u>87,000</u>	<u>822,953</u>	<u>909,953</u>
Fund balance/net position end of year	<u>\$ 127,330</u>	<u>\$ 795,445</u>	<u>\$ 922,775</u>

Exhibit 26-C

**CORPUS CHRISTI HOUSING FINANCE CORPORATION
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS	
Cash, cash equivalents and investments	\$ 127,330
Receivables	
Accounts	<u>397,152</u>
Total assets	<u><u>\$ 524,482</u></u>
LIABILITIES	
Unearned Revenue	
Other	<u>\$ 397,152</u>
Total liabilities	397,152
FUND BALANCE	
Assigned	
Housing	<u>127,330</u>
Total liabilities and fund balance	<u><u>\$ 524,482</u></u>

Exhibit 26-D

CORPUS CHRISTI HOUSING FINANCE CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2016

Revenues	
Charges for services	\$ 42,037
Earnings on investments	3
Total revenues	<u>42,040</u>
Expenditures	
Current	
Community development	<u>1,710</u>
Net change in fund balance	40,330
Fund balance at beginning of year	<u>87,000</u>
Fund balance at end of year	<u><u>\$ 127,330</u></u>

Exhibit 27-A

**CORPUS CHRISTI INDUSTRIAL DEVELOPMENT CORPORATION
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS

Cash, cash equivalents and investments	<u>\$ 68,775</u>
Total assets	<u><u>\$ 68,775</u></u>

LIABILITIES

Liabilities	\$ --
-------------	-------

FUND BALANCE

Assigned Industrial development	<u>68,775</u>
Total liabilities and fund balance	<u><u>\$ 68,775</u></u>

Exhibit 27-B

CORPUS CHRISTI INDUSTRIAL DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2016

Revenues	\$	--
Net change in fund balance		--
Fund balance at beginning of year		<u>68,775</u>
Fund balance at end of year	\$	<u>68,775</u>

Exhibit 28-A

**COASTAL BEND HEALTH FACILITIES DEVELOPMENT CORPORATION
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS

Cash, cash equivalents and investments	\$ 3,719
Total assets	<u>\$ 3,719</u>

LIABILITIES

Liabilities	\$ --
-------------	-------

FUND BALANCE

Restricted Health	<u>3,719</u>
Total liabilities and fund balance	<u>\$ 3,719</u>

Exhibit 28-B

COASTAL BEND HEALTH FACILITIES DEVELOPMENT CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2016

Revenues	\$	--
Net change in fund balance		--
Fund balances at beginning of year, restated (Footnote 21)		<u>3,719</u>
Fund balance at end of year	\$	<u>3,719</u>

**CORPUS CHRISTI CRIME CONTROL AND PREVENTION DISTRICT
SCHEDULE OF NET POSITION
SEPTEMBER 30, 2016**

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Schedule of Net Position</u>
ASSETS			
Cash, cash equivalents and investments	\$ 3,768,568	\$ --	\$ 3,768,568
Receivables			
Intergovernmental	1,136,566	--	1,136,566
Miscellaneous	4,989	--	4,989
Net receivables	<u>1,141,555</u>	<u>--</u>	<u>1,141,555</u>
Total assets	<u>\$ 4,910,123</u>	<u>--</u>	<u>4,910,123</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to net pension liability		<u>1,877,146</u>	<u>1,877,146</u>
LIABILITIES			
Accounts payable	\$ 25,307	--	25,307
Accumulated unpaid compensated absences			
Due within one year		508,567	508,567
Due in more than one year		201,376	201,376
Net pension liability		7,235,605	7,235,605
Net OPEB obligation		181,764	181,764
Total liabilities	<u>25,307</u>	<u>8,127,312</u>	<u>8,152,619</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to net pension liability	<u>--</u>	<u>135,363</u>	<u>135,363</u>
FUND BALANCE			
Restricted			
Crime control and prevention	4,884,816	(4,884,816)	<u>--</u>
Total fund balance	<u>4,884,816</u>	<u>(4,884,816)</u>	
Total liabilities and fund balance	<u>\$ 4,910,123</u>		
NET POSITION			
Restricted for			
Crime control and prevention		<u>(1,500,713)</u>	<u>(1,500,713)</u>
Total net position		<u>\$ (1,500,713)</u>	<u>\$ (1,500,713)</u>

**CORPUS CHRISTI CRIME CONTROL AND PREVENTION DISTRICT
SCHEDULE OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2016**

	Governmental Funds	Adjustments	Schedule of Activities
Expenditures/expenses			
Public safety	\$ 7,207,795	\$ 348,971	\$ 7,556,766
Capital projects	583,586	(583,586)	--
Total expenditures/expenses	<u>7,791,381</u>	<u>(234,615)</u>	<u>7,556,766</u>
General revenue			
Sales tax	6,601,264	--	6,601,264
Juvenile drug testing	4,670	--	4,670
Earnings on investments	20,083	--	20,083
Sale of City property	1,045	--	1,045
Total general revenue	<u>6,627,062</u>	<u>--</u>	<u>6,627,062</u>
Other financing sources (uses)			
Transfers in	4,587	--	4,587
Transfers out	--	(583,586)	(583,586)
Total general revenue and other financing sources (uses)	<u>4,587</u>	<u>(583,586)</u>	<u>(578,999)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(1,159,732)	1,159,732	--
Change in net position	--	(1,508,703)	(1,508,703)
Fund balance/net position beginning of year, restated (Footnote 21)	<u>6,044,548</u>	<u>(6,036,558)</u>	<u>7,990</u>
Fund balance/net position end of year	<u>\$ 4,884,816</u>	<u>\$ (6,385,529)</u>	<u>\$ (1,500,713)</u>

Exhibit 29-C

**CORPUS CHRISTI CRIME CONTROL AND PREVENTION DISTRICT
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS

Cash, cash equivalents and investments	\$ 3,768,568
Receivables	
Intergovernmental	1,136,566
Miscellaneous	4,989
Net receivables	<u>1,141,555</u>
Total assets	<u><u>\$ 4,910,123</u></u>

LIABILITIES

Accounts payable	\$ 25,307
Total liabilities	<u>25,307</u>

FUND BALANCE

Restricted	
Crime control and prevention	<u>4,884,816</u>
Total liabilities and fund balance	<u><u>\$ 4,910,123</u></u>

**CORPUS CHRISTI CRIME CONTROL AND PREVENTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales tax	\$ 7,500,000	\$ 7,500,000	\$ 6,601,264	\$ (898,736)
Juvenile drug testing	10,000	10,000	4,670	(5,330)
Earnings on investments	3,000	3,000	20,083	17,083
Sale of City property	--	--	1,045	1,045
Total revenue	<u>7,513,000</u>	<u>7,513,000</u>	<u>6,627,062</u>	<u>(885,938)</u>
Expenditures				
Current				
Police officers	6,126,201	6,109,345	5,891,712	217,633
Pawn shop detail	155,761	168,469	163,199	5,270
Juvenile Curfew & Truancy Assessment Center	458,966	506,177	460,184	45,993
Crime prevention	190,711	193,356	168,500	24,856
Public safety vehicles and equipment	215,000	1,642,992	466,070	1,176,922
Juvenile City marshals	139,655	140,195	58,130	82,065
Reserve appropriation	150,000	122,723	--	122,723
Capital projects	--	--	583,586	(583,586)
Total expenditures	<u>7,436,294</u>	<u>8,883,257</u>	<u>7,791,381</u>	<u>1,091,876</u>
Excess of revenues over expenditures	76,706	(1,370,257)	(1,164,319)	205,938
Other financing sources				
Transfers in	--	--	4,587	--
Net change in fund balance	76,706	(1,370,257)	(1,159,732)	205,938
Fund balance at beginning of year, restated (Footnote 21)	<u>4,425,610</u>	<u>6,044,548</u>	<u>6,044,548</u>	<u>--</u>
Fund balance at end of year	<u>\$ 4,502,316</u>	<u>\$ 4,674,291</u>	<u>\$ 4,884,816</u>	<u>\$ 205,938</u>

Exhibit 30-A

CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
SCHEDULE OF NET POSITION
SEPTEMBER 30, 2016

	Governmental Funds	Adjustments	Schedule of Net Position
ASSETS			
Cash, cash equivalents and investments	\$ 71,783,581	\$ --	\$ 71,783,581
Receivables			
Intergovernmental	3,447,786	--	3,447,786
Net receivables	<u>3,447,786</u>	<u>--</u>	<u>3,447,786</u>
Prepaid items	44,487	--	44,487
Total assets	<u>\$ 75,275,854</u>	<u>--</u>	<u>75,275,854</u>
LIABILITIES			
Accounts payable	\$ 129,890	\$ --	\$ 129,890
Accrued interest	--	187,402	187,402
Contractor interest and retainage payable	49,121	--	49,121
Long-term debt			
Due within one year	--	6,280,000	6,280,000
Due in more than one year	--	46,848,890	46,848,890
Total liabilities	<u>179,011</u>	<u>53,316,292</u>	<u>53,495,303</u>
FUND BALANCE			
Nonspendable			
Prepaid items	44,487	(44,487)	--
Restricted			
Seawall improvement	41,137,763	(41,137,763)	--
Arena facility	22,852,295	(22,852,295)	--
Economic development	11,062,299	(11,062,299)	--
Total restricted	<u>75,052,357</u>	<u>(75,052,357)</u>	<u>--</u>
Total fund balance	<u>75,096,844</u>	<u>(75,096,844)</u>	<u>--</u>
Total liabilities and fund balance	<u>\$ 75,275,855</u>		
NET POSITION			
Restricted for			
Business and job development		21,780,552	21,780,552
Total net position		<u>\$ 21,780,552</u>	<u>\$ 21,780,552</u>

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
SCHEDULE OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2016**

	Governmental Funds	Adjustments	Schedule of Activities
Expenditures/expenses			
General government	\$ 126,083	\$ --	\$ 126,083
Community development	2,643,747	--	2,643,747
Capital projects	597,288	(597,288)	--
Debt service			
Principal retirement	6,010,000	(6,010,000)	--
Interest	2,471,969	(1,016,990)	1,454,979
Paying agent fees	2,000	--	2,000
Total expenditures/expenses	<u>11,851,087</u>	<u>(7,624,278)</u>	<u>4,226,809</u>
General revenues			
Sales tax	19,965,816	--	19,965,816
Earnings on investments	310,699	--	310,699
Other financing sources (uses)			
Transfers out	<u>(1,539,257)</u>	<u>(597,288)</u>	<u>(2,136,545)</u>
Total general revenues and other financing sources (uses)	<u>18,737,258</u>	<u>(597,288)</u>	<u>18,139,970</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	6,886,171	(6,886,171)	--
Change in net position	--	13,913,161	13,913,161
Fund balance/net position at beginning of year	<u>68,210,673</u>	<u>(60,343,282)</u>	<u>7,867,391</u>
Fund balance/net position end of year	<u>\$ 75,096,844</u>	<u>\$ (53,316,292)</u>	<u>\$ 21,780,552</u>

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
BALANCE SHEET
SEPTEMBER 30, 2016**

	Special Revenue		
	Seawall Improvement	Arena Facility	Economic Development
ASSETS			
Cash, cash equivalents and investments	\$ 21,457,280	\$ 18,679,203	\$ 8,121,424
Receivables			
Intergovernmental	1,149,262	1,149,262	1,149,262
Prepaid items	--	--	44,487
Total assets	<u>\$ 22,606,542</u>	<u>\$ 19,828,465</u>	<u>\$ 9,315,173</u>
LIABILITIES			
Accounts payable	\$ --	\$ --	\$ 129,890
Contractor interest and retainage payable	--	--	--
Total liabilities	--	--	129,890
FUND BALANCE			
Nonspendable			
Prepaid items	--	--	44,487
Restricted			
Seawall improvement	22,606,542	--	--
Arena facility	--	19,828,465	--
Economic development	--	--	9,140,796
Total fund balance	<u>22,606,542</u>	<u>19,828,465</u>	<u>9,185,283</u>
Total liabilities and fund balance	<u>\$ 22,606,542</u>	<u>\$ 19,828,465</u>	<u>\$ 9,315,173</u>

Exhibit 30-C

Debt Service			Capital Projects		Total
Seawall	Arena	Economic Development	Seawall	Arena	
\$ 1,346,896	\$ 2,925,075	\$ 1,921,503	\$ 17,233,446	\$ 98,755	\$ 71,783,582
--	--	--	--	--	3,447,786
--	--	--	--	--	44,487
<u>\$ 1,346,896</u>	<u>\$ 2,925,075</u>	<u>\$ 1,921,503</u>	<u>\$ 17,233,446</u>	<u>\$ 98,755</u>	<u>\$ 75,275,855</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 129,890
--	--	--	49,121	--	49,121
--	--	--	49,121	--	179,011
--	--	--	--	--	44,487
1,346,896	--	--	17,184,325	--	41,137,763
--	2,925,075	--	--	98,755	22,852,295
--	--	1,921,503	--	--	11,062,299
<u>1,346,896</u>	<u>2,925,075</u>	<u>1,921,503</u>	<u>17,184,325</u>	<u>98,755</u>	<u>75,096,844</u>
<u>\$ 1,346,896</u>	<u>\$ 2,925,075</u>	<u>\$ 1,921,503</u>	<u>\$ 17,233,446</u>	<u>\$ 98,755</u>	<u>\$ 75,275,855</u>

CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue		
	Seawall Improvement	Arena Facility	Economic Development
Revenues			
Sales tax	\$ 6,655,272	\$ 6,655,272	\$ 6,655,272
Earnings on investments	86,781	79,125	31,563
Total revenue	<u>6,742,053</u>	<u>6,734,397</u>	<u>6,686,835</u>
Expenditures			
Current			
General government	--	--	86,183
Community development	3,172	201,382	2,439,193
Capital projects	--	--	--
Debt service			
Principal retirement	--	--	--
Interest	--	--	--
Paying agent fees	--	--	--
Total expenditures	<u>3,172</u>	<u>201,382</u>	<u>2,525,376</u>
Excess (deficiency) of revenues over (under) expenditures	6,738,881	6,533,015	4,161,459
Other financing sources (uses)			
Transfers in	--	--	--
Transfers out	<u>(2,908,395)</u>	<u>(4,890,426)</u>	<u>(2,228,402)</u>
Total other financing sources (uses)	<u>(2,908,395)</u>	<u>(4,890,426)</u>	<u>(2,228,402)</u>
Net change in fund balances	3,830,486	1,642,589	1,933,057
Fund balances at beginning of year, restated (Footnote 21)	<u>18,776,056</u>	<u>18,185,876</u>	<u>7,252,226</u>
Fund balances at end of year	<u>\$ 22,606,542</u>	<u>\$ 19,828,465</u>	<u>\$ 9,185,283</u>

Exhibit 30-D

Debt Service			Capital Project			Eliminations	Total
Seawall	Arena	Economic Development	Seawall	Arena			
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 19,965,816	
5,289	18,100	12,636	76,764	441	--	310,699	
<u>5,289</u>	<u>18,100</u>	<u>12,636</u>	<u>76,764</u>	<u>441</u>	--	<u>20,276,515</u>	
--	--	--	39,900	--	--	126,083	
--	--	--	--	--	--	2,643,747	
--	--	--	595,217	2,071	--	597,288	
1,860,000	2,155,000	1,995,000	--	--	--	6,010,000	
1,000,819	1,266,400	204,750	--	--	--	2,471,969	
1,000	500	500	--	--	--	2,000	
<u>2,861,819</u>	<u>3,421,900</u>	<u>2,200,250</u>	<u>635,117</u>	<u>2,071</u>	--	<u>11,851,087</u>	
(2,856,530)	(3,403,800)	(2,187,614)	(558,353)	(1,630)	--	8,425,428	
2,862,816	3,423,400	2,201,750	--	--	(8,487,966)	--	
--	--	--	--	--	8,487,966	(1,539,257)	
<u>2,862,816</u>	<u>3,423,400</u>	<u>2,201,750</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,539,257)</u>	
6,286	19,600	14,136	(558,353)	(1,630)	--	6,886,171	
<u>1,340,610</u>	<u>2,905,475</u>	<u>1,907,367</u>	<u>17,742,678</u>	<u>100,385</u>	--	<u>68,210,673</u>	
<u>\$ 1,346,896</u>	<u>\$ 2,925,075</u>	<u>\$ 1,921,503</u>	<u>\$ 17,184,325</u>	<u>\$ 98,755</u>	<u>\$ --</u>	<u>\$ 75,096,844</u>	

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
SEAWALL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales tax	\$ 7,438,869	\$ 7,438,869	\$ 6,655,272	\$ (783,597)
Earnings on investments	50,557	50,557	86,781	36,224
Total revenue	<u>7,489,426</u>	<u>7,489,426</u>	<u>6,742,053</u>	<u>(747,373)</u>
Expenditures				
Current				
Community development	<u>15,000</u>	<u>15,000</u>	<u>3,172</u>	<u>11,828</u>
Excess of revenues over expenditures	7,474,426	7,474,426	6,738,881	(735,545)
Other financing uses				
Transfers out	<u>(2,895,395)</u>	<u>(2,908,395)</u>	<u>(2,908,395)</u>	<u>--</u>
Net change in fund balance	4,579,031	4,566,031	3,830,486	(735,545)
Fund balance at beginning of year, restated (Footnote 21)	<u>18,222,384</u>	<u>18,776,056</u>	<u>18,776,056</u>	<u>--</u>
Fund balance at end of year	<u>\$ 22,801,415</u>	<u>\$ 23,342,087</u>	<u>\$ 22,606,542</u>	<u>\$ (735,545)</u>

Exhibit 30-F

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
ARENA FACILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales tax	\$ 7,438,869	\$ 7,438,869	\$ 6,655,272	\$ (783,597)
Earnings on investments	32,765	32,765	79,125	46,360
Total revenue	<u>7,471,634</u>	<u>7,471,634</u>	<u>6,734,397</u>	<u>(737,237)</u>
Expenditures				
Current				
Community development	<u>215,000</u>	<u>215,000</u>	<u>201,382</u>	<u>13,618</u>
Excess of revenues over expenditures	7,256,634	7,256,634	6,533,015	(723,619)
Other financing uses				
Transfers out	<u>(4,713,926)</u>	<u>(4,890,426)</u>	<u>(4,890,426)</u>	<u>--</u>
Net change in fund balance	2,542,708	2,366,208	1,642,589	(723,619)
Fund balance at beginning of year, restated (Footnote 21)	<u>18,240,344</u>	<u>18,185,876</u>	<u>18,185,876</u>	<u>--</u>
Fund balance at end of year	<u>\$ 20,783,052</u>	<u>\$ 20,552,084</u>	<u>\$ 19,828,465</u>	<u>\$ (723,619)</u>

Exhibit 30-G

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Sales tax	\$ 7,438,869	\$ 7,438,869	\$ 6,655,272	\$ (783,597)
Earnings on investments	19,244	19,244	31,563	12,319
Total revenue	<u>7,458,113</u>	<u>7,458,113</u>	<u>6,686,835</u>	<u>(771,278)</u>
Expenditures				
Current				
General government	--	--	86,183	(86,183)
Community development	5,286,457	15,104,478	2,439,193	12,665,285
Total expenditures	<u>5,286,457</u>	<u>15,104,478</u>	<u>2,525,376</u>	<u>12,579,102</u>
Excess (deficiency) of revenues over (under) expenditures	2,171,656	(7,646,365)	4,161,459	11,807,824
Other financing uses				
Transfers out	<u>(2,228,402)</u>	<u>(2,228,402)</u>	<u>(2,228,402)</u>	<u>--</u>
Net change in fund balance	(56,746)	(9,874,767)	1,933,057	11,807,824
Fund balance at beginning of year, restated (Footnote 21)	<u>3,270,645</u>	<u>7,252,226</u>	<u>7,252,226</u>	<u>--</u>
Fund balance at end of year	<u>\$ 3,213,899</u>	<u>\$ (2,622,541)</u>	<u>\$ 9,185,283</u>	<u>\$ 11,807,824</u>

Exhibit 30-H

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
SEAWALL DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Earnings on investments	\$ --	\$ --	\$ 5,289	\$ 5,289
Expenditures				
Debt service				
Principal retirement	1,860,000	1,860,000	1,860,000	--
Interest	1,000,819	1,000,819	1,000,819	--
Paying agent fees	2,000	2,000	1,000	1,000
Total expenditures	<u>2,862,819</u>	<u>2,862,819</u>	<u>2,861,819</u>	<u>1,000</u>
Deficiency of revenues under expenditures	(2,862,819)	(2,862,819)	(2,856,530)	6,289
Other financing sources				
Transfers in	<u>2,862,816</u>	<u>2,862,816</u>	<u>2,862,816</u>	<u>--</u>
Net change in fund balance	(3)	(3)	6,286	6,289
Fund balance at beginning of year	<u>1,336,977</u>	<u>1,340,610</u>	<u>1,340,610</u>	<u>--</u>
Fund balance at end of year	<u>\$ 1,336,974</u>	<u>\$ 1,340,607</u>	<u>\$ 1,346,896</u>	<u>\$ 6,289</u>

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
ARENA DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Earnings on investments	\$ 5,912	\$ 5,912	\$ 18,100	\$ 12,188
Total revenue	<u>5,912</u>	<u>5,912</u>	<u>18,100</u>	<u>12,188</u>
Expenditures				
Current				
Principal retirement	2,155,000	2,155,000	2,155,000	--
Interest	1,266,400	1,266,400	1,266,400	--
Paying agent fees	2,000	2,000	500	1,500
Total expenditures	<u>3,423,400</u>	<u>3,423,400</u>	<u>3,421,900</u>	<u>1,500</u>
Deficiency of revenues under expenditures	(3,417,488)	(3,417,488)	(3,403,800)	13,688
Other financing sources				
Transfers in	3,423,400	3,423,400	3,423,400	--
Total other financing sources	<u>3,423,400</u>	<u>3,423,400</u>	<u>3,423,400</u>	<u>--</u>
Net change in fund balance	5,912	5,912	19,600	13,688
Fund balance at beginning of year	<u>2,236,060</u>	<u>2,905,475</u>	<u>2,905,475</u>	<u>--</u>
Fund balance at end of year	<u>\$ 2,241,972</u>	<u>\$ 2,911,387</u>	<u>\$ 2,925,075</u>	<u>\$ 13,688</u>

Exhibit 30-J

**CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
ECONOMIC DEVELOPMENT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Earnings on investments	\$ --	\$ --	\$ 12,636	\$ 12,636
Total revenue	--	--	12,636	12,636
Expenditures				
Current				
Debt service				
Principal retirement	1,995,000	1,995,000	1,995,000	--
Interest	204,750	204,750	204,750	--
Paying agent fees	2,000	2,000	500	1,500
Total expenditures	<u>2,201,750</u>	<u>2,201,750</u>	<u>2,200,250</u>	<u>1,500</u>
Deficiency of revenues under expenditures	(2,201,750)	(2,201,750)	(2,187,614)	14,136
Other financing sources				
Transfers in	2,201,750	2,201,750	2,201,750	--
Total other financing sources	<u>2,201,750</u>	<u>2,201,750</u>	<u>2,201,750</u>	<u>--</u>
Net change in fund balance	--	--	14,136	14,136
Fund balance at beginning of year	<u>1,772,757</u>	<u>1,907,367</u>	<u>1,907,367</u>	<u>--</u>
Fund balance at end of year	<u>\$ 1,772,757</u>	<u>\$ 1,907,367</u>	<u>\$ 1,921,503</u>	<u>\$ 14,136</u>

**NORTH PADRE ISLAND DEVELOPMENT CORPORATION
SCHEDULE OF NET POSITION
SEPTEMBER 30, 2016**

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Schedule of Net Position</u>
ASSETS			
Cash, cash equivalents and investments	\$ 8,977,432	\$ --	\$ 8,977,432
Receivables			
Taxes	36,764	--	36,764
Net receivables	36,764	--	36,764
 Total assets	 <u>\$ 9,014,196</u>	 <u>\$ --</u>	 <u>\$ 9,014,196</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized costs on refunded debt	--	140,075	140,075
LIABILITIES			
Accounts payable	\$ 13,384	\$ --	\$ 13,384
Accrued interest	--	15,720	15,720
Long-term debt			
Due within one year	--	990,000	990,000
Due in more than one year	--	6,870,000	6,870,000
Total liabilities	<u>13,384</u>	<u>7,875,720</u>	<u>7,889,104</u>
FUND BALANCE			
Restricted			
North Padre Island development	2,918,188	(2,918,188)	--
Debt service	6,082,624	(6,082,624)	--
Total fund balance	<u>9,000,812</u>	<u>(9,000,812)</u>	<u>--</u>
 Total liabilities and fund balance	 <u>\$ 9,014,196</u>		
NET POSITION			
Restricted for			
North Padre Island Development Corporation		1,265,167	1,265,167
 Total net position		 <u>\$ 1,265,167</u>	 <u>\$ 1,265,167</u>

NORTH PADRE ISLAND DEVELOPMENT CORPORATION
SCHEDULE OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2016

	Governmental Funds	Adjustments	Schedule of Activities
Expenditures/expenses			
General government	\$ 47,270	\$ --	\$ 47,270
Community enrichment	32,957	--	32,957
Capital projects	317,641	(317,641)	--
Debt service			
Principal retirement	910,000	(910,000)	--
Interest	394,650	19,102	413,752
Paying agent fees	28,635	--	28,635
Total expenditures/expenses	<u>1,731,153</u>	<u>(1,208,539)</u>	<u>522,614</u>
 General revenues			
Property tax	3,405,002	--	3,405,002
Earnings on investments	10,157	--	10,157
 Other financing uses			
Transfers out	(28,578)	(317,641)	(346,219)
Total general revenues and other financing uses	<u>3,386,581</u>	<u>(317,641)</u>	<u>3,068,940</u>
 Excess of revenues and other financing sources over expenditures and other uses	1,655,428	(1,655,428)	--
 Change in net position	--	2,546,326	2,546,326
 Fund balance/net position at beginning of year	<u>7,345,384</u>	<u>(8,626,543)</u>	<u>(1,281,159)</u>
 Fund balance/net position end of year	<u>\$ 9,000,812</u>	<u>\$ (7,735,645)</u>	<u>\$ 1,265,167</u>

Exhibit 31-C

NORTH PADRE ISLAND DEVELOPMENT CORPORATION
BALANCE SHEET
SEPTEMBER 30, 2016

	<u>General</u>	<u>Capital Projects</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
Cash, cash equivalents and investments	\$ 6,955,860	\$ 2,021,572	--	\$ 8,977,432
Receivables				
Taxes	36,764	--	--	36,764
Total assets	<u>\$ 6,992,624</u>	<u>\$ 2,021,572</u>	<u>\$ --</u>	<u>\$ 9,014,196</u>
LIABILITIES				
Liabilities				
Accounts payable	\$ --	\$ 13,384	--	\$ 13,384
Total liabilities	<u>--</u>	<u>13,384</u>	<u>--</u>	<u>13,384</u>
FUND BALANCE				
Restricted				
North Padre Island development	910,000	2,008,188	--	2,918,188
Debt service	6,082,624	--	--	6,082,624
Total fund balance	<u>6,992,624</u>	<u>2,008,188</u>	<u>--</u>	<u>9,000,812</u>
Total liabilities and fund balances	<u>\$ 6,992,624</u>	<u>\$ 2,021,572</u>	<u>\$ --</u>	<u>\$ 9,014,196</u>

Exhibit 31-D

NORTH PADRE ISLAND DEVELOPMENT CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2016

	<u>General</u>	<u>Capital Projects</u>	<u>Eliminations</u>	<u>Total</u>
Revenues				
Taxes and business fees	\$ 3,405,002	\$ --	\$ --	\$ 3,405,002
Earnings on investments	511	9,646	--	10,157
Total revenue	<u>3,405,513</u>	<u>9,646</u>	<u>--</u>	<u>3,415,159</u>
Expenditures				
Current				
General government	--	47,270	--	47,270
Community enrichment	32,957	--	--	32,957
Capital projects	--	317,641	--	317,641
Debt service				
Principal retirement	910,000	--	--	910,000
Interest	394,650	--	--	394,650
Paying agent fees	28,635	--	--	28,635
Total expenditures	<u>1,366,242</u>	<u>364,911</u>	<u>--</u>	<u>1,731,153</u>
Excess (deficiency) of revenues over (under) expenditures	2,039,271	(355,265)	--	1,684,006
Other financing sources (uses)				
Transfers out	<u>(28,578)</u>	<u>--</u>	<u>--</u>	<u>(28,578)</u>
Net change in fund balances	2,010,693	(355,265)	--	1,655,428
Fund balances at beginning of year	<u>4,981,931</u>	<u>2,363,453</u>	<u>--</u>	<u>7,345,384</u>
Fund balances at end of year	<u>\$ 6,992,624</u>	<u>\$ 2,008,188</u>	<u>\$ --</u>	<u>\$ 9,000,812</u>

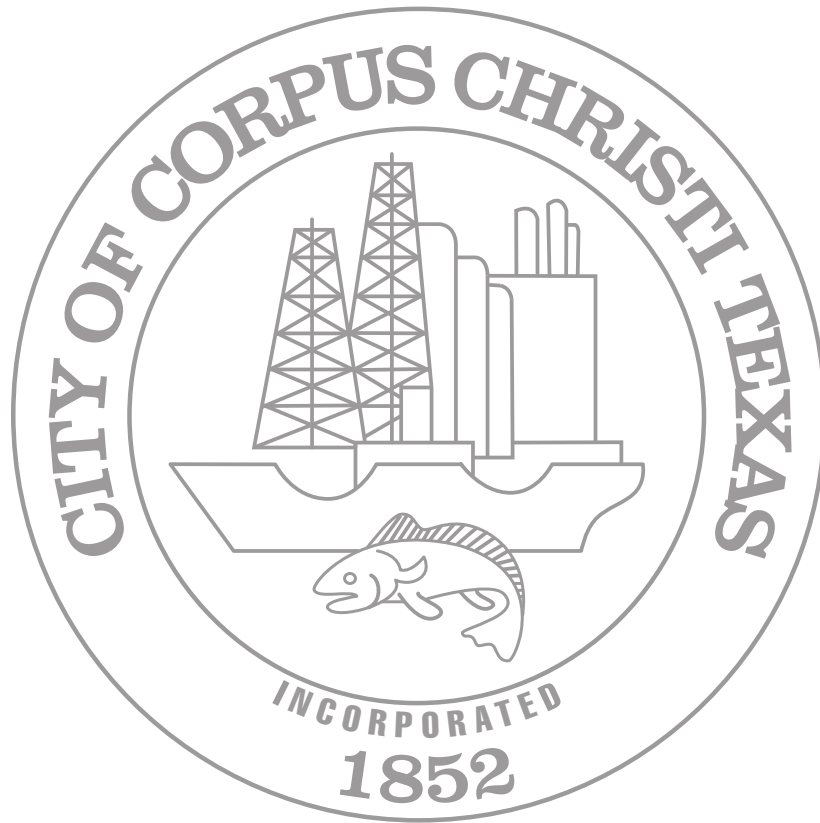


Exhibit 31-E

**NORTH PADRE ISLAND DEVELOPMENT CORPORATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes and business fees	\$ 2,909,700	\$ 2,909,700	\$ 3,405,002	\$ 495,302
Earnings on investments	--	--	511	511
Total revenues	<u>2,909,700</u>	<u>2,909,700</u>	<u>3,405,513</u>	<u>495,813</u>
Expenditures				
Current				
Community enrichment	92,500	92,500	32,957	59,543
Debt service				
Principal retirement	910,000	910,000	910,000	--
Interest	394,650	394,650	394,650	--
Paying agent fees	6,192	6,192	28,635	(22,443)
Total expenditures	<u>1,403,342</u>	<u>1,403,342</u>	<u>1,366,242</u>	<u>37,100</u>
Excess of revenues over expenditures	1,506,358	1,506,358	2,039,271	532,913
Other financing sources (uses)				
Transfers out	<u>(28,578)</u>	<u>(28,578)</u>	<u>(28,578)</u>	<u>--</u>
Net change in fund balance	1,477,780	1,477,780	2,010,693	532,913
Fund balance at beginning of year	<u>4,889,241</u>	<u>4,981,931</u>	<u>4,981,931</u>	<u>--</u>
Fund balance at end of year	<u><u>\$ 6,367,021</u></u>	<u><u>\$ 6,459,711</u></u>	<u><u>\$ 6,992,624</u></u>	<u><u>\$ 532,913</u></u>

Exhibit 32-A

**REINVESTMENT ZONE #3
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS

Cash, cash equivalents and investments	\$	3,163,189
Receivables		
Taxes		<u>885</u>
Total assets	\$	<u><u>3,164,074</u></u>

LIABILITIES

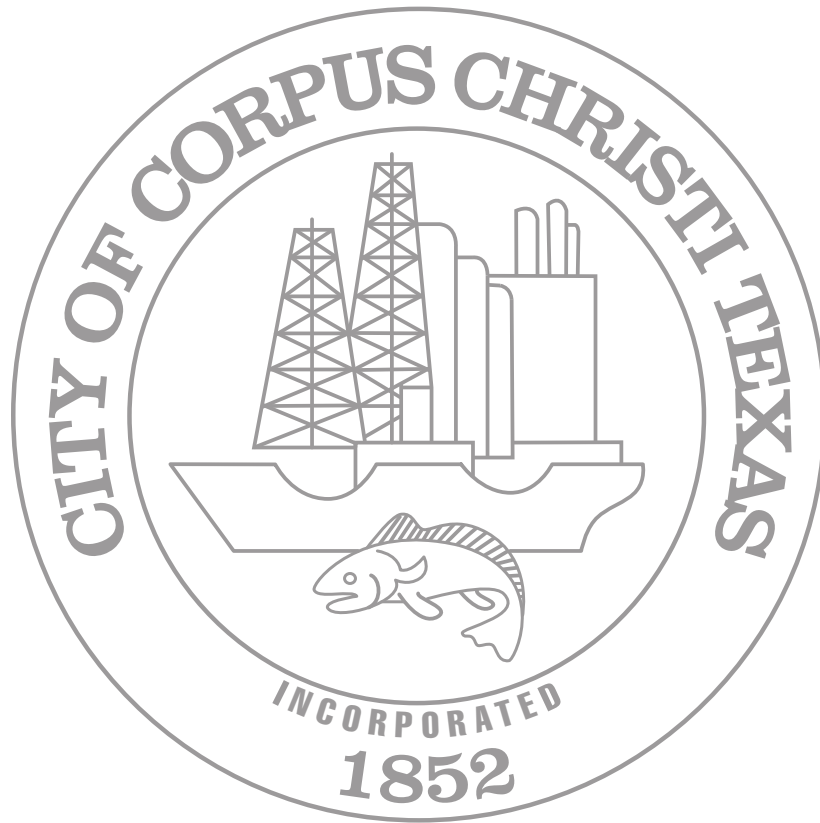
Liabilities		
Accounts payable	\$	71,942

FUND BALANCE

Restricted		
Downtown development		<u>3,092,132</u>
Total liabilities and fund balance	\$	<u><u>3,164,074</u></u>

**REINVESTMENT ZONE #3
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
COMPARED TO BUDGET
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes and business fees	\$ 730,182	\$ 730,182	\$ 901,186	\$ 171,004
Earnings on investments	--	--	13,005	13,005
Total revenues	<u>730,182</u>	<u>730,182</u>	<u>914,191</u>	<u>184,009</u>
Expenditures				
Current				
Downtown development	--	1,597,564	73,192	(1,524,372)
Total expenditures	<u>--</u>	<u>1,597,564</u>	<u>73,192</u>	<u>(1,524,372)</u>
Other financing sources (uses)				
Transfers out	<u>(2,436)</u>	<u>(2,436)</u>	<u>(2,436)</u>	<u>--</u>
Excess of revenues and other financing sources over expenditures and other uses	727,746	(869,818)	838,563	1,708,381
Fund balance at beginning of year	<u>2,296,489</u>	<u>2,253,569</u>	<u>2,253,569</u>	<u>--</u>
Fund balance at end of year	<u>\$ 3,024,235</u>	<u>\$ 1,383,751</u>	<u>\$ 3,092,132</u>	<u>\$ 1,708,381</u>



Capital Projects Funds

Capital Projects Funds

Capital Projects Funds are used for construction projects to purchase land and to purchase equipment for various City facilities and projects. A capital projects fund continues in existence until the project is complete or the funds are exhausted.

