

**CITY OF  
COLLEYVILLE, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED SEPTEMBER 30, 2014**

Prepared by  
Finance Department

Terry Leake  
Assistant City Manager/Chief Financial Officer

Karen Hines  
Finance Manager



**CITY OF COLLEYVILLE, TEXAS**

**TABLE OF CONTENTS**

**YEAR ENDED SEPTEMBER 30, 2014**

	<b><u>Page Number</u></b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	3 – 6
Organizational Chart .....	7
Certificate of Achievement .....	8
Principal Officials .....	9
 <b>FINANCIAL SECTION</b>	
Independent Auditors’ Report.....	13 – 15
Management’s Discussion and Analysis .....	19 – 27
<b>Basic Financial Statements</b>	
Statement of Net Position .....	30 – 31
Statement of Activities.....	32 – 33
Balance Sheet – Governmental Funds .....	34 – 35
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	36 – 37
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	38
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund .....	39

**CITY OF COLLEYVILLE, TEXAS**

**TABLE OF CONTENTS  
(Continued)  
YEAR ENDED SEPTEMBER 30, 2014**

	<b><u>Page Number</u></b>
<b>FINANCIAL SECTION (Continued)</b>	
<b>Basic Financial Statements (Continued)</b>	
Statement of Net Position – Proprietary Funds.....	40
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds.....	41
Statement of Cash Flows – Proprietary Funds.....	42 – 43
Statement of Fiduciary Net Position – Fiduciary Funds.....	44
Notes to the Financial Statements.....	45 – 68
<b>Required Supplementary Information</b>	
Schedule of Funding Progress for the Retirement Plan .....	71
<b>Nonmajor Governmental Funds</b>	
Combining Balance Sheet.....	74 – 79
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	80 – 85
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Debt Service Fund .....	86
<b>Agency Funds</b>	
Combining Statement of Fiduciary Net Position.....	88
Combining Statement of Changes in Assets and Liabilities.....	89

# CITY OF COLLEYVILLE, TEXAS

## TABLE OF CONTENTS (Continued) YEAR ENDED SEPTEMBER 30, 2014

<b>STATISTICAL SECTION (Unaudited)</b>	<b><u>Exhibit/Table</u></b>	<b><u>Page Number</u></b>
Net Position by Component .....	1	92 – 93
Changes in Net Position .....	2	94 – 97
Fund Balances – Governmental Funds .....	3	99
Changes in Fund Balances – Governmental Funds .....	4	100 – 101
Assessed Value and Estimated Actual Value of Taxable Property .....	5	102
Direct and Overlapping Property Tax Rates .....	6	103
Principal Property Taxpayers .....	7	104
Property Tax Levies and Collections .....	8	105
Principal Water Customers .....	9	106
Ratios of Outstanding Debt by Type .....	10	107
Ratios of General Bonded Debt Outstanding .....	11	108
Direct and Overlapping Governmental Activities Debt .....	12	109
Legal Debt Margin Information .....	13	110
Pledged Revenue Coverage .....	14	112 – 113
Demographic and Economic Statistics .....	15	114
Principal Employers .....	16	115
Fulltime Equivalent City Government Employees by Function/Program .....	17	116
Operating Indicators by Function/Program .....	18	117
Capital Asset Statistics by Function/Program .....	19	118

**CITY OF COLLEYVILLE, TEXAS**

**TABLE OF CONTENTS  
(Continued)  
YEAR ENDED SEPTEMBER 30, 2014**

**Page  
Number**

**COMPLIANCE**

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	121 – 122
---	-----------

# **INTRODUCTORY SECTION**

**THIS PAGE INTENTIONALLY LEFT BLANK**



Integrity ★ Service ★ Innovation

January 27, 2015

To the Citizens of the City of Colleyville:

The Comprehensive Annual Financial Report of the City of Colleyville (the "City") for the fiscal year ended September 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position, results of operations and cash flows of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the City's current system of internal controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

As required by the City's charter, the financial statements have been audited by Pattillo, Brown & Hill, L.L.P., a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurances that the financial statements of the City of Colleyville for the fiscal year ended September 30, 2014, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Colleyville's financial statements for fiscal year ended September 30, 2014, are presented in conformity with generally accepted accounting principles (GAAP).

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

## **PROFILE OF THE GOVERNMENT**

On January 10, 1956, the City of Colleyville was incorporated and adopted a home-rule charter on January 15, 1977. It has a Council-Manager form of government with policy making and legislative authority vested in a governing body consisting of a Mayor and six Council members. The Mayor and Council are responsible for passing ordinances, adopting the budget, appointing board and committee members, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the Mayor and Council, overseeing the day-to-day operations of the City, and appointing department heads. The Mayor and six Council members are elected on an at large, non-partisan basis for three year terms. The three year terms are staggered so that the Mayor and City Council persons from Place 1 and 2 are elected in year one, City Council persons from Places 3 and 4 are elected in year two, and City Council persons from Places 5 and 6 are elected in year three.

The City provides a full range of municipal services. These services include police and fire protection, municipal court, streets, drainage utility, leisure services (parks and recreation, Colleyville Center and library), water and sewer, engineering/community development, and general administrative services. Based upon the criterion set forth in generally accepted accounting principles, the following organizations are includable within the City's reporting entity:

<u>Entity</u>	<u>Method of Inclusion</u>
Colleyville Economic Development Corporation (CEDC)	Blended
Colleyville Crime Control and Prevention District	Blended
Colleyville Tax Investment Financing Reinvestment Zone Zone Number One (TIF)	Discretely Presented

The City Charter of the City of Colleyville establishes the fiscal year as October 1 through September 30. The Charter requires the City Manager to submit a proposed budget and accompanying budget message to the City Council each year and the proposed budget is presented to the City Council at a budget work session. After public hearings at two consecutive regular City Council meetings, the Council may adopt the proposed budget, with or without amendment. The budget ordinance is to be adopted no later than the 30th day of September and requires an affirmative vote of a majority of the Council. The City maintains budgetary control by adopting an annual operating budget for the General Fund, Debt Service Fund, Drainage Utility Fund, and Water and Sewer Enterprise Fund. Detail control is maintained at the line item level by encumbering available funds at the time a purchase order is written. Encumbrances lapse at fiscal year-end, but can be re-appropriated through a budget amendment during the following fiscal year. The City Manager is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.

## **LOCAL ECONOMY**

The City of Colleyville is a residential-oriented community located 11 miles northeast of the City of Fort Worth, 22 miles northwest of Dallas and 5 miles west of Dallas/Fort Worth International Airport in Northeast Tarrant County. Relocations of residents to the City continued in fiscal year 2014, as did commercial development. During the fiscal year, the City issued 108 residential building permits and the average square footage of a residence was almost five thousand square feet.

In Fiscal Year 2014, Whole Foods opened in an existing shopping center which brought additional sales tax and new tenants to Colleyville. Major transportation projects which were in progress were Phase I of State Highway 26 / Colleyville Boulevard, the utility relocations for further phases of State Highway 26 / Colleyville Boulevard, and the roundabout at the Jackson Road and Cheek-Sparger Road intersection. There is also an update to the comprehensive master plan that will include preparation of a common vision and goals, future land uses, downtown revitalization, transportation, corridor recommendations for Colleyville Boulevard, coordination with ongoing utility infrastructure planning, retail opportunities and economic development, and the development of future land use recommendations.

**For the Future.** In Fiscal Year 2015, the aforementioned transportation projects will be complete and improvements to Pleasant Run Road the rehabilitation of Jackson Road and reconstruction of streets in the Kingston neighborhood, one of Colleyville's earliest subdivisions. Noted by the many citizens responding to the 2014 Citizen Survey, trail improvements are a top priority and trail segments will be constructed on Pleasant Run from Mission Lane to Bogart Drive and the trail spur at the Webb House on the Cotton Belt Trail. There is also an update to the City Park, improvements and amenities added to the trail head at L.D. Lockett Park and the Cotton Belt Trail, and a playground at the Pleasant Run soccer complex.

## **LONG TERM FINANCIAL PLANNING**

In Fiscal Year 2005, the City Council adopted a Fund Balance Policy requiring a ninety day reserve for fund balance in both the General Fund and the Utility Fund. In Fiscal Year 2011, the policy was updated to reflect the designations of non-spendable, restricted, committed, assigned and unassigned as required by GASB 54 and was reviewed for update in Fiscal Year in 2014. At the end of Fiscal Year 2014, both the General Fund and the Utility Fund have a fund balance in excess of the required three month reserve. Amount in excess of the reserve may be used to fund one-time capital expenditures.

In Fiscal Year 2010, the City Council adopted a strategic plan, which incorporated strategic points to achieve the City's vision. In August 2012, Council affirmed and slightly modified the strategic points to the following:

- Make a long-term commitment to economic development and promote a more diversified tax base
- Fostering excellence in core service delivery
- Protect and preserve Colleyville's neighborhoods
- Deliver sustainable government
- Brand Colleyville with a unique identity

In the area of sustainable government, a long-term Information Systems Management Strategic Plan was adopted as was the Parks and Recreation Master Plan. These two plans, which were adopted in Fiscal Year 2011 and Fiscal Year 2012, respectively, identify annual improvements over the next five years and accompanied by funding sources. In the Fiscal Year 2011 budget, a transition was made to performance based budgeting, with links to specific performance indicators to measure the efficiency and effectiveness of service delivery. There is an annual update to the six-year General Fund budget forecast that is presented to City Council as a part of the budget process.

As a part of the Fiscal Year 2008 budget process, the Mayor and Council and City Staff embarked upon developing a multi-year streets capital improvements program, with input from an appointed citizen committee that reviewed street infrastructure needs and financing opportunities. In Fiscal Year 2013, there was an update to this plan and it was expanded to include water, wastewater, drainage, trails, and sidewalks. The recommendations were incorporated into an infrastructure program that was approved by Council as a part of the Fiscal Year 2014 budget process.

## **AWARDS AND ACKNOWLEDGEMENTS**

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Colleyville for its comprehensive annual financial report for the fiscal year ended September 30, 2013. This was the twenty fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

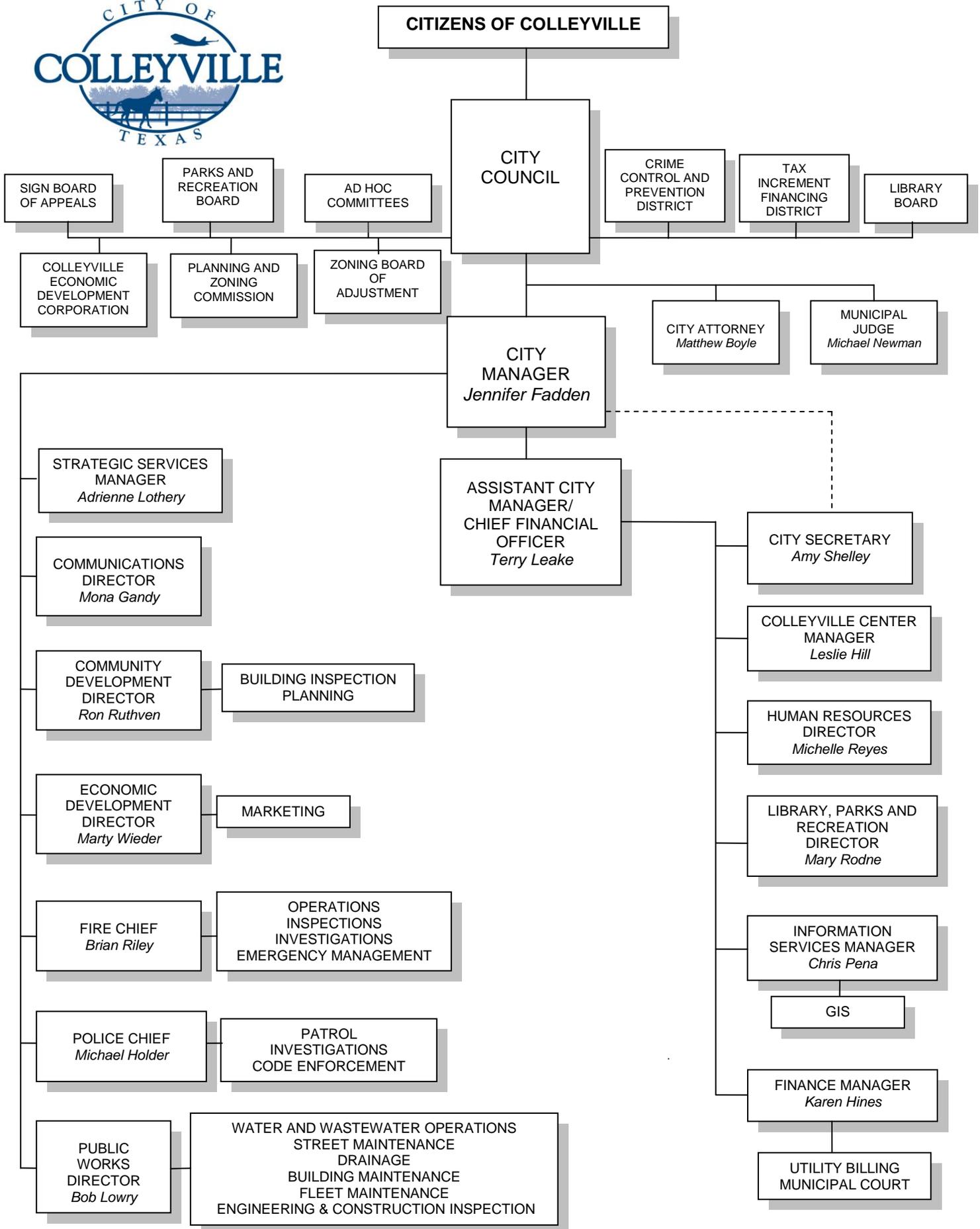
In addition, the City also received the GFOA's Distinguished Budget Presentation award for its annual budget dated October 1, 2013. In order to qualify for this award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. The City received the silver member designation for the Texas Comptroller's Leadership Circle for online financial transparency.

**Acknowledgements.** The preparation of this report could not be accomplished on a timely basis without the dedicated endeavors of the entire staff of the Finance Department. We would like to express our sincere appreciation to all employees who contributed to the preparation. Additionally, we would also like to thank the Mayor, City Council, and City Manager for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Terry Leake  
Assistant City Manager/Chief Financial Officer

Karen Hines  
Finance Manager





Government Finance Officers Association

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

Presented to

**City of Colleyville  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO

**CITY OF COLLEYVILLE, TEXAS**

**HOME RULE, COUNCIL – MANAGER  
FORM OF GOVERNMENT**

**CITY OFFICIALS**

**YEAR ENDED SEPTEMBER 30, 2014**

David Kelly  
Mayor

Carol Wollin  
Councilmember, Place 1

Chuck Mogged  
Councilmember, Place 2

Chris Putnam  
Councilmember, Place 3

Jody Short  
Councilmember, Place 4

Tom Hart  
Councilmember, Place 5

Mike Taylor  
Mayor Pro Tem and  
Councilmember, Place 6

Jennifer Fadden  
City Manager

Terry Leake  
Assistant City Manager/Chief Financial Officer

Karen Hines  
Finance Manager

**THIS PAGE INTENTIONALLY LEFT BLANK**

# **FINANCIAL SECTION**

**THIS PAGE INTENTIONALLY LEFT BLANK**



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

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Colleyville, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Colleyville, Texas, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Colleyville, Texas' basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Colleyville, Texas, as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As discussed in Note I to the financial statements, in 2014 the City adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19-27 and the Schedule of Funding Progress for the Texas Municipal Retirement System on page 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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 January 27, 2015, on our consideration of the City of Colleyville, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Colleyville, Texas' internal control over financial reporting and compliance.

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

Waco, Texas  
January 27, 2015

**THIS PAGE INTENTIONALLY LEFT BLANK**

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**THIS PAGE INTENTIONALLY LEFT BLANK**

## Management's Discussion and Analysis

As management of the City of Colleyville, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3 – 6 of this report.

### FINANCIAL HIGHLIGHTS

- The assets of the City of Colleyville exceeded its liabilities as of September 30, 2014, by \$181,580,171 (net position). Of this amount, \$32,758,533 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$12,643,668.
- As of the close of the current fiscal year, the City of Colleyville's governmental funds reported combined ending fund balances of \$36,026,409. Of this amount, \$10,080,617 is unassigned fund balance available for use within the City's fund designation and fiscal policies.
- As of September 30, 2014, unreserved, unassigned fund balance for the General Fund was \$10,080,617 or 54.4% of the total General Fund budgeted expenditures and other financing uses.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

**Government-wide financial statements** – The government-wide financial statements, which begin on page 30 of this report, are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include General Government, Community Development and Engineering, Fire and Rescue, Leisure Services, Maintenance, Municipal Court, Police, and Streets and Drainage. The business-type activities of the City include Water and Wastewater, and Drainage Utility.

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

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

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

Beginning on page 34 of this report, information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Capital Projects and Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

**Proprietary Funds** – The City maintains one type of proprietary fund. 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 the Water and Wastewater and Drainage Utility Funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements which begin on page 40 of this report provide separate information for the Water and Wastewater and Drainage Utility Enterprise Funds since these are considered to be major funds of the City.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45 – 68 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents combining fund statements and schedules that further support the information in the financial statements. The combining fund statements and schedules for nonmajor funds are presented immediately following the notes to the financial statements beginning on page 74 of this report.

## GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of government’s financial position. In the case of the City of Colleyville, assets exceeded liabilities by \$181,580,171 as of September 30, 2014.

The largest portion of the City’s net position (\$131,321,212) reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### CITY OF COLLEYVILLE’S NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 38,081,951	\$ 34,107,679	\$ 16,207,650	\$ 15,392,384	\$ 54,289,601	\$ 49,500,063
Capital assets	<u>105,718,089</u>	<u>101,978,118</u>	<u>43,861,991</u>	<u>42,436,223</u>	<u>149,580,080</u>	<u>144,414,341</u>
Total assets	<u>143,800,040</u>	<u>136,085,797</u>	<u>60,069,641</u>	<u>57,828,607</u>	<u>203,869,681</u>	<u>193,914,404</u>
Deferred outflow of resources	-	-	116,835	-	116,835	-
Total deferred outflow of resources	-	-	116,835	-	116,835	-
Other liabilities	3,511,944	3,413,370	2,100,979	2,600,746	5,612,923	6,014,116
Long-term liabilities	<u>15,102,680</u>	<u>16,461,152</u>	<u>1,690,742</u>	<u>2,255,194</u>	<u>16,793,422</u>	<u>18,716,346</u>
Total liabilities	<u>18,614,624</u>	<u>19,874,522</u>	<u>3,791,721</u>	<u>4,855,940</u>	<u>22,406,345</u>	<u>24,730,462</u>
Net position:						
Net investment in capital assets	89,754,051	84,414,252	41,567,161	39,269,943	131,321,212	123,684,195
Restricted	17,500,426	13,116,403	-	-	17,500,426	13,116,403
Unrestricted	<u>17,930,939</u>	<u>18,680,620</u>	<u>14,827,594</u>	<u>13,702,724</u>	<u>32,758,533</u>	<u>32,383,344</u>
Total net position	<u>\$ 125,185,416</u>	<u>\$ 116,211,275</u>	<u>\$ 56,394,755</u>	<u>\$ 52,972,667</u>	<u>\$ 181,580,171</u>	<u>\$ 169,183,942</u>

A portion of the City’s net position (\$17,500,426) represents resources that are subject to external restriction on how they may be used. The remaining balance (\$32,758,533) of unrestricted net position may be used to meet the City’s ongoing obligation to citizens and creditors in accordance with the City’s fund designation and fiscal policies.

