

**CITY OF
COLLEYVILLE, TEXAS**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2015

Prepared by
Finance Department

Brian Hogan
Chief Financial Officer

Karen Hines
Accounting Manager

CITY OF COLLEYVILLE, TEXAS

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INTRODUCTORY SECTION

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Integrity ★ Service ★ Innovation

March 22, 2016

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, 2015, 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, 2015, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Colleyville's financial statements for fiscal year ended September 30, 2015, 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 2015, as did commercial development. During the fiscal year, the City issued 181 residential building permits and the average square footage of a residence was almost five thousand square feet. The City also issued 105 certificates of occupancy for new, remodeled, and expanding businesses. The City's strong economy supports a 94% occupancy rate of existing retail and office spaces.

In fiscal year 2015, two multi-tenant retail centers were completed. Both projects continue to bring new tenants and sales tax dollars to Colleyville.

- Colleyville Downs, a 200,910 square foot Class “A” multi-tenant retail property anchored by Whole Foods, Petco, and Ace Hardware, added an outparcel pad site in 2015 that is shared by a Zoës Kitchen and Snuffer’s Restaurant and Bar.
- Colleyville Stampede includes 12,847 square feet of new retail and restaurant space.

Transportation projects completed in fiscal year 2015 include the roundabout at the Jackson Road and Cheek-Sparger Road intersection, the Kingston Addition street rehabilitation project, and three quiet zone grade crossings of the Cotton Belt railroad at John McCain, Bransford, and Pleasant Run roads.

Transportation projects in progress at the end of fiscal year 2015 are State Highway/Colleyville Boulevard (final construction of Phase I and final design of Phases II and III), Pleasant Run Road street reconstruction and trail improvements, and final design for Phase I of Glade Road.

Destination Colleyville, an update to the City’s comprehensive master plan, was adopted on December 15, 2015. The plan provides a common vision and goals for economic stability, transportation, housing and neighborhoods, City services and facilities, future land use, and character and placemaking.

For the Future. In fiscal year 2016, scheduled major transportation projects include construction for Phases II and III of State Highway 26/Colleyville Boulevard, and Glade Road (completion of Phase I and design work for Phases II, III, and IV).

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 2015. At the end of fiscal year 2015, both the General Fund and the Utility Fund have a fund balance in excess of the required ninety day reserve. Amount in excess of the reserve may be used to fund one-time capital expenditures.

In Fiscal Year 2014, the City Council adopted the City’s Strategy Map, which incorporated focus areas that had been present in prior strategic plans dating back to 2010. The four focus areas are:

- Protect and Preserve Colleyville Neighborhoods
- Provide Sustainable Government
- Encourage Economic Development
- Provide Core Services

There are four perspectives from which to view, and address, the focus areas:

- Learning and Growth
- Financial Stewardship
- Business Management
- Customer Service

Each perspective is represented by a tier on the Strategy Map and contains objectives that must be achieved to ensure we are ultimately delivering on our focus areas. Input from the biennial citizen survey, biennial employee survey, and the City Council was used to select objectives included on the Strategy Map.

In fiscal year 2015, departments created Business Plans, which identify their core services, as well as strengths and opportunities for each. Each core service is also linked to one or more objectives on the City's Strategy Map, providing linkages and responsibility for furthering the City's goals. Department business plans are updated in advance of, and ultimately drive, all budget requests. The future outlook section of the Business Plans ensures that staff is constantly monitoring needs and trends on the horizon.

As a part of the annual budget process, an updated five-year forecast for operating funds is presented to City Council at the first of two budget work sessions. The budget process also includes an annual update of the five-year capital improvements program (CIP). Improving the process each year, the CIP now includes specific street projects to be completed as opposed to a single project budget for all street maintenance that does not specifically identify streets to be improved. In Fiscal Year 2015, the City's Water and Wastewater Master Plan was updated and identifies future utility projects that are needed, which will be prioritized and scheduled in future CIPs. The City updated the water/waste water rate schedule in July of 2015 in order to provide resources for reinvestment into the system.

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, 2014. This was the twenty fifth 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.

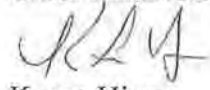
In addition, the City also received the GFOA's Distinguished Budget Presentation award for its annual budget dated October 1, 2014. In order to qualify for this award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