Major Fund

Street Capital Projects Fund – This fund was established for recording the improvements and widening of streets.

Non-major Funds

Bayfront Arts/Science Bond Fund – This fund was established for recording the construction of additions to the Museum, construction of the Columbus Fleet Shipyard and Seaport and other improvements at the Bayfront Arts & Science Park.

City Buildings and Facilities Fund – This fund was established for recording the purchase of a site, and constructing and equipping a new City Hall, and for major maintenance and enhancements to general purpose City buildings and facilities.

Convention Facility Bond Fund – This fund was established for recording the construction of a community convention facility.

Library Bond Fund – This fund was established for recording the construction of improvements to the Corpus Christi Public Library System.

Park Bond Fund – This fund was established for recording improvements and expansion of park and recreational facilities.

Police Building Bond Fund – This fund was established for recording the construction of improvements for the Police Department.

Public Health and Safety Bond Fund – This fund was established for recording the construction of improvements related to health and safety projects.

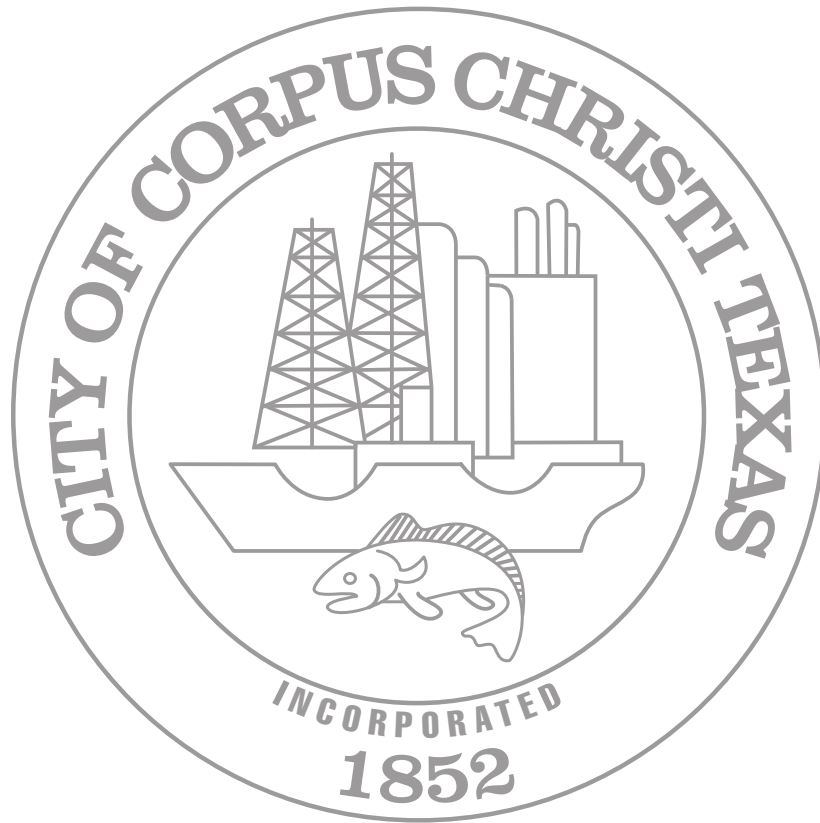
Fire Bond Fund – This fund was established for recording construction and improvements to City fire stations.

Landfill Bond Fund – This fund was established for recording the construction of improvements to the landfill.

Corpus Christi Business and Job Development Corporation – Arena Bond Fund – This fund was established for recording the construction and improvements of the arena.

Corpus Christi Business and Job Development Corporation – Seawall Bond Fund – This fund was established for recording the construction of improvements to the seawall.

North Padre Island Development Corporation Bond Fund – This fund was established for recording the construction of Packery Channel.



**STREET CAPITAL PROJECTS FUND
BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS

Cash, cash equivalents and investments	\$ 163,323,090
Receivables	
Special assessments	756,071
Intergovernmental	4,662,357
Allowance for uncollectibles	(653,135)
Net receivables	<u>4,765,293</u>
Total assets	<u>\$ 168,088,383</u>

LIABILITIES

Liabilities	
Accounts payable	\$ 4,106,147
Deposits	29,396
Unearned revenue	
Other	25,000
Total liabilities	<u>4,160,543</u>

DEFERRED INFLOWS OF RESOURCES

Contributions and donations	<u>4,662,357</u>
-----------------------------	------------------

FUND BALANCE

Restricted	
Capital projects	155,816,175
Committed	
Capital projects	3,335,024
Assigned	
Capital projects	114,284
Total fund balance	<u>159,265,483</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 168,088,383</u>

STREET CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED SEPTEMBER 30, 2016

Revenues	
Contributions and donations	\$ 57,214
Special assessments	62,333
Interest on special assessments	15,985
Attorneys fees on special assessments	1,089
Earnings on investments	668,535
Property Rentals	18,000
Miscellaneous	39,369
Total revenues	<u>862,525</u>
Expenditures	
Current	
General government	1,069,554
Capital projects	21,856,339
Debt service	
Bond issuance cost	248,179
Total expenditures	<u>23,174,072</u>
Excess (deficiency) of revenues over (under) expenditures	(22,311,547)
Other financing sources	
Certificate of obligation bonds issued	16,430,000
Premium on bonds issued	1,968,831
Transfer in from	
Park CIP	2,937,147
Total other financing sources	<u>21,335,978</u>
Net change in fund balance	(975,569)
Fund balance at beginning of year	<u>160,241,052</u>
Fund balance at end of year	<u><u>\$ 159,265,483</u></u>

**CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2016**

ASSETS	Bayfront Arts/Science	City Buildings and Facilities	Convention Facility
Cash, cash equivalents and investments	\$ 5,794,493	\$ 3,856,719	\$ 27,227
Receivables			
Intergovernmental	--	--	--
Total assets	<u>\$ 5,794,493</u>	<u>\$ 3,856,719</u>	<u>\$ 27,227</u>
LIABILITIES			
Liabilities			
Accounts payable	\$ --	\$ 557,714	\$ --
Advance from other funds	--	--	--
Unearned revenues			
Other	--	--	--
Total liabilities	<u>--</u>	<u>557,714</u>	<u>--</u>
DEFERRED INFLOWS OF RESOURCES			
Contributions and donations	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCES			
Restricted			
Seawall improvement	--	--	--
Arena facility	--	--	--
North Padre Island development	--	--	--
Capital projects	5,627,515	3,192,353	21,894
Committed			
Capital projects	166,978	63,894	5,333
Assigned			
Capital projects	--	42,758	--
Unassigned	--	--	--
Total fund balance	<u>5,794,493</u>	<u>3,299,005</u>	<u>27,227</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,794,493</u>	<u>\$ 3,856,719</u>	<u>\$ 27,227</u>

(Continued)

Exhibit 34-A

<u>Library</u>	<u>Park</u>	<u>Police</u>	<u>Public Health & Safety</u>	<u>Fire</u>	<u>Landfill</u>
\$ 79,510	\$ 15,267,726	\$ 562,980	\$ 137,731	\$ 1,904,434	\$ 3,276,515
--	533,384	--	--	--	--
<u>\$ 79,510</u>	<u>\$ 15,801,110</u>	<u>\$ 562,980</u>	<u>\$ 137,731</u>	<u>\$ 1,904,434</u>	<u>\$ 3,276,515</u>
\$ --	\$ 184,613	\$ --	\$ --	\$ --	\$ --
--	--	--	250,000	--	--
--	72,845	--	--	--	--
<u>--</u>	<u>257,458</u>	<u>--</u>	<u>250,000</u>	<u>--</u>	<u>--</u>
--	90,000	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
69,318	15,217,011	558,708	135,090	1,838,320	3,169,430
10,192	236,641	4,272	--	66,114	107,085
--	--	--	--	--	--
--	--	--	(247,359)	--	--
<u>79,510</u>	<u>15,453,652</u>	<u>562,980</u>	<u>(112,269)</u>	<u>1,904,434</u>	<u>3,276,515</u>
<u>\$ 79,510</u>	<u>\$ 15,801,110</u>	<u>\$ 562,980</u>	<u>\$ 137,731</u>	<u>\$ 1,904,434</u>	<u>\$ 3,276,515</u>

**CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2016**

	Corpus Christi Business and Job Development Corporation		North Padre Island Development Corporation
	Seawall	Arena	
ASSETS			
Cash, cash equivalents and investments	\$ 17,233,446	\$ 98,755	\$ 2,021,572
Receivables			
Intergovernmental	--	--	--
Total assets	<u>\$ 17,233,446</u>	<u>\$ 98,755</u>	<u>\$ 2,021,572</u>
LIABILITIES			
Liabilities			
Accounts payable	\$ 49,121	\$ --	\$ 13,384
Advance from other funds	--	--	--
Unearned revenues			
Other	--	--	--
Total liabilities	<u>49,121</u>	<u>--</u>	<u>13,384</u>
DEFERRED INFLOWS OF RESOURCES			
Contributions and donations	<u>--</u>	<u>--</u>	<u>--</u>
FUND BALANCES			
Restricted			
Seawall improvement	17,184,325	--	--
Arena facility	--	98,755	--
North Padre Island development	--	--	2,008,188
Capital projects	--	--	--
Subtotal	<u>17,184,325</u>	<u>98,755</u>	<u>2,008,188</u>
Committed			
Capital projects	--	--	--
Assigned			
Capital projects	--	--	--
Unassigned	--	--	--
Total fund balance	<u>17,184,325</u>	<u>98,755</u>	<u>2,008,188</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,233,446</u>	<u>\$ 98,755</u>	<u>\$ 2,021,572</u>

Exhibit 34-A
(Continued)

<u>Eliminations</u>	<u>Total</u>
\$ --	\$ 50,261,108
--	533,384
<u>\$ --</u>	<u>\$ 50,794,492</u>
\$ --	\$ 804,832
--	250,000
--	72,845
<u>--</u>	<u>1,127,677</u>
--	90,000
--	17,184,325
--	98,755
--	2,008,188
--	29,829,639
<u>--</u>	<u>49,120,907</u>
--	660,509
--	42,758
--	(247,359)
<u>--</u>	<u>49,576,815</u>
<u>\$ --</u>	<u>\$ 50,794,492</u>

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2016

	<u>Bayfront Arts/Science</u>	<u>City Buildings and Facilities</u>	<u>Convention Facility</u>	<u>Library</u>
Revenues				
Contributions and donations	\$ --	\$ --	\$ --	\$ --
Earnings on investments	25,219	26,280	119	349
Total revenues	<u>25,219</u>	<u>26,280</u>	<u>119</u>	<u>349</u>
Expenditures				
Current				
General government	(252,433)	973,401	--	--
Capital projects	144,567	3,680,873	--	--
Bond issuance cost	--	93,646	--	--
Refund of bond issuance cost	--	--	--	--
Total expenditures	<u>(107,866)</u>	<u>4,747,920</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	133,085	(4,721,640)	119	349
Other financing sources (uses)				
Certificate of obligation bonds issued	--	2,000,000	--	--
Premium on bonds issued	--	107,857	--	--
Transfer in from				
Law Enforcement Trust Fund	--	--	--	--
Transfers out to				
Street Capital Projects Fund	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>2,107,857</u>	<u>--</u>	<u>--</u>
Net change in fund balances	133,085	(2,613,783)	119	349
Fund balances at beginning of year	<u>5,661,408</u>	<u>5,912,788</u>	<u>27,108</u>	<u>79,161</u>
Fund balances at end of year	<u>\$ 5,794,493</u>	<u>\$ 3,299,005</u>	<u>\$ 27,227</u>	<u>\$ 79,510</u>

(Continued)

Exhibit 34-B

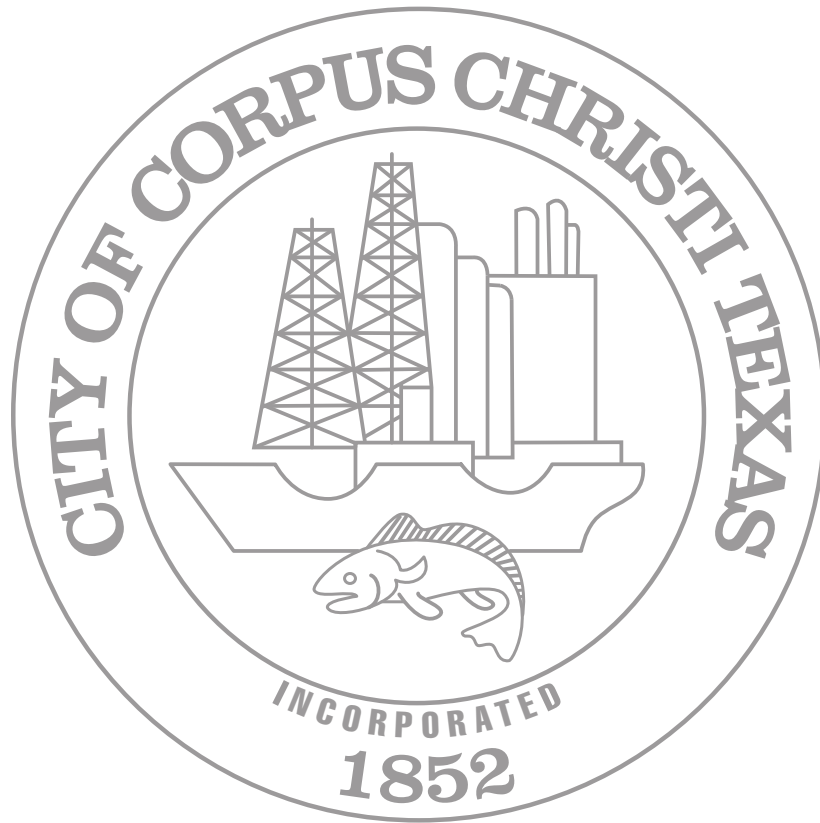
<u>Park</u>	<u>Police</u>	<u>Public Health & Safety</u>	<u>Fire</u>	<u>Landfill</u>
\$ 767,052	\$ --	\$ --	\$ --	\$ --
95,378	2,475	792	8,507	26,855
<u>862,430</u>	<u>2,475</u>	<u>792</u>	<u>8,507</u>	<u>26,855</u>
466,638	3,143	25,319	1,253	242,772
5,281,306	5,908	160,793	66,532	7,436,678
--	--	--	--	--
(883)	--	--	--	--
<u>5,747,061</u>	<u>9,051</u>	<u>186,112</u>	<u>67,785</u>	<u>7,679,450</u>
(4,884,631)	(6,576)	(185,320)	(59,278)	(7,652,595)
--	--	--	--	10,020,000
--	--	--	--	--
--	--	270,000	--	--
(2,937,147)	--	--	--	--
<u>(2,937,147)</u>	<u>--</u>	<u>270,000</u>	<u>--</u>	<u>10,020,000</u>
(7,821,778)	(6,576)	84,680	(59,278)	2,367,405
23,275,430	569,556	(196,949)	1,963,712	909,110
<u>\$ 15,453,652</u>	<u>\$ 562,980</u>	<u>\$ (112,269)</u>	<u>\$ 1,904,434</u>	<u>\$ 3,276,515</u>

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2016

	Corpus Christi Business and Job Development Corporation		North Padre Island Development Corporation	Eliminations
	Seawall	Arena		
Revenues				
Contributions and donations	\$ --	\$ --	\$ --	\$ --
Earnings on investments	76,764	441	9,646	--
Total revenues	<u>76,764</u>	<u>441</u>	<u>9,646</u>	<u>--</u>
Expenditures				
Current				
General government	39,900	--	47,270	--
Capital projects	595,217	2,071	317,641	--
Debt service				
Bond issuance cost	--	--	--	--
Refund of bond issuance cost	--	--	--	--
Total expenditures	<u>635,117</u>	<u>2,071</u>	<u>364,911</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(558,353)	(1,630)	(355,265)	--
Other financing sources (uses)				
Certificate of obligation bonds issued	--	--	--	--
Premium on bonds issued	--	--	--	--
Transfer in from				
Law Enforcement Trust Fund	--	--	--	--
Transfers out to				
Street Capital Projects Fund	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(558,353)	(1,630)	(355,265)	--
Fund balances at beginning of year	<u>17,742,678</u>	<u>100,385</u>	<u>2,363,453</u>	<u>--</u>
Fund balances at end of year	<u>\$ 17,184,325</u>	<u>\$ 98,755</u>	<u>\$ 2,008,188</u>	<u>\$ --</u>

**Exhibit 34-B
(Continued)**

<u>Total</u>	
\$	767,052
	<u>272,825</u>
	1,039,877
	1,547,263
	17,691,586
	93,646
	<u>(883)</u>
	19,331,612
	(18,291,735)
	12,020,000
	107,857
	270,000
	<u>(2,937,147)</u>
	9,460,710
	(8,831,025)
	<u>58,407,840</u>
\$	<u><u>49,576,815</u></u>



Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for City operations that are financed and/or operated in a manner similar to private business. Included in this category are Utility System, Airport, Golf Centers, and Marina Funds.

Major Funds

Utility System Fund – This fund was established to account for the City’s water system, waste water disposal system, gas system, and storm water sewer and drainage system.

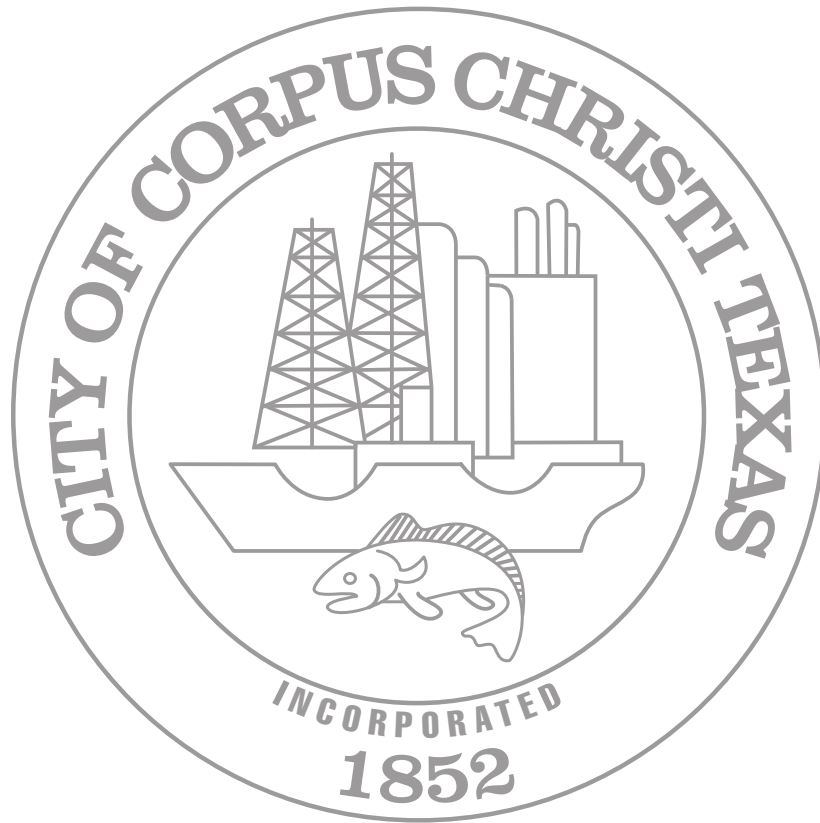
Non-major Funds

Airport Fund – This fund was established to account for operations of the Corpus Christi International Airport.

Golf Centers Fund – This fund was established to account for operations of the Gabe Lozano, Sr. and the Oso Golf Centers.

Marina Fund – This fund was established to account for operations of the Marina.

Enterprise Funds

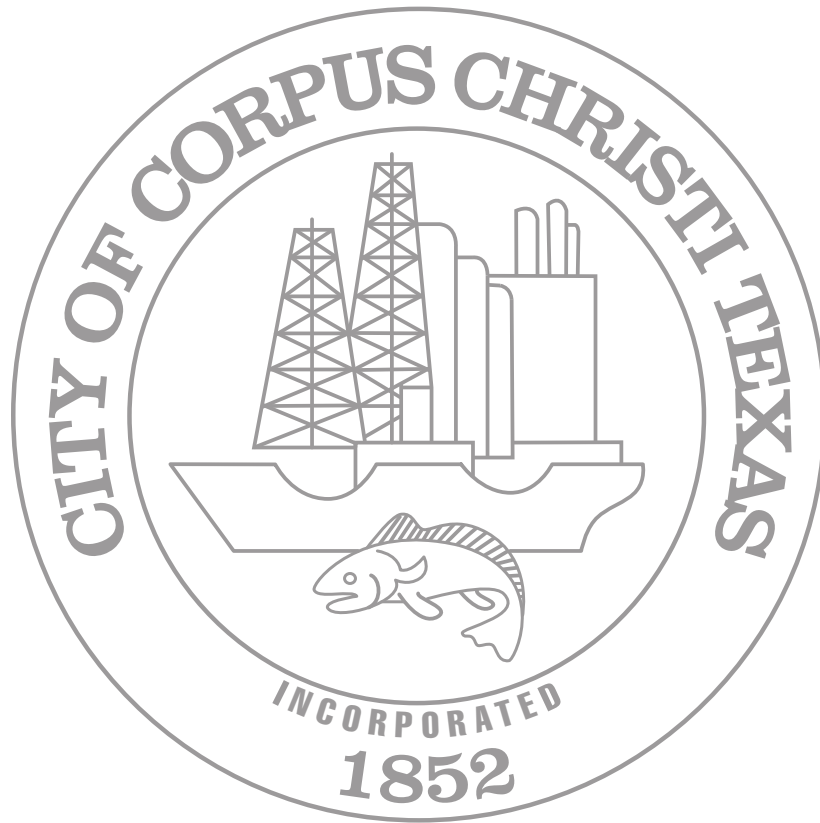


**UTILITY SYSTEM FUND
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS					
Current assets					
Cash, cash equivalents and investments	\$ 8,629,757	\$ 72,859,518	\$ 51,371,879	\$ --	\$ 132,861,154
Receivables					
Accounts	3,039,095	16,508,724	9,061,648	--	28,609,467
Property leases	--	160	3,898	--	4,058
Employees	--	55	11,739	--	11,794
Intergovernmental	--	2,597,881	--	--	2,597,881
Miscellaneous	12,400	3,364	24,525	--	40,289
Allowance for uncollectibles	(291,288)	(1,327,950)	(560,843)	--	(2,180,081)
Net receivables	<u>2,760,207</u>	<u>17,782,234</u>	<u>8,540,967</u>	<u>--</u>	<u>29,083,408</u>
Inventories	--	898,710	--	--	898,710
Total current assets	<u>11,389,964</u>	<u>91,540,462</u>	<u>59,912,846</u>	<u>--</u>	<u>162,843,272</u>
Noncurrent assets					
Restricted assets					
Cash, cash equivalents and investments	4,396,700	169,207,760	77,229,084	--	250,833,544
Capital assets					
Land	697,548	17,622,086	5,164,303	--	23,483,937
Water supply rights	--	106,807,672	--	--	106,807,672
Buildings	1,767,352	33,744,773	2,440,523	--	37,952,648
Improvements other than buildings	9,470,778	95,736,341	163,517,903	--	268,725,022
Machinery and equipment	2,808,121	15,323,379	12,618,138	--	30,749,638
Infrastructure	<u>77,402,650</u>	<u>744,856,745</u>	<u>303,063,105</u>	<u>--</u>	<u>1,125,322,500</u>
Total capital assets in service	92,146,449	1,014,090,996	486,803,972	--	1,593,041,417
Less accumulated depreciation	<u>(43,946,521)</u>	<u>(310,290,551)</u>	<u>(172,753,930)</u>	<u>--</u>	<u>(526,991,002)</u>
Net capital assets in service	48,199,928	703,800,445	314,050,042	--	1,066,050,415
Construction in progress	<u>7,042,340</u>	<u>223,084,791</u>	<u>119,640,629</u>	<u>--</u>	<u>349,767,760</u>
Net capital assets	<u>55,242,268</u>	<u>926,885,236</u>	<u>433,690,671</u>	<u>--</u>	<u>1,415,818,175</u>
Total noncurrent assets	<u>59,638,968</u>	<u>1,096,092,996</u>	<u>510,919,755</u>	<u>--</u>	<u>1,666,651,719</u>
Total assets	<u>71,028,932</u>	<u>1,187,633,458</u>	<u>570,832,601</u>	<u>--</u>	<u>1,829,494,991</u>
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on refunded debt	381,522	8,238,004	3,195,255	--	11,814,781
Deferred outflows related to pension liability	<u>2,756,057</u>	<u>6,060,581</u>	<u>3,107,790</u>	<u>--</u>	<u>11,924,428</u>
Total deferred outflows of resources	<u>3,137,579</u>	<u>14,298,585</u>	<u>6,303,045</u>	<u>--</u>	<u>23,739,209</u>

(Continued)

	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Eliminations</u>	<u>Total</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 236,454	\$ 5,392,009	\$ 3,647,217	\$ --	\$ 9,275,680
Accrued interest	169,329	6,023,089	2,356,779	--	8,549,197
Contractor interest and retainage payable	--	--	2,382	--	2,382
Deposits	901,581	1,476,701	3,583	--	2,381,865
Liability to claimants - escheat property	--	121,825	--	--	121,825
Unearned revenue	--	--	16,204	--	16,204
Current portion of long-term liabilities					
Long-term debt	739,912	30,625,362	9,721,134	--	41,086,408
Accumulated unpaid compensated absences	466,051	969,029	500,679	--	1,935,759
Total current liabilities	<u>2,513,327</u>	<u>44,608,015</u>	<u>16,247,978</u>	<u>--</u>	<u>63,369,320</u>
Noncurrent liabilities					
Long-term liabilities, net of current portion					
Long-term debt	20,222,726	683,598,274	257,027,358	--	960,848,358
Accumulated unpaid compensated absences	219,097	128,669	--	--	347,766
Net pension liability	10,825,316	22,121,133	13,135,316	--	46,081,765
Net OPEB obligation	139,736	305,998	170,553	--	616,287
Total noncurrent liabilities	<u>31,406,875</u>	<u>706,154,074</u>	<u>270,333,227</u>	<u>--</u>	<u>1,007,894,176</u>
Total liabilities	<u>33,920,202</u>	<u>750,762,089</u>	<u>286,581,205</u>	<u>--</u>	<u>1,071,263,496</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension liability	197,627	402,307	216,274	--	816,208
Total deferred inflows of resources	<u>197,627</u>	<u>402,307</u>	<u>216,274</u>	<u>--</u>	<u>816,208</u>
NET POSITION					
Net investment in capital assets	38,605,621	378,887,084	240,433,944	--	657,926,649
Restricted for					
Bond interest and redemption	417,229	6,043,994	3,364,620	--	9,825,843
Improvements to utility lines and facilities	--	3,348,450	2,742,746	--	6,091,196
Abatement of public health hazards	--	--	96,187	--	96,187
Unrestricted	<u>1,025,832</u>	<u>62,488,120</u>	<u>43,700,670</u>	<u>--</u>	<u>107,214,622</u>
Total net position	<u>\$ 40,048,682</u>	<u>\$ 450,767,648</u>	<u>\$ 290,338,167</u>	<u>\$ --</u>	<u>\$ 781,154,497</u>



UTILITY SYSTEM FUND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2016

	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Eliminations</u>	<u>Total</u>
Operating revenues					
Charges for services - net	\$ 27,686,171	\$ 136,804,532	\$ 72,727,032	\$ (1,973,558)	\$ 235,244,177
Operating expenses					
Personal services	8,457,283	17,821,703	9,951,844	--	36,230,830
Materials and supplies	11,435,490	18,049,440	4,330,486	--	33,815,416
Contractual services	2,409,431	15,293,857	12,624,215	--	30,327,503
Other operating expenses	3,000,737	11,944,968	8,826,520	(1,973,558)	21,798,667
Uncollectible accounts	149,563	2,109,881	446,645	--	2,706,089
Depreciation	2,736,069	20,029,479	11,988,871	--	34,754,419
Total operating expenses	<u>28,188,573</u>	<u>85,249,328</u>	<u>48,168,581</u>	<u>(1,973,558)</u>	<u>159,632,924</u>
Operating income (loss)	(502,402)	51,555,204	24,558,451	--	75,611,253
Nonoperating revenues (expenses)					
Investment income	60,411	1,232,023	609,650	--	1,902,084
Interest expense and fiscal charges	(640,608)	(18,766,401)	(7,256,118)	--	(26,663,127)
Bond issue costs	(37,567)	(557,352)	(249,680)	--	(844,599)
Net gain (loss) on disposal of city property	(6,452)	(85,503)	(305,900)	--	(397,855)
Recovery on damage claims	--	4,838	265	--	5,103
Developer deposits	--	758,943	877,388	--	1,636,331
Reimbursements to developers	--	(176,877)	(1,033,745)	--	(1,210,622)
Contributions from other governmental agencies	56,622	710,056	541,481	--	1,308,159
Total nonoperating expenses	<u>(567,594)</u>	<u>(16,880,273)</u>	<u>(6,816,659)</u>	<u>--</u>	<u>(24,264,526)</u>
Change in net position before capital contributions and transfer	(1,069,996)	34,674,931	17,741,792	--	51,346,727
Capital contributions					
Contributions from other governmental agencies	--	781,346	--	--	781,346
Contributions from developers	--	2,081,474	900,163	--	2,981,637
Contributions from others	--	1,641,472	--	--	1,641,472
Total capital contributions	<u>--</u>	<u>4,504,292</u>	<u>900,163</u>	<u>--</u>	<u>5,404,455</u>
Transfers in (out)					
Transfers in	83,046	183,621	162,211	(101,045)	327,833
Transfers out	(771,289)	(3,476,206)	(1,775,224)	101,045	(5,921,674)
Total transfers	<u>(688,243)</u>	<u>(3,292,585)</u>	<u>(1,613,013)</u>	<u>--</u>	<u>(5,593,841)</u>
Change in net position	(1,758,239)	35,886,638	17,028,942	--	51,157,341
Net position at beginning of year	<u>41,806,921</u>	<u>414,881,010</u>	<u>273,309,225</u>	<u>--</u>	<u>729,997,156</u>
Net position at end of year	<u>\$ 40,048,682</u>	<u>\$ 450,767,648</u>	<u>\$ 290,338,167</u>	<u>\$ --</u>	<u>\$ 781,154,497</u>

**UTILITY SYSTEM FUND
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Eliminations</u>	<u>Total</u>
Cash flows from operating activities					
Receipts from customers	\$ 27,208,287	\$ 131,827,119	\$ 71,669,617	\$ --	\$ 230,705,023
Receipts from interfund services provided	355,058	2,590,139	32,931	(1,973,558)	1,004,570
Payments to suppliers	(13,513,693)	(29,920,907)	(15,858,910)	--	(59,293,510)
Payments to employees	(7,452,716)	(16,053,023)	(8,998,577)	--	(32,504,316)
Internal activity - payments to other funds	(4,232,388)	(15,920,966)	(10,891,949)	1,973,558	(29,071,745)
Net cash provided by operating activities	<u>2,364,548</u>	<u>72,522,362</u>	<u>35,953,112</u>	<u>--</u>	<u>110,840,022</u>
Cash flows from noncapital financing activities					
Contributions from other governmental agencies	--	83,061	31,170	--	114,231
Transfers in from other funds	77,390	164,700	85,743	--	327,833
Transfers out to other funds	(771,289)	(3,394,081)	(1,756,304)	--	(5,921,674)
Net cash provided by (used for) noncapital financing activities	<u>(693,899)</u>	<u>(3,146,320)</u>	<u>(1,639,391)</u>	<u>--</u>	<u>(5,479,610)</u>
Cash flows from capital and related financing activities					
Acquisition of capital assets	(2,104,369)	(36,350,950)	(20,425,816)	--	(58,881,135)
Proceeds from sale/disposal of city property	1,563	15,555	5,721	--	22,839
Developers deposits	--	758,944	877,388	--	1,636,332
Capital contributions	--	563,926	--	--	563,926
Reimbursements to developers	--	(97,129)	(882,295)	--	(979,424)
Contributions from other governmental agencies	--	293,331	--	--	293,331
Principal paid on long-term debt	(700,654)	(29,665,172)	(9,300,024)	--	(39,665,850)
Interest expense and fiscal charges	(922,996)	(31,544,306)	(12,365,025)	--	(44,832,327)
Recovery on damage claims	--	4,838	265	--	5,103
Net cash provided by capital and related financing activities	<u>(3,726,456)</u>	<u>(96,020,963)</u>	<u>(42,089,786)</u>	<u>--</u>	<u>(141,837,205)</u>
Cash flows from investing activities					
Investment income	<u>60,410</u>	<u>1,232,093</u>	<u>609,650</u>	<u>--</u>	<u>1,902,153</u>
Net decrease in cash, cash equivalents and investments	(1,995,397)	(25,412,828)	(7,166,415)	--	(34,574,640)
Cash, cash equivalents and investments at beginning of year, including restricted accounts	<u>15,021,854</u>	<u>267,480,106</u>	<u>135,767,378</u>	<u>--</u>	<u>418,269,338</u>
Cash, cash equivalents and investments at end of year, including restricted accounts	<u>\$ 13,026,457</u>	<u>\$ 242,067,278</u>	<u>\$ 128,600,963</u>	<u>\$ --</u>	<u>\$ 383,694,698</u>