As of September 30, 2014, the City has positive balances in all three categories of net position, both for the City as a whole, as well as for its governmental and business-type activities separately. The increase of \$9,132,953 in net position relating to governmental activities is primarily due to the acquisition of infrastructure improvements from developer contributions, increases in cash due to increases in sales tax, property tax, and building related revenues, and repayment of long term debt. The increase in net position of business type activities (\$3,510,715) is related to the contributions of water and sewer infrastructure improvements from developers, repayment of long term debt and from water sales, as a tiered rate structure has been in place since December 2012, whereby customers who have monthly use greater than 20,000 gallons pay higher rates in increasing tiers.

**Analysis of the City's Operations** – The following table provides a summary of the City's operations for the year ended September 30, 2014. Governmental activities increased the City of Colleyville's net position by \$9,132,953. Business-type activities contributed an increase to the City's net position of \$3,510,715.

### CITY OF COLLEYVILLE'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 3,977,375	\$ 3,410,235	\$ 15,729,482	\$ 15,590,354	\$ 19,706,857	\$ 19,000,589
Operating grants and contributions	486,869	468,361	-	-	486,869	468,361
Capital grants and contributions	5,943,465	1,158,050	2,707,835	876,660	8,651,300	2,034,710
General revenues:						
Ad valorem taxes	12,950,832	12,497,692	-	-	12,950,832	12,497,692
Sales taxes	6,472,195	5,902,557	-	-	6,472,195	5,902,557
Franchise taxes	2,172,801	2,074,731	-	-	2,172,801	2,074,731
Other taxes	98,160	68,592	-	-	98,160	68,592
Investment earnings	39,697	77,269	23,655	38,987	63,352	116,256
Miscellaneous	61,643	85,562	-	-	61,643	85,562
Gain on sale of capital assets	810,020	-	40,814	103,437	850,834	103,437
<b>Total revenues</b>	<u>33,013,057</u>	<u>25,743,049</u>	<u>18,501,786</u>	<u>16,609,438</u>	<u>51,514,843</u>	<u>42,352,487</u>
Expenses:						
General government	4,103,928	4,075,001	-	-	4,103,928	4,075,001
Community development and engineering	1,613,311	1,429,755	-	-	1,613,311	1,429,755
Fire and rescue	4,625,036	4,529,225	-	-	4,625,036	4,529,225
Leisure services	3,776,068	4,106,822	-	-	3,776,068	4,106,822
Maintenance	575,696	494,545	-	-	575,696	494,545
Municipal court	501,604	586,709	-	-	501,604	586,709
Police	5,019,343	4,961,444	-	-	5,019,343	4,961,444
Streets and drainage	4,128,365	5,322,510	-	-	4,128,365	5,322,510
Water and wastewater	-	-	13,238,893	12,544,530	13,238,893	12,544,530
Drainage	-	-	571,886	707,647	571,886	707,647
Interest on long-term debt	717,045	724,458	-	-	717,045	724,458
<b>Total expenses</b>	<u>25,060,396</u>	<u>26,230,469</u>	<u>13,810,779</u>	<u>13,252,177</u>	<u>38,871,175</u>	<u>39,482,646</u>
Increases in net position before transfers	7,952,661	( 487,420)	4,691,007	3,357,261	12,643,668	2,869,841
Transfers	<u>1,180,292</u>	<u>1,112,540</u>	<u>( 1,180,292)</u>	<u>( 1,112,540)</u>	<u>-</u>	<u>-</u>
Change in net position	9,132,953	625,120	3,510,715	2,244,721	12,643,668	2,869,841
Net position, beginning	<u>116,211,275</u>	<u>115,586,155</u>	<u>52,972,667</u>	<u>50,727,946</u>	<u>169,183,942</u>	<u>166,314,101</u>
Prior period adjustments	<u>( 158,812)</u>	<u>-</u>	<u>( 88,627)</u>	<u>-</u>	<u>( 247,439)</u>	<u>-</u>
<b>Net position, ending</b>	<u>\$ 125,185,416</u>	<u>\$ 116,211,275</u>	<u>\$ 56,394,755</u>	<u>\$ 52,972,667</u>	<u>\$ 181,580,171</u>	<u>\$ 169,183,942</u>

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

At the end of the current fiscal year, the City of Colleyville's governmental funds reported combined ending fund balances of \$36,026,409. Approximately 28% of this total amount (\$10,080,617) constitutes unassigned fund balance. The remainder of the fund balance (\$25,945,792) is reserved to indicate that it is not available for new spending because it has already been committed to pay for encumbrances or debt service or to provide for other items. Refer to page 34 of this report for a more detailed presentation of governmental fund balances.

The decrease of approximately \$921,000 in unassigned fund balance in the governmental funds for fiscal year 2014 is due to a number of the following factors. In the General Fund, the City's original budgeted expenditures exceeded budgeted revenues by \$(996,880), due to a planned utilization of \$1,000,000 surplus fund balance in the adopted Fiscal Year 2014 General Fund budget to fund a portion of the \$2.9 million street rehabilitation budget, which included a one-time increase of \$500,000. This planned utilization of fund balance in the General Fund was included in the ten year financial forecast, and the fiscal year 2014 ending fund balance is greater than the three month policy requirement. The actual decrease to fund balance for the General Fund was (\$926,589) for Fiscal Year 2014, primarily due to greater than anticipated revenues from sales taxes, ambulance revenues, building permits, property taxes and reductions to overall departmental expenditures. This was \$73,411 less than the adopted utilization of \$1 million surplus fund balance in the Fiscal Year 2014 budget. Also included was City Council approved authorization to provide for a transfer of unspent street maintenance funds at the end of the fiscal year (\$1,903,179) and the authorized transfer of the difference in total revenues and expenditures of the General Fund to the Capital Projects Fund (\$3,308,352) for use in future CIP street rehabilitation projects and other capital projects. This transfer was funded by the revenue increases beyond budgeted revenues, the gain of over \$800,000 on the sale of the land where the former City Hall was located, which was not anticipated during Fiscal Year 2014 budget adoption. The aforementioned year end transfers to the Capital Projects Fund resulted in a net increase of \$3,755,890 to that fund balance, and will be used for future street capital projects. As the aforementioned transfers from the General Fund to the Capital Projects Fund were contained within funds that are in the governmental fund classification, there was not a major increase or decrease reflected in the unrestricted total for governmental funds. Additionally, there was a utilization of \$152,666 of surplus fund balance in the adopted Fiscal Year 2014 Debt Service budget for the second year lease payment on the radio tower and equipment due to the current level of existing fund balance and declining future debt obligations. The actual Fiscal Year 2014 decrease to fund balance for the Debt Service Fund was (\$29,133) due to greater than anticipated property tax collections.

**Proprietary funds** – The City's proprietary fund statements beginning on page 40 of this report provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the respective major proprietary funds are Water and Wastewater (\$13,291,151), and Drainage Utility (\$1,536,443). The Water and Wastewater Fund experienced an increase in total net position of \$3,160,217 during Fiscal Year 2014 due to revenue from the pass through of the Trinity River Authority wastewater rate increase and the receipt of developer contributions from the ten new subdivisions, which accounted for approximately \$2.4 million. The Drainage Utility fund's net position increased by \$350,498, due to increased service charge revenue from new accounts and reductions to expenditures.

**Governmental Activities** – There was an increase in revenues from sales tax due to improving economic conditions and the capital grants category from increased developer contributions and impact fees stemming from new development and the addition of ten subdivisions in Colleyville in FY 2014. There was an increase in license and permit revenues due to an increase of 5 residential building permits from FY 2013 and additional commercial construction. The property tax base increased approximately \$124 million (3.3%), due to the new residential and commercial construction, and the current year tax collection rate was over 99.68% of the levy.

In FY 2013, there was a compensation and classification study performed. There was funding in the Fiscal Year 2014 budget, for bringing employees to the market minimum at a maximum of ten percent of current salary. There was the addition of three firefighter/paramedics, one police property room clerk and a plans examiner. There was additional funding of \$.5 million in the Street department for the street overlay budget, which would overlay approximately two miles of city streets. Also, major capital equipment to be used by the Public Works department was acquired, replacement of audio-video equipment throughout the City, and an update to the comprehensive master plan.

**Business-type Activities** – The City has two enterprise operations, the Water and Wastewater Fund and the Drainage Utility Fund. Total operating revenues of the Water and Sewer fund were \$14,789,614 for the fiscal year. Water revenues decreased due to Stage 1 restrictions due to drought conditions that limited outdoor watering to two days a week. Wastewater revenues increased due to a rate increase in December 2013, which passed through a rate increase from the Trinity River Authority, the City's provider of treated wastewater. The coverage ratio for debt for this fund was 4.25 for the fiscal year, exclusive of transfers. The slight increase in the Drainage Utility Fund's revenues was due to new residential and commercial construction.

Increases in the Water and Wastewater Fund expenses relate to the increase in cost of purchased water and treatment of wastewater from Trinity River Authority. The Authority's rate increase relates to higher cost for electricity, debt issuance for plant expansion and rehabilitation of aging infrastructure, replacement of system-wide aging infrastructure and compliance with federal water and wastewater mandates.

**General Fund Budgetary Highlights** – The City made revisions to the original appropriations approved by the City Council which resulted in an increase to the General Fund budget of \$245,000 for transfers to the Capital Projects Funds (\$200,000) for future expenditures for the SH 26 reconstruction and (\$45,000) to the Capital Equipment Replacement Fund for building inspection software. Also included with this revision was a City Council adopted authorization to transfer unspent street resurfacing appropriations to the Capital Projects fund and the difference between total revenues and expenses for future street capital projects (\$3,308,352). This transfer was funded primarily by the receipt of higher than anticipated sales tax, permit revenues, property tax collections, inspection fees from the ten new subdivisions, ambulance collections, the revenue from the sale of land of former City Hall site, and lower than anticipated expenditures due to vacancies. This accounted for the variance in transfers out from the adopted budget.

In Fiscal Year 2013, there was a compensation and classification study performed. There are funds included in the Fiscal Year 2014 budget, for bringing employees to the market minimum at a maximum of ten percent of current salary. Additionally, there was the addition of three firefighter/paramedics, one police property room clerk, and plans examiner. The level of funding for street maintenance and rehabilitation was increased by \$500,000 to \$2.9 million to address needs on the City's streets.

The General Fund’s overall budgeted revenue increased by \$1,724,059. Major increases in General Fund property taxes are due to the declining allocation of the interest and sinking fund rate (Debt Service portion) to repayment of debt and an increase to the operations and maintenance portion of the rate (General fund portion), as the total tax rate was unchanged from the prior year. There was a budgetary and actual increase in sales tax revenue due to improving economic conditions and the opening of Whole Foods in July 2014. Also, revenue increases were derived from the increase in the transfer from the Utility Fund for the administrative and franchise fee that is based upon prior year’s operating revenues due to the implementation of tiered water rates in Fiscal Year 2013. Also included is the \$1,000,000 drawdown of General Fund balance, which funded the increase in the street overlay budget.

Refer to the General Fund Statement of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual on page 39 of this report for a detailed presentation of the actual General Fund operations compared to both the original and final budget for fiscal year 2014.

### CAPITAL ASSETS

The City of Colleyville’s investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$149,580,080 (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, improvements other than buildings, infrastructure, and construction work in progress. Major capital asset events occurring during the current fiscal year included the following:

- Capitalized almost \$4.9 million in street improvements and developer contributions, primarily with the completion of ten new subdivisions.
- Capitalized approximately \$2.4 million in water and wastewater system developer contributions and,
- Capitalized approximately \$125,000 in park improvements.

### CITY OF COLLEYVILLE’S CAPITAL ASSETS AT YEAR-END

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Land	\$ 9,178,641	\$ 9,293,654	\$ 304,839	\$ 304,839	\$ 9,483,480	\$ 9,598,493
Buildings and improvements	46,132,834	45,763,755	53,922	53,922	46,186,756	45,817,677
Equipment	10,773,596	10,806,868	2,133,927	1,981,088	12,907,523	12,787,956
Infrastructure/water						
distribution sewer collection	84,231,649	79,371,164	72,218,901	69,730,952	156,450,550	149,102,116
Construction in progress	3,831,697	1,796,099	1,715,997	1,114,303	5,547,694	2,910,402
Less: accumulated depreciation	( 48,430,328)	( 45,053,422)	( 32,565,595)	( 30,748,881)	( 80,995,923)	( 75,802,303)
Total capital assets	<u>\$ 105,718,089</u>	<u>\$ 101,978,118</u>	<u>\$ 43,861,991</u>	<u>\$ 42,436,223</u>	<u>\$ 149,580,080</u>	<u>\$ 144,414,341</u>

Additional information on the City’s capital assets can be found in Note 4, pages 57 – 59 of this report.

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the City of Colleyville had total bonded debt, notes payable and capital lease obligations of \$18,189,038. Of this amount, \$7,660,000 represents bonded debt backed by the full faith and credit of the government, \$7,330,000 represents bonds secured by sales tax revenues, \$1,310,000 represents bonds secured solely by water and sewer revenues, and \$915,000 represents bonds secured solely by drainage utility system revenues. The City’s capitalized lease obligations of \$974,038 pertain to the prior year lease purchase of a fire pumper truck and mid-mount aerial platform fire apparatus, and P25 radio tower and equipment conversion.

**OUTSTANDING DEBT AT YEAR-END  
BONDS, NOTES AND CAPITALIZED LEASE OBLIGATIONS PAYABLE**

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
General obligation bonds and certificates of obligation	\$ 7,660,000	\$ 8,675,000	\$ -	\$ -	\$ 7,660,000	\$ 8,675,000
Sales tax revenue bonds	7,330,000	7,600,000	-	-	7,330,000	7,600,000
Revenue bonds payable	-	-	2,225,000	3,220,000	2,225,000	3,220,000
Capitalized lease obligations	<u>974,038</u>	<u>1,301,624</u>	<u>-</u>	<u>-</u>	<u>974,038</u>	<u>1,301,624</u>
	<u>\$ 15,964,038</u>	<u>\$ 17,576,624</u>	<u>\$ 2,225,000</u>	<u>\$ 3,220,000</u>	<u>\$ 18,189,038</u>	<u>\$ 20,796,624</u>

The City's General Obligation, Tax and Water Works and Sewer System Certificates of Obligation, and Water Works and Sewer System Revenue Bond ratings are listed below.

	Fitch ICBA	Standard & Poor's
General Obligation Bonds	AAA	AAA
Water Revenue Bonds	AAA	AAA

During Fiscal Year 2014, the City retained its existing General Obligation bond ratings during the biannual ratings surveillance process conducted by the rating agencies. The City’s Water Revenue bonds were upgraded to AAA by Standard & Poor’s and Fitch Ratings reaffirmed their existing AAA rating. These are the highest bond ratings assigned to municipal debt by both agencies. Additional information on the City of Colleyville’s long term-debt can be found in footnote 4 on pages 60 – 65 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Fiscal Year 2015 General Fund budget including transfers is based on a projected revenue increase of 7.1% as compared to the Fiscal Year 2014 adopted budget. There is a 7.2% increase projected in General Fund property tax revenue, due to a declining portion of the total tax rate committed to debt service repayment (interest and sinking portion) thereby increasing the amount allocated to the General Fund (operations and maintenance portion), and a 4.7% increase in valuation. This is the largest revenue source and comprises 54% of General Fund revenues. The total tax rate for Fiscal Year 2015 is \$.3559, which is unchanged since Fiscal Year 2008. Approximately 14% of General Fund revenues are sales taxes, budgeted at a 11.3% increase over the Fiscal Year 2014 budget, due to improving economic conditions and the recent opening of Whole Foods. There continues to be planned utilization of \$1,000,000 surplus fund balance in the adopted Fiscal Year 2015 General Fund budget to provide funding for a portion of the \$3.0 million street rehabilitation budget. Additionally, there is a utilization of \$152,666 of fund balance in the adopted Fiscal Year 2015 Debt Service budget for the third year lease payment on the radio tower and equipment due to the current level of existing fund balance. The use of unassigned fund balance in both funds is contained in the ten year financial plan.

In FY 2013, there was a compensation and classification study performed. There continues to be funding included in the Fiscal Year 2015 budget, for bringing the remaining employees to the market minimum at a maximum of ten percent of current salary. Additionally, there is the addition of three firefighter/paramedics, one police officer, and an economic development coordinator. There are technology audio visual upgrades planned for the Municipal Courtroom and Police briefing room and the first phase of a fiber connectivity project between City buildings, to reduce the need for third party leased fiber.

Slight revenue growth in the Water and Wastewater Fund will come from additional residential and commercial customers and the continued use of a tiered water rate structure. There was also the incorporation of the pass through of projected Trinity River Authority (TRA) rate increases to maintain the financial stability of the Water and Wastewater Fund in future years.

## **REQUEST FOR INFORMATION**

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact Terry Leake, Assistant City Manager/Chief Financial Officer, at 100 Main Street, Colleyville, Texas 76034, or call (817) 503-1115.