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,

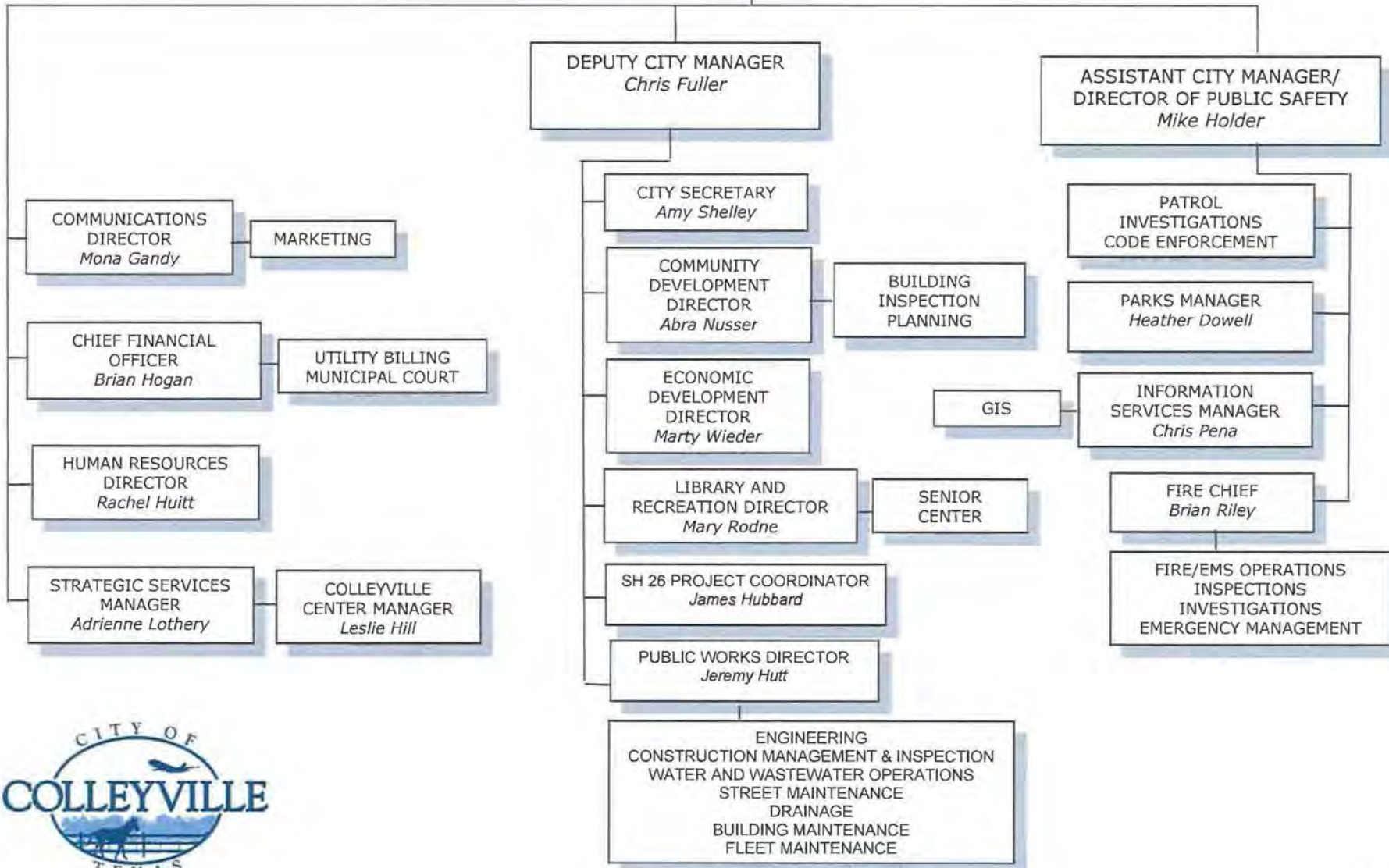
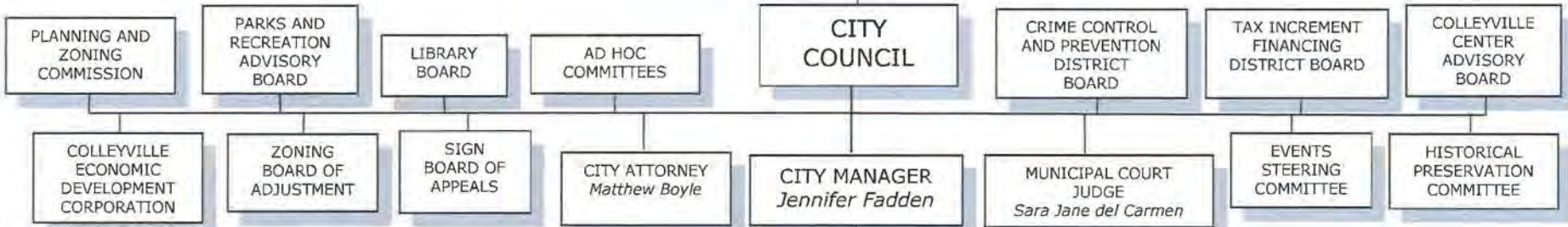


Brian Hogan, CPA, CGFO
Chief Financial Officer



Karen Hines
Accounting Manager

CITIZENS OF COLLEYVILLE





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, 2014

Executive Director/CEO

CITY OF COLLEYVILLE, TEXAS

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

CITY OFFICIALS

YEAR ENDED SEPTEMBER 30, 2015

David Kelly
Mayor

Carol Wollin
Councilmember, Place 1

Chuck Mogged
Councilmember, Place 2

Chris Putnam
Councilmember, Place 3

Jody Short
Councilmember, Place 4

Nancy Coplen
Councilmember, Place 5

Mike Taylor
Mayor Pro Tem and
Councilmember, Place 6

Jennifer Fadden
City Manager

Brian Hogan
Chief Financial Officer

Karen Hines
Accounting Manager

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FINANCIAL SECTION

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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, 2015, 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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note I to the financial statements, in 2015 the City adopted new accounting guidance, Governmental Account Standards (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and Governmental Account Standards (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios and schedule of contributions, on pages 19-28 and 76-77 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2016, 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
March 17, 2016

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**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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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, 2015. 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, 2015, by \$199,166,837 (net position). Of this amount, \$35,942,295 (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 \$17,586,666 including prior period adjustment.
- As of the close of the current fiscal year, the City of Colleyville's governmental funds reported combined ending fund balances of \$37,042,913. Of this amount, \$8,736,746 is unassigned fund balance available for use within the City's fund designation and fiscal policies.
- As of September 30, 2015, unreserved, unassigned fund balance for the General Fund was \$8,736,746 or 43.1% of the total General Fund expenditures.