(Continued)

	<u>Gas</u>	<u>Water</u>	<u>Wastewater</u>	<u>Eliminations</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ (502,402)	\$ 51,555,204	\$ 24,558,451	\$ --	\$ 75,611,253
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	2,736,069	20,029,479	11,988,871	--	34,754,419
Provision for uncollectible accounts	149,563	2,109,881	446,645	--	2,706,089
Operating costs paid from bond proceeds	33	495	222	--	750
Changes in assets and liabilities					
Receivables	(261,036)	(2,551,797)	(1,024,071)	--	(3,836,904)
Inventory	--	(210,892)	--	--	(210,892)
Deferred outflows of resources	(1,733,886)	(3,969,655)	(1,992,076)	--	(7,695,617)
Accounts payable	(69,676)	939,051	(143,506)	--	725,869
Accrued expenses	(170,746)	(380,605)	(196,716)	--	(748,067)
Accumulated unpaid compensated absences	(47,125)	65,785	(80,788)	--	(62,128)
Net pension liability	2,118,480	4,685,279	2,388,894	--	9,192,653
Net OPEB obligation	11,859	21,221	13,008	--	46,088
Deposits	138,211	242,005	(414)	--	379,802
Liability to claimants - escheat property	--	(2,483)	--	--	(2,483)
Deferred inflows of resources	(4,796)	(10,606)	(5,408)	--	(20,810)
Net cash provided by operating activities	<u>2,364,548</u>	<u>72,522,362</u>	<u>35,953,112</u>	<u>--</u>	<u>110,840,022</u>
Noncash investing, capital and financing activities					
Contribution of capital assets	\$ --	\$ 2,081,474	\$ 900,163	\$ --	\$ 2,981,637
Reimbursements to developers accrued but not paid	\$ --	\$ --	\$ 151,450	\$ --	\$ 151,450
Acquisition of capital assets under capital lease	\$ 201,735	\$ 58,440	\$ 170,323	\$ --	\$ 430,498
Acquisition of capital assets accrued but not paid	\$ 25,954	\$ 1,811,102	\$ 2,837,627	\$ --	\$ 4,674,683
Bond refunding	\$ 4,804,253	\$ 55,846,168	\$ 37,049,571	\$ --	\$ 97,699,992
Bond issue costs	\$ 37,567	\$ 335,878	\$ (249,680)	\$ --	\$ 123,765
Transfers to realign bonds at refunding	\$ 5,657	\$ (63,206)	\$ 57,549	\$ --	\$ --
Change in accrued non-operating revenue receivable	\$ --	\$ (1,518,906)	\$ --	\$ --	\$ (1,518,906)
Capitalized interest cost	\$ 251,731	\$ 8,099,736	\$ 4,344,047	\$ --	\$ 12,695,514

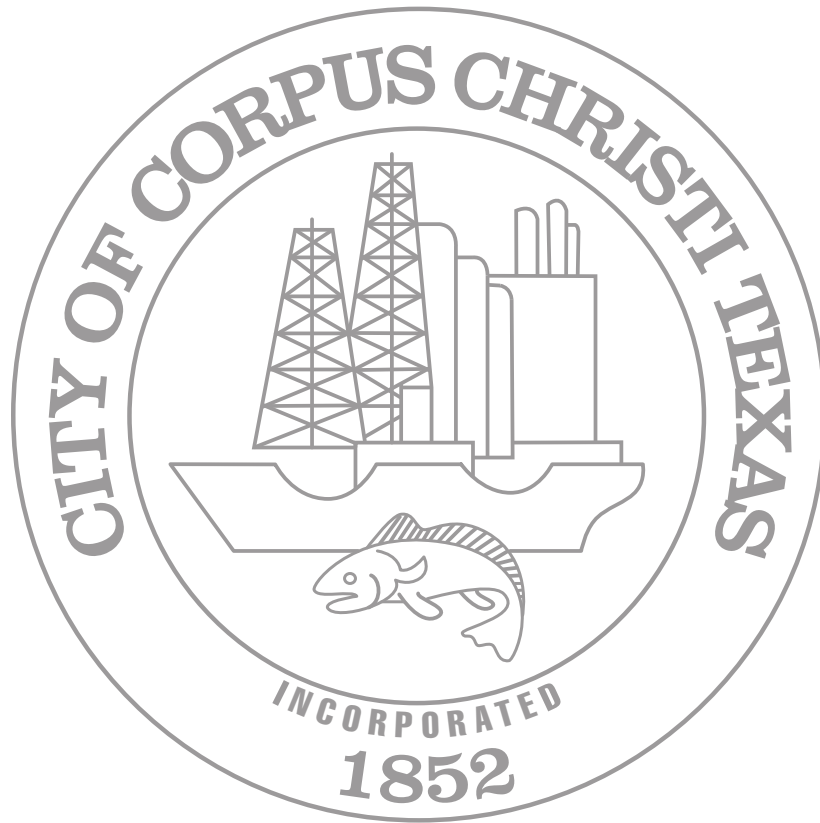
NON-MAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

	<u>Airport Fund</u>	<u>Golf Centers Fund</u>	<u>Marina Fund</u>	<u>Total</u>
ASSETS				
Current assets				
Cash, cash equivalents and investments	\$ 8,208,994	\$ --	\$ 1,011,387	\$ 9,220,381
Receivables				
Accounts	210,362	7,075	116,996	334,433
Miscellaneous	10,633	--	--	10,633
Allowance for uncollectibles	(44,814)	--	(98,284)	(143,098)
Net receivables	<u>176,181</u>	<u>7,075</u>	<u>18,712</u>	<u>201,968</u>
Inventories	22,409	--	--	22,409
Restricted assets				
Cash and cash equivalents	6,212	--	--	6,212
Total current assets	<u>8,413,796</u>	<u>7,075</u>	<u>1,030,099</u>	<u>9,450,970</u>
Noncurrent assets				
Restricted assets				
Cash, cash equivalents and investments	4,043,237	--	--	4,043,237
Intergovernmental receivables	69,039	--	--	69,039
Total noncurrent restricted assets	<u>4,112,276</u>	<u>--</u>	<u>--</u>	<u>4,112,276</u>
Capital assets				
Land	5,001,394	94,337	9,000	5,104,731
Buildings	44,545,493	711,295	981,298	46,238,086
Improvements other than buildings	101,786,602	2,689,179	16,184,180	120,659,961
Machinery and equipment	5,257,471	709,106	401,392	6,367,969
Infrastructure	--	--	44,701	44,701
Total capital assets in service	<u>156,590,960</u>	<u>4,203,917</u>	<u>17,620,571</u>	<u>178,415,448</u>
Less accumulated depreciation	<u>(61,492,290)</u>	<u>(3,690,559)</u>	<u>(9,039,537)</u>	<u>(74,222,386)</u>
Net capital assets in service	95,098,670	513,358	8,581,034	104,193,062
Construction in progress	44,374,863	--	--	44,374,863
Net capital assets	<u>139,473,533</u>	<u>513,358</u>	<u>8,581,034</u>	<u>148,567,925</u>
Total noncurrent assets	<u>143,585,809</u>	<u>513,358</u>	<u>8,581,034</u>	<u>152,680,201</u>
 Total assets	 <u>151,999,605</u>	 <u>520,433</u>	 <u>9,611,133</u>	 <u>162,131,171</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunded debt	440,516	--	24,579	465,095
Deferred outflows related to pension liability	1,503,285	--	243,893	1,747,178
Total deferred outflows of resources	<u>1,943,801</u>	<u>--</u>	<u>268,472</u>	<u>2,212,273</u>

(Continued)

Exhibit 36-A

	<u>Airport Fund</u>	<u>Golf Centers Fund</u>	<u>Marina Fund</u>	<u>Total</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 67,366	\$ --	\$ 283	\$ 67,649
Accrued interest	80,475	--	14,621	95,096
Deposits	11,855	--	139,836	151,691
Unearned revenue	489,542	--	58,879	548,421
Current portion of long-term liabilities				
Long-term debt	1,250,000	--	440,000	1,690,000
Accumulated unpaid compensated absences	258,614	--	36,939	295,553
Total current liabilities	<u>2,157,852</u>	<u>--</u>	<u>690,558</u>	<u>2,848,410</u>
Noncurrent liabilities				
Long-term liabilities, net of current portion				
Advances from other funds	--	739,606	--	739,606
Long-term debt	24,154,819	--	4,567,209	28,722,028
Accumulated unpaid compensated absences	59,214	--	27,216	86,430
Net pension liability	5,710,496	--	892,041	6,602,537
Net OPEB obligation	86,964	--	15,766	102,730
Total noncurrent liabilities	<u>30,011,493</u>	<u>739,606</u>	<u>5,502,232</u>	<u>36,253,331</u>
Total liabilities	<u>32,169,345</u>	<u>739,606</u>	<u>6,192,790</u>	<u>39,101,741</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension liability	<u>112,535</u>	<u>--</u>	<u>17,340</u>	<u>129,875</u>
NET POSITION				
Net investment in capital assets	115,557,231	513,358	3,598,405	119,668,994
Restricted for				
Passenger facility charges projects	2,571,079	--	--	2,571,079
Law enforcement officers' standards and education	5,485	--	--	5,485
Unrestricted	<u>3,527,731</u>	<u>(732,531)</u>	<u>71,070</u>	<u>2,866,270</u>
Total net position	<u>\$ 121,661,526</u>	<u>\$ (219,173)</u>	<u>\$ 3,669,475</u>	<u>\$ 125,111,828</u>



NON-MAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2016

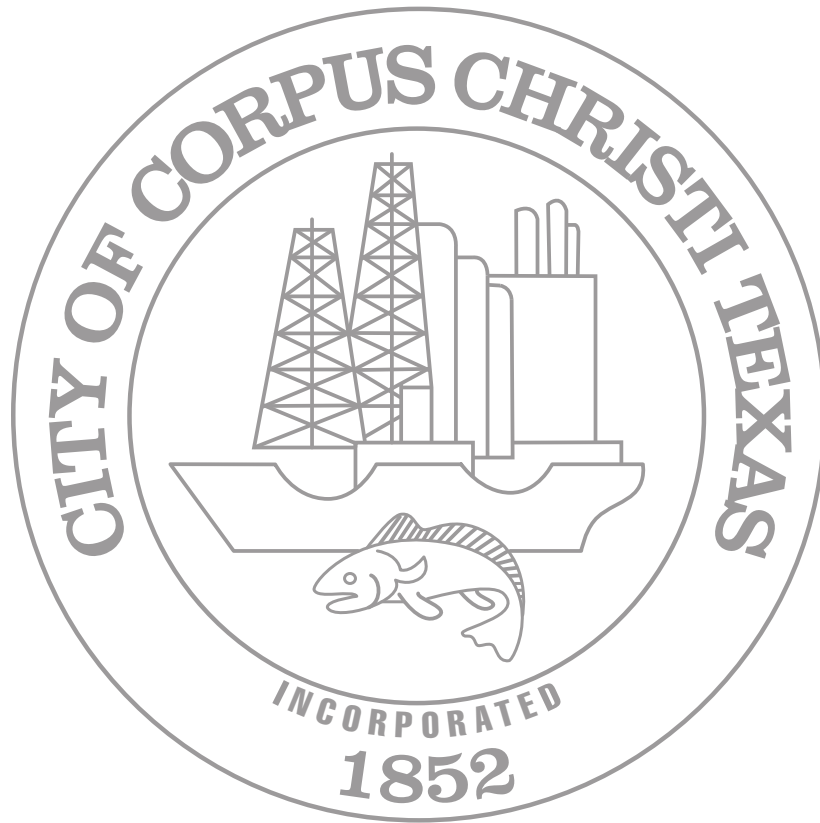
	<u>Airport Fund</u>	<u>Golf Centers Fund</u>	<u>Marina Fund</u>	<u>Total</u>
Operating revenues				
Charges for services - net	\$ 8,166,305	\$ 137,977	\$ 1,919,347	\$ 10,223,629
Operating expenses				
Personal services	4,581,541	--	757,633	5,339,174
Materials and supplies	418,428	3,878	63,436	485,742
Contractual services	1,894,931	19,160	353,813	2,267,904
Other operating expenses	764,053	17,388	225,589	1,007,030
Uncollectible accounts	5,145	--	47,699	52,844
Depreciation	5,185,857	78,416	606,278	5,870,551
Total operating expenses	<u>12,849,955</u>	<u>118,842</u>	<u>2,054,448</u>	<u>15,023,245</u>
Operating income (loss)	(4,683,650)	19,135	(135,101)	(4,799,616)
Nonoperating revenues (expenses)				
Investment income	48,601	432	4,353	53,386
Interest expense and fiscal charges	(825,278)	--	(129,734)	(955,012)
Passenger facility charges	1,247,328	--	--	1,247,328
Customer facility charges	947,203	--	--	947,203
Net gain (loss) on disposal of city property	(6,048,522)	--	(35,783)	(6,084,305)
Contributions from other governmental agencies	1,829	--	--	1,829
Total nonoperating revenues (expenses)	<u>(4,628,839)</u>	<u>432</u>	<u>(161,164)</u>	<u>(4,789,571)</u>
Change in net position before capital contributions and transfers	(9,312,489)	19,567	(296,265)	(9,589,187)
Capital contributions				
Contributions from other governmental agencies	6,128,889	--	--	6,128,889
Contributions from others	46,423	--	--	46,423
Total capital contributions	<u>6,175,312</u>	<u>--</u>	<u>--</u>	<u>6,175,312</u>
Transfers in (out)				
Transfers in	11,591	150	74,143	85,884
Transfers out	(302,848)	(4,312)	(52,771)	(359,931)
Total transfers	<u>(291,257)</u>	<u>(4,162)</u>	<u>21,372</u>	<u>(274,047)</u>
Change in net position	(3,428,434)	15,405	(274,893)	(3,687,922)
Net position at beginning of year	<u>125,089,960</u>	<u>(234,578)</u>	<u>3,944,368</u>	<u>128,799,750</u>
Net position at end of year	<u>\$ 121,661,526</u>	<u>\$ (219,173)</u>	<u>\$ 3,669,475</u>	<u>\$ 125,111,828</u>

**NON-MAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Airport Fund</u>	<u>Golf Centers Fund</u>	<u>Marina Fund</u>	<u>Totals</u>
Cash flows from operating activities				
Receipts from customers	\$ 8,274,151	\$ 139,893	\$ 1,915,612	\$ 10,329,656
Payments to suppliers	(2,535,335)	(23,528)	(436,942)	(2,995,805)
Payments to employees	(4,049,098)	--	(651,437)	(4,700,535)
Internal activity - payments to other funds	(1,142,640)	(17,388)	(299,658)	(1,459,686)
Net cash provided by operating activities	<u>547,078</u>	<u>98,977</u>	<u>527,575</u>	<u>1,173,630</u>
Cash flows from noncapital financing activities				
Changes in interfund borrowings	1,029,019	--	--	1,029,019
Advances from other funds	--	(31,082)	--	(31,082)
Contributions from other governmental agencies	1,829	--	--	1,829
Transfers in from other funds	11,591	150	74,143	85,884
Transfers out to other funds	(302,848)	(4,312)	(52,771)	(359,931)
Net cash provided by (used for) noncapital financing activities	<u>739,591</u>	<u>(35,244)</u>	<u>21,372</u>	<u>725,719</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	(7,465,769)	(64,165)	(138,662)	(7,668,596)
Proceeds from sale/disposal of city property	179	--	1,100	1,279
Contributions from other governmental agencies	7,786,717	--	605,246	8,391,963
Passenger facility charges	1,300,941	--	--	1,300,941
Customer facility charges	932,145	--	--	932,145
Capital contributions	134,599	--	--	134,599
Principal paid on long-term debt	(1,215,000)	--	(215,000)	(1,430,000)
Interest expense and fiscal charges	(967,350)	--	(179,050)	(1,146,400)
Net cash provided by (used for) capital and related financing activities	<u>506,462</u>	<u>(64,165)</u>	<u>73,634</u>	<u>515,931</u>
Cash flows from investing activities				
Investment income	<u>48,601</u>	<u>432</u>	<u>4,353</u>	<u>53,386</u>
Net increase in cash, cash equivalents and investments	1,841,732	--	626,934	2,468,666
Cash, cash equivalents and investments at beginning of year, including restricted accounts	<u>10,416,711</u>	<u>--</u>	<u>384,453</u>	<u>10,801,164</u>
Cash, cash equivalents and investments at end of year, including restricted accounts	<u>\$ 12,258,443</u>	<u>\$ --</u>	<u>\$ 1,011,387</u>	<u>\$ 13,269,830</u>

(Continued)

	<u>Airport Fund</u>	<u>Golf Centers Fund</u>	<u>Marina Fund</u>	<u>Totals</u>
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ (4,683,650)	\$ 19,135	\$ (135,101)	\$ (4,799,616)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	5,185,857	78,416	606,278	5,870,551
Provision for uncollectible accounts	5,145	--	47,699	52,844
Change in assets and liabilities				
Receivables	(145,775)	1,918	(41,463)	(185,320)
Inventory	(708)	--	--	(708)
Deferred outflows of resources	(920,233)	--	(155,677)	(1,075,910)
Accounts payable	11,801	(492)	(9,968)	1,341
Accrued expenses	(101,183)	--	(13,753)	(114,936)
Customer deposits	(5,235)	--	6,238	1,003
Unearned revenue	--	--	31,488	31,488
Accumulated unpaid compensated absences	44,939	--	3,024	47,963
Net pension liability	1,153,728	--	187,881	1,341,609
Net OPEB obligation	5,004	--	1,354	6,358
Deferred inflows of resources	(2,612)	--	(425)	(3,037)
Net cash provided by operating activities	<u>\$ 547,078</u>	<u>\$ 98,977</u>	<u>\$ 527,575</u>	<u>\$ 1,173,630</u>
Noncash investing, capital and financing activities				
Acquisition of capital assets accrued but not paid	\$ (17,029)	\$ --	\$ (160,403)	\$ (177,432)
Change in accrued non-operating revenue receivable	\$ 1,634,834	\$ --	\$ --	\$ 1,634,834
Capitalized interest cost	\$ 156,841	\$ --	\$ --	\$ 156,841



Internal Service Funds

Internal Service Funds

Internal Service Funds finance and account for services, materials, and supplies furnished to the various departments of the City and, on a limited basis, to other local governmental agencies. These services are provided on a cost reimbursement basis.

Stores Fund – This fund maintains an inventory of commonly used materials and supplies and provides printing at a reasonable cost.

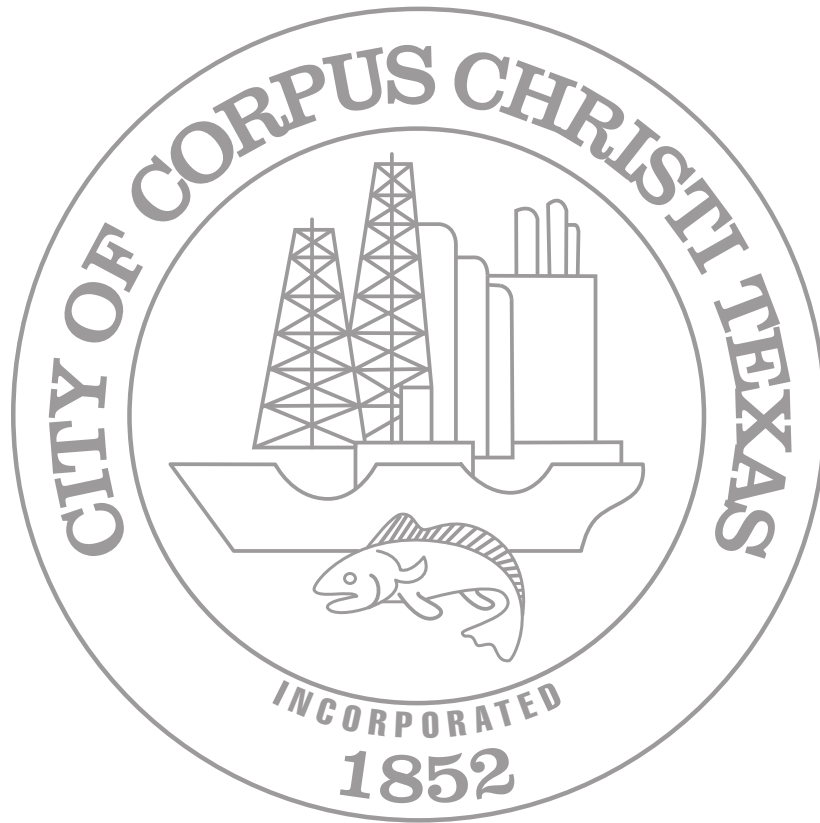
Fleet Maintenance Service Fund – This fund provides fleet purchasing and maintenance services to City departments.

Facilities Maintenance Service Fund – This fund was established to provide building maintenance services to City departments.

Information Technology Fund – This fund was established to provide technology services to City departments and assist departments citywide through the automation of processes that includes the support of IT infrastructure, end user devices, and software applications.

Liability and Employee Benefits Fund – This fund accumulates funds for the payment of liability and workers' compensation claims and various premiums for insurance coverage. This fund also accounts for the employee health insurance plans offered by the City.

Engineering Services Fund – This fund provides complete engineering services to City departments.



**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

	<u>Stores</u>	<u>Fleet Maintenance</u>	<u>Facilities Maintenance</u>	<u>Information Technology</u>
ASSETS				
Current assets				
Cash, cash equivalents and investments	\$ 43,547	\$ 14,063,710	\$ 2,748,377	\$ 3,944,562
Receivables, net of allowance for uncollectibles	--	--	1,485	--
Inventories	759,917	735,616	--	--
Prepaid items	--	--	--	--
Total current assets	<u>803,464</u>	<u>14,799,326</u>	<u>2,749,862</u>	<u>3,944,562</u>
Noncurrent assets				
Other assets	--	--	--	--
Capital assets				
Land	--	--	66,359	--
Buildings	50,002	41,360	5,533,327	--
Improvements other than buildings	--	381,400	534,466	5,746,966
Machinery and equipment	74,436	26,497,037	474,173	4,314,929
Total capital assets in service	124,438	26,919,797	6,608,325	10,061,895
Less accumulated depreciation	(71,822)	(17,658,815)	(4,683,558)	(9,066,779)
Net capital assets in service	52,616	9,260,982	1,924,767	995,116
Construction in progress	--	--	177,120	65,581
Net capital assets	52,616	9,260,982	2,101,887	1,060,697
Total noncurrent assets	<u>52,616</u>	<u>9,260,982</u>	<u>2,101,887</u>	<u>1,060,697</u>
Total assets	<u>856,080</u>	<u>24,060,308</u>	<u>4,851,749</u>	<u>5,005,259</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension liability	<u>304,118</u>	<u>976,359</u>	<u>534,705</u>	<u>2,338,584</u>
LIABILITIES				
Current liabilities				
Accounts payable	36,127	218,698	189,406	532,623
Accrued expenses	--	--	--	--
Current portion of estimated liability claims	--	--	--	--
Deposits	--	3,388	--	--
Liability to claimants - escheat property	--	--	--	--
Unearned revenue	--	--	--	--
Current portion of long-term liabilities				
Long-term debt	--	91,472	132,244	373,981
Accumulated unpaid compensated absences	23,486	119,064	86,108	459,683
Total current liabilities	<u>59,613</u>	<u>432,622</u>	<u>407,758</u>	<u>1,366,287</u>
Noncurrent liabilities				
Estimated liability claims, net of current portion	--	--	--	--
Long-term liabilities, net of current portion				
Long-term debt	--	328,614	547,555	512,701
Accumulated unpaid compensated absences	--	147,541	38,446	461,632
Net pension liability	1,389,733	3,816,010	1,265,295	8,690,456
Net OPEB obligation	19,414	60,058	25,356	109,340
Total noncurrent liabilities	<u>1,409,147</u>	<u>4,352,223</u>	<u>1,876,652</u>	<u>9,774,129</u>
Total liabilities	<u>1,468,760</u>	<u>4,784,845</u>	<u>2,284,410</u>	<u>11,140,416</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension liability	<u>22,898</u>	<u>70,683</u>	<u>35,733</u>	<u>163,952</u>
NET POSITION				
Net investment in capital assets	52,616	8,840,896	1,422,088	174,015
Unrestricted	(384,076)	11,340,243	1,644,223	(4,134,540)
Net position	<u>\$ (331,460)</u>	<u>\$ 20,181,139</u>	<u>\$ 3,066,311</u>	<u>\$ (3,960,525)</u>

Exhibit 37-A

Liability and Employee Benefits	Engineering Services	Eliminations	Total
\$ 32,829,488	\$ 935,073	\$ --	\$ 54,564,757
121,672	--	--	123,157
--	--	--	1,495,533
<u>1,128,807</u>	<u>--</u>	<u>--</u>	<u>1,128,807</u>
<u>34,079,967</u>	<u>935,073</u>	<u>--</u>	<u>57,312,254</u>
49,871	--	--	49,871
--	1,099	--	67,458
--	--	--	5,624,689
--	--	--	6,662,832
<u>--</u>	<u>699,194</u>	<u>--</u>	<u>32,059,769</u>
<u>--</u>	<u>700,293</u>	<u>--</u>	<u>44,414,748</u>
<u>--</u>	<u>(284,781)</u>	<u>--</u>	<u>(31,765,755)</u>
<u>--</u>	<u>415,512</u>	<u>--</u>	<u>12,648,993</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>242,701</u>
<u>--</u>	<u>415,512</u>	<u>--</u>	<u>12,891,694</u>
<u>49,871</u>	<u>415,512</u>	<u>--</u>	<u>12,941,565</u>
<u>34,129,838</u>	<u>1,350,585</u>	<u>--</u>	<u>70,253,819</u>
<u>364,305</u>	<u>1,318,958</u>	<u>--</u>	<u>5,837,029</u>
5,351	20,857	--	1,003,062
6,002	--	--	6,002
8,197,326	--	--	8,197,326
--	--	--	3,388
20,846	--	--	20,846
1,102	--	--	1,102
--	93,115	--	690,812
<u>25,219</u>	<u>240,343</u>	<u>--</u>	<u>953,903</u>
<u>8,255,846</u>	<u>354,315</u>	<u>--</u>	<u>10,876,441</u>
9,406,257	--	--	9,406,257
--	293,042	--	1,681,912
25,509	60,559	--	733,687
1,717,312	5,718,432	--	22,597,238
<u>10,122,141</u>	<u>57,625</u>	<u>--</u>	<u>10,393,934</u>
<u>21,271,219</u>	<u>6,129,658</u>	<u>--</u>	<u>44,813,028</u>
<u>29,527,065</u>	<u>6,483,973</u>	<u>--</u>	<u>55,689,469</u>
<u>28,901</u>	<u>99,461</u>	<u>--</u>	<u>421,628</u>
--	29,355	--	10,518,970
<u>4,938,177</u>	<u>(3,943,246)</u>	<u>--</u>	<u>9,460,781</u>
<u>\$ 4,938,177</u>	<u>\$ (3,913,891)</u>	<u>--</u>	<u>\$ 19,979,751</u>

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Stores</u>	<u>Fleet Maintenance Service</u>	<u>Facilities Maintenance Service</u>	<u>Information Technology</u>
Operating revenues				
Charges for services - net	\$ 1,915,438	\$ 5,368,656	\$ 4,612,665	\$ 16,363,488
Operating expenses				
Personal services	842,574	2,934,238	1,533,849	7,199,015
Materials and supplies	131,205	907,504	166,106	396,575
Contractual services	535,225	1,335,996	2,016,672	7,237,288
Other operating expenses	221,154	300,552	314,461	789,276
Uncollectible accounts	--	--	--	--
Depreciation	11,332	2,959,416	228,652	473,880
Self-insurance claims	--	--	--	--
Other post employment benefits	--	--	--	--
Total operating expenses	<u>1,741,490</u>	<u>8,437,706</u>	<u>4,259,740</u>	<u>16,096,034</u>
Operating income (loss)	173,948	(3,069,050)	352,925	267,454
Nonoperating revenues (expenses)				
Investment income	1,380	59,941	12,262	18,324
Interest expense and fiscal charges	--	(5,442)	(44,981)	(25,872)
Net gain (loss) on disposal of city property	(85,918)	2,427	(37,214)	--
Recovery of damage claims	--	200,313	--	--
Total nonoperating revenues (expenses)	<u>(84,538)</u>	<u>257,239</u>	<u>(69,933)</u>	<u>(7,548)</u>
Change in net position before transfers	89,410	(2,811,811)	282,992	259,906
Transfers in	4,504	2,789,563	9,141	13,212
Transfers out	--	(394,200)	(231,449)	(300,000)
Net transfers	<u>4,504</u>	<u>2,395,363</u>	<u>(222,308)</u>	<u>(286,788)</u>
Change in net position	93,914	(416,448)	60,684	(26,882)
Net position at beginning of year	<u>(425,374)</u>	<u>20,597,587</u>	<u>3,005,627</u>	<u>(3,933,643)</u>
Net position at end of year	<u>\$ (331,460)</u>	<u>\$ 20,181,139</u>	<u>\$ 3,066,311</u>	<u>\$ (3,960,525)</u>

Exhibit 37-B

Liability and Employee Benefits	Engineering Services	Eliminations	Totals
\$ 37,741,463	\$ 5,330,981	\$ --	\$ 71,332,691
1,133,396	4,075,827	--	17,718,899
194,447	160,177	--	1,956,014
7,731,457	603,981	--	19,460,619
164,124	755,240	--	2,544,807
(887)	--	--	(887)
--	95,598	--	3,768,878
36,812,660	--	--	36,812,660
646,861	--	--	646,861
<u>46,682,058</u>	<u>5,690,823</u>	<u>--</u>	<u>82,907,851</u>
(8,940,595)	(359,842)	--	(11,575,160)
162,917	266	--	255,090
--	(5,483)	--	(81,778)
--	(1,334)	--	(122,039)
--	--	--	200,313
<u>162,917</u>	<u>(6,551)</u>	<u>--</u>	<u>251,586</u>
(8,777,678)	(366,393)	--	(11,323,574)
1,230	16,735	(53,042)	2,781,343
(841,502)	--	53,042	(1,714,109)
<u>(840,272)</u>	<u>16,735</u>	<u>--</u>	<u>1,067,234</u>
(9,617,950)	(349,658)	--	(10,256,340)
<u>14,556,127</u>	<u>(3,564,233)</u>	<u>--</u>	<u>30,236,091</u>
<u>\$ 4,938,177</u>	<u>\$ (3,913,891)</u>	<u>\$ --</u>	<u>\$ 19,979,751</u>

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Stores</u>	<u>Fleet Maintenance Service</u>	<u>Facilities Maintenance Service</u>	<u>Information Technology</u>
Cash flows from operating activities				
Receipts from customers	\$ --	\$ 10,736	\$ 12,898	\$ --
Receipts from interfund services provided	4,798,859	12,419,288	4,599,696	16,363,488
Payments to suppliers	(3,479,592)	(9,624,494)	(1,984,736)	(8,040,276)
Payments to employees	(793,762)	(2,644,988)	(1,316,311)	(6,423,910)
Internal activity - payments to other funds	(303,231)	(545,924)	(597,318)	(1,467,395)
Claims paid	--	--	--	--
Other receipts	--	200,313	--	--
Net cash provided by (used for) operating activities	<u>222,274</u>	<u>(185,069)</u>	<u>714,229</u>	<u>431,907</u>
Cash flows from noncapital financing activities				
Change in interfund borrowings	(184,611)	--	--	184,611
Transfers in from other funds	4,504	8,220	9,141	13,212
Transfers out to other funds	--	--	(231,449)	(300,000)
Net cash provided by (used for) noncapital financing activities	<u>(180,107)</u>	<u>8,220</u>	<u>(222,308)</u>	<u>(102,177)</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	--	(1,357,077)	(330,242)	(13,125)
Proceeds from sale/disposal of city property	--	2,427	--	--
Transfer in from other funds for capital acquisition	--	2,781,343	--	--
Return of prior year transfers related to capital acquisition	--	(394,200)	--	--
Principal paid on long-term debt	--	(52,914)	(123,045)	(365,179)
Interest expense and fiscal charges	--	(5,442)	(44,981)	(25,872)
Net cash provided by (used for) capital and related financing activity	<u>--</u>	<u>974,137</u>	<u>(498,268)</u>	<u>(404,176)</u>
Cash flows from investing activities				
Interest on investments	1,380	59,941	12,262	18,324
Net cash provided by investing activities	<u>1,380</u>	<u>59,941</u>	<u>12,262</u>	<u>18,324</u>
Net increase (decrease) in cash and cash equivalents	43,547	857,229	5,915	(56,122)
Cash, cash equivalents and investments at beginning of year	<u>--</u>	<u>13,206,481</u>	<u>2,742,462</u>	<u>4,000,684</u>
Cash, cash equivalents and investments at end of year	<u>\$ 43,547</u>	<u>\$ 14,063,710</u>	<u>\$ 2,748,377</u>	<u>\$ 3,944,562</u>

(Continued)