**THIS PAGE INTENTIONALLY LEFT BLANK**

# **BASIC FINANCIAL STATEMENTS**

**CITY OF COLLEYVILLE, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2014**

	Governmental Activities	Business-type Activities
<b>ASSETS</b>		
Cash and equivalents	\$ 20,516,799	\$ 5,064,510
Investments	15,865,130	7,117,823
Receivables (net of allowances for uncollectibles of \$341,247)		
Accounts	83,105	2,517,940
Property taxes	177,656	-
Loans	200,000	-
Due from other governments	1,221,332	-
Inventories	1,269	135,391
Accrued interest	16,660	9,258
Restricted assets:		
Cash and equivalents		1,362,728
Capital assets:		
Land	9,178,641	304,839
Buildings and improvements	46,132,834	53,922
Equipment	10,773,596	2,133,927
Infrastructure/water distribution/sewer collection	84,231,649	72,218,901
Construction in progress	3,831,697	1,715,997
Less: accumulated depreciation	( 48,430,328)	( 32,565,595)
Total capital assets	105,718,089	43,861,991
Total assets	143,800,040	60,069,641
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refunding	-	116,835
Total deferred outflows of resources	-	116,835
<b>LIABILITIES</b>		
Accounts payable	1,169,762	795,424
Accrued liabilities	374,439	47,962
Unearned revenues	827	-
Accrued interest payable	99,086	13,967
Advances from developers	193,442	69,000
Escrow funds	-	26,613
Customer deposits	65,098	442,785
Noncurrent liabilities:		
Due within one year	1,609,290	705,228
Due in more than one year	15,102,680	1,690,742
Total liabilities	18,614,624	3,791,721
<b>NET POSITION</b>		
Net investment in capital assets	89,754,051	41,567,161
Restricted:		
Debt service	831,073	-
Court security and technology	109,766	-
Grant programs	9,190	-
Leisure services	224,064	-
Economic development	2,733,995	-
Streets and drainage	12,188,836	-
Police	1,403,502	-
Unrestricted	17,930,939	14,827,594
Total net position	\$ 125,185,416	\$ 56,394,755

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

<u>Total</u>	<u>Component Units</u>
\$ 25,581,309	17,473,529
22,982,953	376,099
2,601,045	-
177,656	-
200,000	-
1,221,332	-
136,660	-
25,918	414
1,362,728	-
9,483,480	1,845,976
46,186,756	-
12,907,523	-
156,450,550	8,055,352
5,547,694	-
( 80,995,923)	( 221,374)
<u>149,580,080</u>	<u>9,679,954</u>
<u>203,869,681</u>	<u>27,529,996</u>
<u>116,835</u>	<u>26,120</u>
<u>116,835</u>	<u>26,120</u>
1,965,186	456,744
422,401	-
827	-
113,053	15,394
262,442	-
26,613	-
507,883	-
2,314,518	565,000
<u>16,793,422</u>	<u>3,209,876</u>
<u>22,406,345</u>	<u>4,247,014</u>
131,321,212	5,905,078
831,073	-
109,766	-
9,190	-
224,064	-
2,733,995	-
12,188,836	-
1,403,502	-
<u>32,758,533</u>	<u>17,404,024</u>
<u>\$ 181,580,171</u>	<u>\$ 23,309,102</u>

**CITY OF COLLEYVILLE, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities:				
General government	\$ 4,103,928	\$ 15,000	\$ 8,449	\$ -
Community development	1,613,311	1,387,329	-	-
Fire and rescue	4,625,036	377,021	11,030	-
Leisure services	3,776,068	510,991	366,741	511,449
Maintenance	575,696	-	-	-
Municipal court	501,604	1,268,447	-	-
Police	5,019,343	71,022	100,649	-
Streets and drainage	4,128,365	347,565	-	5,432,016
Interest on long-term debt	717,045	-	-	-
Total governmental activities	<u>25,060,396</u>	<u>3,977,375</u>	<u>486,869</u>	<u>5,943,465</u>
Business-type activities:				
Water and wastewater	13,238,893	14,789,614	-	2,707,835
Drainage	571,886	939,868	-	-
Total business-type activities	<u>13,810,779</u>	<u>15,729,482</u>	<u>-</u>	<u>2,707,835</u>
Total primary government	<u>\$ 38,871,175</u>	<u>\$ 19,706,857</u>	<u>\$ 486,869</u>	<u>\$ 8,651,300</u>
<b>Component unit</b>				
Tax increment financing	\$ 799,787	\$ -	\$ -	\$ -
Total component unit	<u>\$ 799,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**General revenues:**

Taxes:
Property taxes, levied for general purposes
Property taxes, levied for debt service
TIF taxes
Sales taxes
Franchise taxes
Other taxes
Investment earnings
Miscellaneous
Gain on sale of capital assets
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Prior period adjustment
Net position - ending

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

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$( 4,080,479)	\$ -	\$( 4,080,479)	\$ -
( 225,982)	-	( 225,982)	-
( 4,236,985)	-	( 4,236,985)	-
( 2,386,887)	-	( 2,386,887)	-
( 575,696)	-	( 575,696)	-
766,843	-	766,843	-
( 4,847,672)	-	( 4,847,672)	-
1,651,216	-	1,651,216	-
( 717,045)	-	( 717,045)	-
<u>( 14,652,687)</u>	<u>-</u>	<u>( 14,652,687)</u>	<u>-</u>
-	4,258,556	4,258,556	-
-	367,982	367,982	-
-	4,626,538	4,626,538	-
<u>( 14,652,687)</u>	<u>4,626,538</u>	<u>( 10,026,149)</u>	<u>-</u>
-	-	-	( 799,787)
-	-	-	( 799,787)
11,800,735	-	11,800,735	-
1,150,097	-	1,150,097	-
-	-	-	4,756,672
6,472,195	-	6,472,195	-
2,172,801	-	2,172,801	-
98,160	-	98,160	-
39,697	23,655	63,352	11,142
61,643	-	61,643	-
810,020	40,814	850,834	-
<u>1,180,292</u>	<u>( 1,180,292)</u>	<u>-</u>	<u>-</u>
<u>23,785,640</u>	<u>( 1,115,823)</u>	<u>22,669,817</u>	<u>4,767,814</u>
9,132,953	3,510,715	12,643,668	3,968,027
<u>116,211,275</u>	<u>52,972,667</u>	<u>169,183,942</u>	<u>19,409,147</u>
( 158,812)	( 88,627)	( 247,439)	( 68,072)
<u>\$ 125,185,416</u>	<u>\$ 56,394,755</u>	<u>\$ 181,580,171</u>	<u>\$ 23,309,102</u>

**CITY OF COLLEYVILLE, TEXAS**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2014**

	General	Capital Projects	Debt Service
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,276,418	\$ 8,546,621	\$ 902,356
Investments	7,848,839	4,316,555	-
Receivables (net of allowances for uncollectibles)			
Accounts	83,105	-	-
Taxes	149,987	-	27,669
Loans	200,000	-	-
Due from other governments	642,282	-	134
Inventories	1,269	-	-
Accrued interest	9,542	3,230	-
Total assets	\$ 12,211,442	\$ 12,866,406	\$ 930,159
<b>LIABILITIES</b>			
Accounts payable	\$ 622,166	\$ 545,400	\$ -
Accrued liabilities	356,076	-	-
Unearned revenue	827	-	-
Advances from developers	47,548	132,170	-
Customer deposits	65,098	-	-
Total liabilities	1,091,715	677,570	-
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	149,987	-	27,669
Unavailable revenue - municipal fines	15,813	-	-
Unavailable revenue - ambulance fees	58,505	-	-
Total deferred inflows of resources	224,305	-	27,669
<b>FUND BALANCES</b>			
Non-spendable:			
Inventories	1,269	-	-
Restricted:			
Streets and drainage	-	12,188,836	-
Debt service	-	-	902,490
Court security and technology	-	-	-
Grant programs	-	-	-
Leisure services	-	-	-
Economic development	-	-	-
Police	-	-	-
Committed:			
Strategic incentives	295,198	-	-
Sales tax incentives	518,338	-	-
Leisure services	-	-	-
Capital projects	-	-	-
Assigned:			
Capital projects	-	-	-
Recycling	-	-	-
Leisure services	-	-	-
Unassigned	10,080,617	-	-
Total fund balances	10,895,422	12,188,836	902,490
Total liabilities, deferred inflows of resources, and fund balances	\$ 12,211,442	\$ 12,866,406	\$ 930,159

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Net position of governmental activities

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

<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 7,791,404	\$ 20,516,799
3,699,736	15,865,130
-	83,105
-	177,656
-	200,000
578,916	1,221,332
-	1,269
3,888	16,660
<u>\$ 12,073,944</u>	<u>\$ 38,081,951</u>
\$ 2,196	\$ 1,169,762
18,363	374,439
-	827
13,724	193,442
-	65,098
<u>34,283</u>	<u>1,803,568</u>
-	177,656
-	15,813
-	58,505
<u>-</u>	<u>251,974</u>
-	1,269
-	12,188,836
-	902,490
109,766	109,766
9,190	9,190
224,064	224,064
2,733,995	2,733,995
1,403,502	1,403,502
-	295,198
-	518,338
1,191,200	1,191,200
5,602,036	5,602,036
751,902	751,902
1,627	1,627
12,379	12,379
-	10,080,617
<u>12,039,661</u>	<u>36,026,409</u>
<u>\$ 12,073,944</u>	
	105,718,089
	251,974
	( 16,811,056)
	<u>\$ 125,185,416</u>

**CITY OF COLLEYVILLE, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>
<b>REVENUES</b>			
Taxes	\$ 17,471,967	\$ -	\$ 1,154,810
Fees and fines	925,868	-	-
Licenses and permits	1,090,012	-	-
Intergovernmental	-	550,679	-
Charges for services	1,553,714	-	-
Capital improvement fees	-	333,496	-
Donations	-	-	-
Investment earnings	22,728	2,944	881
Miscellaneous	61,643	-	-
Total revenues	<u>21,125,932</u>	<u>887,119</u>	<u>1,155,691</u>
<b>EXPENDITURES</b>			
Current:			
General government	3,629,590	11,993	-
Community development and engineering	1,312,081	130,057	-
Fire and rescue	4,159,264	7,500	-
Leisure services	2,334,112	1,403	-
Maintenance	570,011	-	-
Municipal court	370,233	-	-
Police	4,090,489	5,502	-
Streets and drainage	1,823,463	232,168	-
Debt service:			
Principal	-	-	1,342,586
Interest and other charges	-	-	343,420
Capital outlay	226,680	1,954,134	-
Total expenditures	<u>18,515,923</u>	<u>2,342,757</u>	<u>1,686,006</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,610,009</u>	<u>( 1,455,638)</u>	<u>( 530,315)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from long-term debt, net	-	-	-
Payment to bond escrow agent	-	-	-
Sale of capital assets	844,956	-	-
Transfers in	1,116,974	5,211,528	501,182
Transfers out	<u>( 5,498,528)</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>( 3,536,598)</u>	<u>5,211,528</u>	<u>501,182</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>( 926,589)</u>	<u>3,755,890</u>	<u>( 29,133)</u>
<b>FUND BALANCES, BEGINNING</b>	<u>11,822,011</u>	<u>8,432,946</u>	<u>931,623</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 10,895,422</u>	<u>\$ 12,188,836</u>	<u>\$ 902,490</u>

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

Other Governmental	Total Governmental Funds
\$ 3,120,467	\$ 21,747,244
117,953	1,043,821
-	1,090,012
6,275	556,954
23,850	1,577,564
-	333,496
918,613	918,613
13,144	39,697
<u>15,000</u>	<u>76,643</u>
<u>4,215,302</u>	<u>27,384,044</u>
105,036	3,746,619
164,451	1,606,589
7,981	4,174,745
366,798	2,702,313
-	570,011
130,794	501,027
611,324	4,707,315
-	2,055,631
-	1,342,586
372,808	716,228
<u>1,069,694</u>	<u>3,250,508</u>
<u>2,828,886</u>	<u>25,373,572</u>
<u>1,386,416</u>	<u>2,010,472</u>
7,330,000	7,330,000
( 7,600,000)	( 7,600,000)
80,077	925,033
525,650	7,355,334
<u>( 676,514)</u>	<u>( 6,175,042)</u>
<u>( 340,787)</u>	<u>1,835,325</u>
1,045,629	3,845,797
<u>10,994,032</u>	<u>32,180,612</u>
<u>\$ 12,039,661</u>	<u>\$ 36,026,409</u>

**CITY OF COLLEYVILLE, TEXAS**

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

**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Amounts reported for governmental activities in the Statement of Activities (pages 32 - 33) are different because:

Net change in fund balances - total governmental funds:	\$ 3,845,797
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	( 1,005,501)
The net effect of transactions involving capital assets is to increase net position.	4,745,472
Revenues, in the statement of activities, that do not provide current financial resources, are not reported as revenues in the funds.	( 41,492)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	1,599,828
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	( <u>11,151</u> )
Change in net position of governmental activities	\$ <u><u>9,132,953</u></u>

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

**CITY OF COLLEYVILLE, TEXAS**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 16,625,028	\$ 16,625,028	\$ 17,471,967	\$ 846,939
License and permits	738,751	738,751	1,090,012	351,261
Fees and fines	824,500	824,500	925,868	101,368
Charges for services	1,124,494	1,124,494	1,553,714	429,220
Investment earnings	35,000	35,000	22,728	( 12,272)
Other	54,100	54,100	61,643	7,543
Total revenues	19,401,873	19,401,873	21,125,932	1,724,059
<b>EXPENDITURES</b>				
Current:				
General government	3,775,235	3,775,235	3,629,590	145,645
Community development and engineering	1,427,061	1,472,061	1,312,081	159,980
Fire and rescue	4,259,224	4,259,224	4,159,264	99,960
Leisure services	2,629,474	2,629,474	2,334,112	295,362
Maintenance	589,135	589,135	570,011	19,124
Municipal court	389,410	389,410	370,233	19,177
Police	4,172,062	4,172,062	4,090,489	81,573
Streets and drainage	3,840,966	3,840,966	1,823,463	2,017,503
Capital outlay	209,400	209,400	226,680	( 17,280)
Total expenditures	21,291,967	21,336,967	18,515,923	2,821,044
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 1,890,094)	( 1,935,094)	2,610,009	4,545,103
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,130,214	1,130,214	1,116,974	( 13,240)
Transfers out	( 242,000)	( 442,000)	( 5,498,528)	( 5,056,528)
Sale of capital assets	5,000	5,000	844,956	839,956
Total other financing sources and uses	893,214	693,214	( 3,536,598)	( 4,229,812)
<b>NET CHANGE IN FUND BALANCE</b>	( 996,880)	( 1,241,880)	( 926,589)	315,291
<b>FUND BALANCE, BEGINNING</b>	11,822,011	11,822,011	11,822,011	-
<b>FUND BALANCE, ENDING</b>	\$ 10,825,131	\$ 10,580,131	\$ 10,895,422	\$ 315,291

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

# CITY OF COLLEYVILLE, TEXAS

## STATEMENT OF NET POSITION

### PROPRIETARY FUNDS

SEPTEMBER 30, 2014

	Enterprise Funds		
	Water and Wastewater	Drainage Utility	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 3,787,566	\$ 1,276,944	\$ 5,064,510
Investments	6,898,260	219,563	7,117,823
Accounts receivable, net of allowances	2,414,044	103,896	2,517,940
Inventories	135,391	-	135,391
Restricted assets:			
Cash and cash equivalents	1,362,728	-	1,362,728
Total current assets	14,597,989	1,600,403	16,198,392
Non-current assets:			
Accrued interest receivable	8,967	291	9,258
Capital assets:			
Land and improvements	304,839	-	304,839
Buildings	53,922	-	53,922
Utility system	68,090,537	4,128,364	72,218,901
Equipment and furniture	1,652,954	480,973	2,133,927
Construction in progress	1,571,392	144,605	1,715,997
Less accumulated depreciation	( 31,193,328)	( 1,372,267)	( 32,565,595)
Total non-current assets	40,489,283	3,381,966	43,871,249
Total assets	55,087,272	4,982,369	60,069,641
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	111,818	5,017	116,835
Total deferred outflows of resources	111,818	5,017	116,835
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	751,458	43,966	795,424
Accrued liabilities	40,889	7,073	47,962
Accrued interest payable	8,675	5,292	13,967
Advances from developers	69,000	-	69,000
Escrow funds	26,613	-	26,613
Customer deposits	442,785	-	442,785
Compensated absences	17,641	2,587	20,228
Revenue bonds payable	460,000	225,000	685,000
Total current liabilities	1,817,061	283,918	2,100,979
Non-current liabilities:			
Compensated absences	70,562	10,350	80,912
Revenue bonds payable	919,830	690,000	1,609,830
Total non-current liabilities	990,392	700,350	1,690,742
Total liabilities	2,807,453	984,268	3,791,721
<b>NET POSITION</b>			
Net investment in capital assets	39,100,486	2,466,675	41,567,161
Unrestricted	13,291,151	1,536,443	14,827,594
Total net position	\$ 52,391,637	\$ 4,003,118	\$ 56,394,755

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

**CITY OF COLLEYVILLE, TEXAS**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION**

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Enterprise Funds		
	Water and Wastewater	Drainage Utility	Total
<b>OPERATING REVENUES</b>			
Metered water sales	\$ 10,481,393	\$ -	\$ 10,481,393
Wastewater service charges	3,459,501	-	3,459,501
Drainage service charges	-	927,356	927,356
Other charges and services	821,258	12,512	833,770
Miscellaneous	<u>27,462</u>	-	<u>27,462</u>
Total operating revenues	<u>14,789,614</u>	<u>939,868</u>	<u>15,729,482</u>
<b>OPERATING EXPENSES</b>			
Personnel services	1,447,666	298,866	1,746,532
Maintenance and contractual services	9,670,393	92,399	9,762,792
Materials and supplies	213,690	25,692	239,382
Depreciation and amortization	<u>1,867,549</u>	<u>120,803</u>	<u>1,988,352</u>
Total operating expenses	<u>13,199,298</u>	<u>537,760</u>	<u>13,737,058</u>
<b>OPERATING INCOME</b>	<u>1,590,316</u>	<u>402,108</u>	<u>1,992,424</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest and investment revenues	22,107	1,548	23,655
Interest expense and fiscal charges	( 39,595)	( 34,126)	( 73,721)
Gain (loss) on disposal of property	<u>40,814</u>	-	<u>40,814</u>
Total non-operating revenues (expenses)	<u>23,326</u>	<u>( 32,578)</u>	<u>( 9,252)</u>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	1,613,642	369,530	1,983,172
Capital contributions	2,707,835	-	2,707,835
Transfers out	<u>( 1,161,260)</u>	<u>( 19,032)</u>	<u>( 1,180,292)</u>
<b>CHANGE IN NET POSITION</b>	3,160,217	350,498	3,510,715
<b>TOTAL NET POSITION, BEGINNING</b>	<u>49,299,109</u>	<u>3,673,558</u>	<u>52,972,667</u>
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>( 67,689)</u>	<u>( 20,938)</u>	<u>( 88,627)</u>
<b>TOTAL NET POSITION, ENDING</b>	<u>\$ 52,391,637</u>	<u>\$ 4,003,118</u>	<u>\$ 56,394,755</u>

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

**CITY OF COLLEYVILLE, TEXAS**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Enterprise Funds		
	Water and Wastewater	Drainage Utility	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 14,790,412	\$ 942,652	\$ 15,733,064
Cash paid to suppliers for goods and services	( 10,116,720)	( 75,191)	( 10,191,911)
Cash paid to employees for services	( 1,418,145)	( 301,747)	( 1,719,892)
Net cash provided by operating activities	3,255,547	565,714	3,821,261
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers out	( 1,161,260)	( 19,032)	( 1,180,292)
Net cash used for noncapital financing activities	( 1,161,260)	( 19,032)	( 1,180,292)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	( 596,456)	( 103,113)	( 699,569)
Gain/(loss) on sale of asset	40,814	-	40,814
Principal paid on debt	( 775,000)	( 220,000)	( 995,000)
Interest paid on debt	( 39,595)	( 34,126)	( 73,721)
Net cash used for capital and related financing activities	( 1,370,237)	( 357,239)	( 1,727,476)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Purchase) sale of investments	( 767,983)	( 102,665)	( 870,648)
Earnings on investments	22,107	1,548	23,655
Net cash provided (used) by investing activities	( 745,876)	( 101,117)	( 846,993)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	( 21,826)	88,326	66,500
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	5,172,120	1,188,618	6,360,738
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	\$ 5,150,294	\$ 1,276,944	\$ 6,427,238

**CITY OF COLLEYVILLE, TEXAS**

**STATEMENT OF CASH FLOWS**

**PROPRIETARY FUNDS**

**(Continued)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Enterprise Funds		
	Water and Wastewater	Drainage Utility	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income	\$ 1,590,316	\$ 402,108	\$ 1,992,424
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization expense	1,867,549	120,803	1,988,352
Changes in assets and liabilities:			
Decrease (increase) in assets:			
Accounts receivable	798	2,784	3,582
Inventory	31,926	-	31,926
Accrued interest receivable	( 2,040)	( 213)	( 2,253)
Increase (decrease) in liabilities:			
Accounts payable	( 197,464)	42,212	( 155,252)
Accrued liabilities	( 24,681)	( 1,794)	( 26,475)
Compensated absences payable	( 4,840)	1,087	( 3,753)
Customer deposits	( 1,299)	-	( 1,299)
Accrued interest payable	( 4,718)	( 1,273)	( 5,991)
Net cash provided by operations	\$ 3,255,547	\$ 565,714	\$ 3,821,261
Noncash investing, capital, and financing activities:			
Contributions of capital assets	\$ 2,707,835	\$ -	\$ 2,707,835

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

**CITY OF COLLEYVILLE, TEXAS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**SEPTEMBER 30, 2014**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ <u>25,511</u>
Total assets	\$ <u><u>25,511</u></u>
<b>LIABILITIES</b>	
Due to other agencies and individuals	\$ <u>25,511</u>
Total liabilities	\$ <u><u>25,511</u></u>

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

# CITY OF COLLEYVILLE, TEXAS

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2014

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Colleyville Home Rule Charter was adopted by the voters at an election held on January 15, 1977. The City operates under a Council-Manager form of government.