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 42 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 47 – 74 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 80 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 \$199,166,837 as of September 30, 2015.

The largest portion of the City’s net position (\$143,782,311) 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	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 42,899,632	\$ 38,081,951	\$ 17,075,594	\$ 16,207,650	\$ 59,975,226	\$ 54,289,601
Capital assets	113,463,038	105,718,089	46,323,327	43,861,991	159,786,365	149,580,080
Total assets	156,362,670	143,800,040	63,398,921	60,069,641	219,761,591	203,869,681
Deferred outflow of resources	325,573	-	142,715	116,835	468,288	116,835
Total deferred outflow of resources	325,573	-	142,715	116,835	468,288	116,835
Other liabilities	3,937,454	3,511,944	2,247,804	2,100,979	6,185,258	5,612,923
Long-term liabilities	13,668,452	15,102,680	1,209,332	1,690,742	14,877,784	16,793,422
Total liabilities	17,605,906	18,614,624	3,457,136	3,791,721	21,063,042	22,406,345
Net position:						
Net investment in capital assets	98,958,693	89,754,051	44,823,618	41,567,161	143,782,311	131,321,212
Restricted	19,442,231	17,500,426	-	-	19,442,231	17,500,426
Unrestricted	20,681,413	17,930,939	15,260,882	14,827,594	35,942,295	32,758,533
Total net position	\$ 139,082,337	\$ 125,185,416	\$ 60,084,500	\$ 56,394,755	\$ 199,166,837	\$ 181,580,171

A portion of the City's net position (\$19,442,231) represents resources that are subject to external restriction on how they may be used. The remaining balance (\$35,942,295) 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, 2015, 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 \$9,545,509 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 \$3,101,110 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, 2015. Governmental activities increased the City of Colleyville's net position by \$9,545,509. Business-type activities contributed an increase to the City's net position of \$3,101,110.

CITY OF COLLEYVILLE'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 4,787,351	\$ 3,977,375	\$ 16,748,728	\$ 15,729,482	\$ 21,536,079	\$ 19,706,857
Operating grants and contributions	450,559	486,869	-	-	450,559	486,869
Capital grants and contributions	7,712,266	5,943,465	2,362,261	2,707,835	10,074,527	8,651,300
General revenues:						
Ad valorem taxes	13,493,621	12,950,832	-	-	13,493,621	12,950,832
Sales taxes	6,705,914	6,472,195	-	-	6,705,914	6,472,195
Franchise taxes	2,319,723	2,172,801	-	-	2,319,723	2,172,801
Other taxes	107,977	98,160	-	-	107,977	98,160
Investment earnings	100,842	39,697	52,480	23,655	153,322	63,352
Miscellaneous	82,873	61,643	-	-	82,873	61,643
Gain on sale of capital assets	-	810,020	5,062	40,814	5,062	850,834
Total revenues	35,761,126	33,013,057	19,168,531	18,501,786	54,929,657	51,514,843
Expenses:						
General government	4,676,185	4,103,928	-	-	4,676,185	4,103,928
Community development and engineering	1,582,461	1,613,311	-	-	1,582,461	1,613,311
Fire and rescue	5,264,026	4,625,036	-	-	5,264,026	4,625,036
Leisure services	4,042,252	3,776,068	-	-	4,042,252	3,776,068
Maintenance	684,301	575,696	-	-	684,301	575,696
Municipal court	522,422	501,604	-	-	522,422	501,604
Police	5,681,698	5,019,343	-	-	5,681,698	5,019,343
Streets and drainage	4,404,701	4,128,365	-	-	4,404,701	4,128,365
Water and wastewater	-	-	14,055,232	13,238,893	14,055,232	13,238,893
Drainage	-	-	833,599	571,886	833,599	571,886
Interest on long-term debt	536,161	717,045	-	-	536,161	717,045
Total expenses	27,394,207	25,060,396	14,888,831	13,810,779	42,283,038	38,871,175
Increases in net position before transfers	8,366,919	7,952,661	4,279,700	4,691,007	12,646,619	12,643,668
Transfers	1,178,590	1,180,292	(1,178,590)	(1,180,292)	-	-
Change in net position	9,545,509	9,132,953	3,101,110	3,510,715	12,646,619	12,643,668
Net position, beginning	125,185,416	116,211,275	56,394,755	52,972,667	181,580,171	169,183,942
Prior period adjustments	4,351,412	(158,812)	588,635	(88,627)	4,940,047	(247,439)
Net position, ending	\$ 139,082,337	\$ 125,185,416	\$ 60,084,500	\$ 56,394,755	\$ 199,166,837	\$ 181,580,171

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 \$37,042,913. Approximately 24% of this total amount (\$8,736,746) constitutes unassigned fund balance. The remainder of the fund balance (\$28,306,167) 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 and 35 of this report for a more detailed presentation of governmental fund balances.