Exhibit 37-C

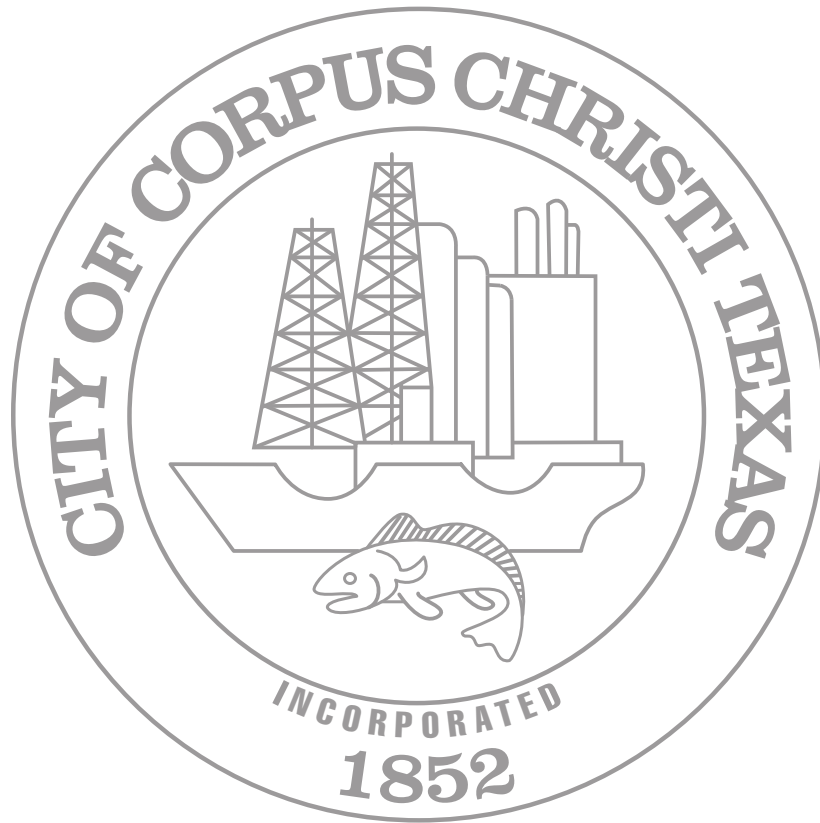
Liability and Employee Benefits	Engineering Services	Eliminations	Total
\$ 9,169,182	\$ 956	\$ --	\$ 9,193,772
28,681,640	5,330,025	--	72,192,996
(7,231,946)	(735,952)	--	(31,096,996)
(1,005,313)	(3,637,827)	--	(15,822,111)
(194,375)	(1,064,258)	--	(4,172,501)
(35,527,152)	--	--	(35,527,152)
--	34,298	--	234,611
<u>(6,107,964)</u>	<u>(72,758)</u>	<u>--</u>	<u>(4,997,381)</u>
--	--	--	--
1,230	16,735	(53,042)	--
<u>(841,502)</u>	<u>--</u>	<u>53,042</u>	<u>(1,319,909)</u>
(840,272)	16,735	--	(1,319,909)
--	--	--	(1,700,444)
--	--	--	2,427
--	--	--	2,781,343
--	--	--	(394,200)
--	(59,844)	--	(600,982)
<u>--</u>	<u>(5,483)</u>	<u>--</u>	<u>(81,778)</u>
--	(65,327)	--	6,366
162,917	266	--	255,090
<u>162,917</u>	<u>266</u>	<u>--</u>	<u>255,090</u>
(6,785,319)	(121,084)	--	(6,055,834)
<u>39,614,807</u>	<u>1,056,157</u>	<u>--</u>	<u>60,620,591</u>
<u>\$ 32,829,488</u>	<u>\$ 935,073</u>	<u>\$ --</u>	<u>\$ 54,564,757</u>

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Stores</u>	<u>Fleet Maintenance Service</u>	<u>Facilities Maintenance Service</u>	<u>Information Technology</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 173,948	\$ (3,069,050)	\$ 352,925	\$ 267,454
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Depreciation	11,332	2,959,416	228,652	473,880
Provision for uncollectible accounts	--	--	--	--
Recovery of damage claims	--	200,313	--	--
Changes in assets and liabilities				
Receivables	--	--	(71)	--
Inventory	79,477	(7,737)	--	--
Prepaid items	--	--	--	--
Deferred outflows of resources	(188,499)	(607,577)	(343,327)	(1,495,548)
Accounts payable	(15,723)	(350,785)	57,280	(532,019)
Accrued expenses	(16,992)	(66,216)	(33,878)	(151,802)
Estimated claims liability	--	--	--	--
Deposits	--	(1,260)	--	--
Liability to claimants-escheat property	--	--	--	--
Unearned revenue	--	--	--	--
Accumulated unpaid compensated absences	(51,345)	8,259	35,915	68,313
Net pension liability	229,464	748,449	415,573	1,797,589
Net OPEB obligation	1,131	2,813	2,101	8,109
Deferred inflows of resources	(519)	(1,694)	(941)	(4,069)
	<u>\$ 222,274</u>	<u>\$ (185,069)</u>	<u>\$ 714,229</u>	<u>\$ 431,907</u>
Net cash provided by (used for) operating activities				
Noncash investing, capital and financing activities				
Acquisition of capital assets under capital lease	\$ --	\$ 473,000	\$ 53,329	\$ --

Exhibit 37-C
(Continued)

<u>Liability and Employee Benefits</u>	<u>Engineering Services</u>	<u>Eliminations</u>	<u>Total</u>
\$ (8,940,595)	\$ (359,842)	\$ --	\$ (11,575,160)
--	95,598	--	3,768,878
(887)	--	--	(887)
--	--	--	200,313
238,930	34,298	--	273,157
--	--	--	71,740
939,735	--	--	939,735
(220,122)	(807,541)	--	(3,662,614)
(415,404)	6,158	--	(1,250,492)
(91,998)	(91,771)	--	(452,657)
2,861,181	--	--	2,861,181
--	--	--	(1,260)
1,502	--	--	1,502
(9,200)	--	--	(9,200)
(7,259)	39,044	--	92,927
275,164	1,009,586	--	4,475,825
(738,389)	3,998	--	(720,237)
(623)	(2,286)	--	(10,132)
<u>\$ (6,107,965)</u>	<u>\$ (72,758)</u>	<u>\$ --</u>	<u>\$ (4,997,381)</u>
\$ --	\$ 252,126	\$ --	\$ 778,455



Capital Assets

***Capital Assets Used in the Operation
of Governmental Funds***

Exhibit 38-A

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE *
SEPTEMBER 30, 2016**

Governmental funds capital assets	
Land	\$ 68,538,477
Buildings	232,194,112
Improvements other than buildings	256,764,059
Machinery and equipment	88,633,330
Infrastructure	380,796,051
Construction in progress	108,977,460
	<u>1,135,903,489</u>
Total governmental funds capital assets	\$ <u>1,135,903,489</u>
Investment in governmental funds capital assets by source	
Capital projects funds	\$ 911,224,437
General and special revenue funds	70,340,344
Donations	17,214,313
Developers contributions	26,426,858
Federal revenue sharing	82,791,354
Tax increment zone	22,861,080
Claim settlements	5,045,103
	<u>1,135,903,489</u>
Total investment in governmental funds capital assets by source	\$ <u>1,135,903,489</u>

* This schedule presents only the capital assets balances related to governmental funds. The capital assets reported in internal service funds are excluded from the above amounts but are included as governmental activities in the statement of net position.

**CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY *
SEPTEMBER 30, 2016**

	<u>Totals</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>
Staff Agencies						
Finance	\$ 137,904	\$ --	\$ --	\$ --	\$ 137,904	\$ --
Meter reading	294,211	--	--	--	294,211	--
Planning	252,614	--	136,698	--	115,916	--
Total staff agencies	<u>684,729</u>	<u>--</u>	<u>136,698</u>	<u>--</u>	<u>548,031</u>	<u>--</u>
City Hall and Emergency Management Facility	22,822,241	3,732,487	17,723,896	18,504	1,347,354	--
Municipal service center	2,185,197	204,024	662,316	330,862	987,995	--
Miscellaneous	20,070,951	200,383	7,361,532	10,435,881	2,073,155	--
Total general government	<u>45,763,118</u>	<u>4,136,894</u>	<u>25,884,442</u>	<u>10,785,247</u>	<u>4,956,535</u>	<u>--</u>
Police and municipal court						
Police						
Police	20,354,957	2,325,928	8,132,038	2,838,210	7,058,781	--
Animal control	3,848,674	--	3,432,801	--	415,873	--
Code enforcement	98,630	--	--	--	98,630	--
Total police	<u>24,302,261</u>	<u>2,325,928</u>	<u>11,564,839</u>	<u>2,838,210</u>	<u>7,573,284</u>	<u>--</u>
Municipal Court	1,077,742	--	26,410	928,833	122,499	--
Total police and municipal court	<u>25,380,003</u>	<u>2,325,928</u>	<u>11,591,249</u>	<u>3,767,043</u>	<u>7,695,783</u>	<u>--</u>
Fire	28,915,540	1,666,238	7,858,162	5,212,718	14,178,422	--
Ambulance	2,168,878	--	--	--	2,168,878	--
Emergency management	25,014	--	--	--	25,014	--
Building inspections	146,626	--	--	--	146,626	--
Streets						
Streets, sidewalks, curbs and gutters	354,031,207	15,580,929	--	4,604,399	--	333,845,879
Street maintenance and construction	9,456,042	266,937	128,442	--	9,060,663	--
Street signs and markings	791,200	--	--	35,428	755,772	--
Harbor Bridge and approaches	7,322,587	64,110	--	7,258,477	--	--
Total streets	<u>371,601,036</u>	<u>15,911,976</u>	<u>128,442</u>	<u>11,898,304</u>	<u>9,816,435</u>	<u>333,845,879</u>
Solid Waste	121,471,440	8,233,422	377,257	57,400,872	38,348,826	17,111,063
Health	6,848,758	61,909	4,547,312	1,363,428	876,109	--
Parks, recreation and education						
Parks and recreation	116,336,070	18,850,127	3,479,481	77,493,315	2,523,426	13,989,721
Miradores and Selena Memorial	1,965,000	--	--	1,965,000	--	--
Senior services	4,785,729	130,714	3,380,510	1,274,505	--	--
Upper level college facilities	1,510,810	1,510,810	--	--	--	--
Total parks, recreation and education	<u>124,597,609</u>	<u>20,491,651</u>	<u>6,859,991</u>	<u>80,732,820</u>	<u>2,523,426</u>	<u>13,989,721</u>
Libraries	18,225,672	773,001	17,049,483	277,978	125,210	--

(Continued)

CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY *
SEPTEMBER 30, 2016

	<u>Totals</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Machinery and Equipment</u>	<u>Infrastructure</u>
Corpus Christi museums	7,446,001	--	6,488,324	487,563	470,114	--
Community enrichment						
Cultural and convention facilities						
Multipurpose arena	48,829,792	2,829,110	43,209,435	2,600,369	190,878	--
Auditorium	7,304,198	--	7,262,070	--	42,128	--
Baseball stadium	28,441,771	1,836,763	26,186,852	418,156	--	--
Harbor Playhouse	880,519	--	869,675	--	10,844	--
Convention center	64,174,385	798,244	52,722,805	3,828,642	6,824,694	--
Water Garden	1,499,927	--	--	1,499,927	--	--
Bayfront Science Park	27,201,555	3,651,328	2,468,913	20,935,353	145,961	--
Texas State Aquarium	20,844,296	2,047,044	11,024,033	7,773,219	--	--
Total cultural and convention facilities	<u>199,176,443</u>	<u>11,162,489</u>	<u>143,743,783</u>	<u>37,055,666</u>	<u>7,214,505</u>	<u>--</u>
Public art	93,328	--	--	93,328	--	--
Total community enrichment	<u>199,269,771</u>	<u>11,162,489</u>	<u>143,743,783</u>	<u>37,148,994</u>	<u>7,214,505</u>	<u>--</u>
Community development						
Neighborhood improvement	23,595	--	--	--	23,595	--
Community Development Block Grant	7,299,284	800,221	5,821,579	677,484	--	--
CC Housing Finance Corporation	958,246	163,841	419,382	375,023	--	--
Corpus Christi Community Improvement Corp.	1,473,294	59,497	1,413,797	--	--	--
Total community development	<u>9,754,419</u>	<u>1,023,559</u>	<u>7,654,758</u>	<u>1,052,507</u>	<u>23,595</u>	<u>--</u>
Other general capital assets:						
Packery Channel	16,211,577	--	--	298,337	63,852	15,849,388
Seawall	46,338,248	--	--	46,338,248	--	--
Army Corp of Engineers office	10,909	--	10,909	--	--	--
Naval Air Station safety zone	2,672,482	2,672,482	--	--	--	--
Transit facility	78,928	78,928	--	--	--	--
Total other general capital assets	<u>65,312,144</u>	<u>2,751,410</u>	<u>10,909</u>	<u>46,636,585</u>	<u>63,852</u>	<u>15,849,388</u>
Total capital assets in service	<u>1,026,926,029</u>	<u>68,538,477</u>	<u>232,194,112</u>	<u>256,764,059</u>	<u>88,633,330</u>	<u>380,796,051</u>
Less: accumulated depreciation	<u>456,789,670</u>	<u>--</u>	<u>96,520,603</u>	<u>116,151,613</u>	<u>65,743,419</u>	<u>178,374,035</u>
Net capital assets in service	<u>570,136,359</u>	<u>68,538,477</u>	<u>135,673,509</u>	<u>140,612,446</u>	<u>22,889,911</u>	<u>202,422,016</u>
Construction in progress	<u>108,977,460</u>	<u>--</u>	<u>1,324,936</u>	<u>32,038,949</u>	<u>--</u>	<u>75,613,575</u>
Total general capital assets	<u>\$ 679,113,819</u>	<u>\$ 68,538,477</u>	<u>\$ 136,998,445</u>	<u>\$ 172,651,395</u>	<u>\$ 22,889,911</u>	<u>\$ 278,035,591</u>

* This schedule presents only the capital assets balances related to governmental funds. The capital assets reported in internal service funds are excluded from the above amounts but are included as governmental activities in the statement of net position.

**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
BY FUNCTION AND ACTIVITY *
YEAR ENDED SEPTEMBER 30, 2016**

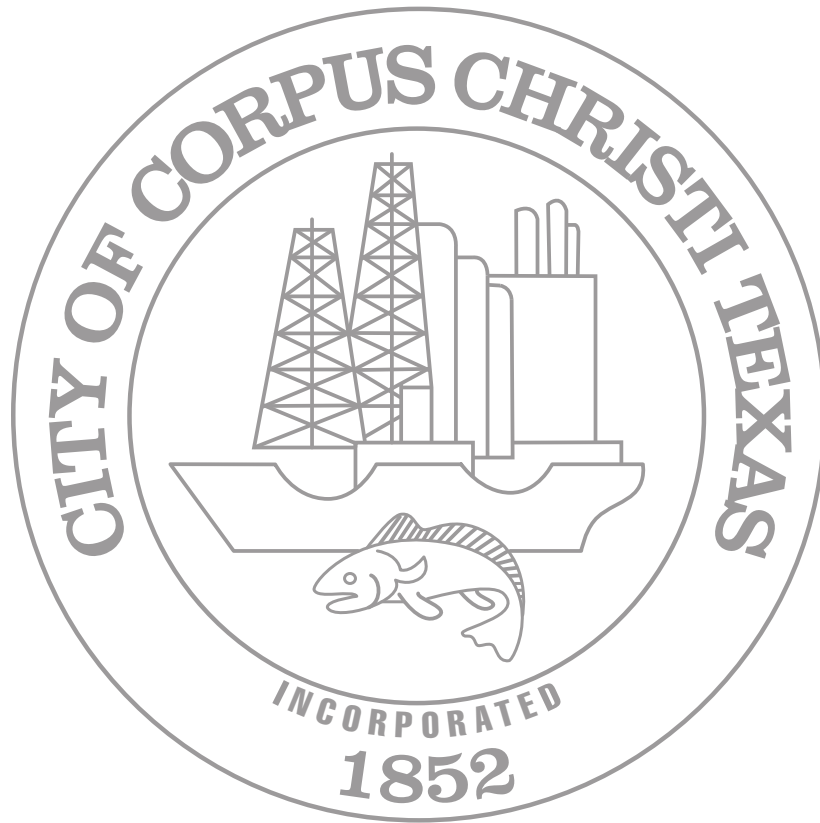
	<u>Beginning Balance</u>	<u>Additions and Transfers</u>	<u>Retirements</u>	<u>Ending Balance</u>
General government				
Staff agencies				
Finance	121,664	16,240	--	137,904
Meter reading	294,211	--	--	294,211
Planning	48,414	217,888	13,688	252,614
Total staff agencies	<u>464,289</u>	<u>234,128</u>	<u>13,688</u>	<u>684,729</u>
City Hall and Emergency Management Facility	22,822,241	--	--	22,822,241
Municipal service center	1,854,335	330,862	--	2,185,197
Miscellaneous	12,281,904	7,789,047	--	20,070,951
Total general government	<u>37,422,769</u>	<u>8,354,037</u>	<u>13,688</u>	<u>45,763,118</u>
Police and municipal court				
Police	20,861,249	552,896	1,059,189	20,354,956
Animal control	3,604,319	244,355	--	3,848,674
Code enforcement	45,412	53,218	--	98,630
Total police	<u>24,510,980</u>	<u>850,469</u>	<u>1,059,189</u>	<u>24,302,260</u>
Municipal court	180,191	897,551	--	1,077,742
Total police and municipal court	<u>24,691,171</u>	<u>1,748,020</u>	<u>1,059,189</u>	<u>25,380,002</u>
Fire	28,141,882	1,886,609	1,112,950	28,915,541
Ambulance	4,437,699	623,260	2,892,081	2,168,878
Emergency management	25,014	--	--	25,014
Inspections	146,626	--	--	146,626
Streets				
Streets, sidewalks, curbs and gutters	341,157,064	12,874,143	--	354,031,207
Street maintenance and construction	8,509,375	962,147	15,480	9,456,042
Street signs and markings	811,005	113,380	133,185	791,200
Harbor Bridge and approaches	7,322,587	--	--	7,322,587
Total streets	<u>357,800,031</u>	<u>13,949,670</u>	<u>148,665</u>	<u>371,601,036</u>
Solid waste	113,700,080	7,792,520	21,160	121,471,440
Health	6,577,767	347,102	76,111	6,848,758
Parks, recreation and education				
Parks and recreation	112,277,293	4,672,096	613,318	116,336,071
Miradores and Selena Memorial	1,965,000	--	--	1,965,000
Senior services	4,542,238	243,491	--	4,785,729
Upper level college facilities	1,510,810	--	--	1,510,810
Total parks, recreation and education	<u>120,295,341</u>	<u>4,915,587</u>	<u>613,318</u>	<u>124,597,610</u>
Libraries	18,225,672	--	--	18,225,672
Corpus Christi museums	8,300,022	--	854,021	7,446,001

(Continued)

**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
BY FUNCTION AND ACTIVITY *
YEAR ENDED SEPTEMBER 30, 2016**

	<u>Beginning Balance</u>	<u>Additions and Transfers</u>	<u>Retirements</u>	<u>Ending Balance</u>
Community enrichment				
Cultural and convention facilities				
Multipurpose arena	48,732,802	96,990	--	48,829,792
Auditorium	7,304,198	--	--	7,304,198
Baseball stadium	28,441,771	--	--	28,441,771
Harbor Playhouse	880,519	--	--	880,519
Convention center	63,994,029	180,356	--	64,174,385
Water Garden	1,499,927	--	--	1,499,927
Bayfront Science Park	27,258,161	--	56,606	27,201,555
Texas State Aquarium	20,844,296	--	--	20,844,296
Total cultural and convention facilities	<u>198,955,703</u>	<u>277,346</u>	<u>56,606</u>	<u>199,176,443</u>
Public art	93,328	--	--	93,328
Total community enrichment	<u>199,049,031</u>	<u>277,346</u>	<u>56,606</u>	<u>199,269,771</u>
Community development				
Neighborhood improvement	23,595	--	--	23,595
Community Development Block Grant	7,299,284	--	--	7,299,284
CC Housing Finance Corporation	958,246	--	--	958,246
Corpus Christi Improvement Corp.	1,473,294	--	--	1,473,294
Total community development	<u>9,754,419</u>	<u>--</u>	<u>--</u>	<u>9,754,419</u>
Other general capital assets:				
Packery Channel	16,128,654	82,923	--	16,211,577
Seawall	45,808,864	529,384	--	46,338,248
Army Corp of Engineers office	10,909	--	--	10,909
Naval Air Station safety zone	2,672,482	--	--	2,672,482
Transit facility	78,928	--	--	78,928
Total other general capital assets	<u>64,699,837</u>	<u>612,307</u>	<u>--</u>	<u>65,312,144</u>
Total capital assets in service	993,267,361	40,506,458	6,847,789	1,026,926,030
Less: accumulated depreciation	437,686,330	25,951,130	6,847,789	456,789,671
Net capital assets in service	<u>555,581,031</u>	<u>14,555,328</u>	<u>--</u>	<u>570,136,359</u>
Construction in progress	97,966,885	11,010,575	--	108,977,460
Total general capital assets	<u>\$ 653,547,916</u>	<u>\$ 25,565,903</u>	<u>\$ --</u>	<u>\$ 679,113,819</u>

* This schedule presents only the capital assets balances related to governmental funds. The capital assets reported in internal service funds are excluded from the above amounts but are included as governmental activities in the statement of net assets.



Statistical Section

Statistical Section

This part of the City of Corpus Christi, 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.

<u>Contents</u>	<u>Page</u>
<p>Financial Trends</p> <p style="margin-left: 40px;"><i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i></p>	<p>258</p>
<p>Revenue Capacity</p> <p style="margin-left: 40px;"><i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i></p>	<p>270</p>
<p>Debt Capacity</p> <p style="margin-left: 40px;"><i>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.</i></p>	<p>278</p>
<p>Demographic and Economic Information</p> <p style="margin-left: 40px;"><i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i></p>	<p>286</p>
<p>Operating Information</p> <p style="margin-left: 40px;"><i>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.</i></p>	<p>288</p>

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

CITY OF CORPUS CHRISTI, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities				
Net investment in capital assets	\$ 160,007,194	\$ 171,559,799	\$ 184,297,821	\$ 190,984,493
Restricted	5,085,156	7,161,689	8,706,284	81,610,847
Unrestricted	108,485,456	118,117,170	102,378,371	19,260,356
Total governmental activities net position	<u>\$ 273,577,806</u>	<u>\$ 296,838,658</u>	<u>\$ 295,382,476</u>	<u>\$ 291,855,696</u>
Business-type activities				
Net investment in capital assets	\$ 557,699,068	\$ 614,734,623	\$ 588,187,607	\$ 685,455,079
Restricted	20,698,409	17,162,129	15,547,632	13,445,408
Unrestricted	40,565,906	1,923,108	49,119,110	16,803,962
Total business-type activities net position	<u>\$ 618,963,383</u>	<u>\$ 633,819,860</u>	<u>\$ 652,854,349</u>	<u>\$ 715,704,449</u>
Primary government				
Net investment in capital assets	\$ 717,706,262	\$ 786,294,422	\$ 772,485,428	\$ 876,439,572
Restricted	25,783,565	24,323,818	24,253,916	95,056,255
Unrestricted	149,051,362	120,040,278	151,497,481	36,064,318
Total primary government net position	<u>\$ 892,541,189</u>	<u>\$ 930,658,518</u>	<u>\$ 948,236,825</u>	<u>\$ 1,007,560,145</u>

* The City changed its fiscal year from July 31 to September 30
FY 2014 includes 14 months of operations

** Beginning with FY2016, net position of the General Obligation Debt Service Fund is classified as Restricted,
and the Solid Waste activity is presented as a Governmental activity instead of a Business-type activity.

Table 1

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015</u>	<u>2016**</u>
\$ 209,725,506	\$ 222,519,201	\$ 240,668,349	\$ 271,711,769	\$ 268,379,713	\$ 304,106,762
79,572,803	85,445,854	89,422,908	90,284,166	110,426,731	137,074,978
29,215,682	37,839,536	52,514,581	43,044,907	(93,108,769)	(129,830,889)
<u>\$ 318,513,991</u>	<u>\$ 345,804,591</u>	<u>\$ 382,605,838</u>	<u>\$ 405,040,842</u>	<u>\$ 285,697,675</u>	<u>\$ 311,350,851</u>
\$ 682,070,387	\$ 693,363,853	\$ 704,595,166	\$ 793,058,216	\$ 768,459,800	\$ 777,595,643
14,731,997	10,689,200	13,455,463	17,238,437	20,125,997	18,589,790
30,148,172	61,185,337	83,373,816	24,083,260	55,457,952	107,784,915
<u>\$ 726,950,556</u>	<u>\$ 765,238,390</u>	<u>\$ 801,424,445</u>	<u>\$ 834,379,913</u>	<u>\$ 844,043,749</u>	<u>\$ 903,970,348</u>
\$ 891,795,893	\$ 915,883,054	\$ 945,263,515	\$ 1,064,769,985	\$ 1,036,839,513	\$ 1,081,702,405
94,304,800	96,135,054	102,878,371	107,522,603	130,552,728	155,664,768
59,363,854	99,024,873	135,888,397	67,128,167	(37,650,817)	(22,045,974)
<u>\$ 1,045,464,547</u>	<u>\$ 1,111,042,981</u>	<u>\$ 1,184,030,283</u>	<u>\$ 1,239,420,755</u>	<u>\$ 1,129,741,424</u>	<u>\$ 1,215,321,199</u>

CITY OF CORPUS CHRISTI, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Expenses				
Primary government				
Governmental activities				
General government	\$ 20,909,738	\$ 20,658,739	\$ 22,072,622	\$ 19,480,668
Police and municipal court	67,186,703	73,018,660	78,931,771	81,171,817
Fire and ambulance	37,478,787	38,221,888	42,520,139	43,287,584
Solid Waste	-	--	--	--
Emergency management	358,799	470,593	525,077	505,319
Inspections	1,721,108	1,699,251	2,171,232	1,664,676
Streets	23,145,350	25,060,354	25,814,362	25,674,747
Health	6,126,090	6,856,261	7,450,418	7,505,758
Parks and recreation	18,933,077	21,455,686	21,767,352	21,577,152
Libraries	4,593,979	4,993,605	5,612,844	5,298,406
Museums	1,412,561	1,886,531	1,842,929	1,853,104
Community enrichment	1,784,029	2,624,646	3,476,141	4,220,179
Community development	4,114,411	4,594,232	5,830,606	10,403,520
Convention and visitor activities	18,615,167	18,134,378	17,167,605	15,183,072
Interest on long-term debt	14,713,700	14,665,318	14,950,035	16,156,130
Total governmental activities	<u>221,093,499</u>	<u>234,340,142</u>	<u>250,133,133</u>	<u>253,982,132</u>
Business-type activities				
Solid Waste	27,045,462	20,075,708	18,442,528	22,418,231
Utilities				
Water	86,542,198	94,885,353	97,638,099	93,937,152
Gas	36,919,568	38,128,913	31,286,452	31,748,907
Wastewater	39,548,014	42,411,241	43,450,764	46,795,236
Airport	10,991,302	11,555,900	12,228,908	11,406,735
Golf Centers	1,780,434	1,948,903	2,133,840	2,051,107
Marina	1,692,618	1,806,755	1,864,063	1,861,705
Total business-type activities	<u>204,519,596</u>	<u>210,812,773</u>	<u>207,044,654</u>	<u>210,219,073</u>
Total primary government	<u>\$ 425,613,095</u>	<u>\$ 445,152,915</u>	<u>\$ 457,177,787</u>	<u>\$ 464,201,205</u>
Program revenue				
Governmental activities				
Charges for services				
General government	\$ 20,328,447	\$ 21,120,037	\$ 19,995,923	\$ 20,566,739
Public safety	18,053,712	18,582,177	19,328,378	20,021,375
Other activities	16,564,997	13,198,200	13,466,048	11,839,459
Operating grants and contributions	13,585,522	13,293,341	13,519,519	15,768,215
Capital grants and contributions	5,742,472	9,215,148	5,160,566	8,274,872
Total governmental activities program revenues	<u>74,275,150</u>	<u>75,408,903</u>	<u>71,470,434</u>	<u>76,470,660</u>

(Continued)

Table 2

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016**</u>
\$	16,589,746	\$ 18,079,972	\$ 20,066,766	\$ 23,528,625	\$ 20,095,432	\$ 23,549,438
	81,930,129	80,496,720	80,194,663	106,771,633	91,069,002	96,427,880
	47,347,004	45,748,510	48,997,146	58,864,749	48,724,237	58,265,448
	-	-	-	-	-	25,422,366
	543,682	507,564	505,811	632,347	613,555	630,679
	1,636,669	1,752,448	1,995,533	2,182,793	2,379,102	226,501
	21,451,848	17,337,069	18,523,334	29,657,466	34,051,106	36,240,932
	7,218,565	6,813,120	6,835,120	6,661,113	5,940,977	6,446,306
	19,902,761	17,861,237	18,659,058	22,829,117	19,928,692	22,459,907
	4,785,207	4,222,687	3,731,475	4,779,930	4,575,572	4,894,637
	1,900,026	1,659,435	1,555,994	1,907,091	1,866,875	2,085,260
	9,529,467	4,273,802	2,742,906	7,589,196	5,851,215	6,112,618
	10,025,480	11,084,674	13,218,255	14,025,431	13,365,023	9,393,044
	10,487,728	16,057,354	18,022,411	19,365,234	16,228,430	15,459,948
	17,385,095	16,786,166	14,875,186	15,357,763	16,378,266	17,314,590
	<u>250,733,407</u>	<u>242,680,758</u>	<u>249,923,658</u>	<u>314,152,488</u>	<u>281,067,484</u>	<u>324,929,554</u>
	27,140,788	23,494,713	25,721,265	33,046,483	29,152,032	-
	96,818,500	99,262,996	102,157,760	117,294,046	107,235,791	106,291,296
	30,224,910	25,318,899	28,564,940	43,714,412	34,256,774	29,510,720
	47,063,049	46,664,152	48,937,097	63,649,026	56,892,815	56,636,897
	11,729,049	11,982,695	11,899,650	15,412,742	13,631,297	14,115,378
	1,168,875	293,633	241,504	198,341	214,575	128,614
	1,793,695	1,802,521	1,757,820	2,185,278	1,997,197	2,337,522
	<u>215,938,866</u>	<u>208,819,609</u>	<u>219,280,036</u>	<u>275,500,328</u>	<u>243,380,481</u>	<u>209,020,427</u>
\$	<u>466,672,273</u>	<u>\$ 451,500,367</u>	<u>\$ 469,203,694</u>	<u>\$ 589,652,816</u>	<u>\$ 524,447,965</u>	<u>\$ 533,949,981</u>
\$	22,093,237	\$ 21,614,922	\$ 24,054,154	\$ 27,323,898	\$ 25,920,218	\$ 9,095,175
	19,349,804	20,165,521	20,948,126	24,607,968	20,189,446	20,286,859
	13,090,388	12,388,359	15,605,078	29,498,080	27,444,915	62,183,070
	20,293,248	14,697,325	12,516,057	14,116,549	9,899,152	11,531,748
	11,616,793	4,841,413	7,645,930	8,509,542	7,911,826	11,479,193
	<u>86,443,470</u>	<u>73,707,540</u>	<u>80,769,345</u>	<u>104,056,037</u>	<u>91,365,557</u>	<u>114,576,045</u>

CITY OF CORPUS CHRISTI, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (accrual basis of accounting)

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Program revenue (continued)				
Business-type activities				
Charges for services				
Solid Waste	\$ 26,641,520	\$ 29,843,162	\$ 30,979,626	\$ 32,011,959
Utilities				
Water	75,147,044	87,131,217	106,536,846	96,571,762
Gas	40,694,377	43,166,492	33,159,669	36,520,847
Wastewater	38,833,360	41,784,614	45,227,800	51,048,604
Airport	9,764,349	9,948,929	8,562,286	8,594,836
Golf Centers	1,740,134	1,943,751	1,732,263	1,838,093
Marina	1,326,631	1,436,603	1,592,825	1,572,406
Operating grants and contributions	105,065	47,668	495,845	120,435
Capital grants and contributions	26,818,057	24,436,963	7,863,922	9,557,122
Total business-type activities program revenues	<u>221,070,537</u>	<u>239,739,399</u>	<u>236,151,082</u>	<u>237,836,064</u>
Total primary government program revenues	<u>\$ 295,345,687</u>	<u>\$ 315,148,302</u>	<u>\$ 307,621,516</u>	<u>\$ 314,306,724</u>
Net (expense) revenue				
Governmental activities	\$ (146,818,349)	\$ (158,931,239)	\$ (178,662,699)	\$ (177,511,472)
Business-type activities	16,550,941	28,926,626	29,106,428	27,616,991
Total primary government net expenses	<u>\$ (130,267,408)</u>	<u>\$ (130,004,613)</u>	<u>\$ (149,556,271)</u>	<u>\$ (149,894,481)</u>
General revenues and other changes in net position				
Governmental activities				
Taxes				
Property taxes, levied for general purpo:	\$ 51,477,867	\$ 52,288,456	\$ 55,410,412	\$ 57,291,695
Property taxes, levied for debt service	22,105,552	25,021,687	26,278,717	27,358,566
Sales taxes	66,124,730	70,120,506	71,018,975	64,654,960
Hotel occupancy taxes	9,630,152	10,337,342	10,127,333	9,919,560
Business fees	-	--	--	--
Unrestricted investment earnings	7,321,196	6,220,124	2,825,071	1,283,513
Transfers	18,759,642	18,203,976	11,546,009	13,476,398
Total governmental activities	<u>175,419,139</u>	<u>182,192,091</u>	<u>177,206,517</u>	<u>173,984,692</u>
Business-type activities				
Unrestricted investment earnings	7,120,196	4,133,827	1,474,070	825,924
Transfers	(18,759,642)	(18,203,976)	(11,546,009)	(13,476,398)
Total business-type activities	<u>(11,639,446)</u>	<u>(14,070,149)</u>	<u>(10,071,939)</u>	<u>(12,650,474)</u>
Total primary government	<u>\$ 163,779,693</u>	<u>\$ 168,121,942</u>	<u>\$ 167,134,578</u>	<u>\$ 161,334,218</u>
Changes in Net Position				
Governmental activities	\$ 28,600,790	\$ 23,260,852	\$ (1,456,182)	\$ (3,526,780)
Business-type activities	4,911,495	14,856,477	19,034,489	14,966,517
Total primary government	<u>\$ 33,512,285</u>	<u>\$ 38,117,329</u>	<u>\$ 17,578,307</u>	<u>\$ 11,439,737</u>

* The City changed its fiscal year from July 31 to September 30
 FY 2014 includes 14 months of operations

** Prior to FY2016, the Solid Waste activity was included with Business-type activities, and Business fees were included as General governmental

**Table 2
(Continued)**

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015</u>	<u>2016**</u>
\$ 34,593,348	\$ 37,864,068	\$ 37,122,282	\$ 43,677,779	\$ 37,475,401	\$ --
108,948,434	120,017,362	117,230,522	140,078,315	121,958,577	137,305,933
31,828,023	26,139,159	28,950,470	42,408,214	32,265,916	27,679,719
54,884,681	59,662,102	59,323,805	75,704,726	68,488,526	72,265,040
9,503,417	9,520,245	9,489,992	11,919,295	10,549,237	4,312,314
1,060,795	416,750	350,592	257,772	204,936	137,977
1,464,629	1,832,336	1,851,612	2,227,983	1,911,146	1,883,564
1,193,227	1,320,294	1,537,735	1,379,860	1,226,335	1,309,988
7,736,648	9,858,001	16,637,935	17,942,344	27,219,660	11,579,767
<u>251,213,202</u>	<u>266,630,317</u>	<u>272,494,945</u>	<u>335,596,288</u>	<u>301,299,734</u>	<u>256,474,302</u>
<u>\$ 337,656,672</u>	<u>\$ 340,337,857</u>	<u>\$ 353,264,290</u>	<u>\$ 439,652,325</u>	<u>\$ 392,665,291</u>	<u>\$ 371,050,347</u>
\$ (164,289,936)	\$ (168,973,217)	\$ (156,882,225)	\$ (210,096,450)	\$ (189,701,926)	\$ (210,353,508)
35,274,336	57,810,708	50,372,518	60,095,960	57,919,253	47,453,875
<u>\$ (129,015,600)</u>	<u>\$ (111,162,509)</u>	<u>\$ (106,509,707)</u>	<u>\$ (150,000,490)</u>	<u>\$ (131,782,673)</u>	<u>\$ (162,899,633)</u>
\$ 57,457,988	\$ 58,201,084	\$ 60,506,596	\$ 64,808,014	\$ 69,730,902	\$ 78,863,952
27,192,025	25,906,607	26,605,837	31,855,785	34,255,712	40,425,079
70,432,482	79,403,692	86,163,292	103,372,472	89,126,468	81,618,057
10,721,997	12,051,548	13,174,824	17,066,868	15,110,411	17,636,317
--	--	--	--	--	17,394,372
682,991	848,062	1,208,748	1,244,127	1,277,826	1,965,520
24,460,749	19,852,825	20,674,272	19,380,059	14,953,233	5,867,890
<u>190,948,232</u>	<u>196,263,818</u>	<u>208,333,569</u>	<u>237,727,325</u>	<u>224,454,552</u>	<u>243,771,187</u>
432,520	329,951	445,360	344,764	1,217,295	1,955,470
(24,460,749)	(19,852,825)	(20,228,912)	(19,035,295)	(14,953,233)	(5,867,890)
(24,028,229)	(19,522,874)	(19,783,552)	(18,690,531)	(13,735,938)	(3,912,420)
<u>\$ 166,920,003</u>	<u>\$ 176,740,944</u>	<u>\$ 188,550,017</u>	<u>\$ 219,036,794</u>	<u>\$ 210,718,614</u>	<u>\$ 239,858,767</u>
\$ 26,658,296	\$ 27,290,601	\$ 31,429,175	\$ 27,630,875	\$ 34,752,626	\$ 33,417,679
11,246,107	38,287,834	36,186,054	41,060,665	44,183,315	43,541,455
<u>\$ 37,904,403</u>	<u>\$ 65,578,435</u>	<u>\$ 67,615,229</u>	<u>\$ 68,691,540</u>	<u>\$ 78,935,941</u>	<u>\$ 76,959,134</u>

charges for services.