The accounting policies of the City of Colleyville, Texas (the "City") conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant of such policies:

#### A. Reporting Entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each directly presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Each blended component unit has a September 30 year-end.

Blended Component Unit – The Colleyville Economic Development Corporation (CEDC) was incorporated on September 3, 1996, as a nonprofit industrial development corporation under the Development Corporation Act of 1979 ("Act"). The CEDC operates under a seven (7) member Board of Directors appointed by the City Council. Each of the directors shall be a resident of the City. The Corporation is organized exclusively for the purposes of benefiting and accomplishing public purposes of and to act on behalf of, the City, and the specific purposes for which the Corporation is organized. This includes municipal park improvements, the purchase of land and improvements for additional neighborhood parks, the construction of a community center and library. Although it is legally separate from the City, the CEDC is reported as if it were part of the primary government, because CEDC is financing public improvements and the City is the primary beneficiary of the services provided.

Blended Component Unit – Colleyville Crime Control and Prevention District (the District) was formed under Chapter 363 of the Texas Local Government Code, the Crime Control and Prevention District Act. The District is organized to act on behalf of the City for financing, development of crime control throughout the City. The District is governed by a seven-member board consisting of all members of the City Council. The District is reported as a part of the primary government because it provides services entirely for the City.

Discretely Presented Component Unit – Colleyville Tax Increment Financing Reinvestment Zone Number One (the TIF) was formed to make public improvements, under the authority of the Tax Increment Financing Act. The TIF is governed by a nine-member board consisting of five members appointed by the City Council and one member each appointed by the four other participating taxing entities. The primary government appoints a voting majority of the unit’s governing body and the City has a potential economic benefit from this unit. Therefore, the TIF is presented in the accompanying financial statements as a discretely presented component unit. Complete financial statements for the TIF may be obtained from the City of Colleyville Finance Department, 100 Main Street, Colleyville, Texas 76034.

## **B. Government-wide 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 nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for Agency Funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

### **GOVERNMENTAL FUNDS**

**Governmental Funds** are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in the proprietary fund type) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental fund types:

The City reports the following major governmental funds:

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

The **Debt Service Fund** – is used to account for the acquisition of resources for, and the payment of, general long-term debt principal and interest, and related costs.

The **Capital Projects Fund** – is used to account for financial resources to be used for the acquisition or construction of general major capital facilities. Financing is provided primarily by the sale of general obligation bonds and developer contributions.

Additionally, the City also reports the following fund type:

The **Special Revenue Fund** – accounts for the revenues and expenditures associated with a special project or purpose.

### **PROPRIETARY FUNDS**

**Proprietary Funds** are used to account for activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance.

The City reports the following major proprietary funds:

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

The **Drainage Utility Fund** – is used to account for the establishment and maintenance of drainage facilities within the municipal boundaries of the City. All activities necessary to provide such facilities are accounted for in this fund, included but not limited to, administration, operations, maintenance, billing and collections.

### ***FIDUCIARY FUNDS***

**Agency Fund** – ***Fiduciary Funds*** are used to account for assets held by the City in a trustee capacity or as an agent on behalf of others. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. The City has two agency funds: Employee Activity and the Sesquicentennial Fund. These funds are held for the benefit of City employees and to benefit the City's historical purposes.

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

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

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

#### **D. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments (investments with original maturities less than 90 days, including restricted assets) to be cash equivalents.

#### **E. Investments**

In accordance with GASB Statement No. 31, the City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

#### **F. Receivables and Payables**

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

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

The allowance for utility receivables is the total of final bills that have been sent out by the City. Final bills are bills that have been sent out to customers that have notified the City of a discontinuation of service. Ambulance receivables in excess of 180 days comprise the ambulance allowance for uncollectables. The allowance for uncollectable accounts for capias warrants is set at 90% of outstanding receivables.

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year.

#### **G. Inventories**

Inventories in the Enterprise Fund are valued at cost (first-in, first-out method).

## **H. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings	15 - 50
Improvements	20 - 50
Equipment	5 - 10
Infrastructure (streets and drainage)	50
Water distribution/sewer collection	5 - 40

## **I. Compensated Absences**

City employees are granted vacation and sick pay in varying amounts. In the event of termination, an employee is paid for all accumulated, unused vacation. Vacation pay is accrued as it vests to the employee. Sick pay is recorded when paid or upon retirement when a maximum of 90 days is paid. The accrued sick pay is not recorded, as the City's policy is not to compensate employees upon separation of services with the City, except for retirement, and such amounts are not considered material. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements.

## **J. 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.

In the fund financial statements, the face amount of debt issued is reported as other financing sources for the governmental fund types.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as another financing source. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are charged to current operations rather than being deferred and amortized due to the relatively immaterial effect on the basic financial statements taken as a whole.

## **K. Fund Balance Classification**

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

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

## **L. Minimum Unassigned Fund Balance**

It is the goal of the City to achieve and maintain an unassigned fund balance in the General Fund equal to three months of that year's budgeted expenditures for both the General and Utility Funds. The City Council may declare a fiscal emergency and withdraw any amount of the unassigned General and Utility Funds' balances for purposes of addressing the fiscal emergency. Any such action must also provide for necessary appropriations to restore the designated fund balance to the balance within a three-year period.

#### **M. Net Position Flow Assumption**

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

#### **N. 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/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes, municipal fines and ambulance fees. These amounts are deferred and recognized as an inflow of resources in that period that the amounts become available.

#### **O. Estimates**

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

#### **P. Risk Management**

Insurance coverage for property, liability and workers’ compensation is provided by the Texas Municipal League Intergovernmental Risk Pool, a state insurance pool. Contributions to the Risk Pool for workers’ compensation are based on the City’s past claims history. The Risk Pool is self-sustaining through members’ contributions and maintains insurance to limit risk of loss with an external insurance company. Settlement claims have not exceeded aggregate limits in the past three fiscal years.

## 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(16,811,056) difference are as follows:

Bonds payable	\$( 14,990,000)
Capital leases payable	( 974,038)
Accrued interest payable	( 99,086)
Compensated absences	<u>( 747,932)</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	 <u>\$( 16,811,056)</u>

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

The governmental fund statement of revenue, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental fund* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$(1,005,501) difference are as follows:

Capital outlay	\$ 3,064,252
Depreciation expense	<u>( 4,069,753)</u>
 Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	 <u>\$( 1,005,501)</u>

Another element of that reconciliation states, “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$(41,492) difference are as follows:

Property taxes	\$( 53,256)
Ambulance revenue	1,395
Adjudicated fines	<u>10,369</u>
 Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	 <u>\$( 41,492)</u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.” Neither transaction, however, has any effect on net position. The details of this \$1,599,828 difference are as follows:

Principal payments and refundings	\$ 1,329,828
Debt refunding - proceeds	( 7,330,000)
Payment to escrow agent	<u>7,600,000</u>
 Net adjustment to reduce <i>fund balance -total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	 <u>\$ 1,599,828</u>

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds.” The details of this (\$11,151) difference are as follows:

Compensated absences	\$( 23,092)
Accrued interest	<u>11,941</u>
 Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	 <u>\$( 11,151)</u>

### 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### A. Budgetary Information

The City Council follows these procedures in establishing budgetary data reflected in the basic financial statements:

- (1) Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to September 30, the budget is legally enacted through passage of an ordinance.
- (4) The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
- (5) Formal budgetary integration is employed as a management control device during the year for the General, Debt Service, and Enterprise Funds. Budgetary control is maintained at the fund level.

Internal budgets are prepared and reviewed by the City Council for expenditures of Special Revenue Funds. These budgeted expenditures are not formally adopted by the City Council. No budgets were prepared for revenue of these funds for the year ended September 30, 2014.

- (6) Budgets for the General and the Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Formal budgeted amounts are as amended by the City Council for the General, Debt Service and Enterprise Funds.
- (7) Budgetary data for the Capital Projects Fund has not been presented in the accompanying basic financial statements, as such funds are budgeted over the life of the respective project and not on an annual basis. Accordingly, formal budgetary integration of the Capital Projects Fund is not employed and comparison of actual results of operations to budgetary data for such fund is not presented.
- (8) Budgetary data for the Enterprise and Drainage Utility Funds has not been presented since the reporting on such budgets is not legally required.

**Expenditures Over Appropriations**

Capital Outlay expenditures in the general government function exceeded appropriations by \$17,280. This overage was funded by under spending in other functions.

**4. DETAILED NOTES ON ALL FUNDS**

**Deposits and Investments**

As of September 30, 2014, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
LOGIC	\$ 23,826,230	59
U. S. Treasuries and Agencies	<u>23,149,366</u>	372
Total fair value	<u>\$ 46,975,596</u>	

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

The City's investment pools are 2a7-like pools. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

**Interest Rate Risk.** In accordance with its investment policy, the government manages its exposure to declines in fair market values by limiting the average dollar weighted maturity of its investment portfolios to a maximum of 540 days.

**Custodial Credit Risk.** The City maintains a cash and investment pool that combines cash of the various funds in order to maximize investment opportunities. The City's policy and state statutes require that all deposits in financial institutions be insured by the Federal Depository Insurance Corporation (FDIC) or fully collateralized as per the Public Funds Collateral Act. The City's deposits were fully insured or collateralized as required by state statutes as of September 30, 2014.

**Credit Risk.** It is the City's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. The City's investment pools are rated as follows by Standard & Poor's Investors Service.

LOGIC	AAAm
U. S. Treasuries and Agencies	AA+

## Receivables

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

	Governmental Funds			Enterprise Funds		Total	
	General	Capital Projects	Debt Service	Nonmajor Funds	Water and Wastewater		Drainage Utility
Receivables:							
Accounts	\$ 555,973	\$ -	\$ -	\$ -	\$ 2,440,124	\$ 103,896	\$ 3,099,993
Taxes	149,987	-	27,669	-	-	-	177,656
Due from other governments	642,282	-	134	578,916	-	-	1,221,332
Loans	200,000	-	-	-	-	-	200,000
Accrued interest	9,542	3,230	-	3,888	8,967	291	25,918
Gross receivables	1,557,784	3,230	27,803	582,804	2,449,091	104,187	4,724,899
Less: allowance for uncollectibles	( 472,868)	-	-	-	( 26,080)	-	( 498,948)
Net total receivables	\$ <u>1,084,916</u>	\$ <u>3,230</u>	\$ <u>27,803</u>	\$ <u>582,804</u>	\$ <u>2,423,011</u>	\$ <u>104,187</u>	\$ <u>4,225,951</u>

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real property and certain personal property located in the City. Tax liens attach as of January 1. The assessed value, net of exemptions, upon which the fiscal 2014 levy was based, was \$3,915,488,086.

Property taxes are limited by the Texas constitution to \$2.50 per \$100 of assessed valuation and by City Charter to \$1.50 per \$100 valuation. Also, the tax rate set per budget year shall not result in property tax revenue increase greater than seven percent of the total property tax revenue collected in the preceding budget year, adjusted for new construction, unless authorized by the voters of the City at a special election. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2014, was \$.3559 per \$100 of assessed valuation.

Taxes are due by January 31 following the levy date. Tax collections, including related penalties and interest, was \$13,004,088 for the year ended September 30, 2014. Property taxes receivable at September 30, 2014, were \$177,656.

The appraisal of property within the City is the responsibility of a countywide appraisal district as required by legislation passed by the Texas Legislature. The appraisal district is required under such legislation to assess all property within the appraisal district on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

## Capital Assets

Capital asset activity for the year ended September 30, 2014, was as follows:

### **Primary Government**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 9,293,654	\$ -	\$( 115,013)	\$ 9,178,641
Construction in progress	<u>1,796,099</u>	<u>2,056,132</u>	<u>( 20,534)</u>	<u>3,831,697</u>
Total assets not being depreciated	<u>11,089,753</u>	<u>2,056,132</u>	<u>( 135,547)</u>	<u>13,010,338</u>
Capital assets, being depreciated:				
Buildings and improvements	45,763,755	369,079	-	46,132,834
Machinery and equipment	10,806,868	581,083	( 614,355)	10,773,596
Infrastructure	<u>79,371,164</u>	<u>4,860,485</u>	<u>-</u>	<u>84,231,649</u>
Total capital assets being depreciated	<u>135,941,787</u>	<u>5,810,647</u>	<u>( 614,355)</u>	<u>141,138,079</u>
Less accumulated depreciation:				
Buildings and improvements	( 14,468,175)	( 1,478,711)	-	( 15,946,886)
Machinery and equipment	( 7,826,632)	( 905,809)	692,848	( 8,039,593)
Improvements other than buildings	<u>( 22,758,615)</u>	<u>( 1,685,234)</u>	<u>-</u>	<u>( 24,443,849)</u>
Total accumulated depreciation	<u>( 45,053,422)</u>	<u>( 4,069,754)</u>	<u>692,848</u>	<u>( 48,430,328)</u>
Total capital assets being depreciated, net	<u>90,888,365</u>	<u>1,740,893</u>	<u>78,493</u>	<u>92,707,751</u>
Governmental activities capital assets, net	<u>\$ 101,978,118</u>	<u>\$ 3,797,025</u>	<u>\$( 57,054)</u>	<u>\$ 105,718,089</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 304,839	\$ -	\$ -	\$ 304,839
Construction in progress	<u>1,114,303</u>	<u>601,694</u>	<u>-</u>	<u>1,715,997</u>
Total assets not being depreciated	<u>1,419,142</u>	<u>601,694</u>	<u>-</u>	<u>2,020,836</u>
Capital assets, being depreciated:				
Buildings and improvements	53,922	-	-	53,922
Machinery and equipment	1,981,088	317,761	( 164,922)	2,133,927
Improvements other than buildings	<u>69,730,952</u>	<u>2,487,949</u>	<u>-</u>	<u>72,218,901</u>
Total capital assets being depreciated	<u>71,765,962</u>	<u>2,805,710</u>	<u>( 164,922)</u>	<u>74,406,750</u>
Less accumulated depreciation:				
Buildings and improvements	( 48,951)	( 622)	-	( 49,573)
Machinery and equipment	( 2,565,370)	( 186,968)	164,922	( 2,587,416)
Improvements other than buildings	<u>( 28,134,560)</u>	<u>( 1,794,046)</u>	<u>-</u>	<u>( 29,928,606)</u>
Total accumulated depreciation	<u>( 30,748,881)</u>	<u>( 1,981,636)</u>	<u>164,922</u>	<u>( 32,565,595)</u>
Total capital assets being depreciated, net	<u>41,017,081</u>	<u>824,074</u>	<u>-</u>	<u>41,841,155</u>
Business-type activities capital assets, net	<u>\$ 42,436,223</u>	<u>\$ 1,425,768</u>	<u>\$ -</u>	<u>\$ 43,861,991</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Component unit:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 5,893,512	\$ 2,161,840	\$ -	\$ 8,055,352
Total assets not being depreciated	<u>5,893,512</u>	<u>2,161,840</u>	<u>-</u>	<u>8,055,352</u>
Capital assets, being depreciated:				
Improvements other than buildings	\$ 1,808,520	\$ 37,456	\$ -	\$ 1,845,976
Total capital assets being depreciated	<u>1,808,520</u>	<u>37,456</u>	<u>-</u>	<u>1,845,976</u>
Less accumulated depreciation:				
Improvements other than buildings	\$( 180,852)	\$( 40,522)	\$ -	\$( 221,374)
Total accumulated depreciation	<u>( 180,852)</u>	<u>( 40,522)</u>	<u>-</u>	<u>( 221,374)</u>
Total capital assets being depreciated, net	<u>1,627,668</u>	<u>( 3,066)</u>	<u>-</u>	<u>1,624,602</u>
Component unit capital assets, net	<u>\$ 7,521,180</u>	<u>\$ 2,158,774</u>	<u>\$ -</u>	<u>\$ 9,679,954</u>

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

Governmental activities:	
General government	\$ 410,956
Community Development	4,873
Fire and rescue	445,486
Leisure services	1,070,645
Maintenance	5,029
Police	306,610
Streets and drainage	<u>1,826,154</u>
Total depreciation expense - governmental activities	<u>\$ 4,069,753</u>
Business-type activities:	
Water and wastewater	\$ 1,861,548
Drainage utility	<u>120,088</u>
Total depreciation expense - business-type activities	<u>\$ 1,981,636</u>

### Construction Commitments

The government has active construction projects as of September 30, 2014. The major projects are listed as follows:

Project	Spent-to-date	Remaining Commitment
Jackson/Cheek Sparger roundabout	\$ 1,730,538	\$ 422,985
Hwy 26 waterline/sewerline relocation project	<u>624,875</u>	<u>2,344,985</u>
Total	<u>\$ 2,355,413</u>	<u>\$ 2,767,970</u>

**Interfund Transactions**

The composition of interfund transfers as of September 30, 2014, is as follows:

**Interfund Transfers**

	Transfer In				Total
	General	Capital Projects	Debt Service	Nonmajor Government Funds	
Transfer Out:					
General	\$ -	\$ 5,211,528	\$ -	\$ 287,000	\$ 5,498,528
Nonmajor governmental	-	-	501,182	175,332	676,514
Drainage fee	-	-	-	19,032	19,032
Water and wastewater	<u>1,116,974</u>	<u>-</u>	<u>-</u>	<u>44,286</u>	<u>1,161,260</u>
Total Transfers Out	<u>\$ 1,116,974</u>	<u>\$ 5,211,528</u>	<u>\$ 501,182</u>	<u>\$ 525,650</u>	<u>\$ 7,355,334</u>

The transfer of \$1,116,974 from the Utility Fund to the General Fund represents the 2014 Administrative transfer and the franchise fee based on gross water and wastewater revenue of the prior year’s audited financial statements. The transfer of \$5,498,528 from the General Fund to the Capital Projects and nonmajor governmental funds represents transfers for capital replacement. The transfer of \$501,182 from the Crime District to the Debt Service Fund is for the repayment of debt. All principal and interest is paid from the Debt Service Fund’s bank account.

**Long-term Liabilities**

**General Obligation Bonds**

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued in prior years was \$29,315,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities	2% - 5%	\$ <u>14,990,000</u>
		<u>\$ 14,990,000</u>

Long-term liability activity for the year ended September 30, 2014, was as follows:

	Balance September 30, 2013	Additions	Retirements	Refunded	Balance September 30, 2014	Amounts Due Within One Year
<b><u>Governmental activities</u></b>						
General obligation bonds and certificates of obligation	\$ 8,675,000	\$ -	\$ 1,015,000	\$ -	\$ 7,660,000	\$ 740,000
Premium on bonds	4,593	-	4,593	-	-	-
Sales tax revenue bonds	7,623,186	7,330,000	23,186	7,600,000	7,330,000	395,000
Capital lease obligations	1,301,624	-	327,586	-	974,038	324,704
Compensated absences	<u>724,840</u>	<u>375,359</u>	<u>352,267</u>	<u>-</u>	<u>747,932</u>	<u>149,586</u>
Total governmental activities	<u>18,288,706</u>	<u>7,705,359</u>	<u>1,682,095</u>	<u>7,600,000</u>	<u>16,711,970</u>	<u>1,609,290</u>
<b><u>Business-type activities</u></b>						
Revenue bonds and certificates of obligation	3,220,000	-	995,000	-	2,225,000	685,000
Premium on bonds	79,805	-	9,975	-	69,830	-
Compensated absences	<u>104,893</u>	<u>43,094</u>	<u>46,847</u>	<u>-</u>	<u>101,140</u>	<u>20,228</u>
Total business-type activities	<u>3,404,698</u>	<u>43,094</u>	<u>1,051,822</u>	<u>-</u>	<u>2,395,970</u>	<u>705,228</u>
Total primary government	<u>\$ 21,693,404</u>	<u>\$ 7,748,453</u>	<u>\$ 2,733,917</u>	<u>\$ 7,600,000</u>	<u>\$ 19,107,940</u>	<u>\$ 2,314,518</u>
<b><u>Component unit</u></b>						
Tax increment financing fund revenue bonds	\$ 4,225,000	\$ -	\$ 555,000	\$ -	\$ 3,670,000	\$ 565,000
Bond premium	<u>125,852</u>	<u>-</u>	<u>20,976</u>	<u>-</u>	<u>104,876</u>	<u>-</u>
Total component unit	<u>\$ 4,319,508</u>	<u>\$ -</u>	<u>\$ 544,632</u>	<u>\$ -</u>	<u>\$ 3,774,876</u>	<u>\$ 565,000</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund.