The decrease of approximately \$1,344,000 in unrestricted fund balance in the governmental funds for fiscal year 2015 is due to a number of the following factors. In the General Fund, the City's original budgeted expenditures exceeded budgeted revenues by (\$1,164,638). A one-time funding of \$300,000 to the Capital Projects Fund was budgeted for use on future capital projects. In addition, the adopted budget provides a base level of \$2,000,000 for street maintenance and rehabilitation and an additional \$1,000,000 through a strategic draw-down of the General Fund balance. This is a \$600,000 increase from fiscal year 2014 and will be used as a funding source in the comprehensive CIP plan to be distributed among various projects based on relative priority. This planned utilization of fund balance in the General Fund was included in the ten year financial forecast, and the fiscal year 2015 ending fund balance is greater than the three month policy requirement. The actual decrease to fund balance for the General Fund was \$(1,343,021) for fiscal year 2015, primarily due to greater than anticipated revenues from sales taxes, ambulance revenues, building permits, property taxes and reductions to overall departmental expenditures. Also included was City Council approved authorization to provide for a transfer of unspent street maintenance funds at the end of the fiscal year (\$1,708,929) and the authorized transfer of the difference in total revenues and expenditures of the General Fund to the Capital Projects Fund (\$4,265,677) for use in future CIP street rehabilitation projects that includes (\$2,356,749) for Colleyville Boulevard (SH26) enhancements. The aforementioned year end transfers to the Capital Projects Fund resulted in a net increase of \$1,649,254 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 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 and declining future debt obligations. The actual fiscal year 2015 decrease to fund balance for the Debt Service Fund was (\$72,980), due to greater than anticipated property tax collections.

Proprietary funds – The City's proprietary fund statements beginning on page 42 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 (\$13,665,689), and Drainage Utility (\$1,595,193). The Water and Wastewater Fund experienced an increase in total net position of \$3,003,713 during Fiscal Year 2015 due to revenue from the pass through of the Trinity River Authority wastewater rate increase and the receipt of developer contributions from the eight new subdivisions, which accounted for approximately \$2.4 million. The Drainage Utility fund's net position increased by \$97,397, 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 eight subdivisions in Colleyville in fiscal year 2015. There was an increase in license and permit revenues due to an increase of 73 residential building permits from fiscal year 2014 and additional commercial construction. The property tax base increased approximately \$124 million (4.8%), due to the new residential and commercial construction, and the current year tax collection rate was over 99.56% of the levy.

In fiscal year 2013, there was a compensation and classification study performed. This resulted in a new compensation structure that was implemented in fiscal year 2014. Employees earning below the new minimum salary of their position's pay range received a market adjustment, not to exceed 10 percent, of this new structure. Employees earning more than 10 percent below the new minimum salary will receive the remainder of the adjustment over the next one to two fiscal years so that an individual's pay increase does not exceed 10 percent in any given year. Fiscal year 2015 will fund year 2 of this 3 year program. Also in fiscal year 2015, the City added several new positions including one police officer, three firefighter/paramedics, and a temporary construction manager to serve through fiscal year 2019 as a coordinator for the Colleyville Boulevard (SH26) project. Some positions were upgraded from part-time to full-time positions including an administrative support position in the library, a records clerk in the police department, and a maintenance and operations technician. Major capital equipment purchases included five vehicles for the police department (crime control district), maintenance equipment for the parks department, and new media equipment for the fire department training room.

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 \$15,800,163 for the fiscal year. Water revenues increased due to the Stage 1 water restrictions being lifted and an increased usage during the summer months. Water usage during these months was billed at higher rates per the tiered rate structure that was implemented to encourage conservation. Wastewater revenues decreased compared to fiscal year 2014 due to an abnormally wet spring and overall decreased water usage for the entire year. The coverage ratio for debt for this fund was 7.63 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, rehabilitation and 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 \$200,000 for a transfer to the Capital Projects Fund for future expenditures for the SH 26 reconstruction. 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 (\$4,265,677). This transfer was funded primarily by the receipt of higher than anticipated sales tax, permit revenues, property tax collections, inspection fees for the eight new subdivisions, ambulance collections, and lower than anticipated expenditures due to unfilled positions. This accounted for the variance in transfers out from the adopted budget.

The General Fund's overall budgeted revenue increased by \$1,737,822. 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 continued growth in commercial retail development. Also, revenue increases were derived from the transfer from the Utility Fund for the administrative and franchise fee that is based upon water and wastewater sales. 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 41 of this report for a detailed presentation of the actual General Fund operations compared to both the original and final budget for fiscal year 2015.

CAPITAL ASSETS

The City of Colleyville's investment in capital assets for its governmental and business-type activities as of September 30, 2015, amounts to \$159,786,365 (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 eight new subdivisions.
- Capitalized approximately \$2.4 million in water and wastewater system developer contributions and,
- Capitalized approximately \$335,000 in park improvements, including landscaping and amenities for City Park.

CITY OF COLLEYVILLE'S CAPITAL ASSETS AT YEAR-END

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 9,178,641	\$ 9,178,641	\$ 304,839	\$ 304,839	\$ 9,483,480	\$ 9,483,480
Buildings and improvements	46,882,488	46,132,834	53,922	53,922	46,936,410	46,186,756
Equipment	11,007,458	10,773,596	2,008,921	2,133,927	13,016,379	12,907,523
Infrastructure/water distribution sewer collection	93,599,298	84,231,649	74,597,681	72,218,901	168,196,979	156,450,550
Construction in progress	5,122,642	3,831,697	3,773,157	1,715,997	8,895,799	5,547,694
Less: accumulated depreciation	(52,327,489)	(48,430,328)	(34,415,193)	(32,565,595)	(86,742,682)	(80,995,923)
Total capital assets	\$ 113,463,038	\$ 105,718,089	\$ 46,323,327	\$ 43,861,991	\$ 159,786,365	\$ 149,580,080