CITY OF CORPUS CHRISTI, TEXAS
FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
General fund			
Reserved	\$ 4,054,101	\$ 4,638,291	\$ 2,938,429
Unreserved	28,372,503	27,571,509	27,325,624
Nonspendable			
Restricted			
Committed			
Assigned			
Unassigned			
Total general fund	<u>\$ 32,426,604</u>	<u>\$ 32,209,800</u>	<u>\$ 30,264,053</u>
All other governmental funds			
Reserved	\$ 60,621,159	\$ 57,031,756	\$ 58,028,080
Unreserved, reported in:			
Debt service funds	6,846,970	11,712,600	9,456,925
Special revenue funds	30,461,934	43,057,821	45,533,073
Capital projects funds	67,507,979	61,947,382	109,247,126
Nonspendable			
Special revenue funds			
Restricted			
Debt service funds			
Special revenue funds			
Capital projects funds			
Committed			
Debt service funds			
Special revenue funds			
Capital projects funds			
Assigned, reported in:			
Special revenue funds			
Capital projects funds			
Unassigned, reported in:			
Special revenue funds			
Capital projects funds			
Total all other governmental funds	<u>\$ 165,438,042</u>	<u>\$ 173,749,559</u>	<u>\$ 222,265,204</u>

Notes:

The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. Fiscal year 2010 amounts restated to conform to the new statement requirements.

* The City changed its fiscal year from July 31 to September 30
 FY 2014 included 14 months of operations

** Beginning with FY2016, General Fund Reserve for Major Commitments was reclassified from Committed to Unassigned, and the net position of the General Obligation Debt Service Fund was reclassified from Committed to Restricted.

Table 3

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015</u>	<u>2016**</u>
\$ 361,507	\$ 1,491,399	\$ 1,400,017	\$ 1,302,980	\$ 1,614,482	\$ 1,272,561	\$ 1,000,172
688,286	636,531	249,433	298,854	363,996	389,177	440,185
19,701,535	19,813,473	28,764,934	40,537,505	37,808,621	39,564,995	62,929
17,747	5,845	6,806	11,480	658,480	10,120,144	4,079,385
8,579,370	8,617,684	7,551,298	11,441,898	11,538,642	174,624	47,321,813
<u>\$ 29,348,445</u>	<u>\$ 30,564,932</u>	<u>\$ 37,972,488</u>	<u>\$ 53,592,717</u>	<u>\$ 51,984,221</u>	<u>\$ 51,521,501</u>	<u>\$ 52,904,484</u>
\$ 1,008,008	\$ 890,963	\$ 396,787	\$ 571,478	\$ 789,937	\$ 593,824	\$ 678,222
5,974,622	5,956,307	5,334,218	1,500,000	5,335,454	6,153,453	12,917,033
71,202,025	74,267,207	79,862,203	87,624,054	84,449,297	103,457,997	153,175,499
105,026,981	70,969,215	84,525,622	139,030,313	116,444,974	193,692,270	155,816,175
11,271,942	13,812,320	16,858,822	15,512,834	8,660,390	10,777,534	-
677,007	390,454	896,775	739,729	13,435,512	20,343,465	26,942,541
10,109,487	8,413,784	7,400,034	5,658,891	4,466,229	3,303,368	3,995,533
98,347	214,601	68,775	316,952	1,576,765	2,447,588	8,036,143
3,445,097	1,855,964	2,218,850	1,668,506	11,716,955	1,643,682	157,042
(1,415,142)	(269,136)	(555,032)	1,142,841	-	(9,890)	-
-	-	-	-	(314,479)	(196,948)	(247,359)
<u>\$ 207,398,374</u>	<u>\$ 176,501,679</u>	<u>\$ 197,007,054</u>	<u>\$ 253,765,598</u>	<u>\$ 246,561,034</u>	<u>\$ 342,206,343</u>	<u>\$ 361,470,829</u>

CITY OF CORPUS CHRISTI, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
Revenues				
Taxes and business fees	\$ 165,980,510	\$ 174,899,312	\$ 178,669,539	\$ 176,286,722
Licenses and permits	3,399,993	3,576,249	3,700,195	3,288,415
Intergovernmental	--	--	--	--
Grants	16,261,424	18,216,186	15,981,072	22,661,016
Charges for services	53,669,631	54,989,566	56,843,501	56,945,655
Fines and forfeitures	6,907,942	6,825,170	6,897,078	6,766,301
Deposits	270,716	191,724	-	-
Contributions and donations	1,948,807	3,380,012	1,902,087	871,524
Special assessments	74,235	442,323	10,502	76,876
Earnings on investments	8,424,738	6,386,948	3,006,163	1,312,814
Interest on loans	374,210	233,846	73,369	81,458
Payments from Lexington Museum Association	347,173	248,868	285,022	272,796
Payments from Texas State Aquarium	518,117	508,685	518,318	361,107
Sale of city property	4,940	12,353	3,848	7,553
Claim settlement	-	-	572,280	-
Naming rights	175,000	175,000	175,000	175,000
Miscellaneous	1,186,020	1,390,645	1,486,339	1,703,701
Total revenues	<u>259,543,456</u>	<u>271,476,887</u>	<u>270,124,313</u>	<u>270,810,938</u>
Expenditures				
General government	20,707,495	21,306,706	21,836,700	20,267,240
Public safety	107,360,877	110,663,675	115,375,541	119,589,404
Streets	13,502,624	14,233,051	15,951,618	14,797,896
Solid waste	15,192,042	18,278,582	17,027,712	18,193,629
Health	5,980,026	6,592,800	6,893,718	6,977,548
Community enrichment	27,458,882	31,248,848	31,864,343	37,348,135
Convention and visitors activities	13,782,313	13,193,524	12,152,309	10,257,006
Other	-	-	32,963	21,729
Capital projects	33,406,955	35,812,462	57,193,877	50,406,384
Debt service				
Principal retirement	26,918,876	24,853,049	36,741,227	26,883,223
Interest	16,657,960	17,480,632	16,433,417	19,907,675
Paying agent fees	36,049	33,994	32,598	28,710
Bond issue cost	650,025	730,903	1,571,419	422,041
Refund of bond issue cost	(9,660)	-	-	-
Interest on interfund borrowings	148,160	-	29,714	6,543
Total expenditures	<u>281,792,624</u>	<u>294,428,226</u>	<u>333,137,156</u>	<u>325,107,163</u>
Excess (deficiency) of revenues over (under) expenditures	(22,249,168)	(22,951,339)	(63,012,843)	(54,296,225)
(Continued)				

Table 4

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015</u>	<u>2016</u>
\$	182,810,584	\$ 192,423,958	\$ 205,059,544	\$ 241,447,636	\$ 229,613,790	\$ 237,267,682
	4,885,342	4,790,610	5,697,321	6,119,404	7,653,287	8,322,958
	--	--	--	--	2,427,736	2,761,017
	24,095,434	16,542,865	14,743,346	17,758,224	13,043,094	11,496,493
	60,258,877	63,684,332	63,588,154	85,604,995	75,150,621	74,853,671
	6,075,772	6,602,755	7,037,629	8,739,406	6,330,735	6,547,847
	-	-	-	-	-	-
	7,133,489	2,413,204	4,657,640	4,319,251	1,833,351	2,282,999
	683,087	46,787	154,937	195,495	67,952	79,407
	698,992	713,791	1,186,389	1,245,152	1,288,658	1,965,379
	85,188	86,173	109,704	97,778	59,282	50,887
	275,647	267,750	-	-	-	-
	373,232	358,795	369,082	335,694	328,276	330,613
	9,786	-	-	122,746	46,779	-
	325,395	-	25,241	-	-	-
	-	-	-	-	-	-
	2,291,231	1,716,081	1,682,319	1,734,789	2,657,325	2,910,571
	<u>290,002,056</u>	<u>289,647,101</u>	<u>304,311,307</u>	<u>367,720,570</u>	<u>340,500,886</u>	<u>348,869,524</u>
	17,606,974	19,146,965	21,235,824	23,789,840	20,900,904	25,148,653
	126,279,109	122,341,347	129,637,141	159,126,383	141,825,393	145,334,065
	15,229,881	13,173,204	14,964,156	22,088,359	27,361,691	28,644,769
	22,426,863	19,288,307	20,551,190	26,657,490	23,153,110	23,490,708
	6,722,783	6,362,130	6,554,474	6,106,257	5,569,931	6,133,351
	36,680,864	33,660,941	35,347,147	40,617,305	36,297,592	33,496,314
	10,449,447	11,046,785	11,650,650	16,821,790	14,625,022	14,091,247
	-	-	-	-	-	-
	51,119,929	51,039,961	45,303,572	41,280,111	27,257,727	43,943,071
	26,445,859	26,278,182	26,319,507	38,617,547	36,325,072	37,757,814
	20,115,642	19,178,232	19,789,403	28,954,177	18,284,677	21,587,062
	25,009	19,541	13,983	21,162	47,011	849,878
	-	574,317	2,362,185	704,331	789,195	358,539
	-	-	-	-	-	(883)
	2,489	773	102	-	-	-
	<u>333,104,849</u>	<u>322,110,685</u>	<u>333,729,334</u>	<u>404,784,752</u>	<u>352,437,325</u>	<u>380,834,588</u>
	(43,102,793)	(32,463,584)	(29,418,027)	(37,064,182)	(11,936,439)	(31,965,064)

CITY OF CORPUS CHRISTI, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Other financing sources (uses)				
Capital leases	3,447,512	2,623,408	3,746,061	4,110,898
General obligation bonds issued	34,975,000	-	88,725,000	13,685,000
Certificate of obligation bonds issued	2,415,695	-	12,000,000	11,460,000
Tax notes issued	-	22,260,000	-	-
Refunding bonds issued	-	13,445,000	-	-
Premium on bonds sold	480,163	-	2,660,797	491,894
Premium on refunding bonds sold	-	-	(124,206)	-
Payment to escrow agent for refunded bonds	-	(12,822,371)	-	-
Transfers in	14,031,497	13,676,363	11,797,397	18,699,972
Transfers out	(8,276,245)	(8,136,348)	(9,222,308)	(9,933,977)
Total other financing sources (uses)	<u>47,073,622</u>	<u>31,046,052</u>	<u>109,582,741</u>	<u>38,513,787</u>
 Net change in fund balances	 <u>\$ 24,824,454</u>	 <u>\$ 8,094,713</u>	 <u>\$ 46,569,898</u>	 <u>\$ (15,782,438)</u>
 Debt service as a percentage of noncapital expenditures	 17.54%	 16.37%	 19.27%	 17.03%

* The City changed its fiscal year from July 31 to September 30
FY 2014 includes 14 months of operations

Table 4
(Continued)

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014*</u>	<u>2015</u>	<u>2016</u>
5,655,103	1,978,382	5,092,527	6,384,598	4,808,866	7,811,590
-	44,706,446	75,417,146	-	90,520,000	--
-	-	-	-	-	28,450,000
-	7,390,000	6,607,854	9,000,000	-	-
-	-	164,010,000	38,395,000	2,137,681	77,145,000
-	5,095,844	9,251,134	11,935,763	9,751,466	2,076,688
-	-	6,607,854	-	-	11,898,979
-	-	(170,325,943)	(41,763,200)	(2,137,681)	(88,191,024)
17,734,081	13,102,987	16,377,480	31,066,578	29,593,646	33,668,845
<u>(9,966,600)</u>	<u>(11,897,146)</u>	<u>(8,067,769)</u>	<u>(26,767,619)</u>	<u>(27,554,958)</u>	<u>(28,868,189)</u>
<u>13,422,584</u>	<u>60,376,513</u>	<u>104,970,283</u>	<u>28,251,119</u>	<u>107,119,020</u>	<u>43,991,889</u>
<u>\$ (29,680,209)</u>	<u>\$ 27,912,929</u>	<u>\$ 75,552,257</u>	<u>\$ (8,813,063)</u>	<u>\$ 95,182,581</u>	<u>\$ 12,026,825</u>
16.51%	16.77%	15.99%	18.59%	16.79%	17.62%

Table 5

CITY OF CORPUS CHRISTI, TEXAS
GENERAL GOVERNMENTAL TAX AND BUSINESS FEES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year	Property tax	Sales tax	Hotel tax	Business fees	Other taxes	Total
2007	75,818,774	62,563,386	9,630,152	16,738,947	1,229,251	165,980,510
2008	79,970,549	65,972,519	10,337,342	17,322,510	1,296,392	174,899,312
2009	84,999,120	66,054,244	10,127,333	16,126,005	1,362,837	178,669,539
2010	87,962,604	60,085,182	9,919,560	17,107,197	1,212,179	176,286,722
2011	87,446,501	66,308,868	10,721,997	17,013,187	1,320,031	182,810,584
2012	86,746,312	75,807,495	12,051,548	16,622,313	1,196,290	192,423,958
2013	90,126,035	82,407,563	13,174,824	18,108,421	1,242,702	205,059,544
2014*	100,032,663	101,654,893	17,066,868	20,975,633	1,717,578	241,447,636
2015	107,344,374	87,375,977	15,110,411	18,032,537	1,750,491	229,613,790
2016	119,882,652	79,809,261	17,636,317	18,130,656	1,808,796	237,267,682

* The City changed its fiscal year from July 31 to September 30
FY 2014 includes 14 months of operations

Table 6

**CITY OF CORPUS CHRISTI, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Year	Real Property	Personal Property	Less: Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2007	2006	12,166,239,146	1,247,502,997	1,992,436,225	11,421,305,918	0.602372	13,413,742,143	85.15%
2008	2007	14,084,066,107	1,447,200,791	2,420,434,047	13,110,832,851	0.563846	15,531,266,898	84.42%
2009	2008	14,738,455,220	1,481,661,131	2,406,781,337	13,813,335,014	0.563846	16,220,116,351	85.16%
2010	2009	15,599,675,802	1,523,844,670	2,682,910,732	14,440,609,740	0.563846	17,123,520,472	84.33%
2011	2010	15,899,330,012	1,462,945,239	3,462,137,714	13,900,137,536	0.582269	17,362,275,250	80.06%
2012	2011	15,640,922,141	2,255,975,300	3,811,092,543	14,085,804,898	0.570557	17,896,897,441	78.71%
2013	2012	16,807,133,905	2,395,143,389	4,815,901,196	14,386,376,098	0.570557	19,202,277,294	74.92%
2014 *	2013	17,894,721,416	2,834,832,285	5,193,782,533	15,535,771,168	0.585264	20,729,553,701	74.95%
2015	2014	19,389,932,582	3,007,303,098	5,428,134,963	16,969,100,717	0.585264	22,397,235,680	75.76%
2016	2015	20,730,396,125	3,171,055,054	5,556,496,124	18,344,955,055	0.606264	23,901,451,179	76.75%

* The City changed its fiscal year from July 31 to September 30

Exemptions include: residential homestead exemptions including exemptions granted to persons disabled and/or 65 years of age and older; exemptions granted to disabled and deceased veterans; productivity value loss; tax abatements; and House Bill 366 exemptions. Exemptions are granted to disabled veterans or their survivors based upon percent of disability with a minimum exemption of \$5,000 and a maximum exemption of \$12,000. Mobile homes, while classified as personal property, may be residential homesteads.

Source: Nueces County Appraisal District

City of Corpus Christi

**CITY OF CORPUS CHRISTI, TEXAS
PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 VALUATION
FISCAL YEARS 2007-2016**

Fiscal Year	Tax Year	City of Corpus Christi General Fund	City of Corpus Christi Debt Service	Total City of Corpus Christi	Calallen ISD	Corpus Christi ISD	Corpus Christi Junior College District	Flour Bluff ISD	London ISD	Nueces County	Nueces County Farm Roads and Flood Control
2007	2006	0.403197	0.199175	0.602372	1.430000	1.486000	0.255723	1.386650	1.277300	0.365932	0.004746
2008	2007	0.364671	0.199175	0.563846	1.276500	1.176050	0.241782	1.069500	1.143800	0.351340	0.004338
2009	2008	0.364671	0.199175	0.563846	1.298500	1.237350	0.251391	1.069215	1.210400	0.350930	0.004329
2010	2009	0.364671	0.199175	0.563846	1.298500	1.237350	0.251391	1.069215	1.210400	0.350930	0.004329
2011	2010	0.385131	0.197138	0.582269	1.298500	1.237350	0.258003	1.069778	1.249503	0.350930	0.004329
2012	2011	0.380339	0.190218	0.570557	1.328500	1.237350	0.258003	1.071743	1.262900	0.350999	0.004260
2013	2012	0.376806	0.208458	0.585264	1.358500	1.237350	0.250666	1.178499	1.251100	0.340999	0.004188
2014	2013	0.376806	0.208458	0.585264	1.358500	1.237350	0.248073	1.168499	1.395100	0.330945	0.004188
2015	2014	0.376806	0.229458	0.606264	1.375500	1.237350	0.248073	1.154350	1.355778	0.312928	0.003967
2016	2015	0.376806	0.229458	0.606264	1.375200	1.237350	0.246159	1.150000	1.357500	0.304092	0.003899

Note: Data presented is received from Nueces County Tax Assessor-Collector.

Table 7

Nueces County Emergency Services District 1	Nueces County Hospital District	Port of Corpus Christi Authority	Nueces County Water Control & Improv. District 4	Port Aransas ISD	Robstown ISD	Tuloso Midway ISD	West Oso ISD	Downtown Management District Land	Downtown Management District Improvements
0.075000	0.160715	--	--	1.394582	1.584000	1.612200	1.650000	--	--
0.100000	0.144782	--	--	1.058300	1.254000	1.332200	1.340000	--	--
0.100000	0.154687	--	--	1.058300	1.374000	1.332200	1.420000	0.300000	0.070000
0.100000	0.154687	--	--	1.058300	1.374000	1.332200	1.420000	0.300000	0.070000
0.100000	0.162428	--	--	1.062300	1.523000	1.332200	1.420000	0.300000	0.070000
0.100000	0.162428	--	--	1.063300	1.650000	1.332200	1.420000	0.300000	0.070000
0.100000	0.148077	--	--	1.125550	1.630000	1.317410	1.347000	0.300000	0.070000
0.100000	0.137455	--	--	1.125550	1.645400	1.394500	1.450000	0.300000	0.070000
0.165411	0.129746	--	--	1.118050	1.650000	1.377400	1.450000	0.300000	0.070000
0.100000	0.126836	--	--	1.118000	1.650000	1.408900	1.450000	0.300000	0.070000

Table 8

**CITY OF CORPUS CHRISTI, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
SEPTEMBER 30, 2016 AND JULY 31, 2007**

Name of Taxpayer	2016			2007		
	Assessed Valuation	Rank	Percentage Of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage Of Total Taxable Assessed Value
Barney M. Davis	\$ 182,407,010	1	0.9943%			
American Electric Power Texas Central Co.	169,775,580	2	0.9255%	169,810,000	1	1.4868%
Corpus Christi Retail Venture LP	94,713,652	3	0.5163%			
H.E. Butt Grocery Company	91,215,868	4	0.4972%	68,814,898	2	0.6025%
Bay Area Healthcare	67,952,782	5	0.3704%	58,248,024	6	0.5100%
Markwest Javelina Pipeline Company	65,286,900	6	0.3559%			
Wal-Mart Real Estate Business Trust	40,685,997	7	0.2218%			
Camden Property Trust	38,934,808	8	0.2122%			
Wal-Mart Stores	36,739,403	9	0.2003%	49,704,759	7	0.4352%
Sendra Baypoint Partners LP	33,541,671	10	0.1828%			
Markwest Energy Partners LP				67,975,610	3	0.5952%
Padre Staples Mall, LP				63,438,255	4	0.5554%
Southwestern Bell Telephone				59,661,690	5	0.5224%
SABCO Operating Company				36,547,710	8	0.3200%
TRT Development Company				36,542,518	9	0.3200%
Flint Hills Resources LP				32,805,482	10	0.2872%
	<u>\$ 821,253,671</u>		<u>4.48%</u>	<u>\$ 643,548,946</u>		<u>5.63%</u>

Source: Nueces County Appraisal District

Table 9

**CITY OF CORPUS CHRISTI, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

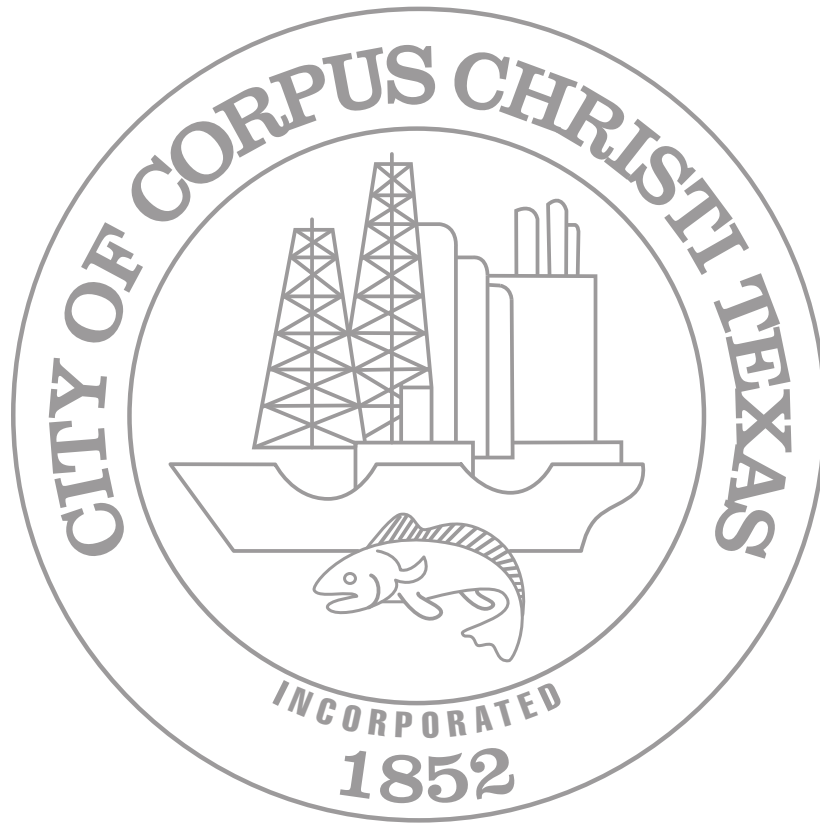
Fiscal Year Ended July 31 Through 2013, September 30 Therafter	Tax Year	Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	2006	68,230,749	64,961,636	95.21%	3,103,615	68,065,251	99.76%
2008	2007	72,029,119	70,048,380	97.25%	1,794,820	71,843,200	99.74%
2009	2008	76,595,854	74,146,566	96.80%	2,198,550	76,345,116	99.67%
2010	2009	79,537,895	77,079,808	96.91%	2,202,138	79,281,946	99.68%
2011	2010	78,777,938	76,795,311	97.48%	1,761,248	78,556,559	99.72%
2012	2011	78,407,330	76,679,885	97.80%	1,679,176	78,359,061	99.94%
2013	2012	80,578,771	78,780,900	97.77%	1,742,588	80,523,488	99.93%
2014	2013	89,055,903	87,538,705	98.30%	797,470	88,336,175	99.19%
2015	2014	96,965,649	95,351,963	98.34%	829,064	96,181,027	99.19%
2016	2015	107,540,358	105,498,265	98.10%	-	105,498,265	98.10%

Table 10

**CITY OF CORPUS CHRISTI, TEXAS
ADOPTED TAX RATE
LAST TEN FISCAL YEARS**

Fiscal Year Ended July 31 through 2013, September 30 Thereafter	Tax Year	Total Assessed Valuation	Assessments Rate	Gross Tax Rate (1)
2007	2006	11,421,305,918	100%	0.602372
2008	2007	13,110,832,851	100%	0.563846
2009	2008	13,813,335,014	100%	0.563846
2010	2009	14,440,609,740	100%	0.563846
2011	2010	13,900,137,536	100%	0.582269
2012	2011	14,085,804,898	100%	0.570557
2013	2012	14,386,376,098	100%	0.570557
2014	2013	15,535,771,168	100%	0.585264
2015	2014	16,969,100,717	100%	0.585264
2016	2015	18,344,955,055	100%	0.606264

(1) As permitted by the Constitution of the State of Texas, home rule cities of over 5,000 population shall have a total tax allowable of \$2.50 and shall have a bond allowable of \$1.50 per \$100 valuation (unless City Charter provides less). The State allowables are computed based on 90% collections. On April 3, 1993, the citizens of Corpus Christi voted to amend the City Charter which contained a tax limitation of \$0.68 per \$100 of assessed valuation for all purposes including debt service. The amended Charter provided for the tax rate to increase up to the State limit for voter approved debt after April 4, 1993.



**CITY OF CORPUS CHRISTI, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended July 31 through 2013, September 30 Thereafter	Governmental Activities				
	General Obligation Bonds	Certificates of Obligation	Priority Revenue Bonds	Capital Leases	Other Notes Payable
2007	166,575,000	32,925,695	117,030,000	11,054,031	4,000,000
2008	152,030,000	30,885,695	114,480,000	9,102,549	25,510,000
2009	231,525,000	28,745,695	110,095,000	10,766,432	7,510,000
2010	232,020,000	37,255,695	105,460,000	11,395,885	5,295,000
2011	219,025,000	34,690,401	100,165,000	9,939,798	4,300,000
2012	251,195,000	32,821,649	94,485,000	7,338,742	10,665,000
2013	359,454,849	11,817,334	89,258,322	5,826,454	9,055,000
2014	336,640,896	11,018,552	76,610,083	6,319,117	24,405,000
2015	395,180,000	9,032,571	65,105,000	5,801,241	25,505,000
2016	419,810,000	32,252,569	58,185,000	17,485,569	20,286,021

Note: Details regarding the City's outstanding debt can be found in Note 14 of the Notes to the Financial Statements. Beginning fiscal year 2013 debt is reported net of related premiums and discounts. See Table 17, the Schedule of Demographic and Economic Statistics for personal income and population data. Beginning fiscal year 2016 solid waste debt and leases are included in the Governmental Activities.

Table 11

General Obligation Bonds	Certificates of Obligation	Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
		Priority Revenue Bonds	Junior Lien Revenue Bonds	Capital Leases	Utility Notes			
-	48,189,305	506,795,000	-	3,699,994	168,900,717	1,059,169,742	8.96%	3,583
-	47,524,305	479,220,000	-	4,591,194	166,018,108	1,029,361,851	7.91%	3,461
-	58,484,305	546,875,000	-	5,006,444	164,625,035	1,163,632,911	7.99%	3,912
-	57,184,305	525,780,000	-	6,288,391	160,481,095	1,141,160,371	7.89%	3,739
-	61,149,599	572,095,000	-	8,318,853	156,204,665	1,165,888,316	7.42%	3,789
18,220,000	59,388,351	576,810,000	-	6,860,263	152,512,889	1,210,296,894	7.70%	3,878
68,204,912	19,889,739	453,480,430	246,054,017	8,158,202	148,593,654	1,419,792,913	8.59%	4,550
66,185,000	17,017,275	416,345,000	306,290,000	9,278,830	144,435,976	1,414,545,729	7.93%	4,417
64,215,000	12,512,429	336,420,000	587,835,000	10,250,013	139,028,374	1,650,884,628	11.67%	5,152
17,545,000	10,837,430	227,555,000	655,655,000	1,712,830	136,332,146	1,597,656,565	10.88%	4,930

Table 12

**CITY OF CORPUS CHRISTI, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year Ended July 31 through 2013, September 30 Thereafter	General Obligation Bonds	Certificates of Obligation	Less Amounts Available in Debt Service Funds	Total	Percentage of Actual Taxable Value of Property	Per Capita (1)
2007	166,575,000	32,925,695	11,622,271	187,878,424	1.4006%	635.60
2008	152,030,000	30,885,695	16,591,514	166,324,181	1.0709%	559.17
2009	231,525,000	28,745,695	10,134,301	250,136,394	1.5421%	840.94
2010	232,020,000	37,255,695	11,923,519	257,352,176	1.5029%	843.18
2011	219,025,000	34,690,401	14,436,907	239,278,494	1.3782%	777.56
2012	269,415,000	92,210,000	16,858,822	344,766,178	1.9264%	1,104.79
2013	427,659,761	31,707,073	15,512,834	443,854,000	2.3115%	1,386.04
2014	402,825,896	28,035,827	8,660,390	422,201,333	2.0367%	1,297.18
2015	459,395,000	21,545,000	10,777,534	470,162,466	2.0992%	1,467.27
2016	437,355,000	43,089,999	12,917,032	467,527,967	1.9561%	1,442.66

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

Beginning, fiscal year 2013 debt is reported net of related premiums and discounts.

(1) See Table 17 - Schedule of Demographic and Economic Statistics for personal income and population data.

Table 13

**CITY OF CORPUS CHRISTI, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2016**

<u>City</u>	<u>Net Direct Debt</u>		<u>Estimated % of Debt Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
	<u>Amount</u>	<u>As of</u>		
City of Corpus Christi, Texas - direct	\$ 528,370,569	9/30/2016	100.00%	\$ 528,370,569
County				
Nueces County (excluding special districts)	105,864,381	9/30/2016	73.07%	77,355,103
School District				
Calallen Independent School District	42,022,000	9/30/2016	64.41%	27,066,370
Corpus Christi Independent School District	396,714,394	9/30/2016	86.49%	343,118,279
Flour Bluff Independent School District	47,664,306	9/30/2016	99.56%	47,454,583
London Independent School District	19,249,956	9/30/2016	59.70%	11,492,224
Port Aransas Independent School District	6,161,316	9/30/2016	14.59%	898,936
Robstown Independent School District	53,590,855	9/30/2016	8.54%	4,576,659
Tuloso-Midway Independent School District	66,294,119	9/30/2016	41.52%	27,525,318
West Oso Independent School District	28,671,168	9/30/2016	94.35%	27,051,247
Other				
Corpus Christi Junior College District	129,028,577	9/30/2016	82.49%	106,435,673
Nueces County Hospital District	-	9/30/2016	0.00%	-
Total overlapping debt	895,261,072			672,974,392
Total direct and overlapping debt	\$ 1,423,631,641			\$ 1,201,344,961

NOTE B: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlapping debt applicable is estimated by the percent of overlapping assessed value of each government that is within the boundaries of the City.

**CITY OF CORPUS CHRISTI, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$ 1,341,374,214	\$ 1,553,126,690	\$ 1,622,011,635	\$ 1,712,352,047
Total net debt applicable to limit	<u>240,067,729</u>	<u>239,358,486</u>	<u>316,130,699</u>	<u>319,831,481</u>
Legal debt margin	<u>\$ 1,101,306,485</u>	<u>\$ 1,313,768,204</u>	<u>\$ 1,305,880,936</u>	<u>\$ 1,392,520,566</u>
Total net debt applicable to the limit as a percentage of debt limit	17.90%	15.41%	19.49%	18.68%

(1) Assessed value is based on the appraised value of property prior to any deductions for exemptions. The assessed value is derived from the certified valuations provided by the Nueces County Tax Appraisal District as of July 25, 2016.

Note: Beginning with fiscal year 2013, debt is reported net of related premiums and discounts.