Governmental activities long-term liabilities at September 30, 2014, consisted of the following:

General obligation bonds and certificates of obligation serviced by property tax revenue

\$2,915,000 Series 2006 General Obligation Refunding bonds due in annual installments of \$25,000 to \$540,000 through February 15, 2019; interest at 3.64%.	2,475,000
\$4,325,000 Series 2007 General Obligation Bonds due in annual installments of \$50,000 to \$555,000 through February 15, 2027; interest at 4.00% to 5.00%.	4,275,000
\$1,435,000 Series 2011 General Obligation Refunding Bonds due in annual installments of \$135,000 to \$800,000 through February 15, 2020; interest at 2.00% to 4.00%.	<u>910,000</u>
Total General Obligation Bonds and Certificates of Obligation	<u>\$ 7,660,000</u>
\$9,570,000 Series 2013 Colleyville Economic Development Corporation Refunding and Improvement Sales Tax Revenue Bonds due in annual installments of \$340,000 to \$635,000 through February 15, 2029; interest at 2.88%	<u>\$ 7,330,000</u>
Total Revenue Bonds	<u>\$ 7,330,000</u>

The government issued \$7,330,000 of sales tax revenue refunding bonds to provide resources to purchase U. S. Government State and Local Government securities that were placed in an irrevocable trust for the purchase of generating resources for all future debt service payments of \$7,600,000 of sales tax revenue refunding. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$270,000. This amount is being netted against the new debt and amortized over the remaining life of the new debt, which is shorter than the life of the old debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$693,082 and resulted in an economic gain of \$539,838.

The funds utilized for the repayment of long-term liabilities for governmental activities are the Debt Service Fund, the Crime District Fund and the Colleyville Economic Development Corporation.

The City's defeased debt as of September 30, 2014, was \$10,770,000.

Business-type activities long-term liabilities at September 30, 2014, consisted of the following:

Water and Wastewater Fund:

\$1,890,000 Series 2010 Waterworks and Wastewater System Refunding Bonds due in annual installments of \$155,000 to \$580,000 through January 1, 2018; interest at 2.00% - 3.00%.	<u>1,310,000</u>
Total Water and Wastewater Fund	<u>\$ 1,310,000</u>

Drainage Utility Fund:

\$1,135,000 Series 2011 Waterworks and Wastewater System Refunding Bonds due in annual installments of \$105,000 to \$225,000 through February 15, 2021; interest at 3.47%.	\$ <u>915,000</u>
Total Drainage Utility Fund	\$ <u>915,000</u>
Total Business-type activities	\$ <u>2,225,000</u>

The ordinances authorizing the issuance of Waterworks and Wastewater System Revenue Bonds created the Interest and Sinking Fund and Reserve Fund. The gross revenue of the waterworks and wastewater system, after deduction of reasonable expenses of operations and maintenance, are pledged to such funds in amounts equal to the total annual principal and interest requirements of the bonds and amounts required to maintain the Reserve Fund. At September 30, 2014, the City was in compliance with these requirements.

The City's component unit, the Tax Increment Financing District, long-term liabilities at September 30, 2014, consisted of the following:

Tax Increment Financing District

\$4,225,000 Series 2011 Refunding Bonds due in installments of \$490,000 to \$665,000 beginning in 2012 through February 15, 2020; interest at 2.0% to 4.0%.	\$ <u>3,670,000</u>
Total Tax Increment Financing District	\$ <u>3,670,000</u>

**Governmental Activities**

September 30,	General Obligation Bonds and Certificates of Obligation		Revenue Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 740,000	\$ 278,384	\$ 395,000	\$ 205,416
2016	770,000	251,258	410,000	193,824
2017	795,000	223,179	420,000	181,872
2018	810,000	194,388	425,000	169,704
2019	850,000	163,825	445,000	157,176
2020-2024	2,105,000	542,900	2,430,000	582,624
2025-2029	<u>1,590,000</u>	<u>97,400</u>	<u>2,805,000</u>	<u>206,712</u>
	<u>\$ 7,660,000</u>	<u>\$ 1,751,334</u>	<u>\$ 7,330,000</u>	<u>\$ 1,697,328</u>

### Business-type Activities

<u>September 30,</u>	Revenue Bonds	
	Principal	Interest
2015	\$ 685,000	\$ 57,947
2016	450,000	42,446
2017	460,000	28,291
2018	265,000	16,899
2019	115,000	10,670
2020-2024	250,000	8,675
	\$ 2,225,000	\$ 164,928

### Discretely Presented Component Unit - Tax Increment Financing Fund

<u>September 30,</u>	Revenue Bonds	
	Principal	Interest
2015	\$ 565,000	\$ 114,675
2016	585,000	97,425
2017	600,000	79,650
2018	615,000	61,425
2019	640,000	39,400
2020-2024	665,000	13,300
	\$ 3,670,000	\$ 405,875

### Capital Leases

The City has entered into lease agreements as lessee for financing and acquisition of equipment for the Fire Department. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of its future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and equipment	\$ 2,564,713
Less: accumulated depreciation	( 518,333)
Total	\$ 2,046,380

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2014, were as follows:

	<u>Governmental Activities</u>
2015	\$ 363,808
2016	314,086
2017	161,419
2018	116,839
2019	<u>116,839</u>
Total minimum lease payments	1,072,991
Less: amount representing interest	<u>( 98,953)</u>
Present value of minimum lease payments	<u>\$ 974,038</u>

### **Employees' Retirement System**

#### **Plan Description**

The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at [www.TMRS.com](http://www.TMRS.com).

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>Plan Year 2012</u>	<u>Plan Year 2013</u>	<u>Plan Year 2014</u>
Employee deposit rate	7.0%	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1	2 to 1
Years required for vesting	5	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20	60/5, 0/20
Updated service credit	100% repeating, transfers	100% repeating, transfers	100% repeating, transfers
Annuity increase (to retirees)	0% of CPI	0% of CPI	0% of CPI

## Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. The annual pension cost and net pension obligation/(asset) are as follows:

Accounting Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
09/30/12	\$ 817,843	100%	-
09/30/13	743,803	100%	-
09/30/14	754,871	100%	-

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

Actuarial Valuation Date	12/31/11	12/31/12	12/31/13
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
Asset valuation method	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial Assumptions:			
Investment rate of return	7.0%	7.0%	7.0%
Projected salary increases	varies by age and service	varies by age and service	varies by age and service
Inflation	3.0%	3.0%	3.0%
Cost-of-living adjustments	0%	0%	0%
GASB 25 Equivalent Single amortization period	27.3 years; closed period	26.8 years; closed period	27.7 years; closed period
Amortization period for new gains/losses	25 years	25 years	25 years

## **Funded Status and Fund Progress**

The funded status as of December 31, 2013, the most recent actuarial valuation date, is presented as follows:

Actuarial accrued liability (AAL)	\$ 42,047,025
Actuarial value of plan assets	<u>43,722,138</u>
Unfunded (overfunded) actuarial accrued liability (UAAL)	<u>( 1,675,113)</u>
Funded ratio (actuarial value of plan assets/ALL)	104.0%
Covered payroll (annual payroll of active employees covered plan)	<u>10,452,089</u>
UAAL as a percentage of covered payroll	( 16.0%)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

### **Water and Wastewater Contracts**

The City has two contracts with the Trinity River Authority of Texas (TRA) for the purchase of treated water and for the transportation, treatment and disposal of sanitary sewage and other waste. The initial terms of the contracts are 35 and 50 years, and they expire in 2014 and 2023. While the provisions of each of the contracts vary, each contract basically requires the City to pay varying amounts based on the costs associated with water purchased and sewage transported and/or treated and disposed. The cost includes the City's proportionate share of TRA's operating and maintenance expenses, related debt service costs, and certain other miscellaneous charges. Purchases of treated water and charges for the transportation, treatment and disposal of sewage and other wastes during fiscal year 2014 amounted to approximately \$7,315,501 and \$1,899,907, respectively.

### **Advances from Developers**

Developers are required by ordinance to construct perimeter streets and related storm drainage facilities. The developer may request a waiver from the Council for the construction requirements and instead deposit escrow funds with the City equal to one-half of the estimated cost of construction, which are utilized by the City to complete the project at some later date. At September 30, 2014, developers had escrowed \$3,004,790 with the City in connection with developer agreements.

### **Contingent Liabilities**

The City has been named as a defendant or co-defendant in a number of legal actions. While the outcome of these cases is not known at this time, City management believes that any awards to insured parties which must be paid in excess of amounts covered by insurance will not be material to the financial position of the City.

## **Risk Financing and Insurance**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year 1974, the City joined the Texas Municipal League Workers Compensation Joint Insurance Fund for risks related to employees. During the fiscal year 1992, the City joined the Texas Municipal League Joint Insurance Fund for risks related to general liability, property and errors and omissions. Premiums are paid to the Pool, which retains a limit of loss. Reinsurance companies insure the risks beyond those limits. The City retains, as a risk, only the deductible amount of each policy. There have been no significant reductions in insurance coverage and no settlements exceeded insurance coverage in the past three fiscal years.

## **Other Postemployment Benefits**

### **Supplemental Death Benefits Fund**

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

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

The City's contributions to the TMRS SDBF for the years ended 2014, 2013, and 2012 were \$16,837, 15,132, and \$14,480, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates

<u>Accounting Year Ending</u>	<u>Annual Required Contribution (Rate)</u>	<u>Actual Contribution Made (Rate)</u>	<u>Percentage of ARC Contributed</u>
09/30/12	.013%	.013%	100%
09/30/13	.015%	.015%	100%
09/30/14	.016%	.016%	100%

## **Prior Year Adjustment – Change in Accounting Principles**

As a result of implementing GASB Statement 65, the City has decreased beginning net position as of October 1 2014 by \$158,812 for the governmental activities and \$88,627 for the business-type activities. These decreases result from no longer deferring and amortizing bond issuance costs.

Further, the City has reclassified its deferred loss on bond refunding, previously reported as a component of long-term debt, to deferred outflows of resources in the government-wide statements in accordance with GASB 65. The effect of this change increases the long-term liabilities of the business-type activities by \$133,525, and corresponds to an increase in deferred outflows of resources as of October 1, 2014.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF COLLEYVILLE, TEXAS**

**REQUIRED SUPPLEMENTARY INFORMATION**

**TEXAS MUNICIPAL RETIREMENT SYSTEM**

**SCHEDULE OF FUNDING PROGRESS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Annual Covered Payroll</u>	<u>Accrued Liability as a Percentage of Covered Payroll</u>
12/31/2011	38,477,205	36,643,865	105.0%	( 1,833,340)	9,661,349	( 19.0%)
12/31/2012	41,091,987	38,639,275	106.3%	( 2,452,712)	9,940,381	( 24.7%)
12/31/2013	43,722,138	42,047,025	104.0%	( 1,675,113)	10,542,089	( 16.0%)

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

*Voluntary Park* – This fund is used to account for the operations for which voluntary contributions by citizens are used. Contributions are used primarily to support park activities.

*Voluntary Library* – This fund is used to account for the operations for which voluntary contributions by citizens are used. Contributions are used primarily to support library activities.

*Police Asset Forfeiture* – This fund is used to account for activity related to seizure of assets in criminal-related activities.

*Tree Preservation* – This fund is used to account for operations related to replacement of trees, which are eliminated due to commercial development. Contributions are received from entities that are developing the property.

*Library Donation* – This fund is used to account for private and corporate donations for capital purchases related to the library building for the City.

*Recreational Event* – This fund is used to account for activities related to special events for the City.

*Colleyville Center Development* – This fund is used to account for contributions received to construct a community center.

*Recycling* – This fund is used to account for the promotion of recycling activities in the City of Colleyville. Contributions are received from the holder of the City's recycling franchise.

*LEOSE (Law Enforcement Officer Standards and Education)* – This fund is used to account for activities related to the continuing education of qualified law enforcement officers as funded by the State of Texas LEOSE Account.

*Colleyville Economic Development* – This fund is used to account for the use of bond proceeds and sales tax revenues for municipal park improvements, the purchase of land and equipment for additional neighborhood parks and for the construction of a community center and library.

*Crime District* – This fund is used to account for the Colleyville Crime Control and Prevention District formed to act on behalf of the City for financing the development of crime control throughout the City.

***Kidsville Maintenance*** – This fund is used to account for contributions received for the maintenance of Kidsville Playground.

***Special Donations*** – This fund is used to account for various donations made to the City for specific projects.

***Court Technology*** – This fund is used to account for the collection and use of fines collected to be specifically used on technology for the court.

***Court Security*** – This fund is used to account for the collection and use of fines collected to be specifically used for security purposes.

***TDPA Grant*** – This fund is used to account for grant proceeds received for the acquisition of equipment and expenditures relating to fire and rescue.

***Public Art*** – This fund is used to account for the acquisition of art to be placed in City owned facilities with high public visibility.

***Juvenile Case Manager*** – This fund is used to account for staff, whose primary role is handling juvenile defendants in terms of teen court dockets, all school violations including truancy, failure to attend school and parental noncompliance violations, and mandatory classes for drug, tobacco and alcohol defendants, as permitted by state statute.

## **CAPITAL PROJECTS FUNDS**

***Capital Projects Funds*** are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

***Colleyville Tomorrow Fund*** – is used to account for proceeds received on gas leases on City-owned property to be used for capital purchases.

***Parks Tomorrow Fund*** – This fund is used to account for proceeds received on gas leases on City-owned parks property for parks capital projects.

***Park Land Dedication Fund*** – This fund is used to account for the acquisition of land for new park sites and to make improvements to or expand existing parks to better serve new development. Fees collected from the developers of residential and commercial development finance the improvements.

***Colleyville Economic Development Corporation (CEDC)*** – This fund is used to account for financial resources to be used for the acquisition or construction or CEDC capital facilities. Financing is provided primarily by the revenue from certificate of obligation bonds.

***Capital and Cable Equipment Replacement*** – This fund is used to account for the replacement of cable equipment and other capital equipment.

***Kimzey Park*** – This fund is used to account for the construction of Kimzey Park. The source of funding was a Texas Parks and Wildlife state grant.

**CITY OF COLLEYVILLE, TEXAS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

**SEPTEMBER 30, 2014**

	Special Revenue Funds		
	Voluntary Park	Voluntary Library	Police Asset Forfeiture
<b>ASSETS</b>			
Cash and cash equivalents	\$ 161,080	\$ 44,837	\$ 4,188
Investments	599,816	358,841	-
Due from other governments	-	-	-
Accrued interest	648	423	-
Total assets	\$ 761,544	\$ 404,101	\$ 4,188
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Advances from developers	-	-	-
Total liabilities	-	-	-
<b>FUND BALANCES</b>			
Restricted	-	-	4,188
Committed	761,544	404,101	-
Assigned	-	-	-
Total fund balances	761,544	404,101	4,188
Total liabilities and fund balances	\$ 761,544	\$ 404,101	\$ 4,188

Special Revenue Funds

Tree Preservation	Library Donation	Recreational Event	Colleyville Center Development	Recycling	LEOSE
\$ 39,279	\$ 135,259	\$ 4,475	\$ 5,857	\$ 1,627	\$ 1,057
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 39,279</u>	<u>\$ 135,259</u>	<u>\$ 4,475</u>	<u>\$ 5,857</u>	<u>\$ 1,627</u>	<u>\$ 1,057</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
13,724	-	-	-	-	-
<u>13,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	135,259	-	5,857	-	1,057
25,555	-	-	-	-	-
-	-	4,475	-	1,627	-
<u>25,555</u>	<u>135,259</u>	<u>4,475</u>	<u>5,857</u>	<u>1,627</u>	<u>1,057</u>
<u>\$ 39,279</u>	<u>\$ 135,259</u>	<u>\$ 4,475</u>	<u>\$ 5,857</u>	<u>\$ 1,627</u>	<u>\$ 1,057</u>

**CITY OF COLLEYVILLE, TEXAS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

(Continued)

**SEPTEMBER 30, 2014**

	Special Revenue Funds		
	Colleyville Economic Development	Crime District	Kidsville Maintenance
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,910,535	\$ 1,150,357	\$ 20,426
Investments	511,531	-	-
Due from other governments	313,595	265,321	-
Accrued interest	209	-	-
Total assets	\$ 2,735,870	\$ 1,415,678	\$ 20,426
<b>LIABILITIES</b>			
Accounts payable	\$ 1,875	\$ 122	\$ -
Accrued liabilities	-	16,242	-
Advances from developers	-	-	-
Total liabilities	1,875	16,364	-
<b>FUND BALANCES</b>			
Restricted	2,733,995	1,399,314	20,426
Committed	-	-	-
Assigned	-	-	-
Total fund balances	2,733,995	1,399,314	20,426
Total liabilities and fund balances	\$ 2,735,870	\$ 1,415,678	\$ 20,426

Special Revenue Funds

<u>Special Donations</u>	<u>Court Technology</u>	<u>Court Security</u>	<u>TDPA Grant</u>	<u>Public Art</u>	<u>Juvenile Case Manager</u>
\$ 62,522	\$ 28,672	\$ 73,039	\$ 8,133	\$ 7,904	\$ 10,196
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 62,522</u>	<u>\$ 28,672</u>	<u>\$ 73,039</u>	<u>\$ 8,133</u>	<u>\$ 7,904</u>	<u>\$ 10,196</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20
-	-	393	-	-	1,728
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>393</u>	<u>-</u>	<u>-</u>	<u>1,748</u>
62,522	28,672	72,646	8,133	-	8,448
-	-	-	-	-	-
-	-	-	-	7,904	-
<u>62,522</u>	<u>28,672</u>	<u>72,646</u>	<u>8,133</u>	<u>7,904</u>	<u>8,448</u>
<u>\$ 62,522</u>	<u>\$ 28,672</u>	<u>\$ 73,039</u>	<u>\$ 8,133</u>	<u>\$ 7,904</u>	<u>\$ 10,196</u>

**CITY OF COLLEYVILLE, TEXAS**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL FUNDS**

(Continued)

**SEPTEMBER 30, 2014**

	Capital Project Funds		
	Colleyville Tomorrow	Parks Tomorrow	Park Land Dedication
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,848,708	\$ 1,196,364	\$ 625,363
Investments	374,803	-	1,404,434
Due from other governments	-	-	-
Accrued interest	434	-	1,529
Total assets	\$ 2,223,945	\$ 1,196,364	\$ 2,031,326
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Advances from developers	-	-	-
Total liabilities	-	-	-
<b>FUND BALANCES</b>			
Restricted	-	-	-
Committed	2,223,945	1,196,364	2,031,326
Assigned	-	-	-
Total fund balances	2,223,945	1,196,364	2,031,326
Total liabilities and fund balances	\$ 2,223,945	\$ 1,196,364	\$ 2,031,326