Additional information on the City's capital assets can be found in Note 4, pages 61 – 62 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 \$16,044,345. Of this amount, \$6,920,000 represents bonded debt backed by the full faith and credit of the government, \$6,935,000 represents bonds secured by sales tax revenues, \$850,000 represents bonds secured solely by water and sewer revenues, and \$690,000 represents bonds secured solely by drainage utility system revenues. The City's capitalized lease obligations of \$649,345 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	
	2015	2014	2015	2014	2015	2014
General obligation bonds and certificates of obligation	\$ 6,920,000	\$ 7,660,000	\$ -	\$ -	\$ 6,920,000	\$ 7,660,000
Sales tax revenue bonds	6,935,000	7,330,000	-	-	6,935,000	7,330,000
Revenue bonds payable	-	-	1,540,000	2,225,000	1,540,000	2,225,000
Capitalized lease obligations	649,345	974,038	-	-	649,345	974,038
	<u>\$ 14,504,345</u>	<u>\$ 15,964,038</u>	<u>\$ 1,540,000</u>	<u>\$ 2,225,000</u>	<u>\$ 16,044,345</u>	<u>\$ 18,189,038</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 Ratings	Standard & Poor's
General Obligation Bonds	AAA	AAA
Water Revenue Bonds	AAA	AAA

The City's General Obligation bonds and Water Revenue bonds are both rated AAA by both Standard and Poor's and Fitch Ratings. These are the highest bond ratings assigned to municipal debt by these ratings agencies. Additional information on the City of Colleyville's long term debt can be found in footnote 4 on pages 63-67 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The fiscal year 2016 General Fund budget including transfers is based on a projected revenue increase of 4.1% as compared to the fiscal year 2015 adopted budget. There is a 3.1% 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 2.8% increase in valuation. This is the largest revenue source and comprises 53.8% of General Fund revenues. The total tax rate for fiscal year 2016 is \$.3559, which is unchanged since fiscal year 2008. Sales tax is the second largest revenue source, however, the city's primary commercial corridor along Colleyville Boulevard (SH26) will be under construction for the next several years. Fiscal year 2016 sales tax is only projected to grow 1% from fiscal year 2015 as construction is expected to impact traffic to nearby businesses. There continues to be a planned utilization of \$1,000,000 surplus fund balance in the adopted fiscal year 2016 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 2016 Debt Service budget for the fourth year lease payment on the radio tower and equipment due to the current level of existing fund balance. The use of fund unrestricted fund balance in both funds is contained in the ten year financial plan.

As a local government, we exist to provide certain services that citizens expect, at the level they expect, for a good value. The adopted fiscal year 2016 budget provides a staffing level increase of 2.5 more full time equivalent employees to fully fund the programs and services expected by the citizens. The positions include the addition of one urban forester in the Community Development department, one police officer, increasing one part-time building inspector to full time, and increasing one part-time marketing coordinator to full time. One vacant part-time building attendant position was eliminated and the funding repurposed for the previously mentioned changes.

Slight revenue growth in the Water and Wastewater Fund will come from additional residential and commercial customers. A new rate structure that was adopted by the City Council in July 2015 will generate additional resources for needed water and waste water infrastructure projects. 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 Brian Hogan, Chief Financial Officer, at 100 Main Street, Colleyville, Texas 76034, or call (817) 503-1014.

**BASIC
FINANCIAL STATEMENTS**

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

	Governmental Activities	Business-type Activities
ASSETS		
Cash and equivalents	\$ 26,840,660	\$ 4,067,584
Investments	10,695,251	7,770,591
Receivables (net of allowances for uncollectibles of \$500,621)		
Accounts	137,715	3,168,318
Property taxes	184,385	-
Loans	160,000	-
Due from other governments	1,447,231	-
Inventories	2,119	224,190
Net pension asset	3,408,572	463,905
Accrued interest	23,699	16,805
Restricted assets:		
Cash and equivalents	-	1,364,201
Capital assets:		
Land	9,178,641	304,839
Buildings and improvements	46,882,488	53,922
Equipment	11,007,458	2,008,921
Infrastructure/water distribution/sewer collection	93,599,298	74,597,681
Construction in progress	5,122,642	3,773,157
Less: accumulated depreciation	(52,327,489)	(34,415,193)
Total capital assets	113,463,038	46,323,327
Total assets	156,362,670	63,398,921
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	-	100,145
Deferred outflows related to pensions	325,573	42,570
Total deferred outflows of resources	325,573	142,715
LIABILITIES		
Accounts payable	1,347,900	1,156,300
Accrued liabilities	605,268	64,895
Unearned revenues	1,182	-
Accrued interest payable	110,833	10,366
Advances from developers	192,508	69,000
Escrow funds	-	26,613
Customer deposits	54,869	455,760
Noncurrent liabilities:		
Due within one year	1,624,894	464,870
Due in more than one year	13,668,452	1,209,332
Total liabilities	17,605,906	3,457,136
NET POSITION		
Net investment in capital assets	98,958,693	44,823,618
Restricted:		
Debt service	744,295	-
Court security and technology	154,901	-
Grant programs	9,844	-
Leisure services	233,472	-
Economic development	2,975,894	-
Streets and drainage	13,838,090	-
Police	1,485,735	-
Unrestricted	20,681,413	15,260,882
Total net position	\$ 139,082,337	\$ 60,084,500