Table 14

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 1,736,227,525	\$ 1,789,689,744	\$ 1,920,227,729	\$ 2,072,955,370	\$ 2,239,723,568	\$ 2,390,145,118
304,728,093	355,431,178	452,909,000	446,149,479	495,667,466	487,813,988
<u>\$ 1,431,499,432</u>	<u>\$ 1,434,258,566</u>	<u>\$ 1,467,318,729</u>	<u>\$ 1,626,805,891</u>	<u>\$ 1,744,056,102</u>	<u>\$ 1,902,331,130</u>
17.55%	19.86%	23.59%	21.52%	22.13%	20.41%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2016

(1) Assessed value	\$ 23,901,451,179
Debt limit (10% of total assessed value)	2,390,145,118
Debt applicable to limit:	
Gross bonded debt	500,731,020
Less: Net position in Debt Service Fund	<u>12,917,032</u>
Total net debt applicable to limit	<u>487,813,988</u>
Legal debt margin	<u>\$ 1,902,331,130</u>

**CITY OF CORPUS CHRISTI, TEXAS
PLEGDED - REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Utility System Revenue Bonds					
	Gross Revenue	Adjusted Operating Income Deductions	Net Revenue Available for Debt Service	Priority Revenue Bonds Annual Debt Service Requirements		
				Principal	Interest	Coverage
2007	167,638,283	120,023,039	47,615,244	21,030,000	18,213,273	1.21
2008	174,023,636	121,130,851	52,892,785	22,715,000	18,133,573	1.29
2009	188,422,621	122,025,805	66,396,816	23,750,000	18,890,476	1.56
2010	185,342,336	123,436,112	61,906,224	24,760,000	20,872,184	1.36
2011	203,523,352	131,598,133	71,925,219	24,135,000	22,448,605	1.54
2012	206,350,597	120,818,926	85,531,671	25,070,000	21,668,130	1.83
2013	206,635,317	122,958,943	83,676,374	21,120,000	18,161,601	2.13
2014*	257,300,329	157,723,014	99,577,315	22,755,000	16,547,375	2.53
2015	222,130,769	133,070,062	89,060,707	19,665,000	16,850,245	2.44
2016	238,459,523	138,213,493	100,246,030	18,760,000	12,406,014	3.22

* The City changed its fiscal year from July 31 to September 30
FY 2014 includes 14 months of operations

Fiscal Year	Marina System Revenue Bonds					
	Gross Revenue	Adjusted Operating Income Deductions	Net Revenue Available for Debt Service	Revenue Bonds Annual Debt Service Requirements		
				Principal	Interest	Coverage
2015	\$ 1,908,416	\$ 1,303,814	604,602	\$ -	\$ 48,967	12.35
2016	1,919,347	1,448,170	471,177	140,000	75,900	2.18

Table 15

Net Revenue Available for Junior Lien Debt Service	Junior Lien Bonds Annual Debt Service Requirements		
	Principal	Interest	Coverage
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
\$ 44,394,773	\$ 8,010,000	\$ 6,744,667	3.01
60,274,940	8,375,000	13,332,367	2.78
52,545,462	10,015,000	14,502,219	2.14
69,080,016	12,595,000	26,658,363	1.76

Table 16

**CITY OF CORPUS CHRISTI, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (3)	School Enrollment Rate (4)	Unemployment Rate (5)
2007	295,594	\$ 11,816,184,000	\$ 35,750	34.6	38,796	4.7
2008	297,447	\$ 13,006,066,000	\$ 37,700	34.6	38,754	4.8
2009	297,447	\$ 14,556,590,000	\$ 35,004	34.6	38,460	7.3
2010	305,215 (6)	\$ 14,457,000,000	\$ 34,743	34.3	38,196	7.7
2011	307,728	\$ 15,719,000,000	\$ 39,635	34.8	38,357	8.0
2012	312,065	\$ 16,524,276,000	\$ 38,609	34.6	39,106	6.6
2013	320,231	\$ 17,832,307,000	\$ 40,796	34.3	39,400	5.8
2014	325,477	\$ 14,151,427,000	\$ 44,765	34.4	39,414	4.9
2015	320,434	\$ 14,683,147,000	\$ 46,049	34.6	38,614	5.0
2016	324,074	\$ 15,416,870,000	\$ 42,859	34.8	38,226	6.3

Source:

- (1) City of Corpus Christi - adopted budget FY 2016-2017
- (2) Bureau of Economic Analysis
- (3) DataUSA
- (4) Corpus Christi Independent School District
- (5) Texas Workforce Commission, city civilian labor force
- (6) U. S. Census Bureau - 2010 Census

Table 17

**CITY OF CORPUS CHRISTI, TEXAS
PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2016 AND JULY 31, 2007**

Employer	2016			2007		
	Number of Employees	Rank	Percent of Total City Employment **	Number of Employees	Rank	Percent of Total City Employment
Corpus Christi Independent School District	4,904	1	2.50%	5,178	3	2.98%
Corpus Christi Army Depot	3,621	2	1.85%	3,541	5	2.04%
Bay Ltd.	3,200	3	1.63%	2,100	7	1.21%
City of Corpus Christi	3,039	4	1.55%	3,171	6	1.82%
Christus Spohn Health System	2,533	5	1.29%	5,400	2	3.11%
Driscoll Children's Hospital	2,006	6	1.02%			
Naval Air Station Corpus Christi	1,700	7	0.87%	5,525	1	3.18%
H.E.B. Grocery Company	1,498	8	0.76%	5,000	4	2.88%
Del Mar College	1,418	9	0.72%	1,542	8	0.89%
Kiewit Offshore Services	1,000	10	0.51%			
Corpus Christi Medical Center				1,300	9	0.75%
First Data Corporation				1,200	10	0.69%
Total	<u>24,919</u>		<u>12.70%</u>	<u>33,957</u>		<u>19.55%</u>

Source: Corpus Christi Regional Economic and Development Corporation (CCREDC) (2016 available data)

** Percent of Total City Employment for Total Nonfarm employment amounts as reported by CCREDC

CITY OF CORPUS CHRISTI, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year			
	2007	2008	2009	2010
General Fund				
Mayor	2.00	2.00	2.00	2.00
ACM - Administrative Services	1.00	1.00	1.00	1.00
ACM - Safety, Health & Neighborhood	2.00	2.00	2.00	2.00
Deputy City Manager	--	--	--	--
City Attorney	26.00	26.00	26.00	26.00
City Manager	3.00	3.00	4.00	4.00
City Secretary	7.00	7.00	6.00	6.00
Communications and Quality Management	--	--	--	--
Housing & Community Development (formerly Neighborhood Services)	20.80	24.80	26.80	27.00
Economic Development Office	1.00	2.00	2.00	2.00
Education Advisor	--	1.50	1.00	--
Engineering - Special Services	9.00	9.00	19.00	15.00
Code Enforcement	--	--	--	--
Financial Services	57.00	57.00	53.00	50.00
Fire	412.00	414.00	432.00	432.00
Health	70.50	71.50	71.50	68.00
Animal Care	--	--	--	--
Human Relations	6.00	6.00	6.00	6.00
Human Resources	20.75	22.00	20.00	20.00
Internal Audit	--	2.00	1.00	--
Intergovernmental Relations	--	--	1.00	1.00
Libraries	67.50	74.00	73.00	70.50
Office of Management and Budget	9.00	9.00	8.00	8.00
Municipal Court - Administration	37.00	46.00	48.00	45.00
Municipal Court - Judicial	42.96	35.94	34.08	30.08
Museum	22.80	22.80	22.70	21.70
Parks and Recreation	317.23	300.07	299.32	279.64
Police	601.50	619.00	621.00	625.50
Public Information	3.00	3.00	5.00	4.00
Street and Solid Waste Services	303.00	305.00	298.00	290.00
Total	<u>2,042.04</u>	<u>2,065.61</u>	<u>2,083.40</u>	<u>2,036.42</u>

(Continued)

Table 18

Fiscal Year					
2011	2012	2013	2014	2015	2016
2.00	2.00	2.00	2.00	2.00	2.00
1.00	1.00	1.00	1.00	--	--
1.00	1.00	1.00	--	2.00	2.00
--	--	--	--	1.00	1.00
25.00	23.00	21.00	21.00	27.00	25.00
3.00	3.00	3.00	5.00	5.50	5.50
6.00	6.00	6.00	6.00	6.00	6.00
--	--	--	--	--	2.00
19.90	19.90	21.90	20.70	1.00	1.00
--	--	--	--	--	--
--	--	--	--	--	--
18.00	23.00	7.00	--	--	--
--	--	--	--	21.00	22.00
46.00	51.00	51.00	51.00	51.00	51.00
429.00	429.00	428.00	429.00	429.00	429.00
66.00	61.00	33.00	34.00	34.50	31.50
--	--	--	--	29.00	32.00
6.00	6.00	6.00	6.00	6.75	6.00
17.00	16.00	17.00	17.00	18.00	18.00
--	3.00	4.00	4.00	4.00	4.00
1.00	1.00	1.00	1.00	1.00	1.00
62.60	52.35	52.35	52.35	53.35	53.35
8.00	8.00	8.00	9.00	9.00	9.00
42.00	59.00	57.00	62.00	63.00	63.00
30.90	8.72	8.90	8.90	7.90	8.85
21.70	17.40	18.40	--	--	--
263.23	256.71	249.52	252.00	262.57	263.57
635.50	633.90	601.20	605.70	588.36	588.00
4.00	2.50	2.50	2.60	5.20	7.00
286.00	236.00	150.00	150.00	154.00	154.00
1,994.83	1,920.48	1,750.77	1,740.25	1,782.13	1,785.77

CITY OF CORPUS CHRISTI, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year			
	2007	2008	2009	2010
Enterprise Funds				
Aviation	98.95	95.20	96.95	97.20
Golf Centers	29.50	29.50	29.50	29.50
Marina	14.00	14.00	14.00	15.00
Gas	147.80	134.80	134.80	135.80
Storm Water	--	77.00	75.00	75.00
Wastewater	173.00	162.00	162.00	167.00
Water	255.00	157.00	163.00	166.00
ACM - Public Works	2.00	2.00	2.00	2.00
Utility Business Office	18.00	19.00	19.00	19.00
Utility Field Services	45.00	40.00	40.00	31.00
Office of Environmental Programs	3.00	2.00	5.00	5.00
Total	786.25	732.50	741.25	742.50
Internal Service Funds				
Engineering	57.10	57.00	61.63	64.00
Liability and Employee Benefits Fund	15.00	15.00	15.00	15.00
Maintenance Service	100.00	100.00	87.00	87.00
Facilities Maintenance Service	--	--	--	--
Municipal Information System	100.00	109.00	105.00	105.00
Stores	9.00	9.00	20.00	21.00
Total	281.10	290.00	288.63	292.00
Special Revenue Funds				
Street Services	--	--	--	--
Municipal Court - Case Manager Fund	--	--	--	--
Development Services	58.00	63.00	76.00	63.00
Visitor's Facilities Fund	1.00	11.00	10.00	10.00
Redlight Photo Enforcement	--	--	--	2.00
Crime Control	64.60	65.60	65.60	65.60
Health 1115 Wavier	--	--	--	--
Local Emergency Planning Committee	1.00	1.00	1.00	1.00
Total	124.60	140.60	152.60	141.60
Total Operating Budget FTE's	3,233.99	3,228.71	3,265.88	3,212.52

Source: City of Corpus Christi Office of Management and Budget

Table 18
(Continued)

Fiscal Year					
2011	2012	2013	2014	2015	2016
97.20	91.40	91.40	82.00	82.00	83.00
29.50	--	--	--	--	--
15.00	15.00	15.00	15.00	15.00	15.00
137.00	135.00	135.00	152.00	153.00	153.00
87.00	87.00	87.00	87.00	85.00	82.00
167.00	168.00	168.00	168.00	160.00	165.00
167.00	161.00	165.40	193.40	200.40	206.40
2.00	2.00	2.00	2.00	2.00	2.00
19.00	20.00	20.00	20.00	21.00	32.00
31.00	30.00	30.00	--	--	--
5.00	5.00	5.00	--	8.00	--
<u>756.70</u>	<u>714.40</u>	<u>718.80</u>	<u>719.40</u>	<u>726.40</u>	<u>738.40</u>
61.00	58.00	57.00	59.00	75.00	76.00
16.00	20.00	20.00	20.00	19.00	19.00
85.00	77.00	77.00	79.00	59.00	59.00
--	--	--	--	23.00	29.00
98.00	94.00	93.00	93.00	96.00	96.00
21.00	20.00	20.00	20.00	20.00	20.00
<u>281.00</u>	<u>269.00</u>	<u>267.00</u>	<u>271.00</u>	<u>292.00</u>	<u>299.00</u>
--	--	--	--	132.00	132.00
--	--	--	--	3.00	3.00
60.00	60.00	59.00	62.00	63.00	62.50
10.00	10.00	11.00	11.00	13.00	13.00
2.00	2.00	2.00	2.00	2.00	3.00
65.60	64.60	63.60	66.60	79.60	78.60
--	--	--	--	--	4.00
1.00	1.00	1.00	1.00	1.00	1.00
<u>138.60</u>	<u>137.60</u>	<u>136.60</u>	<u>142.60</u>	<u>293.60</u>	<u>297.10</u>
<u><u>3,171.13</u></u>	<u><u>3,041.48</u></u>	<u><u>2,873.17</u></u>	<u><u>2,873.25</u></u>	<u><u>3,094.13</u></u>	<u><u>3,120.27</u></u>

**CITY OF CORPUS CHRISTI, TEXAS
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year			
	2007	2008	2009	2010
Police				
Physical arrests	11,282	14,440	17,786	17,036
Parking violations	17,571 *	23,973 *	23,976 *	18,705 *
Traffic violations	58,885	53,355	51,778	51,082
Number of commissioned police officers	448	448	451	451
Number of employees - police officers and civilians	672	672	711	711
Officers per 1000 population	1.52	1.51	1.52	1.48
School crossing guards	87	91	91	91
Fire				
Number of calls answered	33,000	37,492	39,115	38,939
Inspections	4,765	4,641	5,342	5,272
Number of firefighters	402	394	403	414
Number of employees - firefighters and civilians	419	419	423	429
Employees per 1,000 population	1.36	1.32	1.35	1.36
State Fire Insurance Credit Rating	Class 3	Class 3	Class 2	Class 2
Streets				
Street resurfacing (square yards)	722,367	367,266	267,817	549,631
Potholes repaired	83,177	97,634	n/a	213,805
Parks and recreation				
Number of registered youth participants in Latchkey afterschool program	n/a	n/a	2,478	2,396
Number of meals served at Senior Centers	117,333	103,431	104,155	95,954
Libraries				
Number of volumes	389,634	405,225	431,098	484,442
Circulation	1,211,792	1,241,042	1,339,242	1,344,845
Library cards in force	143,699	150,712	150,712	153,222
Computer usage, sessions	1,160,698	--	--	--
Number of website hits	--	--	25,084,906	10,041,335
Number of in-house personal computer users	--	203,480	240,525	282,360
Solid Waste				
Refuse collected (tons/day)	395	386	378	382
Recyclables collected (tons/day)	13	13	12.3	11.7
Water				
New connections (UBO)	1,690	474	265	236
Water main breaks	2,313	2,022	1,706	1,507
Average daily consumption (thousands of gallons)	97,686	94,541	102,025	94,637
Average daily gallons treated & raw water sold	136,281,605	94,541,688	102,025,373	94,637,901
Average water treated (thousand of gallons)	n/a	65,860	68,888	63,197
Average daily consumption per capita (gallons)	134	119	128	118
Residential per capita consumption gallons/day	n/a	77	81	76
Gas				
Average daily consumption (mcf)	2,842	8,498	8,626	8,466
Wastewater				
Average daily sewage treatment (thousands of gallons)	30,605	28,808	26,867	29,691
Airport				
Number of airports	1	1	1	1
Number of acres	2,574	2,657	2,657	2,600

Sources: Various city departments

* Data presented is for the calendar year rather than the fiscal year.

** FY2014 includes 14 months of operations

Table 19

Fiscal Year					
2011	2012	2013	2014 **	2015	2016
17,928	17,895	17,366	22,159	16,957	18,683
7,925 *	7,705	9,694	20,241	12,538	9,855
41,216	39,145	48,226	60,880	10,983	47,799
451	451	451	449	439	448
711.1	685.8	685.8	672	684	722
1.47	1.50	1.40	1.40	1.4	1.4
91	28	28	0	0	0
39,667	42,923	44,933	55,242	47,653	51,522
4,116	6,093	6,945	7,312	6,380	6,961
398	414	414	414	414	414
414	431	431	431	430	430
1.29	1.36	1.38	1.37	1.36	0.74
Class 2	Class 2	Class 2	Class 2	Class 2	Class 2
693,586	600,387	408,439	435,847	760,413	823,452
158,827	126,696	109,070	166,405	259,663	222,090
2,497	2,375	2,240	2,515	2,529	23,918
106,995	93,516	91,486	90,276	81,605	78,984
661,332	412,386	358,544	386,633	357,454	356,449
1,247,799	709	800,285	925,998	788,888	813,784
201,863	217,247	228,041	179,831	25,963	205,929
--	--	--	--	222,350	202,656
5,114,607	9,723,058	12,500,511	8,039,479	4,983,149	3,766,020
255,923	184,137	221,891	273,763	222,350	202,656
378	376	350	368	407	417
31.7	5	53	55	55	55
236	217	1,282	1,465	1,439	1,081
1,584	1,966	1,409	2,025	1,295	905
99,271	104,316	100,563	97,689	91,500	89,540
99,271,184	104,316,132	100,562,948	97,689,000	91,500,000	89,540,106
67,592	69,919	68,029	65,821	64,527	62,380
125	122	107	103	92	97
80	78	70	67	60	63
9,050	8,033	8,535	11,733	10,611	9,038
28,152	25,776	25,648	30,722	30,041	28,254
1	1	1	1	1	1
2,600	2,600	2,600	2,600	2,600	2,600

**CITY OF CORPUS CHRISTI, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year			
	2007	2008	2009	2010
General government				
Buildings: (City owned)				
Total square footage, approximate	2,864,000	2,883,975	2,883,975	2,883,975
Police				
Stations	4	4	5	5
Patrol units	295	295	354	244
Area of responsibility - land area (square miles)	150.48	150.48	150.48	150.48
Fire				
Fire stations	16	16	17	17
Fire apparatus	30	30	30	30
Other motorized vehicles	77	77	77	77
Number of fire hydrants	8,400	8,479	8,800	8,890
Streets				
Streets (miles)	1,119	1,123	1,139	1,172
Streetlights	16,662	16,767	16,874	17,053
Traffic signals	n/a	n/a	n/a	n/a
Libraries				
Number of libraries	5	5	6	6
Parks and recreation				
Parks acreage	1,415	1,418	1,418	1,420
Parks	190	190	191	194
Swimming pools	9	9	9	9
Tennis courts	37	37	37	37
Community centers	5	5	5	5
Park acreage partially developed	171	168	384	386
Playgrounds	129	131	139	143
Municipal beaches	4	4	4	4
Baseball diamonds	1	4	4	4
Softball diamonds	5	5	5	5
Senior centers	8	8	8	8
Gymnasiums	2	2	2	2
Covered basketball courts	3	3	4	4
Water				
Water mains (miles)	1,553	1,584	1,624	1,629
Fire hydrants	8,400	8,479	8,800	8,890
Maximum daily capacity (thousands of gallons)	97,750	97,850	96,220	95,450
Water connections - active	85,959	84,442	87,042	90,957
Storm water drainage ditches (miles)	607	610	602	552
Storm water underground pipe (miles)	597	606	632	675

Table 20

Fiscal Year					
2011	2012	2013	2014	2015	2016
2,883,975	3,740,189	3,474,290	2,453,733	2,270,914	2,328,831
5	5	5	5	5	5
244	244	244	244	244	244
150.48	150.48	150.48	150.48	150.48	150
17	17	17	17	17	17
30	30	30	30	29	22
88	88	88	90	84	11
9,007	10,451	10,451	10,879	10,730	10,809
1,178	1,181	1,183	1201	1,221	1,221
17,166	17,315	17,191	17,264	16,115	16,046
n/a	242	243	245	246	247
6	6	6	6	6	6
1,420	1,690	1,690	1,690	1,690	1,688
196	196	196	196	196	195
9	9	6	6	6	6
37	37	37	37	37	37
5	5	5	5	5	5
389	389	389	389	389	389
140	140	140	140	133	127
4	4	4	4	4	4
5	5	2	2	2	2
4	4	4	4	4	4
8	8	8	8	8	8
3	3	3	3	3	3
5	5	5	5	5	5
1,636	1,654	1,677	1,687	1,693	1,701
9,007	10,451	10,451	10,879	10,718	10,809
92,670	103,500	93.42	87,800	161,000	161,000
90,928	93,927	93,123	104,065	97,970	98,640
501	501	501	580	666	666
630	630	630	600	634	637

**CITY OF CORPUS CHRISTI, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN YEARS**

Function	Fiscal Year			
	2007	2008	2009	2010
Gas				
Gas mains (miles)	1,327	1,337	1,349	1,354
Gas connections - active	54,436	53,688	54,162	55,467
Wastewater				
Sanitary sewers (miles)	1,258	1,265	1,269	1,271
Maximum daily treatment capacity (thousands of gallons)	44,700	44,700	44,700	44,700
Sewer connections	82,957	81,823	82,948	83,174
Lift stations	95	97	97	99
Airport				
Length of main runways	13,588	13,588	13,588	13,588
Scheduled airline arrivals and departures per year	19,710	16,306	17,056	16,560
Passengers enplaning and deplaning (including commercial helicopters)	886,528	861,641	750,080	706,133
Golf centers				
Municipal golf courses	2	2	2	2
Municipal golf links - acres	376	376	376	376
Marina				
Marina slips	590	590	590	626

Table 20
(Continued)

Fiscal Year					
2011	2012	2013	2014	2015	2016
1,399	1,402	1,405	1,417	1,423	1,430
60,430	62,260	62,667	54,413	54,413	55,427
1,282	1,286	1,293	1,300	1,288	1,291
44,700	44,700	44,700	42,700	42,700	42,700
83,250	84,338	85,602	84,681	86,467	86,980
99	100	100	100	100	102
13,588	13,588	13,588	13,588	13,590	13,590
17,130	17,130	17,053	21,476	16,809	16,789
688,051	672,130	644,570	807,754	693,756	678,377
2	2	2	2	2	2
376	376	376	376	376	376
626	578	513	471	586	586

**MISCELLANEOUS STATISTICAL DATA
FISCAL YEAR ENDED SEPTEMBER 30, 2016**

GOVERNMENT: (1)

Date of incorporation	1852
Charter:	
Revised	July 13, 1968
Revised	September 15, 1970
Revised	January 22, 1975
Revised	April 5, 1980
Revised	August 11, 1984
Revised	April 4, 1987
Revised	January 19, 1991
Revised	April 3, 1993
Revised	November 2, 2004
Revised	November 7, 2006
Revised	November 2, 2010
Form of government:	Council Manager Government
Fiscal year begins	October 1st
Number of City employees	3,039

GEOGRAPHICAL LOCATION:

Southeastern Coast of Texas on the Gulf of Mexico
approximately 150 miles north of the Mexican border.

Total primary government net position	Land (sq. miles)	174.6
	Water (sq. miles)	<u>329.0</u>
		<u><u>503.6</u></u>

POPULATION:

Year	Trade Area	Population
1950	293,661	108,287
1960	382,423	167,690
1970	359,523	204,525
1980	400,500	232,134
1990 (Census)	367,786	257,453
2000 (Census)	403,242	277,454
2008	485,885	297,447
2009	415,376	297,447
2010 (Census)	428,188	305,215
2011	426,073	313,422
2012	433,583	312,065
2013	437,109	320,231
2014	448,108	325,477
2015	449,323	320,434
2016	453,633	324,074

ELEVATION: (2) Sea level to 85 feet, average 35 feet

TEMPERATURE: (3) 83.36° F maximum average
64.95° F minimum average
74.14° F mean average

SEASONAL RAINFALL: (3)
34.92 inches for fiscal year ended September 30, 2016

Source: (1) City Staff
(2) Port of Corpus Christi
(3) National Weather Service www.ncdc.noaa.gov

Table 21

PORT OF CORPUS CHRISTI: (2)

Tonnage handled through the Port during the calendar year 2016	94,292,335
Number of ships handled during the calendar year 2016	1,684
Number of barges handled during the calendar year 2016	4,682

Public Docks:

Bulk liquid	13
Dry cargo	7
Bulk materials	2
Total	<u>22</u>

Private Docks:

Bulk Liquid -	
Citgo	7 - Main Harbor
Equistar	1 - Main Harbor
Flint Hills	3 - Main Harbor
Flint Hills	1 - Ingleside
Nu Star	1 - Main Harbor
Trafigura	5 - Main Harbor
Valero	6 - Main Harbor
Occidental Energy (NSI)	6 - Ingleside
Koch Gathering	1 - Ingleside

Dry Cargo -

Bay, Inc.	1 - Main Harbor
Heldenfels	1 - Main Harbor
Texas Lehigh Cement	1 - Main Harbor
Fordyce	1 - Main Harbor
Tor Minerals International, Inc.	1 - Rincon
McDermott	1 - Harbor Island
Gulf Marine Fabricators	2 - Ingleside
Kiewit Offshore Services, Inc.	1 - La Quinta
EMAS AMC	1 - La Quinta
Occidental Chemical	3 - La Quinta
Signet Maritime	1 - Jewell Fulton

Bulk Materials -

ADM/Growmark	1 - Main Harbor
Interstate Grain	1 - Main Harbor
Vulcan Materials	1 - Main Harbor
Sherwin Alumina	1 - La Quinta
Voestalpine	1 - La Quinta
Total	<u>50</u>

Source:

- (1) City Staff
- (2) Port of Corpus Christi
- (3) National Weather Service www.nws.noaa.gov

Table 22

**CITY PAYROLL STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Salaries	Social Security & Medicare	Texas Municipal Retirement System	Fire Fighters' Retirement System Plan	Total Paid	Number Employees Last Payday of Year
2007	127,318,989	7,603,602	14,372,192	3,040,260	152,335,043	3,217
2008	133,145,260	7,991,390	15,603,377	3,575,262	160,315,289	3,309
2009	140,069,626	8,350,623	16,549,804	3,997,364	168,967,417	3,406
2010	142,607,262	7,714,798	18,330,551	4,440,572	173,093,184	3,236
2011	147,878,682	8,485,205	16,832,574	5,158,128	178,354,589	3,091
2012	137,951,126	7,969,329	15,541,644	5,254,970	166,717,069	2,972
2013	142,076,954	8,240,414	16,101,720	5,640,851	172,059,939	2,959
2014 *	170,695,596	9,994,840	20,838,560	7,009,621	208,538,617	2,900
2015	148,105,511	8,680,222	19,073,912	6,266,444	182,126,089	2,943
2016	163,928,890	9,530,940	22,672,210	6,695,120	202,827,160	3,039

Note: The data in this Table is abstracted from payroll reports.

* Includes 14 months of operations

ALL FUNDS
INSURANCE AND SURETY BONDS IN FORCE
FISCAL YEAR ENDED SEPTEMBER 30, 2016

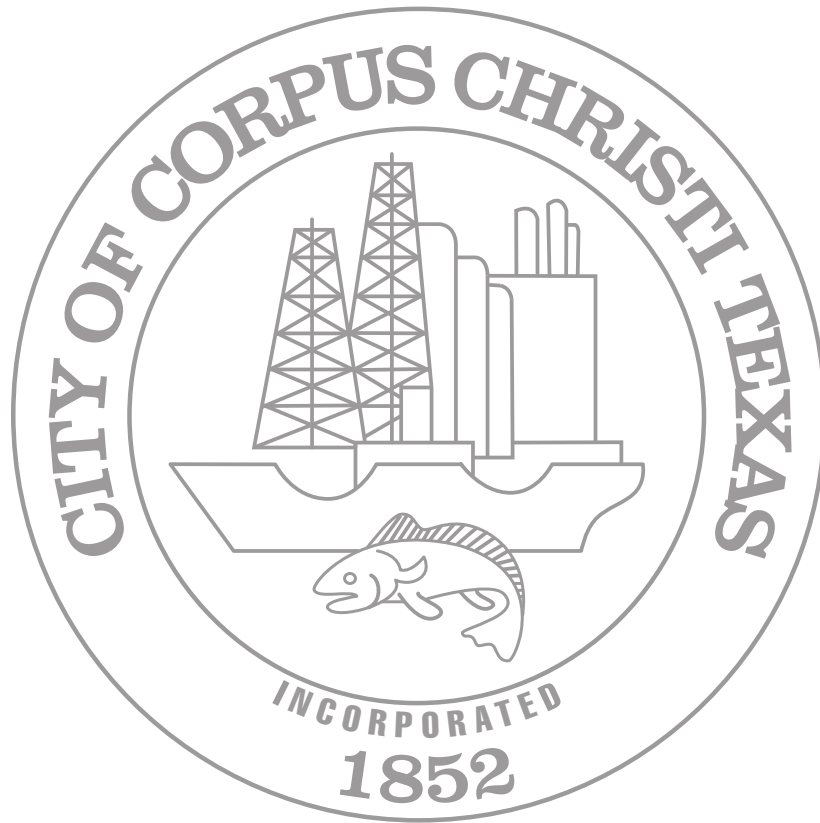
Type of Insurance	Insurer and Expiration Date	Amount of Coverage
1. PROPERTY INSURANCE COVERAGES		
Commercial Property & Wind Policy Scheduled City Properties	Multiple layers (Itemized Below) Expires 5-4-2017	\$250 Million all other perils, \$150 Million wind coverage, \$50 Million Flood Building & Personal Property Blanket Coverage 2%, Named Storm, \$100,000 Minimum / \$4 Million Maximum Deductible \$50,000 All other Wind/Hail Deductible \$50,000 Deductible All Other Perils \$50,000 Flood; Earthquake Deductible \$10,000 Electronic Data Protection and Personal Items Deductible (Replacement Cost Coverage)
NAMED STORM - WIND COVERAGE		
Primary Coverage		
Property & Wind Coverage Commercial City Properties	LEXINGTON Expires 5-4-2017	\$10,000,000 part of \$25,000,000 Million - Named Storm Primary Limit Building & Personal Property Blanket Coverage
Property & Wind Coverage Commercial City Properties	ACE/Westchester Expires 5-4-2017	\$5,000,000 part of \$25,000,000 Million - Named Storm Primary Limit Building & Personal Property Blanket Coverage
Property & Wind Coverage Commercial City Properties	AMRISC Expires 5-4-2017	\$2,500,000 part of \$25,000,000 Million - Named Storm Primary Limit Building & Personal Property Blanket Coverage
Property & Wind Coverage Commercial City Properties	AXIS Surplus Insurance Co. Expires 5-4-2017	\$2,500,000 part of \$25,000,000 Million - Named Storm Primary Limit Building & Personal Property Blanket Coverage
Property & Wind Coverage Commercial City Properties	Hiscox/Underwriter's at Lloyd's Expires 5-4-2017	\$2,500,000 part of \$25,000,000 Million - Named Storm Primary Limit Building & Personal Property Blanket Coverage
Property & Wind Coverage Commercial City Properties	Lloyd's of London Expires 5-4-2017	\$2,500,000 part of \$25,000,000 Million - Named Storm Primary Limit Building & Personal Property Blanket Coverage
Excess Coverage - First Layer		
Excess Property & Wind Coverage Commercial City Properties	Ironshore Expires 5-4-2017	\$5,000,000 part of \$25,000,000 Million Excess of \$25,000,000 Million Primary -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	RSUI Indemnity Expires 5-4-2017	\$5,000,000 part of \$25,000,000 Million Excess of \$25,000,000 Million Primary -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Colony Insurance Co. Expires 5-4-2017	\$5,000,000 part of \$25,000,000 Million Excess of \$25,000,000 Million Primary -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	AXIS Surplus Insurance Co. Expires 5-4-2017	\$3,750,000 part of \$25,000,000 Million Excess of \$25,000,000 Million Primary -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Markel/Evanston Expires 5-4-2017	\$2,500,000 part of \$25,000,000 Million Excess of \$25,000,000 Million Primary -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Lloyd's of London (A16) Expires 5-4-2017	\$2,500,000 part of \$25,000,000 Million Excess of \$25,000,000 Million Primary -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Lloyd's of London (B16) Expires 5-4-2017	\$1,250,000 part of \$25,000,000 Million Excess of \$25,000,000 Million Primary -Named Storm Limit Building & Personal Property Blanket Coverage

ALL FUNDS
INSURANCE AND SURETY BONDS IN FORCE
FISCAL YEAR ENDED SEPTEMBER 30, 2016

Type of Insurance	Insurer and Expiration Date	Amount of Coverage
Excess Coverage - Second Layer		
Excess Property & Wind Coverage Commercial City Properties	Scottsdale Expires 5-4-2017	\$35,000,000 part of \$100,000,000 Million Excess of \$50,000,000 Million -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Everest Indemnity Expires 5-4-2017	\$25,000,000 part of \$100,000,000 Million Excess of \$50,000,000 Million -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	LIU (Liberty Surplus) Expires 5-4-2017	\$15,000,000 part of \$100,000,000 Million Excess of \$50,000,000 Million -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Markel/Evanston Expires 5-4-2017	\$12,500,000 part of \$100,000,000 Million Excess of \$50,000,000 Million -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Arch Specialty Expires 5-4-2017	\$10,000,000 part of \$100,000,000 Million Excess of \$50,000,000 Million -Named Storm Limit Building & Personal Property Blanket Coverage
Excess Property & Wind Coverage Commercial City Properties	Lloyd's of London (C16) Expires 5-4-2017	\$2,500,000 part of \$100,000,000 Million Excess of \$50,000,000 Million -Named Storm Limit Building & Personal Property Blanket Coverage
ALL PERILS PROPERTY COVERAGE EXCLUDING NAMED STORM WIND		
Property Coverage Commercial City Properties	One Beacon (Homeland Insurance Co.) Expires 5-4-2017	\$100,000,000 part of \$250,000,000 All other Perils excluding Named Storm Wind Building & Personal Property Blanket Coverage \$50,000 per occurrence deductible/ \$10,000 EDP and Personal Items Deductible
EQUIPMENT BREAKDOWN COVERAGE		
Boiler & Machinery Coverage Commercial City Properties	CNA (Continental Casualty) Expires 5-4-2017	\$100 Million Property Damage \$2,500 Property Damage per occurrence Deductible
2. FLOOD COVERAGE		
Primary Flood Specified City Buildings	National Flood Program/ Selective Insurance Expires - Various (see below) <i>February, March, June, July, August, September, October, November expiration dates</i>	Building &/or contents values up to maximum of \$500,000 per building &/or \$500,000 per contents per location \$2,000 deductible per building/ per contents (specified locations) - Standard Program \$1,250 deductible per building/ per contents (specified locations) - Preferred Risk Program

ALL FUNDS
INSURANCE AND SURETY BONDS IN FORCE
FISCAL YEAR ENDED SEPTEMBER 30, 2016

Type of Insurance	Insurer and Expiration Date	Amount of Coverage
LIABILITY INSURANCE COVERAGES		
3. Airport Liability		
P Primary Aviation	Texas Municipal League Expires 11-4-2016	\$25,000,000 Limit of Liability \$5,000 per occurrence deductible and \$10,000 annual aggregate deductible
E Excess Aviation	ACE-Illinois Union Ins Co Expires 11-4-2016	\$50,000,000 Liability Limit in Excess of \$25,000,000 (\$75,000,000 max.)
4. Employee Dishonesty / Crime Coverage	Texas Municipal League Expires 11-4-2016	\$1,000,000 per occ. for Public Employee Dishonesty Forgery or Alteration, Theft, Disappearance and Destruction Computer Fraud; with \$10,000 Deductible;
5. Excess General Liability, Public Officials, Employment & Law Enforcement Liability	Colony Expires 10-1-2016	\$5 Million each Accident or Occurrence Limit \$10 Million Aggregate Limit \$500,000 SIR
6. Excess Workers' Compensation	Colony Expires 10-1-2016	Workers Compensation Statutory \$650,000 SIR for Police, Fire, Gas Utility \$500,000 SIR for All Others
6. Gas Utility Liability	Texas Municipal League Expires 11-4-2016	\$10,000,000 per occurrence \$250,000 Deductible \$2,000,000 for Pollution per occurrence \$250,000 Deductible
7. General Liability		
CCPD -- Flint Hills Lease GL	Texas Municipal League Expires 11-4-2016	\$1,000,000 each occurrence \$1,000 deductible
8. Special Events Policy		
July 4th Celebration	Burlington Insurance Company Expires 7-5-2016	\$2,000,000 General Aggregate \$1,000,000 each Occurrence
AUTO PHYSICAL DAMAGE COVERAGES		
9. Automobile Coverage		
TB Clinic Van	Texas Municipal League Expires 11-4-2016	\$1,000,000 Bodily Injury & Property Damage \$25,000-Medical Payments Actual Cash Value - physical damage \$250 deductible
Fleet Catastrophic	Texas Municipal League Expires 11-4-2016	\$15,000,000 Blanket Limit per Occurrence \$250,000 Deductible
Automobile Physical Damage CCPD Leased Vehicles Solid Waste Transfer Trailers Specified Higher Valued Vehicles Specified Mobile Equipment	Texas Municipal League Expires 11-4-2016	Actual Cash Value - physical damage \$250 deductible \$500 deductible \$2500 deductible
10. Animal Mortality and Theft		
CCPD Canine	Texas Municipal League Expires 11-4-2016	As Scheduled



Single Audit Section



Padgett Stratemann

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Honorable Mayor and Members of the City Council
City of Corpus Christi, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Corpus Christi, Texas (the "City"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 24, 2017. Our report was modified to include a reference to the restatement of beginning fund balance and net position related the correction of various errors to previously issued financial statements. Our report was also modified to include a reference to other auditors. We did not audit the financial statements of the Corpus Christi Fire Fighters Retirement System, American Bank Center Convention Center Fund, or the American Bank Center Arena Operations Fund; blended and fiduciary component units, which represent 24%, 29%, and 7%, respectively, of the assets and deferred outflows, net position/fund balances, and revenues/additions of the aggregate remaining fund information. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the report of the other auditors. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Corpus Christi Fire Fighters Retirement System, American Bank Center Convention Center Fund, or the American Bank Center Arena Operations Fund, audited separately by other auditors, were not audited in accordance with *Government Auditing Standards*.