<u>Capital Project Funds</u>			
<u>CEDC Capital Project</u>	<u>Capital and Cable Equipment Replacement</u>	<u>Kimzey Park</u>	<u>Total Governmental Funds</u>
\$ 146,825	\$ 301,125	\$ 3,576	\$ 7,791,404
-	450,311	-	3,699,736
-	-	-	578,916
<u>-</u>	<u>645</u>	<u>-</u>	<u>3,888</u>
<u>\$ 146,825</u>	<u>\$ 752,081</u>	<u>\$ 3,576</u>	<u>\$ 12,073,944</u>
\$ -	\$ 179	\$ -	\$ 2,196
-	-	-	18,363
-	-	-	13,724
<u>-</u>	<u>179</u>	<u>-</u>	<u>34,283</u>
-	-	-	4,480,517
146,825	-	3,576	6,793,236
<u>-</u>	<u>751,902</u>	<u>-</u>	<u>765,908</u>
<u>146,825</u>	<u>751,902</u>	<u>3,576</u>	<u>12,039,661</u>
<u>\$ 146,825</u>	<u>\$ 752,081</u>	<u>\$ 3,576</u>	<u>\$ 12,073,944</u>

**CITY OF COLLEYVILLE, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Special Revenue Funds		
	Voluntary Park	Voluntary Library	Police Asset Forfeiture
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Fees and fines	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Donations	157,816	157,816	-
Investment earnings	1,599	404	-
Miscellaneous	-	-	-
Total revenues	159,415	158,220	-
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Community development and engineering	-	-	-
Fire and rescue	-	-	-
Leisure services	25,645	142,433	-
Municipal court	-	-	-
Police	-	-	2,499
Debt service:			
Interest and other charges	-	-	-
Capital outlay	-	-	-
Total expenditures	25,645	142,433	2,499
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	133,770	15,787	( 2,499)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from long-term debt, net	-	-	-
Payment to bond escrow agent	-	-	-
Sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources and uses	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	133,770	15,787	( 2,499)
<b>FUND BALANCES, BEGINNING</b>	627,774	388,314	6,687
<b>FUND BALANCES, ENDING</b>	\$ 761,544	\$ 404,101	\$ 4,188

Special Revenue Funds

Tree Preservation	Library Donation	Recreational Event	Colleyville Center Development	Recycling	LEOSE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	4,002
-	-	-	-	-	-
20,852	34,973	8,075	7,000	-	-
-	-	-	-	-	-
-	-	-	-	15,000	-
<u>20,852</u>	<u>34,973</u>	<u>8,075</u>	<u>7,000</u>	<u>15,000</u>	<u>4,002</u>
-	-	-	-	11,052	-
-	-	-	-	-	-
-	-	-	-	-	740
-	27,155	3,600	7,000	-	-
-	-	-	-	-	-
-	-	-	-	-	10,561
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>27,155</u>	<u>3,600</u>	<u>7,000</u>	<u>11,052</u>	<u>11,301</u>
<u>20,852</u>	<u>7,818</u>	<u>4,475</u>	<u>-</u>	<u>3,948</u>	<u>( 7,299)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
20,852	7,818	4,475	-	3,948	( 7,299)
<u>4,703</u>	<u>127,441</u>	<u>-</u>	<u>5,857</u>	<u>( 2,321)</u>	<u>8,356</u>
<u>\$ 25,555</u>	<u>\$ 135,259</u>	<u>\$ 4,475</u>	<u>\$ 5,857</u>	<u>\$ 1,627</u>	<u>\$ 1,057</u>

**CITY OF COLLEYVILLE, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**(Continued)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Special Revenue Funds		
	Colleyville Economic Development	Crime District	Kidsville Maintenance
<b>REVENUES</b>			
Taxes	\$ 1,673,351	\$ 1,447,116	\$ -
Fees and fines	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Donations	-	-	-
Investment earnings	2,477	871	-
Miscellaneous	-	-	-
Total revenues	1,675,828	1,447,987	-
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Community development and engineering	164,451	-	-
Fire and rescue	-	-	-
Leisure services	131,068	-	-
Municipal court	-	-	-
Police	-	585,892	-
Debt service:			
Interest and other charges	372,808	-	-
Capital outlay	115,547	218,892	-
Total expenditures	783,874	804,784	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	891,954	643,203	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from long-term debt, net	7,330,000	-	-
Payment to bond escrow agent	( 7,600,000)	-	-
Sale of capital assets	-	50,709	-
Transfers in	-	-	-
Transfers out	( 165,332)	( 511,182)	-
Total other financing sources and uses	( 435,332)	( 460,473)	-
<b>NET CHANGE IN FUND BALANCES</b>	456,622	182,730	-
<b>FUND BALANCES, BEGINNING</b>	2,277,373	1,216,584	20,426
<b>FUND BALANCES, ENDING</b>	\$ 2,733,995	\$ 1,399,314	\$ 20,426

Special Revenue Funds

Special Donations	Court Technology	Court Security	TDPA Grant	Public Art	Juvenile Case Manager
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	30,261	22,585	-	-	65,107
2,273	-	-	-	-	-
-	23,850	-	-	-	-
20,632	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>22,905</u>	<u>54,111</u>	<u>22,585</u>	<u>-</u>	<u>-</u>	<u>65,107</u>
-	-	-	-	-	-
-	-	-	-	-	-
7,241	-	-	-	-	-
6,383	-	-	-	-	-
-	52,941	23,848	-	-	54,005
805	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,429</u>	<u>52,941</u>	<u>23,848</u>	<u>-</u>	<u>-</u>	<u>54,005</u>
<u>8,476</u>	<u>1,170</u>	<u>( 1,263)</u>	<u>-</u>	<u>-</u>	<u>11,102</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8,476	1,170	( 1,263)	-	-	11,102
<u>54,046</u>	<u>27,502</u>	<u>73,909</u>	<u>8,133</u>	<u>7,904</u>	<u>( 2,654)</u>
<u>\$ 62,522</u>	<u>\$ 28,672</u>	<u>\$ 72,646</u>	<u>\$ 8,133</u>	<u>\$ 7,904</u>	<u>\$ 8,448</u>

**CITY OF COLLEYVILLE, TEXAS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**NONMAJOR GOVERNMENTAL FUNDS**

**(Continued)**

**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Capital Project Funds		
	Colleyville Tomorrow	Parks Tomorrow	Park Land Dedication
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Fees and fines	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Donations	-	-	511,449
Investment earnings	2,052	1,153	2,715
Miscellaneous	-	-	-
Total revenues	2,052	1,153	514,164
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Community development and engineering	-	-	-
Fire and rescue	-	-	-
Leisure services	14,926	6,088	-
Municipal court	-	-	-
Police	-	-	-
Debt service:			
Interest and other charges	-	-	-
Capital outlay	247,882	-	109,378
Total expenditures	262,808	6,088	109,378
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 260,756)	( 4,935)	404,786
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from long-term debt, net	-	-	-
Payment to bond escrow agent	-	-	-
Sale of capital assets	-	-	-
Transfers in	228,650	-	-
Transfers out	-	-	-
Total other financing sources and uses	228,650	-	-
<b>NET CHANGE IN FUND BALANCES</b>	( 32,106)	( 4,935)	404,786
<b>FUND BALANCES, BEGINNING</b>	2,256,051	1,201,299	1,626,540
<b>FUND BALANCES, ENDING</b>	\$ 2,223,945	\$ 1,196,364	\$ 2,031,326

Capital Project Funds			
CEDC Capital Project	Capital and Cable Equipment Replacement	Kimzey Park	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 3,120,467
-	-	-	117,953
-	-	-	6,275
-	-	-	23,850
-	-	-	918,613
-	1,873	-	13,144
-	-	-	15,000
<u>-</u>	<u>1,873</u>	<u>-</u>	<u>4,215,302</u>
-	93,984	-	105,036
-	-	-	164,451
-	-	-	7,981
2,500	-	-	366,798
-	-	-	130,794
-	11,567	-	611,324
-	-	-	372,808
<u>4,500</u>	<u>373,495</u>	<u>-</u>	<u>1,069,694</u>
<u>7,000</u>	<u>479,046</u>	<u>-</u>	<u>2,828,886</u>
<u>( 7,000)</u>	<u>( 477,173)</u>	<u>-</u>	<u>1,386,416</u>
-	-	-	7,330,000
-	-	-	( 7,600,000)
-	29,368	-	80,077
-	297,000	-	525,650
-	-	-	( 676,514)
<u>-</u>	<u>326,368</u>	<u>-</u>	<u>( 340,787)</u>
<u>( 7,000)</u>	<u>( 150,805)</u>	<u>-</u>	<u>1,045,629</u>
<u>153,825</u>	<u>902,707</u>	<u>3,576</u>	<u>10,994,032</u>
<u>\$ 146,825</u>	<u>\$ 751,902</u>	<u>\$ 3,576</u>	<u>\$ 12,039,661</u>

**CITY OF COLLEYVILLE, TEXAS**

**DEBT SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budget</u>	<u>Actual</u>	Variance with Budget - Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 1,029,974	\$ 1,154,810	\$ 124,836
Investment earnings	<u>1,975</u>	<u>881</u>	<u>( 1,094)</u>
Total revenues	<u>1,031,949</u>	<u>1,155,691</u>	<u>123,742</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal retirement	1,342,586	1,342,586	-
Interest and fiscal charges	<u>343,211</u>	<u>343,420</u>	<u>( 209)</u>
Total expenditures	<u>1,685,797</u>	<u>1,686,006</u>	<u>( 209)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>( 653,848)</u>	<u>( 530,315)</u>	<u>123,533</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>501,182</u>	<u>501,182</u>	<u>-</u>
Total other financing sources	<u>501,182</u>	<u>501,182</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>( 152,666)</u>	<u>( 29,133)</u>	<u>123,533</u>
<b>FUND BALANCE, BEGINNING</b>	<u>931,623</u>	<u>931,623</u>	<u>-</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 778,957</u>	<u>\$ 902,490</u>	<u>\$ 123,533</u>

## **AGENCY FUNDS**

***Employee Activity Fund*** – This fund is used to account for funds held by the City for the benefit of employees of the City.

***Sesquicentennial Fund*** – This fund is used to account for funds held by the City for the benefit of the City of Colleyville's historical purposes.

**CITY OF COLLEYVILLE, TEXAS**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

**AGENCY FUNDS**

**SEPTEMBER 30, 2014**

	<u>Employee Activity Fund</u>	<u>Sesquicentennial Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ <u>7,106</u>	\$ <u>18,405</u>	\$ <u>25,511</u>
Total assets	\$ <u>7,106</u>	\$ <u>18,405</u>	\$ <u>25,511</u>
<b>LIABILITIES</b>			
Due to other agencies and individuals	\$ <u>7,106</u>	\$ <u>18,405</u>	\$ <u>25,511</u>
Total liabilities	\$ <u>7,106</u>	\$ <u>18,405</u>	\$ <u>25,511</u>

**CITY OF COLLEYVILLE, TEXAS**

**COMBINING STATEMENT OF CHANGES IN  
ASSETS AND LIABILITIES**

**AGENCY FUNDS**

**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Employee Activity Fund			Balance 09/30/14
	Balance 10/01/13	Additions	Deletions	
Cash and cash equivalents	\$ 6,410	\$ 3,264	\$ 2,568	\$ 7,106
Total assets	\$ 6,410	\$ 3,264	\$ 2,568	\$ 7,106
Due to other agencies and individuals	\$ 6,410	\$ 3,264	\$ 2,568	\$ 7,106
Total liabilities	\$ 6,410	\$ 3,264	\$ 2,568	\$ 7,106
	Sesquicentennial Fund			Balance 09/30/14
	Balance 10/01/13	Additions	Deletions	
Cash and cash equivalents	\$ 17,873	\$ 532	\$ -	\$ 18,405
Total assets	\$ 17,873	\$ 532	\$ -	\$ 18,405
Due to other agencies and individuals	\$ 17,873	\$ 532	\$ -	\$ 18,405
Total liabilities	\$ 17,873	\$ 532	\$ -	\$ 18,405
	Total Agency Funds			Balance 09/30/14
	Balance 10/01/13	Additions	Deletions	
Cash and cash equivalents	\$ 24,283	\$ 3,796	\$ 2,568	\$ 25,511
Total assets	\$ 24,283	\$ 3,796	\$ 2,568	\$ 25,511
Due to other agencies and individuals	\$ 24,283	\$ 3,796	\$ 2,568	\$ 25,511
Total liabilities	\$ 24,283	\$ 3,796	\$ 2,568	\$ 25,511

**THIS PAGE INTENTIONALLY LEFT BLANK**

# STATISTICAL SECTION

This part of the City of Colleyville, 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.

<b>Contents</b>	<b>Page</b>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	92
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	102
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	107
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	114
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	116

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

# CITY OF COLLEYVILLE, TEXAS

## NET POSITION BY COMPONENT

(Accrual Basis of Accounting)

	Fiscal Year		
	2005	2006	2007
Governmental activities:			
Net investment in capital assets	\$ 60,884,756	\$ 66,991,146	\$ 71,824,719
Restricted for:			
Debt service	896,130	937,578	1,032,586
Court security and technology	-	-	-
Grant programs	-	-	-
Leisure services	-	-	-
Economic development	-	-	-
Streets and drainage	-	-	-
Police	-	-	-
Unrestricted	<u>19,132,376</u>	<u>19,002,816</u>	<u>21,987,778</u>
Total governmental activities net position	<u>\$ 80,913,262</u>	<u>\$ 86,931,540</u>	<u>\$ 94,845,083</u>
Business-type activities:			
Net investment in capital assets	\$ 24,827,365	\$ 25,919,619	\$ 32,804,703
Restricted for:			
Debt service	670,571	882,821	1,080,751
Unrestricted	<u>16,374,236</u>	<u>19,253,772</u>	<u>13,626,274</u>
Total business-type activities net position	<u>\$ 41,872,172</u>	<u>\$ 46,056,212</u>	<u>\$ 47,511,728</u>
Primary government:			
Net investment in capital assets	\$ 85,712,121	\$ 92,910,765	\$ 104,629,422
Restricted for:			
Debt service	1,566,701	1,820,399	2,113,337
Court security and technology	-	-	-
Grant programs	-	-	-
Leisure services	-	-	-
Economic development	-	-	-
Streets and drainage	-	-	-
Police	-	-	-
Unrestricted	<u>35,506,612</u>	<u>38,256,588</u>	<u>35,614,052</u>
Total primary government net position	<u>\$ 122,785,434</u>	<u>\$ 132,987,752</u>	<u>\$ 142,356,811</u>

Note: The City implemented GASB 54 in fiscal year 2011 to provide clearer fund balance classifications. Prior years were not restated.

TABLE 1

Fiscal Year						
2008	2009	2010	2011	2012	2013	2014
\$ 77,484,725	\$ 79,243,497	\$ 81,970,674	\$ 83,166,142	\$ 83,211,988	\$ 84,414,252	\$ 89,754,051
889,689	1,040,896	1,057,699	1,106,893	1,159,092	857,143	831,073
-	-	-	153,420	91,637	101,411	109,766
-	-	-	23,208	21,116	16,489	9,190
-	-	-	201,184	207,736	207,770	224,064
-	-	-	1,863,900	1,998,845	2,277,373	2,733,995
-	-	-	6,428,106	8,192,568	8,432,946	12,188,836
-	-	-	994,913	1,143,454	1,223,271	1,403,502
<u>21,862,136</u>	<u>27,498,864</u>	<u>25,936,703</u>	<u>17,837,593</u>	<u>19,559,719</u>	<u>18,680,620</u>	<u>17,930,939</u>
<u>\$ 100,236,550</u>	<u>\$ 107,783,257</u>	<u>\$ 108,965,076</u>	<u>\$ 111,775,359</u>	<u>\$ 115,586,155</u>	<u>\$ 116,211,275</u>	<u>\$ 125,185,416</u>
\$ 39,442,148	\$ 39,174,562	\$ 39,080,043	\$ 38,892,098	\$ 38,395,708	\$ 39,269,943	\$ 41,567,161
1,024,349	987,181	983,225	662,050	-	-	-
<u>7,837,790</u>	<u>8,127,736</u>	<u>7,747,336</u>	<u>10,111,776</u>	<u>12,332,238</u>	<u>13,702,724</u>	<u>14,827,594</u>
<u>\$ 48,304,287</u>	<u>\$ 48,289,479</u>	<u>\$ 47,810,604</u>	<u>\$ 49,665,924</u>	<u>\$ 50,727,946</u>	<u>\$ 52,972,667</u>	<u>\$ 56,394,755</u>
\$ 116,926,873	\$ 118,418,059	\$ 121,050,717	\$ 122,058,240	\$ 121,607,696	\$ 123,684,195	\$ 131,321,212
1,914,038	2,028,077	2,040,924	1,768,943	1,159,092	857,143	831,073
-	-	-	153,420	91,637	101,411	109,766
-	-	-	23,208	21,116	16,489	9,190
-	-	-	201,184	207,736	207,770	224,064
-	-	-	1,863,900	1,998,845	2,277,373	2,733,995
-	-	-	6,428,106	8,192,568	8,432,946	12,188,836
-	-	-	994,913	1,143,454	1,223,271	1,403,502
<u>29,699,926</u>	<u>35,626,600</u>	<u>33,684,039</u>	<u>27,949,369</u>	<u>31,891,957</u>	<u>32,383,344</u>	<u>32,758,533</u>
<u>\$ 148,540,837</u>	<u>\$ 156,072,736</u>	<u>\$ 156,775,680</u>	<u>\$ 161,441,283</u>	<u>\$ 166,314,101</u>	<u>\$ 169,183,942</u>	<u>\$ 181,580,171</u>

# CITY OF COLLEYVILLE, TEXAS

## CHANGES IN NET POSITION

(Accrual Basis of Accounting)

	Fiscal Year		
	2005	2006	2007
<b>EXPENSES</b>			
Governmental activities:			
General government	\$ 2,245,964	\$ 2,729,064	\$ 2,438,051
Community Development and Engineering	1,164,345	1,267,136	1,523,768
Fire and rescue	3,325,103	3,814,585	3,790,831
Leisure services	2,923,958	3,513,992	3,525,094
Maintenance	364,434	383,504	434,984
Municipal court	238,874	270,345	262,198
Police	3,533,083	3,801,644	4,232,185
Streets and drainage	2,970,475	2,932,465	2,890,995
Interest on long-term debt	<u>1,190,857</u>	<u>1,142,043</u>	<u>1,032,374</u>
Total governmental activities expenses	<u>17,957,093</u>	<u>19,854,778</u>	<u>20,130,480</u>
Business-type activities:			
Water and wastewater	8,962,630	9,428,373	9,337,282
Drainage	550,005	548,963	671,773
Interest on long-term debt	<u>-</u>	<u>440,703</u>	<u>400,752</u>
Total business-type activities expenses	<u>9,512,635</u>	<u>10,418,039</u>	<u>10,409,807</u>
Total primary government program expenses	<u>\$ 27,469,728</u>	<u>\$ 30,272,817</u>	<u>\$ 30,540,287</u>
<b>PROGRAM REVENUES</b>			
Governmental activities:			
Charges for services:			
General government	\$ 6,000	\$ 6,000	\$ 6,000
Community Development and Engineering	1,515,052	2,163,596	1,454,744
Fire and rescue	136,498	239,386	303,868
Leisure services	386,658	448,606	424,024
Municipal court	492,805	813,781	932,452
Police	95,234	70,899	81,054
Streets and drainage	336,111	472,860	355,157
Operating grants and contributions	523,704	399,819	431,683
Capital grants and contributions	<u>3,283,774</u>	<u>4,355,357</u>	<u>5,372,281</u>
Total governmental activities program revenues	<u>6,775,836</u>	<u>8,970,304</u>	<u>9,361,263</u>