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

<u>Total</u>	<u>Component Units</u>
\$ 30,908,244	\$ 12,751,890
18,465,842	3,871,407
3,306,033	-
184,385	-
160,000	-
1,447,231	-
226,309	-
3,872,477	-
40,504	774
1,364,201	-
9,483,480	1,853,241
46,936,410	-
13,016,379	-
168,196,979	12,217,863
8,895,799	-
(86,742,682)	(262,623)
<u>159,786,365</u>	<u>13,808,481</u>
<u>219,761,591</u>	<u>30,432,552</u>
100,145	20,896
<u>368,143</u>	<u>-</u>
<u>468,288</u>	<u>20,896</u>
2,504,200	758,690
670,163	-
1,182	-
121,199	13,275
261,508	-
26,613	-
510,629	-
2,089,764	585,000
<u>14,877,784</u>	<u>2,603,900</u>
<u>21,063,042</u>	<u>3,960,865</u>
143,782,311	10,640,477
744,295	-
154,901	-
9,844	-
233,472	-
2,975,894	-
13,838,090	-
1,485,735	-
<u>35,942,295</u>	<u>15,852,106</u>
<u>\$ 199,166,837</u>	<u>\$ 26,492,583</u>

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

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 4,676,185	\$ 17,500	\$ 435	\$ -
Community development	1,582,461	1,587,038	-	-
Fire and rescue	5,264,026	327,264	11,105	-
Leisure services	4,042,252	503,098	336,969	634,122
Maintenance	684,301	-	-	-
Municipal court	522,422	1,474,485	-	-
Police	5,681,698	75,415	102,050	-
Streets and drainage	4,404,701	802,551	-	7,078,144
Interest on long-term debt	536,161	-	-	-
Total governmental activities	<u>27,394,207</u>	<u>4,787,351</u>	<u>450,559</u>	<u>7,712,266</u>
Business-type activities:				
Water and wastewater	14,055,232	15,800,163	-	2,362,261
Drainage	833,599	948,565	-	-
Total business-type activities	<u>14,888,831</u>	<u>16,748,728</u>	<u>-</u>	<u>2,362,261</u>
Total primary government	<u>\$ 42,283,038</u>	<u>\$ 21,536,079</u>	<u>\$ 450,559</u>	<u>\$ 10,074,527</u>
Component unit				
Tax increment financing	\$ 873,149	\$ -	\$ -	\$ -
Total component unit	<u>\$ 873,149</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
\$(4,658,250)	\$ -	\$(4,658,250)	\$ -
4,577	-	4,577	-
(4,925,657)	-	(4,925,657)	-
(2,568,063)	-	(2,568,063)	-
(684,301)	-	(684,301)	-
952,063	-	952,063	-
(5,504,233)	-	(5,504,233)	-
3,475,994	-	3,475,994	-
(536,161)	-	(536,161)	-
(14,444,031)	-	(14,444,031)	-
-	4,107,192	4,107,192	-
-	114,966	114,966	-
-	4,222,158	4,222,158	-
(14,444,031)	4,222,158	(10,221,873)	-
-	-	-	(873,149)
-	-	-	(873,149)
12,686,911	-	12,686,911	-
806,710	-	806,710	-
-	-	-	4,043,790
6,705,914	-	6,705,914	-
2,319,723	-	2,319,723	-
107,977	-	107,977	-
100,842	52,480	153,322	12,840
82,873	-	82,873	-
-	5,062	5,062	-
1,178,590	(1,178,590)	-	-
23,989,540	(1,121,048)	22,868,492	4,056,630
9,545,509	3,101,110	12,646,619	3,183,481
125,185,416	56,394,755	181,580,171	23,309,102
4,351,412	588,635	4,940,047	-
\$ 139,082,337	\$ 60,084,500	\$ 199,166,837	\$ 26,492,583

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

	General	Capital Projects	Debt Service
ASSETS			
Cash and cash equivalents	\$ 6,458,498	\$ 11,935,309	\$ 829,283
Investments	3,753,362	2,282,746	-
Receivables (net of allowances for uncollectibles)			
Accounts	137,715	-	-
Taxes	158,767	-	25,618
Loans	160,000	-	-
Due from other governments	670,005	185,487	227
Inventories	2,119	-	-
Accrued interest	12,356	4,644	-
Total assets	<u>11,352,822</u>	<u>14,408,186</u>	<u>855,128</u>
LIABILITIES			
Accounts payable	897,530	438,860	-
Accrued liabilities	578,490	-	-
Unearned revenue	1,182	-	-
Advances from developers	47,548	131,236	-
Customer deposits	54,869	-	-
Total liabilities	<u>1,579,619</u>	<u>570,096</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	158,767	-	25,618
Unavailable revenue - municipal fines	12,650	-	-
Unavailable revenue - ambulance fees	49,385	-	-
Total deferred inflows of resources	<u>220,802</u>	<u>-</u>	<u>25,618</u>
FUND BALANCES			
Non-spendable:			
Inventories	2,119	-	-
Restricted:			
Streets and drainage	-	13,838,090	-
Debt service	-	-	829,510
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	8,736,746	-	-
Total fund balances	<u>9,552,401</u>	<u>13,838,090</u>	<u>829,510</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,352,822</u>	<u>\$ 14,408,186</u>	<u>\$ 855,128</u>

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>
\$ 7,617,570	\$ 26,840,660
4,659,143	10,695,251
-	137,715
-	184,385
-	160,000
591,512	1,447,231
-	2,119
6,699	23,699
<u>12,874,924</u>	<u>39,491,060</u>
11,510	1,347,900
26,778	605,268
-	1,182
13,724	192,508
-	54,869
<u>52,012</u>	<u>2,201,727</u>
-	184,385
-	12,650
-	49,385
-	246,420
-	2,119
-	13,838,090
-	829,510
154,901	154,901
9,844	9,844
233,472	233,472
2,975,894	2,975,894
1,485,735	1,485,735
-	295,198
-	518,338
1,281,722	1,281,722
5,868,405	5,868,405
797,959	797,959
1,627	1,627
13,353	13,353
-	8,736,746
<u>12,822,912</u>	<u>37,042,913</u>
\$ <u>12,874,924</u>	
	113,463,038
	3,734,145
	246,420
	<u>(15,404,179)</u>
	\$ <u>139,082,337</u>