AUSTIN

811 BARTON SPRINGS ROAD, SUITE 550
AUSTIN, TEXAS 78704
512 476 0717

HOUSTON

1980 POST OAK BOULEVARD, SUITE 1100
HOUSTON, TEXAS 77056
713 335 8630

SAN ANTONIO

100 N.E. LOOP 410, SUITE 1100
SAN ANTONIO, TEXAS 78216
210 828 6281

TOLL FREE: 800 879 4966

WEB: PADGETT-CPA.COM

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses listed as items 2016-001, 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, and 2017-007.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies listed as items 2016-008, 2016-009, and 2016-010.

Compliance and Other Matters

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

City's Responses to the Findings

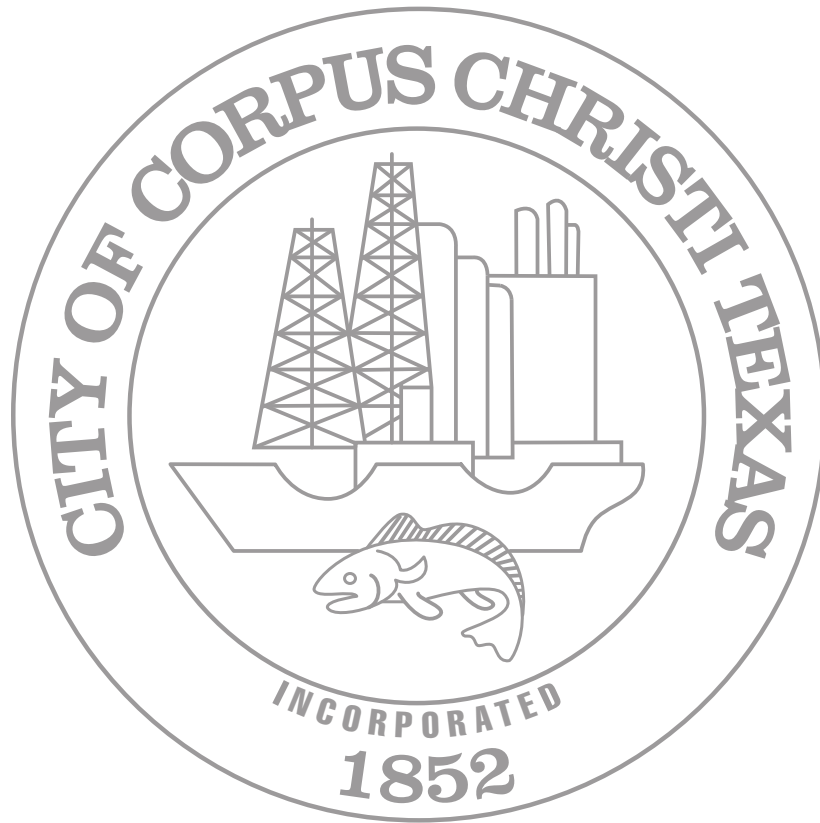
The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied to the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report

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

Padgett, Stratemann + Co., L.L.P.

San Antonio, Texas
April 24, 2017





Padgett Stratemann

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance

To the Honorable Mayor and Members of the City Council
City of Corpus Christi, Texas

Report on Compliance for Each Major Federal Program

We have audited the City of Corpus Christi, Texas' (the "City") compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2016. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

AUSTIN

811 BARTON SPRINGS ROAD, SUITE 550
AUSTIN, TEXAS 78704
512 476 0717

HOUSTON

1980 POST OAK BOULEVARD, SUITE 1100
HOUSTON, TEXAS 77056
713 335 8630

SAN ANTONIO

100 N.E. LOOP 410, SUITE 1100
SAN ANTONIO, TEXAS 78216
210 828 6281

TOLL FREE: 800 879 4966
WEB: PADGETT-CPA.COM

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-011, 2016-012, 2016-013, 2016-014, and 2016-015. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However,

we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-011, 2016-012, 2016-013, 2016-2014, and 2016-015 that we consider to be significant deficiencies.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Padgett, Stratemann + Co., L.L.P.

San Antonio, Texas
April 24, 2017

**Schedule of Findings and Questioned Costs
Federal Grants
Year-Ended September 30, 2016**

I – Summary of Auditor’s Results

Type of auditor’s report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> X </u> Yes		<u> </u> No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> X </u> Yes		<u> </u> None Reported
Noncompliance material to financial statements noted?		<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:

Type of auditor’s report issued on compliance for major programs:	<u>Unmodified</u>		
Material weakness(es) identified?		<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> X </u> Yes		<u> </u> None Reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> X </u> Yes		<u> </u> No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
14.218	Community Development Block Grant
93.044/93.045/93.053	Aging Cluster
10.557	Women and Infant Children
97.039	Hazard Mitigation

Dollar threshold used to distinguish between type A and type B programs:	<u>\$761,573</u>		
Auditee qualified as low-risk auditee?	<u> X </u> Yes		<u> </u> No

**Schedule of Findings and Questioned Costs
Related to Financial Statements
Year-Ended September 30, 2016**

Section II – Findings and Questioned Costs related to Financial Statements

Finding 2016-001 - Accounts Payable Cut-off

Type of Finding: Material Weakness

Criteria: Generally Accepted Accounting Principles (GAAP) requires the accrual for goods, services, and other payments that are matured liabilities as of the balance sheet date.

Condition: During testing for proper recording of accounts payable we found approximately \$12,900,000 in unrecorded accounts payable. These amounts were subsequently recorded by the City.

Cause: The City used the invoice date entered into the accounts payable system to determine if an invoice should have been accrued, however this date was not always the date the goods or services were rendered or received. It appears this date was not consistently applied and individuals entering this information may not have been fully aware of what this date represented.

Effect: Initially the City had understated expenses/expenditures by approximately \$12,900,000. These errors were subsequently corrected and are reflected in the current year financial statements.

Recommendation: The City should strengthen their process for recording accounts payable at the end of the fiscal year by communicating and training individuals responsible for entering payment information into the accounts payable system. Additionally, management of the City should increase the oversight of this process to ensure accounts payable are properly recorded as of fiscal year end.

Views of responsible officials and planned corrective actions: Since the invoice date does not always indicate what period the goods or services were received, the City is evaluating using another field in the Accounts Payable module to identify which period the invoice should be accrued. City accounting staff will pre-review invoices prior to Accounts Payable processing, and will provide training to Accounts Payable employees to use this field to enable appropriate identification of accounts payable accruals.

Finding 2016-002 - Schedule of Expenditures of Federal and State Awards

Type of Finding: Material Weakness

Criteria: The City is required to prepare a schedule of expenditures of federal and state awards and report certain information regarding the City's federal and state grant programs.

Condition: During our testing of the initial schedule of expenditures of federal and state awards it was noted that a significant grant program was excluded from the schedule of expenditures of federal and state awards in the approximate amount of \$6.1 million. Additionally, the City does not adequately reconcile grant expenditures and grant revenues to schedule of expenditures of federal and state awards.

Cause: The City was not aware this program was subject to the Single Audit and was considered a grant of the City, therefore the City accounted for this grant as an agency transaction instead of federal revenues and expenditures. The City then consulted with their pass-through entity and determined this program should be considered a federal award of the City.

Effect: Since this federal program was initially excluded from the schedule of expenditures of federal and state awards it could have been excluded from Single Audit testing and could have materially misstated the schedule of federal and state awards.

Recommendation: We recommend the City strengthen their monitoring and identification activities for federal and state programs that are required to be reported on the schedule of expenditures of federal and state awards.

Views of responsible officials and planned corrective actions: The City will follow the auditor's recommendation.

Finding 2016-003 - Revenue Recognition

Type of Finding: Material Weakness

Criteria: The Governmental Accounting Standards Board (GASB) has set revenue recognition standards for non-exchange revenue transactions. This guidance includes criteria and guidance for derived tax revenues (sales taxes, mixed beverage taxes, etc.), government mandated non-exchange transactions (property and other taxes), voluntary non-exchange transactions, among others.

Condition: During our testing of revenues we noted sales taxes, mixed beverage taxes, certain other business fees, and grant revenues were not recognized in accordance with GASB requirements. Generally, additional receivables were required to be recognized which resulted in a restatement to beginning fund balance. Beginning fund balance was increased by approximately \$8.6 million. Additionally, the City was recording certain grants on a cash basis, since the amount were not considered "available" to pay current liabilities and other grant revenue timing differences were noted.

Cause: The City's previous policy was to ensure 12 months of revenue was recorded for certain non-exchange revenues.

Additionally, grant receivables were initially understated by \$4,800,000.

Recommendation: We recommend the City establish procedures to ensure all non-exchange revenues are properly evaluated and accrued as revenue in accordance with GASB requirements.

Views of responsible officials and planned corrective actions: The City will add a step to our CAFR closing procedures in which the accountant closing each fund will review revenues received subsequent to fiscal year-end to determine whether any additional accruals are required.

Finding 2016-004 - Solid Waste Fund

Type of Finding: Material Weakness

Criteria: GASB financial reporting requires activities to be reported in different fund types which include governmental funds, enterprise funds, among others. GASB also requires those activities be reported on the government-wide financial statements as either governmental activities or business type activities based on how those funds are reported at the fund level financial statements. GASB also establishes criteria of when a fund must be reported as an enterprise fund and business type activity.

Condition: During the review of the financial statements we noted the solid waste activity does have some of the characteristics of an enterprise fund, but is not required to be reported as an enterprise. The City's solid waste activity is reported within the City's general fund. However, this activity was reported as a business-type activity on the government-wide financial statements, which is inconsistent with GASB requirements.

Cause: The City did not reflect the solid waste activity in the governmental activities to match their determination that this activity was properly reported in the general fund, and therefore a governmental activity.

Effect: The City had to restate beginning net position on the government-wide financial statements by \$14,800,000 as an increase to business-type activities and a reduction to governmental activities.

Recommendation: We recommended the City restate beginning net position to correct this error. Additionally, we recommend the City continue to evaluate the Solid Waste Activity and other similar activities to ensure they are properly reported on the financial statements.

Views of responsible officials and planned corrective actions: We have implemented the auditor's recommendation.

Finding 2016-005 - Pension Plan Reporting

Type of Finding: Material Weakness

Criteria: The Corpus Christi Fire Fighters Retirement System (FFRS) is a single employer defined benefit pension plan in which the City's firefighters participate and are the sole members of the plan. Based on financial reporting requirements this should be reported as a pension trust fund of the City. Additionally, City employees participate in a 457 deferred contribution plan where the City remits employee contributions to a third party administrator who hold those funds in trust for City employees.

Condition: In previous years the City excluded the FFRS plan from the City's financial statements which is required to be reported as a pension trust fund. Additionally, in previous years the City reported the assets of the 457 plan as assets of the City's trust fund, however these amounts are not held in trust by the City and should be excluded from the City's financial statements.

Cause: The City did not identify the FFRS as pension trust fund (although the net pension liability was properly recorded on the City's financial statements) and improperly identified the 457 as a trust fund of the City.

Effect: The City had to restate beginning net position of the pension trust fund by \$50,175,000 to correct this error.

Recommendation: We recommended the City restate beginning net position to correct this error.

Views of responsible officials and planned corrective actions: We have implemented the auditor's recommendation.

Finding 2016-006 - Capitalized Interest

Type of Finding: Material Weakness

Criteria: GASB Statement No. 62 requires governments to capitalize interest for qualifying assets during the asset's acquisition period or construction period for all enterprise funds and business-type activities.

Condition: The City has not previously calculated or recorded capitalized interest for capital projects in its enterprise funds or business-type activities.

Cause: The City was unaware of the requirement to capitalize interest for its enterprise funds and business-type activities.

Effect: The City was required to make an entry to record capitalized interest in their enterprise funds and business-type activities in the amount of \$12,900,000.

Recommendation: We recommend the City develop a formalized process to calculate capitalized interest on a periodic basis and allocate the capitalized interest to projects timely. This calculation should be performed on all construction projects within the City's enterprise funds.

Views of responsible officials and planned corrective actions: The City will establish procedures to implement this recommendation.

Finding 2016-007 – Contributed Capital

Type of Finding: Material Weakness

Criteria: The City receives contributed capital (usually infrastructure) from developers on a regular basis. This is usually from new developments where the developer will construct infrastructure, such as sewer and water pipes as well as other infrastructure, which the City will be required to maintain, repair, and replace in the future. Since the City is required to maintain these infrastructure assets the City must record these assets in the general ledger of the City at their estimated cost. The City's Finance Department must rely on various other departments to provide information regarding contributed capital from developers.

Condition: During testing of contributed capital we noted the following issues:

- Some of the contributed capital recorded in the current year was not completed as of the end of the fiscal year. Although these assets are expected to be completed in the future the City should only record contributed capital for those assets actually completed and placed into service.
- When actual cost information is not available, the City uses various rates to estimate the cost of the contributed capital. Although these rates have been adjusted annually for inflation the City has not re-evaluated the original rates used in several years.

Cause: The City did not have adequate processes in place to monitor the recording of contributed capital.

Effect: Contributed capital was overstated by approximately \$2,900,000.

Recommendation: We recommend the City strengthen their process over recording contributed capital to include more communication between the City's various departments that oversee contributed capital and the City's Finance Department to ensure only completed and placed into service contributed capital is recorded in the City's general ledger. This process should be performed on a periodic basis. Additionally, the City should re-evaluate rates used by the City to estimate the costs of contributed capital when the actual cost is not available. The City should formalize their process for this re-evaluation to include a period of time and other relevant factors.

Views of responsible officials and planned corrective actions: The City will work with the Utilities, Development Services, and Engineering departments to establish procedures to implement this recommendation.

Finding 2016-008 - Compensated Absences

Type of Finding: Significant Deficiency

Criteria: Governments are required to accrue for compensated absences such as vacation as the benefits are earned by the employees if the leave is attributable to past service and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Condition: During testing of compensated absences we noted that accrued vacation was properly accrued however the City's method of estimating the required accrual for sick leave does not appear to be capturing the probability of sick leave compensation for all City employees.

Cause: The City policy for payment of sick leave is only for employees that retire from the City and is generally limited to 50% of the accumulated sick leave balance to a maximum number of allowable hours. The method of estimating the accrued sick leave liability is 80% of the payout for employees eligible for retirement, however this method does not include any estimate for employees that are not eligible for retirement that may someday actually retire from the City.

Effect: The maximum calculated error is \$5.8 million based on accruing 100% of the payout for employees eligible for retirement and 100% of the payout for all other employee not yet eligible for retirement. The \$5.8 million maximum error is reflected as an uncorrected audit difference.

Recommendation: We recommend the City review their process for recording accumulated compensated absences that is probable the employee will be compensated for at retirement and record those amounts on the financial statements.

Views of responsible officials and planned corrective actions: The City will review the example calculations provided by GASB and consult with the auditors to determine the most appropriate method to estimate this liability.

Finding 2016-009 - Depreciable Lives

Type of Finding: Significant Deficiency

Criteria: GAAP requires governments to assign an estimated useful life to different capital asset categories and record depreciation on these assets over their estimated useful life. The estimated useful lives of individual assets should be re-evaluated on a periodic basis.

Condition: In prior years the City constructed temporary terminals at the City's airport during construction of other facilities. However, the City assigned a useful life of a permanent building structure. During the current year these temporary terminals were written-off resulting in a loss on disposal of approximately \$2.6 million.

Cause: The City did not properly evaluate the useful life of these assets when placed into service.

Effect: Previous year's depreciation expense may have been understated, which resulted in a large loss on disposal in the current year of \$2.6 million.

Recommendation: We recommend the City establish a formal review of the useful lives of all capital assets at least annually to ensure the useful lives are appropriate and adjust the useful lives if needed.

Views of responsible officials and planned corrective actions: The City believes their current useful lives for capital assets are appropriate and represent the actual useful lives of most capital assets. The City will continue to evaluate the overall capital asset useful lives policy to ensure those lives are appropriate. Additionally, as new capital assets are placed into service the City will evaluate if those assets are appropriate based on management plans for that asset and the overall expected useful life. Furthermore, if the City becomes aware of changes in the expected useful life of an asset in the future, the City will adjust the remaining useful life of that capital asset.

Finding 2016-010 - Closure and Post-closure Care Costs for City Landfills

Type of Finding: Significant Deficiency

Criteria: Governments are required to accrue a liability for the closure and post-closure care costs for government owned landfills. Generally, closure costs and post-closure costs should be accrued based on the percentage used of the landfill. These liabilities are based on engineering estimates as of the date of the financial statements and should be adjusted over time for factors such as inflation, changes in technology, and changes in environmental requirements, among others.

Condition: During our testing of the closure and post-closure liability we had the following observations –

- Although the City is adjusting the liability for the City owned landfill for inflation and payment of post closure costs the original estimated liability has not been re-evaluated recently to determine if the liability should be adjusted for the City owned landfill that has been closed.
- The original calculation of the percent of the liability recorded for the active City landfill contained an error and had to be decreased by \$4,100,000.

Cause: The City does not have a formal process in place to fully evaluate these liabilities on an ongoing basis.

Effect: The City had an error in their closure and post-closure care liability of \$4,100,000. Additionally, the lack of a formal review process increases the risk of error in future years.

Recommendation: We recommend the City develop a formal process to evaluate this liability to include the following:

- Establish a policy of periodic review of the closed landfill, to include periodic re-evaluation of the costs by an engineer if needed.
- Comparison of actual costs incurred related to closure or post-closure costs included in the estimated liability.
- Identification of changes related to actual closure or post-closure that was either included or excluded from the original estimated liability.
- Communication with other departments regarding the percentage available for use for the active landfill.
- Review of the overall calculation based on the results of the above items.

Views of responsible officials and planned corrective actions: Finance department will recommend to the Solid Waste department that more frequent professional evaluation of the closure/post-closure care liabilities for both landfills be obtained. In addition, after Finance has calculated the annual year-end adjustments to the liabilities, we will submit to Solid Waste department for their review and concurrence.

**Schedule of Findings and Questioned Costs
Federal Grants
Year-Ended September 30, 2016**

Section III – Findings and Questioned Costs Related to Federal Awards

Finding 2016-011 – Subrecipient Monitoring

Federal Program: Hazard Mitigation Grant

CFDA Number: 97.039

Federal Award Number: DR-1791-346/DR-1791-347/DR-1791-348/DR-1791-349

United States Department of Homeland Security

Type of Finding: Noncompliance / Significant Deficiency

Criteria: Grantees are responsible for monitoring grants subgranted to others. Monitoring includes the following key items:

- Identification of the subaward, including the CFDA number.
- Monitoring activities of the subrecipients during the award to ensure they are meeting the applicable compliance requirements.
- Ensuring subrecipients receive a single audit, if applicable.
- Issuing management decisions on audit findings of subrecipients, if applicable.

Condition: While the City did perform some monitoring activities such as site visits, communications with subrecipients, and active communication with the State and the State hired consultant, the City did not perform certain subrecipient monitoring activities as follows:

- In the Memorandum of Understanding between the City and the subrecipient the City did not include the CFDA Number for this grant or specify the requirement to have a Single Audit (if applicable) and submit the results of the Single Audit to the City.
- The City did not obtain audit reports for their subrecipients and therefore did not issue management decisions for any of their subrecipients for this grant. We obtained these reports after the fact and determined there were no findings related to this grant for any of the City's subrecipients.
- Supporting documentation for expenditures was submitted to the City, however the supporting documentation was not compared to allowable cost information. This also included monitoring of the required matching amounts.

Cause: The City originally did not believe this grant was an award to the City and therefore performed limited monitoring activities, however, after discussions with the City's pass-through entity it was determined that this grant was a federal award to the City and therefore the City must comply with the federal grant requirements.

Effect: The City did not adequately monitor the activities of their subrecipients, and therefore their subrecipients could have noncompliance that the City would not have been aware of.

Questioned Costs: None

Recommendation: We recommend the City enhance their monitoring of subrecipients. This should include training specifically related to subrecipient monitoring requirements, risk assessments, as well as developing a checklist for monitoring activities to document subrecipient monitoring activities.

Views of responsible officials and planned corrective actions: The City agrees with the auditor's recommendation and will work together in the upcoming fiscal year with our external auditor in regards to training for City Staff that monitors subrecipients.

Finding 2016-012 – Subrecipient Monitoring

Federal Program: Community Development Block Grant

CFDA Number: 14.218

Federal Award Number: B13-MC48-502/ B14-MC48-502/ B15-MC48-502

United States Department of Housing and Urban Development

Type of Finding: Noncompliance / Significant Deficiency

Criteria: Grantees are responsible for monitoring grants subgranted to others. Monitoring includes the following key items:

- Identification of the subaward, including the CFDA number.
- Monitoring activities of the subrecipients during the award.
- Ensuring subrecipients receive a single audit, if applicable.
- Issuing management decisions on audit findings of subrecipients, if applicable.

Condition: While the City did perform some monitoring activities such as site visits and review of other information provided by the subrecipients the City did not ensure the subrecipients had a single audit, obtained their audit report, or issued a management decision on the results of their audit. Based on review of two of the City's subrecipients audit reports subsequently obtained it was noted the subrecipients included an incorrect CFDA number on their schedule of expenditures of federal awards.

Cause: The City does not have a process to request, evaluate, and issue management decisions on subrecipient audit reports.

Effect: The City did not adequately monitor the activities of their subrecipients, and therefore their subrecipients could have noncompliance that the City would not have been aware of.

Questioned Costs: None

Recommendation: We recommend the City enhance their monitoring of subrecipients. This should include training specifically related to subrecipient monitoring requirements, risk assessments, as well as developing a checklist for monitoring activities to document subrecipient monitoring activities.

Views of responsible officials and planned corrective actions: The City agrees with the auditor's recommendation and will work together in the upcoming fiscal year with our external auditor in regards to training for City Staff that monitors subrecipients.

Finding 2016-013 – Allowable Costs

Federal Program: Community Development Block Grant

CFDA Number: 14.218

Federal Award Number: B14-MC48-502/B15-MC48-502

United States Department of Housing and Urban Development

Type of Finding: Noncompliance / Significant Deficiency

Criteria: In accordance with 2CFR section 200.430 salaries must be based on records that accurately reflect the work performed, which includes a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated. Additionally, OMB Circular A-87 paragraph 8h requires employees that work solely on a single federal award be supported by periodic certifications that the employee worked solely on that program.

Condition: During testing of allowable costs charged to this program we noted two employees who were considered temporary employees and did not have supporting documentation such as timesheets or certifications to support their salaries charged to the program. Additionally, based on their job descriptions it appears these positions were administrative in nature and may not be allocable to the program. No other similar positions were noted during our testing.

Cause: The City does not require temporary employees to maintain this documentation for grant reporting purposes.

Effect: The salaries for these employees (\$19,343) may not be allocable to this program and therefore may not be an allowable cost for this program.

Questioned Costs: Known and likely questioned costs would be zero, since the amount of questioned costs would be less than \$25,000.

Recommendation: We recommend the City review their current policies related to documentation maintained for employees charged to federal programs to ensure only allowable costs are charged to the program.

Views of responsible officials and planned corrective actions: The City agrees with the auditor's recommendation. The City will review all employees charged to federal awards to ensure their salaries are appropriately supported in accordance with federal requirements.

Finding 2016-014 – Cash Management

Federal Program: Community Development Block Grant

CFDA Number: 14.218

Federal Award Number: B13-MC48-502/B14-MC48-502/B15-MC48-502

United States Department of Housing and Urban Development

Type of Finding: Noncompliance / Significant Deficiency

Criteria: For cost reimbursement grants an eligible cost is required to be incurred and paid before a grantee can submit a claim for reimbursement of those costs.

Condition: During our testing of drawdown requests we noted 9 out of the 29 items tested were requested for reimbursement before the payment of the invoice to the vendor.

Cause: The City does not have an adequate process in place to ensure payments are actually made to the vendor before the request for reimbursement is submitted.

Effect: The City requested reimbursement of funds before the eligible expenses were paid.

Questioned Costs: None, since the assumed interest earned on the funds drawn-down before the expenses were paid would be less than \$100, which is less than the questioned costs threshold of \$25,000.

Recommendation: We recommend the City establish a process to verify eligible grant expenses are paid before reimbursement is requested.

Views of responsible officials and planned corrective actions: The City agrees with the auditor's recommendation. The City will implement procedures to ensure the expense is paid prior to the request for drawdown of funds is submitted. The procedure will be communicated to all responsible for requesting drawdown of grant funds.

Finding 2016-015 – Allowable Costs

Federal Program: Aging Cluster

CFDA Number: 93.044 / 93.045

Federal Award Number: AA3-1148-4

United States Department of Health and Human Services

Type of Finding: Noncompliance / Significant Deficiency

Criteria: In accordance with 2CFR section 200.430 salaries must be based on records that accurately reflect the work performed, which includes a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

Condition: During testing of allowable costs charged to this program we noted employees did not maintain documentation indicating they worked solely on this program.

Cause: The City does not prepare semi-annual certificates or similar documentation to document employees work solely within this program.

Effect: The salaries for these employees (\$442,527) may not be allocable to this program and therefore may not be an allowable cost for this program.

Questioned Costs: Known and likely questioned costs are zero. Even though semi-annual or similar documentation was not maintained it appears based on their job descriptions, and interviews with program employees that employees work solely within this program.

Recommendation: We recommend the City review their current policies related to documentation maintained for employees charged to federal programs to ensure federal compliance requirements are met.

Views of responsible officials and planned corrective actions: The City agrees with the auditor's recommendation. The City will review all employees charged to federal awards to ensure their salaries are appropriately supported in accordance with federal requirements.



Padgett Stratemann

Independent Auditor's Report on Compliance for the Major State Program and Report on Internal Control Over Compliance as Required by the State of Texas Single Audit Circular

To the Honorable Mayor and Members of the City Council
City of Corpus Christi, Texas

Report on Compliance for Each Major State Program

We have audited the City of Corpus Christi, Texas' (the "City") compliance with the types of compliance requirements described in the *State of Texas Single Audit Circular* that could have a direct and material effect on the City's major state program for the year ended September 30, 2016. The City's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major state program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Texas Single Audit Circular*. Those standards and the *State of Texas Single Audit Circular* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state program. However, our audit does not provide a legal determination of the City's compliance.

AUSTIN

811 BARTON SPRINGS ROAD, SUITE 550
AUSTIN, TEXAS 78704
512 476 0717

HOUSTON

1980 POST OAK BOULEVARD, SUITE 1100
HOUSTON, TEXAS 77056
713 335 8630

SAN ANTONIO

100 N.E. LOOP 410, SUITE 1100
SAN ANTONIO, TEXAS 78216
210 828 6281

TOLL FREE: 800 879 4966
WEB: PADGETT-CPA.COM

Opinion on Major State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended September 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State of Texas Single Audit Circular* and which are described in the accompanying schedule of findings and questioned costs as items 2016-016 and 2016-017. Our opinion on the major state program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance on its major state program and to test and report on internal control over compliance in accordance with the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However,

we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-016 and 2016-017 that we consider to be significant deficiencies.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. The City's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Padgett, Statemann + Co., L.L.P.

San Antonio, Texas
April 24, 2017

**Schedule of Findings and Questioned Costs
State Grants
Year-Ended September 30, 2016**

I – Summary of Auditor’s Results

Type of auditor’s report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No	
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> X </u> Yes	<u> </u> None Reported	
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No	

State Awards

Internal control over major programs:

Type of auditor’s report issued on compliance for major programs:	<u>Unmodified</u>		
Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No	
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> X </u> Yes	<u> </u> None Reported	
Any audit findings disclosed that are required to be reported in accordance with <i>State of Texas Single Audit Circular</i> ?	<u> X </u> Yes	<u> </u> No	

Identification of major programs:

<u>Grant Numbers</u>	<u>Name of State Program</u>
608-16-1780200	Auto Theft Prevention Grant
608-17-1780200	Auto Theft Prevention Grant

Dollar threshold used to distinguish between type A and type B programs:	<u> \$750,000 </u>		
Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No	

**Schedule of Findings and Questioned Costs
Related to Financial Statements
Year-Ended September 30, 2016**

Section II – Findings and Questioned Costs related to Financial Statements

Finding 2016-001 - Accounts Payable Cut-off

Type of Finding: Material Weakness

Criteria: Generally Accepted Accounting Principles (GAAP) requires the accrual for goods, services, and other payments that are matured liabilities as of the balance sheet date.

Condition: During testing for proper recording of accounts payable we found approximately \$12,900,000 in unrecorded accounts payable. These amounts were subsequently recorded by the City.

Cause: The City used the invoice date entered into the accounts payable system to determine if an invoice should have been accrued, however this date was not always the date the goods or services were rendered or received. It appears this date was not consistently applied and individuals entering this information may not have been fully aware of what this date represented.

Effect: Initially the City had understated expenses/expenditures by approximately \$12,900,000. These errors were subsequently corrected and are reflected in the current year financial statements.

Recommendation: The City should strengthen their process for recording accounts payable at the end of the fiscal year by communicating and training individuals responsible for entering payment information into the accounts payable system. Additionally, management of the City should increase the oversight of this process to ensure accounts payable are properly recorded as of fiscal year end.

Views of responsible officials and planned corrective actions: Since the invoice date does not always indicate what period the goods or services were received, the City is evaluating using another field in the Accounts Payable module to identify which period the invoice should be accrued. City accounting staff will pre-review invoices prior to Accounts Payable processing, and will provide training to Accounts Payable employees to use this field to enable appropriate identification of accounts payable accruals.

Finding 2016-002 - Schedule of Expenditures of Federal and State Awards

Type of Finding: Material Weakness

Criteria: The City is required to prepare a schedule of expenditures of federal and state awards and report certain information regarding the City's federal and state grant programs.

Condition: During our testing of the initial schedule of expenditures of federal and state awards it was noted that a significant grant program was excluded from the schedule of expenditures of federal and state awards in the approximate amount of \$6.1 million. Additionally, the City does not adequately reconcile grant expenditures and grant revenues to schedule of expenditures of federal and state awards.

Cause: The City was not aware this program was subject to the Single Audit and was considered a grant of the City, therefore the City accounted for this grant as an agency transaction instead of federal revenues and expenditures. The City then consulted with their pass-through entity and determined this program should be considered a federal award of the City.

Effect: Since this federal program was initially excluded from the schedule of expenditures of federal and state awards it could have been excluded from Single Audit testing and could have materially misstated the schedule of federal and state awards.

Recommendation: We recommend the City strengthen their monitoring and identification activities for federal and state programs that are required to be reported on the schedule of expenditures of federal and state awards.

Views of responsible officials and planned corrective actions: The City will follow the auditor's recommendation.

Finding 2016-003 - Revenue Recognition

Type of Finding: Material Weakness

Criteria: The Governmental Accounting Standards Board (GASB) has set revenue recognition standards for non-exchange revenue transactions. This guidance includes criteria and guidance for derived tax revenues (sales taxes, mixed beverage taxes, etc.), government mandated non-exchange transactions (property and other taxes), voluntary non-exchange transactions, among others.

Condition: During our testing of revenues we noted sales taxes, mixed beverage taxes, certain other business fees, and grant revenues were not recognized in accordance with GASB requirements. Generally, additional receivables were required to be recognized which resulted in a restatement to beginning fund balance. Beginning fund balance was increased by approximately \$8.6 million. Additionally, the City was recording certain grants on a cash basis, since the amount were not considered "available" to pay current liabilities and other grant revenue timing differences were noted.

Cause: The City's previous policy was to ensure 12 months of revenue was recorded for certain non-exchange revenues.

Additionally, grant receivables were initially understated by \$4,800,000.