TABLE 2

		Fiscal Year						
		2008	2009	2010	2011	2012	2013	2014
\$	2,814,874	\$ 2,945,481	\$ 2,691,905	\$ 2,715,154	\$ 3,125,214	\$ 4,075,001	\$ 4,103,928	
	1,481,124	1,530,901	1,645,221	1,402,669	1,397,839	1,429,755	1,613,311	
	3,958,111	4,113,793	4,419,945	4,421,496	4,321,929	4,529,225	4,625,036	
	4,033,105	3,941,259	4,118,769	4,191,960	4,124,619	4,106,822	3,776,068	
	417,265	455,752	423,783	412,513	400,306	494,545	575,696	
	324,020	291,724	302,756	303,839	319,445	586,709	501,604	
	4,657,438	4,841,217	4,836,274	4,878,055	4,579,570	4,961,444	5,019,343	
	3,129,730	3,503,519	3,885,182	3,657,591	3,073,530	5,322,510	4,128,365	
	1,101,714	1,051,180	1,000,061	849,390	780,029	724,458	717,045	
	<u>21,917,381</u>	<u>22,674,826</u>	<u>23,323,896</u>	<u>22,832,667</u>	<u>22,122,481</u>	<u>26,230,469</u>	<u>25,060,396</u>	
	11,179,548	10,612,372	11,242,553	12,009,187	12,258,587	12,544,530	13,238,893	
	593,600	658,016	572,234	742,160	723,994	707,647	571,886	
	362,642	331,361	296,288	-	-	-	-	
	<u>12,135,790</u>	<u>11,601,749</u>	<u>12,111,075</u>	<u>12,751,347</u>	<u>12,982,581</u>	<u>13,252,177</u>	<u>13,810,779</u>	
\$	<u>34,053,171</u>	<u>34,276,575</u>	<u>35,434,971</u>	<u>35,584,014</u>	<u>35,105,062</u>	<u>39,482,646</u>	<u>38,871,175</u>	
\$	16,000	\$ 15,000	\$ 15,000	\$ 97,234	\$ 28,408	\$ 15,000	\$ 15,000	
	1,332,453	666,914	647,298	868,363	1,146,518	927,690	1,387,329	
	250,814	271,216	235,225	305,882	335,308	308,339	377,021	
	563,738	6,595,487	468,426	1,213,167	520,433	501,260	510,991	
	1,171,919	1,002,008	1,213,178	970,143	1,015,804	1,271,095	1,268,447	
	79,699	51,631	94,059	70,709	81,056	70,513	71,022	
	358,688	215,619	345,780	296,350	338,845	316,338	347,565	
	1,856,567	713,189	543,516	822,056	490,069	468,361	486,869	
	3,973,954	360,023	423,873	405,347	381,308	1,158,050	5,943,465	
	<u>9,603,832</u>	<u>9,891,087</u>	<u>3,986,355</u>	<u>5,049,251</u>	<u>4,337,749</u>	<u>5,036,646</u>	<u>10,407,709</u>	

**CITY OF COLLEYVILLE, TEXAS**

**CHANGES IN NET POSITION**

(Accrual Basis of Accounting)

	Fiscal Year		
	2005	2006	2007
<b>PROGRAM REVENUES</b>			
Business-type activities:			
Charges for services:			
Water and wastewater	\$ 9,856,889	\$ 12,357,576	\$ 9,127,470
Drainage	675,045	830,292	841,972
Capital grants and contributions	<u>844,256</u>	<u>1,100,354</u>	<u>1,561,255</u>
Total business-type activities program revenues	<u>11,376,190</u>	<u>14,288,222</u>	<u>11,530,697</u>
Total primary government program revenues	<u>\$ 18,152,026</u>	<u>\$ 23,258,526</u>	<u>\$ 20,891,960</u>
<b>NET (EXPENSE) REVENUES</b>			
Governmental activities	\$(11,181,257)	\$(10,884,474)	\$( 10,769,217)
Business-type activities	<u>1,863,555</u>	<u>3,870,183</u>	<u>1,120,890</u>
Total primary government net expense	<u>( 9,317,702)</u>	<u>( 7,014,291)</u>	<u>( 9,648,327)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>			
Governmental activities:			
Taxes			
Property	8,938,888	9,483,546	10,153,775
Franchise	1,477,749	1,790,543	1,779,376
Sales	3,801,369	4,355,627	4,674,068
Other	53,974	76,005	89,132
Investment earnings	443,570	904,361	1,224,361
Miscellaneous	153,947	65,313	97,963
Gain on sale of capital assets	-	-	-
Transfers	<u>464,393</u>	<u>532,357</u>	<u>664,085</u>
Total governmental activities	<u>15,333,890</u>	<u>17,207,752</u>	<u>18,682,760</u>
Business-type activities:			
Investment earnings	377,064	846,214	998,710
Gain on sale of capital assets	-	-	-
Transfers	<u>( 464,393)</u>	<u>( 532,357)</u>	<u>( 664,085)</u>
Total business-type activities	<u>( 87,329)</u>	<u>313,857</u>	<u>334,625</u>
Total primary government	<u>15,246,561</u>	<u>17,521,609</u>	<u>19,017,385</u>
<b>CHANGE IN NET POSITION</b>			
Governmental activities	4,152,633	6,323,278	7,913,543
Business-type activities	<u>1,776,226</u>	<u>4,184,040</u>	<u>1,455,515</u>
Total primary government	<u>\$ 5,928,859</u>	<u>\$ 10,507,318</u>	<u>\$ 9,369,058</u>

Note: See Table 9 for information about Water and Wastewater Charges for services

**TABLE 2**  
**(continued)**

Fiscal Year						
2008	2009	2010	2011	2012	2013	2014
\$ 11,114,892	\$ 11,303,868	\$ 11,414,425	\$ 14,355,418	\$ 14,034,600	\$ 14,661,491	\$ 14,789,614
859,013	874,637	897,361	903,089	918,323	928,863	939,868
<u>1,415,785</u>	<u>63,293</u>	<u>147,014</u>	<u>168,365</u>	<u>169,464</u>	<u>876,660</u>	<u>2,707,835</u>
<u>13,389,690</u>	<u>12,241,798</u>	<u>12,458,800</u>	<u>15,426,872</u>	<u>15,122,387</u>	<u>16,467,014</u>	<u>18,437,317</u>
<u>\$ 22,993,522</u>	<u>\$ 22,132,885</u>	<u>\$ 16,445,155</u>	<u>\$ 20,476,123</u>	<u>\$ 19,460,136</u>	<u>\$ 21,503,660</u>	<u>\$ 28,845,026</u>
\$( 12,313,549)	\$( 12,783,739)	\$( 19,337,541)	\$( 17,783,416)	\$( 17,784,732)	\$(21,193,823)	\$( 14,652,687)
<u>1,253,900</u>	<u>640,049</u>	<u>347,725</u>	<u>2,675,525</u>	<u>2,139,806</u>	<u>3,214,837</u>	<u>4,626,538</u>
<u>( 11,059,649)</u>	<u>( 12,143,690)</u>	<u>( 18,989,816)</u>	<u>( 15,107,891)</u>	<u>( 15,644,926)</u>	<u>(17,978,986)</u>	<u>( 10,026,149)</u>
11,367,967	12,121,420	12,557,716	12,414,948	12,414,457	12,497,692	12,950,832
1,818,060	2,017,440	1,867,065	2,031,268	2,207,463	2,074,731	2,172,801
4,740,964	4,718,976	4,936,484	5,056,597	5,495,730	5,902,557	6,472,195
82,532	74,198	75,365	80,731	65,808	68,592	98,160
804,864	471,524	76,968	95,822	108,192	77,269	39,697
96,348	77,854	82,833	55,454	74,041	85,562	61,643
116,112	25,237	65,306	-	147,969	-	810,020
<u>841,936</u>	<u>823,797</u>	<u>857,622</u>	<u>858,879</u>	<u>1,081,868</u>	<u>1,112,540</u>	<u>1,180,292</u>
<u>19,868,783</u>	<u>20,330,446</u>	<u>20,519,359</u>	<u>20,593,699</u>	<u>21,595,528</u>	<u>21,818,943</u>	<u>23,785,640</u>
380,595	168,940	15,158	38,674	4,084	38,987	23,655
-	-	15,864	-	-	103,437	40,814
<u>( 841,936)</u>	<u>( 823,797)</u>	<u>( 857,622)</u>	<u>( 858,879)</u>	<u>( 1,081,868)</u>	<u>( 1,112,540)</u>	<u>( 1,180,292)</u>
<u>( 461,341)</u>	<u>( 654,857)</u>	<u>( 826,600)</u>	<u>( 820,205)</u>	<u>( 1,077,784)</u>	<u>( 970,116)</u>	<u>( 1,115,823)</u>
<u>19,407,442</u>	<u>19,675,589</u>	<u>19,692,759</u>	<u>19,773,494</u>	<u>20,517,744</u>	<u>20,848,827</u>	<u>22,669,817</u>
7,555,234	7,546,707	1,181,818	2,810,283	3,810,796	625,120	9,132,953
<u>792,559</u>	<u>( 14,808)</u>	<u>( 478,875)</u>	<u>1,855,320</u>	<u>1,062,022</u>	<u>2,244,721</u>	<u>3,510,715</u>
<u>\$ 8,347,793</u>	<u>\$ 7,531,899</u>	<u>\$ 702,943</u>	<u>\$ 4,665,603</u>	<u>\$ 4,872,818</u>	<u>\$ 2,869,841</u>	<u>\$ 12,643,668</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

## CITY OF COLLEYVILLE, TEXAS

FUND BALANCES  
GOVERNMENTAL FUNDSLAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,147	\$ 132,664	\$ 1,759	\$ 1,269
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	706,942	813,536	813,536	813,536
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	<u>6,850,731</u>	<u>7,575,662</u>	<u>8,495,329</u>	<u>8,717,398</u>	<u>8,207,420</u>	<u>8,813,597</u>	<u>10,223,232</u>	<u>11,762,625</u>	<u>11,006,716</u>	<u>10,080,617</u>
Total general fund	<u>\$ 6,850,731</u>	<u>\$ 7,575,662</u>	<u>\$ 8,495,329</u>	<u>\$ 8,717,398</u>	<u>\$ 8,207,420</u>	<u>\$ 8,813,597</u>	<u>\$ 10,932,321</u>	<u>\$ 12,708,825</u>	<u>\$ 11,822,011</u>	<u>\$ 10,895,422</u>
All other governmental funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,959,583	1,082,681	1,254,686	987,681	1,121,567	1,154,570	10,853,638	12,894,768	13,190,883	17,571,843
Committed	-	-	-	-	-	-	5,967,620	6,193,060	6,262,082	6,793,236
Assigned	-	-	-	-	-	-	1,148,548	954,818	910,611	765,908
Unassigned	-	-	-	-	-	-	-	-	(4,975)	-
Unassigned, reported in:										
Special revenue funds	3,251,861	4,760,679	4,814,412	5,696,905	7,267,350	5,664,493	-	-	-	-
Capital projects funds	<u>7,438,437</u>	<u>7,012,225</u>	<u>9,055,431</u>	<u>7,811,492</u>	<u>12,369,631</u>	<u>11,524,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 13,649,881</u>	<u>\$ 12,855,585</u>	<u>\$ 15,124,529</u>	<u>\$ 14,496,078</u>	<u>\$ 20,758,548</u>	<u>\$ 18,343,269</u>	<u>\$ 17,969,806</u>	<u>\$ 20,042,646</u>	<u>\$ 20,358,601</u>	<u>\$ 25,130,987</u>

Note: This schedule does not restate prior years for Special Revenue and Capital Projects Funds.

The City implemented GASB 54 in fiscal year 2011 to provide clearer fund balance classifications. Prior years were not restated.

## CITY OF COLLEYVILLE, TEXAS

CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDSLAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>REVENUES</b>										
Taxes	\$ 14,277,010	\$ 15,708,945	\$ 16,701,290	\$ 17,975,445	\$ 18,889,480	\$ 19,353,358	\$ 19,627,734	\$ 20,235,012	\$ 20,541,466	\$ 21,747,244
Developer contributions	274,996	549,911	683,425	226,488	-	-	-	-	-	-
Licenses, fees and permits	1,359,329	1,931,265	1,244,218	1,113,595	646,302	607,132	923,590	1,130,426	857,135	1,090,012
Capital improvement fees	366,111	482,860	389,657	358,688	208,622	334,075	281,260	322,498	300,900	333,496
Drainage fees	-	-	-	-	-	-	-	-	-	-
Fines and penalties	513,129	841,595	965,416	1,203,260	1,028,425	1,244,146	998,221	1,051,899	1,000,954	1,043,821
Charges for services	940,212	1,173,394	1,190,327	1,322,732	7,129,322	917,884	1,694,993	1,030,439	1,321,927	1,577,564
Interest	443,570	904,361	1,224,361	804,864	471,524	76,968	95,823	110,550	77,269	39,697
Intergovernmental	167,293	5,409	4,361	1,437,935	350,468	100,807	541,709	124,056	76,506	556,954
Donations	502,789	396,627	735,756	548,093	401,432	379,853	602,401	406,789	487,066	918,613
Miscellaneous	183,902	83,730	107,700	116,280	155,100	97,833	70,453	89,041	100,562	76,643
Total revenues	<u>19,028,341</u>	<u>22,078,097</u>	<u>23,246,511</u>	<u>25,107,380</u>	<u>29,280,675</u>	<u>23,112,056</u>	<u>24,836,184</u>	<u>24,500,710</u>	<u>24,763,785</u>	<u>27,384,044</u>
<b>EXPENDITURES</b>										
General government	1,873,091	2,107,398	2,247,359	2,537,699	2,639,218	2,423,869	2,383,276	2,753,457	3,171,582	3,746,619
Comm Development/Eng	1,160,232	1,265,251	1,467,216	1,462,566	1,531,785	1,642,047	1,397,256	1,396,259	1,429,574	1,606,589
Fire	3,166,840	3,657,554	3,517,817	3,755,575	3,840,118	3,955,407	3,972,053	3,888,225	4,062,535	4,174,745
Police	3,293,320	3,558,154	3,961,975	4,395,056	4,588,576	4,552,947	4,596,862	4,304,710	4,670,639	4,707,315
Leisure services	2,388,761	2,838,637	2,913,798	3,171,514	3,058,332	3,173,352	3,177,878	3,049,908	3,035,583	2,702,313
Streets and drainage	1,656,187	1,604,425	1,485,756	1,649,037	1,917,536	2,297,719	2,052,298	1,388,970	3,597,965	2,055,631
Municipal court	238,245	270,037	252,961	323,059	291,893	302,172	302,666	319,084	586,911	501,027
Maintenance	357,983	377,144	415,708	410,636	449,806	417,946	405,911	394,830	489,685	570,011
Capital outlay	1,459,940	4,491,341	6,337,656	5,150,286	2,759,774	4,935,053	2,510,027	2,515,115	2,668,074	3,250,508
Debt service:										
Interest	1,289,866	1,141,817	1,094,001	2,584,790	1,033,148	944,751	838,320	757,594	697,140	716,228
Principal	<u>1,573,308</u>	<u>1,929,047</u>	<u>2,005,204</u>	<u>1,189,798</u>	<u>2,275,553</u>	<u>2,180,061</u>	<u>2,259,004</u>	<u>2,007,585</u>	<u>2,246,921</u>	<u>1,342,586</u>
Total expenditures	<u>18,457,773</u>	<u>23,240,805</u>	<u>25,699,451</u>	<u>26,630,016</u>	<u>24,385,739</u>	<u>26,825,324</u>	<u>23,895,551</u>	<u>22,775,737</u>	<u>26,656,609</u>	<u>25,373,572</u>

## CITY OF COLLEYVILLE, TEXAS

CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDSLAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ 570,568	\$ ( 1,162,708)	\$ ( 2,452,940)	\$ ( 1,522,636)	\$ 4,894,936	\$ ( 3,713,268)	\$ 940,633	\$ 1,724,973	\$ ( 1,892,824)	\$ 2,010,472
<b>OTHER FINANCING SOURCES (USES)</b>										
Bonds issued	9,570,000	-	9,890,000	-	-	-	2,945,000	-	-	-
Refunding bonds	-	-	-	-	-	-	-	-	-	7,330,000
Notes payable	94,187	-	-	-	-	-	-	-	-	-
Capital lease	-	408,716	-	176,150	-	981,238	-	894,534	209,425	-
Sale of capital assets	-	152,270	8,800	98,168	33,759	65,306	7,098	147,969	-	925,033
Premium on bond issue	-	-	-	-	-	-	6,561	-	-	-
Payments to escrow	( 7,450,606)	-	( 4,921,334)	-	-	-	( 3,012,910)	-	-	( 7,600,000)
Transfers in	1,675,954	2,203,261	1,637,154	2,082,101	2,338,776	1,884,896	2,458,396	3,893,584	4,189,380	7,355,334
Transfers out	( 1,211,561)	( 1,670,904)	( 973,069)	( 1,240,165)	( 1,514,979)	( 1,027,274)	( 1,599,517)	( 2,811,716)	( 3,076,840)	( 6,175,042)
Total other financing sources (uses)	2,677,974	1,093,343	5,641,551	1,116,254	857,556	1,904,166	804,628	2,124,371	1,321,965	1,835,325
<b>NET CHANGE IN FUND BALANCES</b>	\$ 3,248,542	\$ ( 69,365)	\$ 3,188,611	\$ ( 406,382)	\$ 5,752,492	\$ ( 1,809,102)	\$ 1,745,261	\$ 3,849,344	\$ ( 570,859)	\$ 3,845,797
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	16.8%	16.4%	16.0%	17.6%	15.3%	14.3%	14.5%	13.6%	12.3%	9.3%

Note: Capital Outlay does not include contributed capital assets received from developers.

CITY OF COLLEYVILLE, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Personal Property	Less: Tax-exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2005	2,793,606,203	78,255,043	219,264,381	2,652,596,865	0.3474	2,652,596,865
2006	3,015,929,674	79,122,702	221,809,521	2,873,242,855	0.3474	2,873,242,855
2007	3,229,353,459	86,080,918	228,115,791	3,087,318,586	0.3474	3,087,318,586
2008	3,531,988,996	97,998,283	228,915,486	3,401,071,793	0.3559	3,401,071,793
2009	3,748,968,313	99,556,111	230,676,995	3,617,847,429	0.3559	3,617,847,429
2010	3,907,288,105	95,261,420	237,293,931	3,765,255,594	0.3559	3,765,255,594
2011	3,917,415,346	92,176,541	253,414,335	3,756,177,552	0.3559	3,756,177,552
2012	3,941,020,477	89,758,416	277,077,387	3,753,701,506	0.3559	3,753,701,506
2013	3,997,250,723	91,264,033	296,807,896	3,791,706,860	0.3559	3,791,706,860
2014	4,129,613,419	93,604,217	307,729,550	3,915,488,086	0.3559	3,915,488,086

Source: Tarrant Appraisal District

Note: Property in Tarrant County is reassessed once every two years. The Appraisal District assesses property at 100 percent of actual value for residential and personal. Tax rates are per \$100 of assessed value.