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

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>
REVENUES			
Taxes	\$ 18,562,464	\$ -	\$ 808,761
Fees and fines	1,084,100	-	-
Licenses and permits	1,303,710	-	-
Intergovernmental	-	1,368,596	-
Charges for services	1,517,950	-	-
Capital improvement fees	-	785,992	-
Donations	-	-	-
Investment earnings	62,386	19,250	965
Miscellaneous	82,873	-	-
Total revenues	<u>22,613,483</u>	<u>2,173,838</u>	<u>809,726</u>
EXPENDITURES			
Current:			
General government	3,867,015	72,147	-
Community development and engineering	1,357,919	165,173	-
Fire and rescue	4,614,700	1,306	-
Leisure services	2,493,699	-	-
Maintenance	632,480	30,000	-
Municipal court	366,587	-	-
Police	4,393,623	-	-
Streets and drainage	2,284,515	123,265	-
Debt service:			
Principal	-	-	1,064,693
Interest and other charges	-	-	318,998
Capital outlay	257,359	4,698,370	-
Total expenditures	<u>20,267,897</u>	<u>5,090,261</u>	<u>1,383,691</u>
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) EXPENDITURES	<u>2,345,586</u>	<u>(2,916,423)</u>	<u>(573,965)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	3,798	-	-
Transfers in	1,115,272	4,565,677	500,985
Transfers out	(4,807,677)	-	-
Total other financing sources and uses	<u>(3,688,607)</u>	<u>4,565,677</u>	<u>500,985</u>
NET CHANGE IN FUND BALANCES	<u>(1,343,021)</u>	<u>1,649,254</u>	<u>(72,980)</u>
FUND BALANCES, BEGINNING	<u>10,895,422</u>	<u>12,188,836</u>	<u>902,490</u>
FUND BALANCES, ENDING	<u>\$ 9,552,401</u>	<u>\$ 13,838,090</u>	<u>\$ 829,510</u>

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

<u>Other Governmental</u>	<u>Total Governmental Funds</u>
\$ 3,249,281	\$ 22,620,506
133,554	1,217,654
-	1,303,710
9,167	1,377,763
53,560	1,571,510
-	785,992
981,282	981,282
18,241	100,842
15,000	97,873
<u>4,460,085</u>	<u>30,057,132</u>
186,970	4,126,132
1,250	1,524,342
2,097	4,618,103
502,672	2,996,371
-	662,480
141,979	508,566
750,039	5,143,662
-	2,407,780
395,000	1,459,693
205,416	524,414
<u>1,312,544</u>	<u>6,268,273</u>
<u>3,497,967</u>	<u>30,239,816</u>
<u>962,118</u>	<u>(182,684)</u>
16,800	20,598
315,318	6,497,252
<u>(510,985)</u>	<u>(5,318,662)</u>
<u>(178,867)</u>	<u>1,199,188</u>
783,251	1,016,504
<u>12,039,661</u>	<u>36,026,409</u>
<u>\$ 12,822,912</u>	<u>\$ 37,042,913</u>

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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, 2015

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

Net change in fund balances - total governmental funds:	\$ 1,016,504
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.	2,042,040
The net effect of transactions involving capital assets is to increase net position.	5,702,909
Revenues, in the statement of activities, that do not provide current financial resources, are not reported as revenues in the funds.	(5,554)
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.	1,459,693
Certain pension expenditures are not expended in the government-wide financial statements and recorded as deferred resource outflows or inflow. This item relates to contributions made after the measurement date. Additionally, a portion of the City's unrecognized deferred resource outflows related to the pension liability were amortized.	(617,267)
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>(52,816)</u>
Change in net position of governmental activities	<u>\$ 9,545,509</u>

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

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CITY OF COLLEYVILLE, TEXAS

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 17,830,254	\$ 17,830,254	\$ 18,562,464	\$ 732,210
License and permits	856,500	856,500	1,303,710	447,210
Fees and fines	810,288	810,288	1,084,100	273,812
Charges for services	1,288,519	1,288,519	1,517,950	229,431
Investment earnings	35,000	35,000	62,386	27,386
Other	55,100	55,100	82,873	27,773
Total revenues	<u>20,875,661</u>	<u>20,875,661</u>	<u>22,613,483</u>	<u>1,737,822</u>
EXPENDITURES				
Current:				
General government	4,206,772	4,206,772	3,867,015	339,757
Community development and engineering	1,314,446	1,314,446	1,357,919	(43,473)
Fire and rescue	4,557,537	4,557,537	4,614,700	(57,163)
Leisure services	2,740,360	2,740,360	2,493,699	246,661
Maintenance	749,942	749,942	632,480	117,462
Municipal court	399,733	399,733	366,587	33,146
Police	4,408,293	4,408,293	4,393,623	14,670
Streets and drainage	4,083,178	4,083,178	2,284,515	1,798,663
Capital outlay	25,957	25,957	257,359	(231,402)
Total expenditures	<u>22,486,218</u>	<u>22,486,218</u>	<u>20,267,897</u>	<u>2,218,321</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,610,557)</u>	<u>(1,610,557)</u>	<u>2,345,586</u>	<u>3,956,143</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,182,919	1,182,919	1,115,272	(67,647)
Transfers out	(742,000)	(4,807,677)	(4,807,677)	-
Sale of capital assets	5,000	5,000	3,798	(1,202)
Total other financing sources and uses	<u>445,919</u>	<u>(3,619,758)</u>	<u>(3,688,607)</u>	<u>(68,849)</u>
NET CHANGE IN FUND BALANCE	<u>(1,164,638)</u>	<u>(5,230,315)</u>	<u>(1,343,021)</u>	<u>3,887,294</u>
FUND BALANCE, BEGINNING	<u>10,895,422</u>	<u>10,895,422</u>	<u>10,895,422</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 9,730,784</u>	<u>\$ 5,665,107</u>	<u>\$ 9,552,401</u>	<u>\$ 3,887,294</u>