Recommendation: We recommend the City establish procedures to ensure all non-exchange revenues are properly evaluated and accrued as revenue in accordance with GASB requirements.

Views of responsible officials and planned corrective actions: The City will add a step to our CAFR closing procedures in which the accountant closing each fund will review revenues received subsequent to fiscal year-end to determine whether any additional accruals are required.

Finding 2016-004 - Solid Waste Fund

Type of Finding: Material Weakness

Criteria: GASB financial reporting requires activities to be reported in different fund types which include governmental funds, enterprise funds, among others. GASB also requires those activities be reported on the government-wide financial statements as either governmental activities or business type activities based on how those funds are reported at the fund level financial statements. GASB also establishes criteria of when a fund must be reported as an enterprise fund and business type activity.

Condition: During the review of the financial statements we noted the solid waste activity does have some of the characteristics of an enterprise fund, but is not required to be reported as an enterprise. The City's solid waste activity is reported within the City's general fund. However, this activity was reported as a business-type activity on the government-wide financial statements, which is inconsistent with GASB requirements.

Cause: The City did not reflect the solid waste activity in the governmental activities to match their determination that this activity was properly reported in the general fund, and therefore a governmental activity.

Effect: The City had to restate beginning net position on the government-wide financial statements by \$14,800,000 as an increase to business-type activities and a reduction to governmental activities.

Recommendation: We recommended the City restate beginning net position to correct this error. Additionally, we recommend the City continue to evaluate the Solid Waste Activity and other similar activities to ensure they are properly reported on the financial statements.

Views of responsible officials and planned corrective actions: We have implemented the auditor's recommendation.

Finding 2016-005 - Pension Plan Reporting

Type of Finding: Material Weakness

Criteria: The Corpus Christi Fire Fighters Retirement System (FFRS) is a single employer defined benefit pension plan in which the City's firefighters participate and are the sole members of the plan. Based on financial reporting requirements this should be reported as a pension trust fund of the City. Additionally, City employees participate in a 457 deferred contribution plan where the City remits employee contributions to a third party administrator who hold those funds in trust for City employees.

Condition: In previous years the City excluded the FFRS plan from the City's financial statements which is required to be reported as a pension trust fund. Additionally, in previous years the City reported the assets of the 457 plan as assets of the City's trust fund, however these amounts are not held in trust by the City and should be excluded from the City's financial statements.

Cause: The City did not identify the FFRS as pension trust fund (although the net pension liability was properly recorded on the City's financial statements) and improperly identified the 457 as a trust fund of the City.

Effect: The City had to restate beginning net position of the pension trust fund by \$50,175,000 to correct this error.

Recommendation: We recommended the City restate beginning net position to correct this error.

Views of responsible officials and planned corrective actions: We have implemented the auditor's recommendation.

Finding 2016-006 - Capitalized Interest

Type of Finding: Material Weakness

Criteria: GASB Statement No. 62 requires governments to capitalize interest for qualifying assets during the asset's acquisition period or construction period for all enterprise funds and business-type activities.

Condition: The City has not previously calculated or recorded capitalized interest for capital projects in its enterprise funds or business-type activities.

Cause: The City was unaware of the requirement to capitalize interest for its enterprise funds and business-type activities.

Effect: The City was required to make an entry to record capitalized interest in their enterprise funds and business-type activities in the amount of \$12,900,000.

Recommendation: We recommend the City develop a formalized process to calculate capitalized interest on a periodic basis and allocate the capitalized interest to projects timely. This calculation should be performed on all construction projects within the City's enterprise funds.

Views of responsible officials and planned corrective actions: The City will establish procedures to implement this recommendation.

Finding 2016-007 – Contributed Capital

Type of Finding: Material Weakness

Criteria: The City receives contributed capital (usually infrastructure) from developers on a regular basis. This is usually from new developments where the developer will construct infrastructure, such as sewer and water pipes as well as other infrastructure, which the City will be required to maintain, repair, and replace in the future. Since the City is required to maintain these infrastructure assets the City must record these assets in the general ledger of the City at their estimated cost. The City's Finance Department must rely on various other departments to provide information regarding contributed capital from developers.

Condition: During testing of contributed capital we noted the following issues:

- Some of the contributed capital recorded in the current year was not completed as of the end of the fiscal year. Although these assets are expected to be completed in the future the City should only record contributed capital for those assets actually completed and placed into service.
- When actual cost information is not available, the City uses various rates to estimate the cost of the contributed capital. Although these rates have been adjusted annually for inflation the City has not re-evaluated the original rates used in several years.

Cause: The City did not have adequate processes in place to monitor the recording of contributed capital.

Effect: Contributed capital was overstated by approximately \$2,900,000.

Recommendation: We recommend the City strengthen their process over recording contributed capital to include more communication between the City's various departments that oversee contributed capital and the City's Finance Department to ensure only completed and placed into service contributed capital is recorded in the City's general ledger. This process should be performed on a periodic basis. Additionally, the City should re-evaluate rates used by the City to estimate the costs of contributed capital when the actual cost is not available. The City should formalize their process for this re-evaluation to include a period of time and other relevant factors.

Views of responsible officials and planned corrective actions: The City will work with the Utilities, Development Services, and Engineering departments to establish procedures to implement this recommendation.

Finding 2016-008 - Compensated Absences

Type of Finding: Significant Deficiency

Criteria: Governments are required to accrue for compensated absences such as vacation as the benefits are earned by the employees if the leave is attributable to past service and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

Condition: During testing of compensated absences we noted that accrued vacation was properly accrued however the City's method of estimating the required accrual for sick leave does not appear to be capturing the probability of sick leave compensation for all City employees.

Cause: The City policy for payment of sick leave is only for employees that retire from the City and is generally limited to 50% of the accumulated sick leave balance to a maximum number of allowable hours. The method of estimating the accrued sick leave liability is 80% of the payout for employees eligible for retirement, however this method does not include any estimate for employees that are not eligible for retirement that may someday actually retire from the City.

Effect: The maximum calculated error is \$5.8 million based on accruing 100% of the payout for employees eligible for retirement and 100% of the payout for all other employee not yet eligible for retirement. The \$5.8 million maximum error is reflected as an uncorrected audit difference.

Recommendation: We recommend the City review their process for recording accumulated compensated absences that is probable the employee will be compensated for at retirement and record those amounts on the financial statements.

Views of responsible officials and planned corrective actions: The City will review the example calculations provided by GASB and consult with the auditors to determine the most appropriate method to estimate this liability.

Finding 2016-009 - Depreciable Lives

Type of Finding: Significant Deficiency

Criteria: GAAP requires governments to assign an estimated useful life to different capital asset categories and record depreciation on these assets over their estimated useful life. The estimated useful lives of individual assets should be re-evaluated on a periodic basis.

Condition: In prior years the City constructed temporary terminals at the City's airport during construction of other facilities. However, the City assigned a useful life of a permanent building structure. During the current year these temporary terminals were written-off resulting in a loss on disposal of approximately \$2.6 million.

Cause: The City did not properly evaluate the useful life of these assets when placed into service.

Effect: Previous year's depreciation expense may have been understated, which resulted in a large loss on disposal in the current year of \$2.6 million.

Recommendation: We recommend the City establish a formal review of the useful lives of all capital assets at least annually to ensure the useful lives are appropriate and adjust the useful lives if needed.

Views of responsible officials and planned corrective actions: The City believes their current useful lives for capital assets are appropriate and represent the actual useful lives of most capital assets. The City will continue to evaluate the overall capital asset useful lives policy to ensure those lives are appropriate. Additionally, as new capital assets are placed into service the City will evaluate if those assets are appropriate based on management plans for that asset and the overall expected useful life. Furthermore, if the City becomes aware of changes in the expected useful life of an asset in the future, the City will adjust the remaining useful life of that capital asset.

Finding 2016-010 - Closure and Post-closure Care Costs for City Landfills

Type of Finding: Significant Deficiency

Criteria: Governments are required to accrue a liability for the closure and post-closure care costs for government owned landfills. Generally, closure costs and post-closure costs should be accrued based on the percentage used of the landfill. These liabilities are based on engineering estimates as of the date of the financial statements and should be adjusted over time for factors such as inflation, changes in technology, and changes in environmental requirements, among others.

Condition: During our testing of the closure and post-closure liability we had the following observations –

- Although the City is adjusting the liability for the City owned landfill for inflation and payment of post closure costs the original estimated liability has not been re-evaluated recently to determine if the liability should be adjusted for the City owned landfill that has been closed.
- The original calculation of the percent of the liability recorded for the active City landfill contained an error and had to be decreased by \$4,100,000.

Cause: The City does not have a formal process in place to fully evaluate these liabilities on an ongoing basis.

Effect: The City had an error in their closure and post-closure care liability of \$4,100,000. Additionally, the lack of a formal review process increases the risk of error in future years.

Recommendation: We recommend the City develop a formal process to evaluate this liability to include the following:

- Establish a policy of periodic review of the closed landfill, to include periodic re-evaluation of the costs by an engineer if needed.
- Comparison of actual costs incurred related to closure or post-closure costs included in the estimated liability.
- Identification of changes related to actual closure or post-closure that was either included or excluded from the original estimated liability.
- Communication with other departments regarding the percentage available for use for the active landfill.
- Review of the overall calculation based on the results of the above items.

Views of responsible officials and planned corrective actions: Finance department will recommend to the Solid Waste department that more frequent professional evaluation of the closure/post-closure care liabilities for both landfills be obtained. In addition, after Finance has calculated the annual year-end adjustments to the liabilities, we will submit to Solid Waste department for their review and concurrence.

**Schedule of Findings and Questioned Costs
State Grants
Year-Ended September 30, 2016**

Section III – Findings and Questioned Costs Related to State Awards

Finding 2016-016 – Allowable Costs

**State Program: Auto Theft Prevention Grant
State Award Number: 608-16-1780200 / 608-17-1780200
Texas Department of Motor Vehicles
Type of Finding: Noncompliance / Significant Deficiency**

Criteria: Where employees work solely on a single grant the State of Texas Uniform Grant Management Standards require semi-annual certifications indicating the employee worked solely on that grant or cost objective.

Condition: During testing of salaries and wages of this grant it was noted that the City only prepares annual certifications for the employees who work solely on this grant instead of the required semi-annual certification.

Cause: The City was unaware of the semi-annual certification requirement for this grant.

Effect: The City is not in compliance with the semi-annual certification requirement for employees who work solely on this grant. This could cause a delay in identifying employees who no longer work solely on this grant.

Questions Costs: Although the City charged \$325,950 in salaries and wages to this grant that were not covered by a semi-annual certification, questioned costs are zero based on review of the annual certification of employee who work solely on this grant, interviews with program management, and review of job descriptions for these employees.

Recommendation: We recommend the City adjust their current practice of preparing an annual certification of employees who work solely on this program to include preparing a semi-annual certification as required by the State of Texas Uniform Grant Management Standards.

Views of responsible officials and planned corrective actions: The City agrees with the auditor's recommendation. The City will review all employees charged to state awards to ensure their salaries are appropriately supported in accordance with state requirements.

Finding 2016-017 – Equipment and Real Property Management

**State Program: Auto Theft Prevention Grant
State Award Number: 608-16-1780200 / 608-17-1780200
Texas Department of Motor Vehicles
Type of Finding: Noncompliance / Significant Deficiency**

Criteria: The Auto Theft Prevention Grant requires vehicles purchased with grant funds to be used solely for grant purposes. "Use Logs" are required to be maintained to document a vehicle was used for grant purposes.

Condition: During testing it was noted the Auto Theft Prevention Department does not maintain a "Use Log" for their vehicles.

Cause: The department does not prepare or maintain a "Use Log".

Effect: The City is not in compliance with the documentation requirements of this grant and therefore is not appropriately documenting that the vehicles purchased with grant funds are used exclusively for grant purposes.

Questioned Costs: None, based on interviews with grant management and our review of the assignment of vehicles assigned to employee who work exclusively on this grant.

Recommendation: We recommend the City establish a “Use Log” to document vehicles purchased with grant funds are used exclusively for grant purposes. Additionally, the City should implement appropriate internal controls to ensure these logs are updated daily. These internal controls should include sign-off by the individual using the vehicle and should also include periodic supervisory review to ensure the logs include all required information and account for 100% of the usage.

Views of responsible officials and planned corrective actions: The City agrees with the auditor’s recommendation. A “Use Log” will be used to document vehicles purchased with grant funds are used exclusively for grant purposes.

**Summary Status of Prior Year Findings
Year-Ended September 30, 2016**

Prior Year Findings and Questioned Costs – Financial Statement Audit

SIGNIFICANT DEFICIENCY

2015 – 1 Grant Fund Accounting

Condition: The parks and recreation grant fund reflected unearned revenue liability of \$406,362 comprised of program income not properly recognized in the current fiscal year. The police grant fund reflected an outstanding receivable of \$257,979 comprised of a prior year accrual that required reversal in the current fiscal year.

Recommendation: Procedures should be established that assure all grant receivables are fairly stated and any resulting valuation adjustments are appropriately recorded. Grant unearned revenue should be the offset for only assets that are recognized in connection with transactions in which the earning process is not complete.

Current Status: The recommendation was adopted in fiscal year 2016. Procedures were established during the current audit year to ensure a similar condition would not occur. City Staff was aware of the significance in fairly stating all grant receivables and as an added year-end review, the Controller of the Financial Services Department met individually with each staff member to review their final numbers. A similar condition was not noted during the current audit

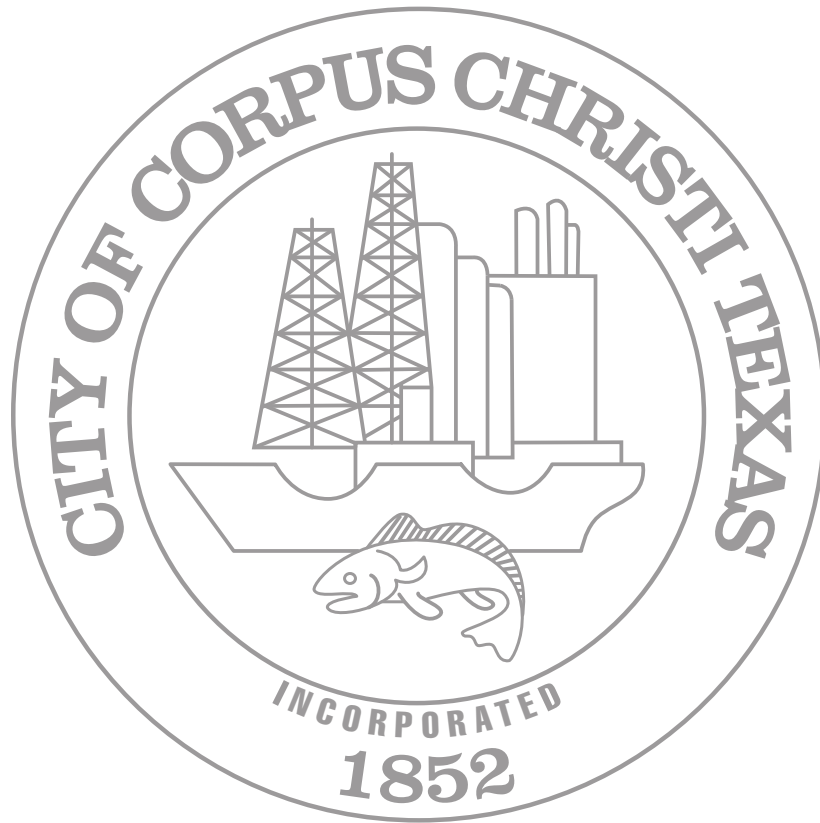
SIGNIFICANT DEFICIENCY

2015 – 2 Grant Fund Accounting

Condition: Federal Highway Planning and Construction grants totaling \$844,540 and related expenditures were not identified as grants or accounted for in the federal/state grants fund.

Recommendation: Procedures should be put in place requiring grant funded contracts to be forwarded to the grants department for tracking.

Current Status: The recommendation stemmed from other City departments not informing the Financial Services Department of grants they received. The recommendation was adopted in fiscal year 2016. The procedures included having other City departments contact the Controller of the Financial Services Department with any new grants. This was communicated by the Financial Services Department Director meeting with City Directors and Assistant Directors to inform them to direct all new grants to the Controller of the Financial Services Department. However, a similar condition was noted during the current audit.



SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2016

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Disbursements/ Expenditures
Federal Assistance:				
U.S. Department of Agriculture				
<u>Passed through Texas Dept. of State Health Services</u>				
Women, Infants & Children	10.557	2015-047290		10,601
Women, Infants & Children		2016-048777		849,457
Total CFDA Number 10.557				860,058
Total Passed Through Texas Dept. of State Health Services				860,058
<u>Passed through Texas Dept. of Agriculture</u>				
Child and Adult Care Food Program	10.558	CE -ID 01507		148,362
Total CFDA Number 10.558				148,362
Summer Food Service Program for Children	10.559	CE -ID 01507		66,056
Total CFDA Number 10.559				66,056
Total Passed Through Texas Dept. of Agriculture				214,418
Total U.S. Department of Agriculture				1,074,476
U.S. Department of Housing and Urban Development				
<u>Direct Programs</u>				
CDBG Entitlement Cluster:				
Comm. Dev. Block Grant-Entitlement Grant 11-12	14.218	B11-MC48-0502	--	(1,597)
Comm. Dev. Block Grant-Entitlement Grant 12-13		B12-MC48-0502	--	24
Comm. Dev. Block Grant-Entitlement Grant 13-14		B13-MC48-0502	142,371	759,529
Comm. Dev. Block Grant-Entitlement Grant 14-15		B14-MC48-0502	401,810	867,510
Comm. Dev. Block Grant-Entitlement Grant 15-16		B15-MC48-0502	69,559	1,288,738
Total CFDA Number 14.218			613,740	2,914,204
Emergency Solutions Grants Program 13-14	14.231	S13-MC48-0502	--	400
Emergency Solutions Grants Program 14-15		S14-MC48-0502	56,102	72,773
Emergency Solutions Grants Program 15-16		S15-MC48-0502	107,879	122,657
Total CFDA Number 14.231			163,981	195,830
Home Investment Partnerships Program 10-11	14.239	M-10-MC-48-0502	43,907	43,907
Home Investment Partnerships Program 11-12		M-11-MC-48-0502	405,001	414,001
Home Investment Partnerships Program 13-14		M-13-MC-48-0502	537,419	586,806
Home Investment Partnerships Program 14-15		M-14-MC-48-0502	82,030	112,374
Home Investment Partnerships Program 15-16		M-15-MC-48-0502	--	46,874
Total CFDA Number 14.239			1,068,357	1,203,962
Fair Housing Assistance Program State and Local	14.401	FF206K116008		7,309
Total CFDA Number 14.401				7,309
Total Direct Programs				4,321,305
Total U.S. Department of HUD				4,321,305
U. S. Department of the Interior				
<u>Direct Program</u>				
Desalination Pilot Study	15.506	R13AC80020		46,654
Total CFDA Number 15.506				46,654
Total U.S. Department of Interior				46,654
U.S. Department of Justice				
JAG Program Cluster:				
<u>Direct Programs</u>				
Edward Byrne Memorial Justice Assistance Grant	16.738	2015-DJ-BX0616		61,779
Edward Byrne Memorial Justice Assistance Grant		2016-DJ-BX-0289		81,502
Body Worn Camera Policy and Implementation Program		2015-DE-BX-K045		108,816
Total CFDA Number 16.738				252,097
Federal Confiscated Property				
Federal Account	16.XXX	N/A		234,805
Total CFDA Number 16.XXX				234,805

SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2016

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Disbursements/ Expenditures
<u>Passed through Office of the Governor/Criminal Justice Division</u>				
Victims of Crime Act	16.575	2015-VA-GX-0009		100,184
Victims of Crime Act		2015-VA-GX-0009-02		78,778
Total CFDA Number 16.575				178,962
Violence Against Women Formula Grant Program	16.588	2016-SF-ST-0015		30,147
Violence Against Women Formula Grant Program		2016-WF-AX-0034		4,410
Total CFDA Number 16.588				34,557
Total Passed through Office of the Governor/Criminal Justice Division				213,519
<u>Passed through Office of the Attorney General</u>				
Recovery Act - Internet Crimes against Children Task Force Program	16.800	2015-MC-FX-K049		5,049
Total CFDA Number 16.800				5,049
Total U.S. Department of Justice				705,470
U.S. Department of Transportation				
<u>Direct Programs</u>				
Airport Improvement Programs	20.106			
Runway 17/35 Extension, Phase 1; Runway 13/31 Extension		3-48-0051-47		(325)
Runway 17/35 Extension Dispmnt and Associated Taxiway		3-48-0051-49		682,338
Runway 13/31 Ext Displacement and Connecting Taxiway		3-48-0051-50		3,430,574
Rehabilitate Taxiways B, B1, B2, B3, B4 and B5 at CCIA		3-48-0051-51		937,881
Rehabilitate Taxiways D, E, F and G; Construct Taxiways H and J		3-48-0051-52		1,078,421
Total CFDA Number 20.106				6,128,889
<u>Passed through Texas Dept. of Transportation</u>				
Highway Planning and Construction				
Carbon Plant IH37 Utility Relocation	20.205	0074-06-202		152,428
Carbon Plant Connector		0074-06-215		590,956
North Port Ave/IH		0916-35-133		835,703
Yorktown Blvd/Staples to Cimarron Landscape Improvements		0916-35-166		142
Williams Dr. Ph 3 - Stp to Airline		0916-35-168		1,388,336
Schanen Hike and Bike Trail		0916-35-175		698,387
Total CFDA 20.205				3,665,952
Total Passed through Texas Dept. of Transportation				3,665,952
<u>Passed through State Dept. of Highways and Public Transportation</u>				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	2016-CorpusPD-S-1YG-0039		86,112
Total CFDA Number 20.600				86,112
Occupant Protection Incentive	20.602	2016-CorpusPD-CIOT-00027		16,987
Total CFDA Number 20.602				16,987
Total Highway Safety Cluster				103,099
Total Passed Through State Dept. of Hwys & Public Transp.				103,099
Total U.S. Department of Transportation				9,897,940
Equal Employment Opportunity Commission				
<u>Direct Programs</u>				
Employment Discrimination State & Local Fair	30.002	EEC45015C0035		28,050
Total CFDA Number 30.002				28,050
Total Direct Programs				28,050
Total Equal Employment Opportunity Commission				28,050
U.S. Department of Health and Human Services				
<u>Passed through Texas Department of Aging & Disability Svc passed through CBCOG-AAA</u>				
Aging Cluster:				
Special Programs for the Aging Title III, Part B				
Grants For Supportive Services and Senior Centers	93.044	AA3-1148-4		14,621
		AA3-1148-4		10,776
Total CFDA Number 93.044				25,397

City of Corpus Christi

SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2016

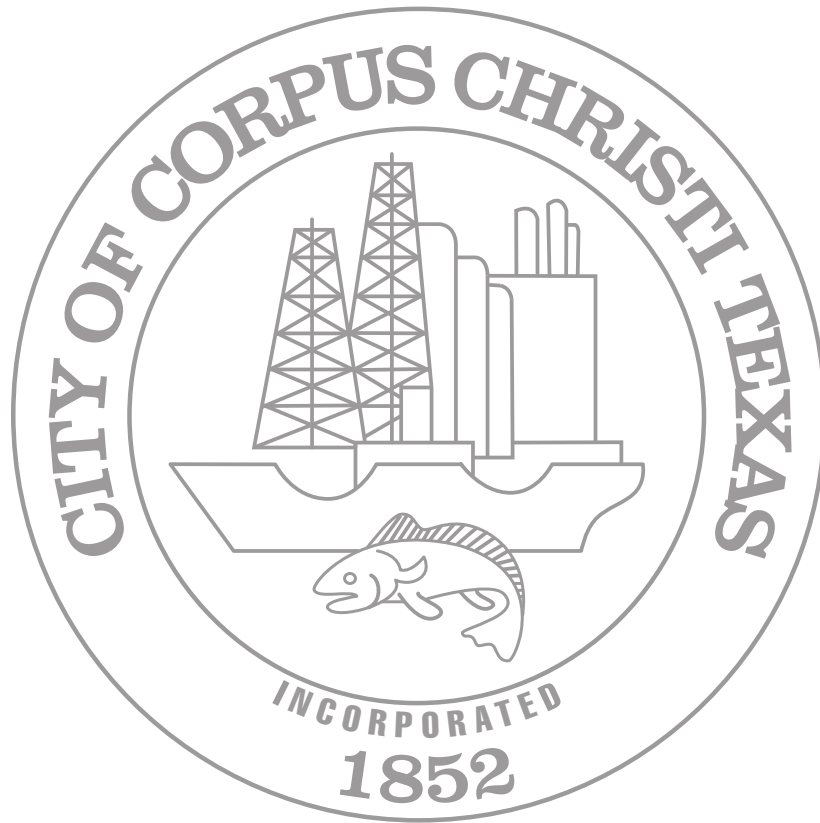
Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Disbursements/ Expenditures
Special Programs for the Aging Title III, Part C Nutrition Svcs	93.045	AA3-1148-4		525,630
Special Programs for the Aging Title III, Part C Nutrition Svcs		AA3-1148-4		525,630
Total CFDA Number 93.045				1,051,260
Nutrition Services Incentive Program	93.053	AA3-1148-4		122,297
Total CFDA Number 93.053				122,297
Total Aging Cluster				1,198,954
Total Passed Through DADS				1,198,954
<u>Passed through Texas Department of Family & Protective Services</u>				
Promoting Safe and Stable Families	93.556	23792861		11,599
Promoting Safe and Stable Families		24186672		(1,675)
Total CFDA Number 93.556				9,924
Total Passed Through Dept. of Family & Protective Services				9,924
<u>Passed through Texas Department of State Health Svcs</u>				
CPS-Laboratory Response Network-PHEP	93.074	2016-001139-00		137,606
CPS-Laboratory Response Network-PHEP		2016-001139		30,839
Total CFDA Number 93.074				168,445
Project Grants and Cooperative Agreements for	93.116			
Tuberculosis Control Programs		2015-002508-01		11,654
Tuberculosis Control Programs		2016-002508-00		32,053
Total CFDA Number 93.116				43,707
Immunization Grants	93.268	2016-000014-00		213,393
Immunization Grants		2016-000014-01		17,251
Total CFDA Number 93.268				230,644
Preventive Health and Health Services Block Grant	93.991	2015-000023-00		13,116
Preventive Health and Health Services Block Grant		2016-000023-00		158,736
Preventive Health and Health Services Block Grant		2016-000023-00		17,756
Total CFDA Number 93.991				189,608
Total Passed Through Dept. of State Health Svcs				632,404
Total U.S. Department of Health & Human Services				1,841,282
Corporation for National and Community Service				
<u>Direct Programs</u>				
Retired and Senior Volunteer Program	94.002	14SRWTX004		24,833
Retired and Senior Volunteer Program		14SRWTX004		10,373
Total CFDA Number 94.002				35,206
Senior Companion Program	94.016	13SCWTX001		246,293
Senior Companion Program		16SCWTX003		93,083
Total CFDA Number 94.016				339,376
Total Direct Programs				374,582
Total Corp. for National and Community Service				374,582
Executive Office of the President				
<u>Direct Programs</u>				
High Intensity Drug Trafficking Areas Program	95.001	G15HN0006A		160,429
High Intensity Drug Trafficking Areas Program		G16HN0006A		1,708
Total CFDA Number 95.001				162,137
Total Direct Programs				162,137
Total Executive Office of the President				162,137
U.S. Department of Homeland Security				
<u>Passed through Texas Department of Public Safety</u>				
Disaster Grants - Public Assistance (Presidentially Declared Diasters)				
CCC001A - Debris	97.036	PA-06-TX-4223-PW00901		183,168
CCC005E - Damage to Elevator and 7 Police Vehicles		PA-06-TX-4223-PW00464		19,328
CCC002B - Emergency Protective Measures		PA-06-TX-4223-PW01991		87,650
Total CFDA Number 97.036				290,146

SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2016

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Disbursements/ Expenditures
Hazard Mitigation Grant				
Nueces County Del Mar College Community Safe Room	97.039	DR-1791-346	1,800,000	1,800,000
City of Corpus Christi Community Safe Room		DR-1791-347	1,658,921	1,658,921
Nueces County Tuloso High School Community Safe Room		DR-1791-348	1,800,000	1,800,000
Nueces County Tuloso Intermediate School Community Safe Room		DR-1791-349	899,747	899,747
Total CFDA Number 97.039			<u>6,158,668</u>	<u>6,158,668</u>
Emergency Management Performance Grant				
Emergency Management Performance Grant	97.042	2015-EP-00011		68,416
Emergency Management Performance Grant		2016-EP-00011		70,159
Total CFDA Number 97.042				<u>138,575</u>
State Homeland Security Program				
State Homeland Security Program	97.067	EMW-2014-SS-00029		54,667
State Homeland Security Program		EMW-2014-SS-00029		42,144
State Homeland Security Program		EMW-2015-SS-00080		40,161
Total CFDA Number 97.067				<u>136,972</u>
Total Passed through Texas Department of Public Safety				<u>6,724,361</u>
Passed Through Texas Department of Public Safety				
<u>Passed Through Nueces County</u>				
FY13 Operation Stonegarden Grant Program	97.067	EMW-2013-SS-00045		(3,471)
FY14 Operation Stonegarden Grant Program		EMW-2014-SS-00029		214,420
Total CFDA Number 97.067				<u>210,949</u>
Total Passed through TDPS and Nueces County				210,949
<u>Passed through W.J. Wagner, Inc.</u>				
Port Security Grant Program	97.056	EMW-2013-PU-00134-S01		(1,440)
Total CFDA Number 97.056				<u>(1,440)</u>
Total Passed Through W.J. Wagner, Inc.				<u>(1,440)</u>
Total U.S. Department of Homeland Security				<u>6,933,870</u>
Total Federal and Passed-through Assistance			<u>8,004,746</u>	<u>25,385,767</u>
State Assistance:				
State Comptroller of Public Accounts				
<u>State General Revenue</u>				
Law Enforcement Fire Prevention		N/A		1,062
Total SGR				<u>1,062</u>
Total State Comptroller of Public Accounts				<u>1,062</u>
Texas Attorney General's Office				
<u>Direct Program</u>				
State Account		N/A		342,281
Total Direct Program				<u>342,281</u>
Total Texas Attorney General's Office				<u>342,281</u>
Texas Commission on Environmental Quality				
<u>Direct Programs</u>				
Air Quality Planning Activities		582-14-40055		119,965
Rider 7 - Near Non-Attainment Area		582-16-60182		60,749
Total Direct Programs				<u>180,714</u>
Texas Department of Aging & Disability				
<u>Passed through Corporation for National & Community Service</u>				
Retired and Senior Volunteer Program		15SRWTX013		21,671
Senior Companion Program		15SCWTX007		5,749
Total Passed Through CNCS				<u>27,420</u>
Total Texas Department of Aging & Disability				<u>27,420</u>
Texas Department of Agriculture				
<u>Direct Programs</u>				
Texans Feeding Texans Program		HDM-15-1420		25,638
Texans Feeding Texans Program		HDM-16-1707		25,261
Total Direct Programs				<u>50,899</u>
Total Texas Department of Agriculture				<u>50,899</u>

SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2016

Federal Grantor/Pass-Through Grantor State Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Disbursements/ Expenditures
Texas Department of Family and Protective Services				
<u>Direct Programs</u>				
Promoting Safe and Stable Families		23792861		3,866
Promoting Safe and Stable Families		24186672		(558)
Promoting Safe and Stable Families		24186672		374,540
Total Direct Programs				<u>377,848</u>
Total Texas Department of Family & Protective Services				<u>377,848</u>
Texas Department of Public Safety				
<u>Direct Programs</u>				
Local Border Security		2016-BL-ST-0016		89,966
HazMat Emergency Preparedness Planning		405-15-P001912		27,675
Total Direct Programs				<u>117,641</u>
Total Texas Department of Public Safety				<u>117,641</u>
Texas Department of State Health Services				
<u>Direct Programs</u>				
TB/PC		2015-001398-00		(145)
TB/PC		2016-001398-00		50,323
TB/PC		2016-001398-00		4,508
Texas Healthy Communities		2015-047255-00		2,418
Texas Healthy Communities		2016-003808-00		49,791
FLU-LAB Infectious Disease Control Unit		2016-001102-00		4,807
SUREB Infectious Disease Control Unit		2016-003838-00		67,160
Total Direct Programs				<u>178,862</u>
Total Texas Department of State Health Services				<u>178,862</u>
Texas Department of Motor Vehicles				
<u>Direct Programs</u>				
Corpus Christi Auto Theft Prevention Grant		608-16-1780200		449,835
Corpus Christi Auto Theft Prevention Grant		608-17-1780200		41,506
Total Direct Programs				<u>491,341</u>
Total Texas Department of Motor Vehicles				<u>491,341</u>
Texas State Library and Archives Commission				
<u>Direct Programs</u>				
Family Place Library Program		93660444		6,000
Total Direct Programs				<u>6,000</u>
Total Texas State Library and Archives Commission				<u>6,000</u>
Texas Parks and Wildlife				
<u>Direct Programs</u>				
OSO Conservation and Interpretive Park		48-001095		8,928
OSO Summer Guardians		52-000629		6,805
Total Direct Programs				<u>15,733</u>
Total Texas Parks and Wildlife				<u>15,733</u>
Total State Assistance			--	1,789,801
Total Federal & State Financial Assistance			<u>8,004,746</u>	<u>\$ 27,175,568</u>



**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS
FISCAL YEAR ENDED SEPTEMBER 30, 2016**

1. Basis of Presentation

The accompanying schedule of expenditures of federal/state awards (the "Schedule") includes the federal award activity of the City of Corpus Christi, Texas (the "City") under programs of the federal government and State of Texas for the year ended September 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State of Texas Single Audit Circular. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles in Office of Management and Budget Circular A-87, Cost Principles for States, Local and Indian Tribal Governments, the cost principles contained in the Uniform Guidance, or State of Texas Single Audit Circular, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Relationship to Federal Financial Reports

Amounts reported in the Schedule of Federal/State Expenditures of Awards may not agree with the amounts reported in the related Federal/State financial reports filed with grantor agencies because of accruals which would be included in the next report filed with the agencies.

4. Indirect Cost Rate

The City has elected to not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

5. Outstanding Loans

In prior years, the City has provided loans through its various Community Development Block Grant programs (CFDA 14.218). The outstanding balance of the loans receivable at September 30, 2016 was \$8,630,788.

In prior years, the City has provided loans through its various Home Investment Partnership programs (CFDA 14.239). The outstanding balance of the loans receivable at September 30, 2016 was \$4,621,101.