**TABLE 6**

**CITY OF COLLEYVILLE, TEXAS**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

**LAST TEN FISCAL YEARS**

Fiscal Year	City Direct Rates			Overlapping Rates							
	Operations and Maintenance Rate	General Obligation Debt Service	Total Direct Rate	Birdville Independent School District	Carroll Independent School District	Grapevine-Colleyville Independent School District	Hurst-Euless Bedford Independent School District	Keller Independent School District	Tarrant County	Tarrant County College District	Tarrant County Hospital District
2005	0.29072	0.05668	0.34740	1.6170	1.9350	1.70000	1.7105	1.6975	0.27250	0.139380	0.235397
2006	0.27771	0.06969	0.34740	1.6170	1.9350	1.70000	1.7230	1.7158	0.27250	0.139380	0.235397
2007	0.27873	0.06867	0.34740	1.5650	1.7950	1.57430	1.5976	1.6080	0.27150	0.139380	0.235397
2008	0.28299	0.07291	0.35590	1.4050	1.4650	1.29000	1.3037	1.3574	0.26650	0.139380	0.230397
2009	0.28860	0.06731	0.35590	1.4100	1.4150	1.29000	1.2955	1.4169	0.26400	0.137960	0.227897
2010	0.29864	0.05726	0.35590	1.4050	1.4150	1.29000	1.2955	1.4863	0.26400	0.137670	0.227897
2011	0.29758	0.05832	0.35590	1.4250	1.4150	1.29000	1.2882	1.5306	0.26400	0.137600	0.227900
2012	0.30881	0.04709	0.35590	1.4350	1.4150	1.32010	1.4140	1.5400	0.26400	0.148970	0.227897
2013	0.31385	0.04205	0.35590	1.4350	1.4000	1.32010	1.4075	1.5400	0.26400	0.148970	0.227897
2014	0.32442	0.03148	0.35590	1.4350	1.4000	1.32010	1.3875	1.5400	0.26400	0.149500	0.227897

Source: Tarrant Appraisal District

Notes: Overlapping rates are those of local and county governments that apply to property owners within the City of Colleyville, Texas. Not all school district overlapping rates apply to all Colleyville property owners because the City is served by five different independent school districts; for example, although the county property tax rates apply to all City property owners, the Grapevine-Colleyville Independent School District rates apply only to the approximately two-thirds of City property owners whose property is located within that school district's geographic boundaries.

TABLE 7

**CITY OF COLLEYVILLE, TEXAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2014		2005	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Melvin & Martindale	\$ 24,300,000	0.64%	\$ 4,594,495	0.17%
Toll Dallas TX LLC	16,368,368	0.43%	-	- %
Oncor Electric Delivery	16,288,033	0.43%	16,670,636	0.63%
Lifetime Fitness Real Estate	12,304,570	0.32%	-	- %
AC Village Park Partners LLC	10,430,264	0.28%	-	- %
RCC Village Properties	8,831,175	0.23%	-	- %
Wal-Mart Real Estate Business Trust	8,769,804	0.23%	-	- %
Colleyville Riverwalk LP	6,054,975	0.16%	-	- %
Leonard Hudson	4,830,200	0.13%	-	- %
Donald and Gina Wilson	4,337,800	0.11%	-	- %
Albertsons	-	- %	9,450,228	0.36%
Village Management, LTD.	-	- %	4,794,100	0.18%
Uhlmann-Colleyville, LLC	-	- %	6,093,083	0.23%
Colleyville Plaza LP	-	- %	6,500,480	0.25%
Industrial Bank Japan Trust, Co.	-	- %	5,145,107	0.19%
Market Street	-	- %	6,033,600	0.23%
Broughton LTD Partnership	-	- %	7,391,268	0.28%
Broadland Limited Partnership	-	- %	5,510,559	0.21%
Total	<u>\$ 112,515,189</u>	<u>2.97%</u>	<u>\$ 72,183,556</u>	<u>2.73%</u>

Source: Tarrant Appraisal District

**CITY OF COLLEYVILLE, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected With the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2005	9,201,770	9,109,752	99.1%	85,530	9,195,283	99.93%
2006	9,981,646	9,906,769	99.2%	68,541	9,975,310	99.94%
2007	10,725,345	10,592,222	98.8%	124,651	10,716,873	99.92%
2008	12,024,882	11,903,333	99.0%	109,102	12,012,435	99.90%
2009	12,875,919	12,734,871	98.9%	125,669	12,860,540	99.88%
2010	13,351,922	13,166,515	98.6%	164,082	13,330,597	99.84%
2011	13,183,932	13,063,575	99.1%	95,672	13,159,247	99.81%
2012	13,163,735	13,082,029	99.4%	43,962	13,125,991	99.71%
2013	13,291,462	13,207,902	99.4%	62,362	13,270,264	99.84%
2014	13,722,602	13,681,269	99.7%	-	13,681,269	99.70%

Sources: Tarrant County Appraisal District and City of Colleyville Finance Department.

TABLE 9

**CITY OF COLLEYVILLE, TEXAS**  
**PRINCIPAL WATER CUSTOMERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2014		2005	
	Water Usage	Percentage of Total City Water Usage	Water Usage	Percentage of Total City Water Usage
Grapevine-Colleyville ISD	31,982,000	1.40%	42,168,500	1.94%
Lifetime Fitness	11,434,600	0.50%	14,291,700	0.66%
Town Center	6,854,800	0.30%	6,526,000	0.30%
Market Street	5,704,500	0.25%	5,705,600	0.26%
Bluebonnet Hills	4,913,700	0.22%	5,923,300	0.27%
Toll Dallas	4,591,600	0.20%	-	- %
Wash Depot	4,482,100	0.20%	4,573,400	0.21%
Shadowood Trail	4,265,400	0.19%	5,595,500	0.26%
Westmont	3,789,600	0.17%	2,956,700	0.14%
Woodland Hills	3,554,600	0.16%	3,940,900	0.18%
Whittier Heights	3,447,800	0.15%	-	- %
Broughton Maint Assoc	3,443,500	0.15%	-	- %
Villas at Oak Point	3,279,900	0.14%	-	- %
Monterra	2,811,800	0.12%	-	- %
La Hacienda Ranch	2,774,200	0.12%	3,464,300	0.16%
Clairemont	2,616,100	0.11%	-	- %
Timarron	2,193,100	0.10%	-	- %
Highland Meadows Church	2,165,800	0.09%	4,425,300	0.20%
Rio Mambo	1,794,500	0.08%	-	- %
Albertsons (Glade Rd)	1,692,500	0.07%	7,832,600	0.36%
Total	<u>107,792,100</u>	<u>4.72%</u>	<u>107,403,800</u>	<u>4.94%</u>

Source: City utility billing records

**TABLE 10**

**CITY OF COLLEYVILLE, TEXAS**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Sales Tax Revenue Bonds	Capital Leases	Water and Sewer Revenue Bonds	Drainage Revenue Bonds	Capital Leases			
2005	11,995,000	14,980,000	69,187	8,160,000	2,515,000	41,077	37,760,264	3.28%	1,798
2006	10,665,000	14,760,000	404,395	7,365,000	2,365,000	26,933	35,586,328	2.96%	1,640
2007	17,770,000	10,372,462	349,189	6,540,000	2,205,000	13,140	37,249,791	2.89%	1,682
2008	16,275,000	9,795,916	430,549	5,840,000	2,040,000	-	34,381,465	2.65%	1,528
2009	14,665,000	9,199,370	359,996	5,200,000	1,870,000	-	31,294,366	2.52%	1,388
2010	13,300,000	8,572,824	1,151,173	4,520,000	1,695,000	-	29,238,997	2.32%	1,282
2011	11,463,786	8,271,278	972,170	3,600,000	1,550,000	-	25,857,234	1.73%	1,131
2012	9,933,921	7,954,732	1,709,120	2,850,000	1,345,000	-	23,792,773	1.57%	1,037
2013	8,639,056	7,623,186	1,301,624	2,085,000	1,135,000	-	20,783,866	1.37%	900
2014	7,660,000	7,330,000	974,038	1,379,830	915,000	-	18,258,868	1.16%	769

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

See Table 14 for personal income and population data.

## CITY OF COLLEYVILLE, TEXAS

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

## LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less Amounts Restricted to Repaying Principal	Total		
2005	11,955,000	989,618	10,965,382	0.41%	522
2006	10,665,000	1,082,681	9,582,319	0.33%	442
2007	17,770,000	1,254,686	16,515,314	0.53%	746
2008	16,275,000	987,681	15,287,319	0.45%	679
2009	14,665,000	1,121,567	13,543,433	0.37%	601
2010	13,300,000	1,154,570	12,145,430	0.32%	533
2011	11,463,786	1,188,907	10,274,879	0.27%	449
2012	9,933,921	1,239,412	8,694,509	0.23%	379
2013	8,639,056	931,623	7,707,433	0.20%	334
2014	7,660,000	902,490	6,757,510	0.17%	285

## Notes:

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

See Table 5 for property value data.

Population data can be found in Table 14.

## CITY OF COLLEYVILLE, TEXAS

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2014

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Birdville Independent School District	\$ 188,860,198	0.080%	\$ 151,088
Carroll Independent School District	226,024,791	0.460%	1,039,714
Grapevine-Colleyville Independent School District	338,573,481	21.490%	72,759,441
Hurst-Euless-Bedford Independent School District	290,687,648	1.650%	4,796,346
Keller Independent School District	654,308,399	3.210%	21,003,300
Tarrant County	317,820,000	3.070%	9,757,074
Tarrant County College District	7,935,000	3.050%	242,018
Tarrant County Hospital District	24,425,000	3.060%	<u>747,405</u>
Subtotal overlapping debt			110,496,386
City direct debt	11,330,000	100.000%	<u>15,964,038</u>
Total direct and overlapping debt			<u>\$ 126,460,242</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Tarrant County Appraisal District and debt outstanding data provided by each governmental unit.



**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF COLLEYVILLE, TEXAS**

**PLEDGED REVENUE COVERAGE**

**LAST TEN FISCAL YEARS**

Fiscal Year	Water Revenue Bonds					Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2005	10,198,733	7,251,998	2,946,735	765,000	361,976	1,819,759
2006	13,136,476	8,067,565	5,068,911	795,000	329,451	3,944,460
2007	10,046,030	8,040,621	2,005,409	825,000	296,546	883,863
2008	11,452,268	9,670,881	1,781,387	700,000	265,658	815,729
2009	11,458,282	8,943,803	2,514,479	640,000	241,223	1,633,256
2010	11,427,074	9,458,355	1,968,719	680,000	213,358	1,075,361
2011	14,391,910	10,120,678	4,271,232	920,000	57,819	3,293,413
2012	14,036,325	10,395,517	3,640,808	750,000	77,947	2,812,861
2013	14,698,914	10,707,017	3,991,897	765,000	58,430	3,168,467
2014	14,811,721	11,331,749	3,479,972	775,000	44,137	2,660,835

Notes:

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

**TABLE 14**

Drainage Revenue Bonds						Sales Tax Bonds			
Drainage Service Charges	Drainage Operations Expenses	Net Available Revenue	Debt Service		Coverage	Sales Tax Increment	Debt Service		Coverage
			Principal	Interest			Principal	Interest	
710,265	338,310	371,955	175,000	116,432	80,523	982,844	210,000	387,085	385,759
897,606	444,700	452,906	150,000	111,252	191,654	1,132,094	240,000	402,929	489,165
922,123	462,387	459,736	160,000	104,206	195,530	1,208,379	255,000	391,366	562,013
902,232	510,259	391,973	165,000	96,984	129,989	1,300,260	270,000	380,013	650,247
889,163	500,677	388,486	170,000	90,138	128,348	1,264,385	275,000	368,195	621,190
899,870	484,712	415,158	175,000	82,930	157,228	1,317,161	290,000	356,290	670,871
905,271	551,049	354,222	152,163	58,979	143,080	1,319,517	300,000	344,195	675,322
920,682	531,705	388,977	205,000	51,244	132,733	1,426,909	315,000	331,588	780,321
930,427	541,598	388,829	210,000	41,733	137,096	1,534,635	330,000	318,365	886,270
941,416	416,957	524,459	220,000	35,398	269,061	1,673,351	-	138,390	1,534,961

Operating expenses do not include interest, depreciation, or amortization expenses.

## CITY OF COLLEYVILLE, TEXAS

## DEMOGRAPHIC AND ECONOMIC STATISTICS

## LAST TEN FISCAL YEARS

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Tarrant County Unemployment Rate</u>
2005	21,000	165,008	54,820	5.1%
2006	21,700	167,009	55,485	4.5%
2007	22,150	175,008	58,142	4.3%
2008	22,500	173,853	57,758	5.1%
2009	22,550	166,063	55,170	8.2%
2010	22,807	166,063	55,354	7.9%
2011	22,860	199,168	65,516	8.3%
2012	22,950	199,168	65,516	6.2%
2013	23,090	199,168	65,516	6.0%
2014	23,740	200,822	66,060	5.0%

Sources: Population - North Central Texas Council of Governments, personal income - City of Colleyville Economic Development Department, Unemployment Rate - Texas Workforce Commission (unemployment rate is not available solely for the City of Colleyville)

**CITY OF COLLEYVILLE, TEXAS**

**PRINCIPAL EMPLOYERS**

**CURRENT YEAR AND NINE YEARS AGO**

Employer	2014		2005	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment*
Grapevine Colleyville ISD	611	11.8%	720	- %
Market Street	325	6.3%	400	- %
Lifetime Fitness	230	4.5%	-	- %
City of Colleyville	190	3.7%	162	- %
Kroger	-	- %	150	- %
Whole Foods Market	125	2.4%	-	- %
Albertsons	110	2.1%	200	- %
Covenant Christian Academy	130	2.5%	80	- %
LaHacienda Ranch	100	1.9%	100	- %
Walmart Neighborhood Market	72	1.4%	-	- %
Sonshine Academy	60	1.2%	40	- %
US Memory Care	60	1.2%	-	- %
Mac's Steak and Seafood	-	- %	60	- %
Compass Christian Church	50	1.0%	-	- %
<b>Total</b>	<b>2,063</b>	<b>39.9%</b>	<b>1,912</b>	<b>- %</b>

Source: City Economic Development Division

\*This information is unavailable.

TABLE 17

**CITY OF COLLEYVILLE TEXAS**  
**FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES**  
**BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	Fulltime Equivalent Employees as of September 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Management services	6	6	5	5	4	4	4	4	4	4
Finance/court	7	7	6	6	6	6	6	6	8	8
Planning	3	3	3	3	3	2	2	2	2	4
Building	5	5	5	6	6	5	4	3	3	3.5
Other	5	5	6	6.5	7.5	9.5	11	11	13	12
Police										
Officers	31	32	35	37	38	38	38	39	40	41
Civilians	10	11	13	14	14	13	6	6	6	6.5
Fire										
Firefighters and officers	33	33	33	33	33	33	33	35	36	38
Civilians	1	1	1	1	1	2	1	1	1	1
Other public works										
Engineering	5	5	5	5	5	4	4.5	3	3	4
Other	3	3	3	3	3	3	3	3	3	3
Streets	10	10	10	10	10	10	10	10	7	8
Parks and recreation	12.5	12.5	13.5	13.5	13.5	16.5	16	16	16	16
Library	5.5	5.5	7.5	8	8	9.5	11.5	11.5	12	13
Colleyville center	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	3.5	4
Water/wastewater	25.5	28	29	29	29	28	24	25	23	25
Drainage	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>6</u>
Total	<u>173.0</u>	<u>177.5</u>	<u>185.5</u>	<u>190.5</u>	<u>191.5</u>	<u>194.0</u>	<u>184.5</u>	<u>185.5</u>	<u>187.5</u>	<u>196.5</u>

Source: City Human Resources Office

Notes: A fulltime employee is scheduled to work 2080 hours per year (including vacation and sick leave). Fulltime equivalent employment is calculated by dividing total labor hours by 2080.

TABLE 18

**CITY OF COLLEYVILLE, TEXAS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Building permits issued	245	270	140	131	90	77	104	155	103	108
Building inspections conducted	8,734	9,599	8,941	8,108	5,641	6,149	6,737	8,310	8,292	7,807
Police										
Physical arrests	404	485	666	514	809	764	666	653	632	863
Calls for service	10,668	10,546	17,629	15,292	23,480	12,242	27,254	48,076	61,270	58,522
Traffic violations	7,311	11,218	12,438	15,621	12,550	13,822	11,354	11,980	11,766	19,955
Fire										
Emergency responses	510	656	715	681	737	762	830	724	557	627
Ambulance calls	609	589	630	667	693	751	765	803	829	950
Inspections	560	312	503	666	796	784	397	342	306	317
Other public works										
Street resurfacing (miles)	3	3	4.5	8.5	13.9	8.0	6.2	1.0	4.0	1.7
Parks and recreation										
Athletic field participants	690	602	4,960	5,159	4,617	4,296	4,378	3,946	4,287	4,315
Community center rentals	580	637	592	627	507	373	410	404	398	412
Library										
Volumes in collection	34,656	43,378	46,311	50,348	54,659	58,147	62,997	65,740	69,736	74,525
Total volumes borrowed	139,130	177,087	197,712	211,674	238,459	244,458	235,238	244,613	250,737	234,667
Water										
Customers	8,271	8,561	8,700	8,893	8,960	9,014	9,103	9,285	9,396	9,507
Average daily consumption (thousands of gallons)	5,951	8,081	5,123	6,619	6,578	5,990	7,928	7,217	6,785	6,539
Peak daily consumption (thousands of gallons)	16,126	16,732	13,068	16,764	16,674	18,207	18,935	18,707	17,052	15,204
Wastewater										
Customers	7,563	7,761	7,966	8,138	8,315	8,389	8,457	8,603	8,731	8,817

Source: Various City departments

TABLE 19

**CITY OF COLLEYVILLE, TEXAS**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	7	7	10	13	13	13	13	12	12	12
Fire										
Stations	2	2	2	3	3	3	3	3	3	3
Public works										
Streets (miles)	300	307	311	312	312	318	282	282	282	283
Streetlights	860	990	1,011	1,010	1,168	1,188	1,169	1,169	1,175	1,175
Traffic signals	2	2	2	2	2	2	2	2	2	2
Parks and recreation										
Acreage	212	212	224	224	224	224	224	224	224	224
Playgrounds	5	5	6	6	6	6	6	6	6	6
Baseball/softball diamonds	9	9	9	9	9	9	9	9	9	9
Soccer fields	14	14	14	14	14	14	14	14	14	14
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	173	175	191	192	199	200	195	201	202	204
Fire hydrants	1,149	1,206	1,254	1,271	1,340	1,345	1,362	1,389	1,389	1,403
Storage capacity (thousands of gallons)	4,900	4,900	4,900	4,900	9,900	9,900	9,400	9,400	9,400	9,400
Wastewater										
Sanitary sewers (miles)	150	154	163	164	166	170	162	169	170	172
Storm sewers (miles)	57	58	59	59	63	63	58	64	58	60

Source: Various City departments

Note: No capital asset indicators are available for the general government or library function.

# **COMPLIANCE**

**THIS PAGE INTENTIONALLY LEFT BLANK**



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

**INDEPENDENT AUDITORS' 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 Colleyville, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Colleyville, Texas (the "City"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 27, 2015.

**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 the City's internal control.

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

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

### **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*.

### **Purpose of this Report**

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

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

Waco, Texas  
January 27, 2015