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, 2015

	Enterprise Funds		
	Water and Wastewater	Drainage Utility	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,839,349	\$ 1,228,235	\$ 4,067,584
Investments	7,551,218	219,373	7,770,591
Accounts receivable, net of allowances	3,054,156	114,162	3,168,318
Inventories	224,190	-	224,190
Restricted assets:			
Cash and cash equivalents	1,364,201	-	1,364,201
Total current assets	15,033,114	1,561,770	16,594,884
Non-current assets:			
Accrued interest receivable	16,463	342	16,805
Net pension asset	397,726	66,179	463,905
Capital assets:			
Land and improvements	304,839	-	304,839
Buildings	53,922	-	53,922
Utility system	70,469,317	4,128,364	74,597,681
Equipment and furniture	1,575,418	433,503	2,008,921
Construction in progress	3,598,510	174,647	3,773,157
Less accumulated depreciation	(32,972,083)	(1,443,110)	(34,415,193)
Total non-current assets	43,444,112	3,359,925	46,804,037
Total assets	58,477,226	4,921,695	63,398,921
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	95,843	4,302	100,145
Deferred outflows related to pensions	36,103	6,467	42,570
Total deferred outflows of resources	131,946	10,769	142,715
LIABILITIES			
Current liabilities:			
Accounts payable	1,140,633	15,667	1,156,300
Accrued liabilities	54,138	10,757	64,895
Accrued interest payable	6,375	3,991	10,366
Advances from developers	69,000	-	69,000
Escrow funds	26,613	-	26,613
Customer deposits	455,760	-	455,760
Compensated absences	13,040	1,830	14,870
Revenue bonds payable	345,000	105,000	450,000
Total current liabilities	2,110,559	137,245	2,247,804
Non-current liabilities:			
Compensated absences	52,158	7,320	59,478
Revenue bonds payable	564,854	585,000	1,149,854
Total non-current liabilities	617,012	592,320	1,209,332
Total liabilities	2,727,571	729,565	3,457,136
NET POSITION			
Net investment in capital assets	42,215,912	2,607,706	44,823,618
Unrestricted	13,665,689	1,595,193	15,260,882
Total net position	\$ 55,881,601	\$ 4,202,899	\$ 60,084,500

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, 2015

	Enterprise Funds		
	Water and Wastewater	Drainage Utility	Total
OPERATING REVENUES			
Metered water sales	\$ 10,817,312	\$ -	\$ 10,817,312
Wastewater service charges	3,414,577	-	3,414,577
Drainage service charges	-	944,382	944,382
Other charges and services	1,545,745	4,183	1,549,928
Miscellaneous	22,529	-	22,529
Total operating revenues	<u>15,800,163</u>	<u>948,565</u>	<u>16,748,728</u>
OPERATING EXPENSES			
Personnel services	1,652,266	305,484	1,957,750
Maintenance and contractual services	10,331,440	378,272	10,709,712
Materials and supplies	126,171	14,183	140,354
Depreciation and amortization	1,916,805	119,028	2,035,833
Total operating expenses	<u>14,026,682</u>	<u>816,967</u>	<u>14,843,649</u>
OPERATING INCOME	<u>1,773,481</u>	<u>131,598</u>	<u>1,905,079</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenues	51,017	1,463	52,480
Interest expense and fiscal charges	(28,550)	(26,437)	(54,987)
Gain (loss) on disposal of property	5,062	9,805	14,867
Total non-operating revenues (expenses)	<u>27,529</u>	<u>(15,169)</u>	<u>12,360</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	1,801,010	116,429	1,917,439
Capital contributions	2,362,261	-	2,362,261
Transfers out	(1,159,558)	(19,032)	(1,178,590)
CHANGE IN NET POSITION	3,003,713	97,397	3,101,110
TOTAL NET POSITION, BEGINNING	<u>52,391,637</u>	<u>4,003,118</u>	<u>56,394,755</u>
PRIOR PERIOD ADJUSTMENT	<u>486,251</u>	<u>102,384</u>	<u>588,635</u>
TOTAL NET POSITION, ENDING	<u>\$ 55,881,601</u>	<u>\$ 4,202,899</u>	<u>\$ 60,084,500</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, 2015

	Enterprise Funds		
	Water and Wastewater	Drainage Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 15,160,051	\$ 938,299	\$ 16,098,350
Cash paid to suppliers for goods and services	(10,111,170)	(399,943)	(10,511,113)
Cash paid to employees for services	(1,642,510)	(298,013)	(1,940,523)
Net cash provided by operating activities	3,406,371	240,343	3,646,714
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(1,159,558)	(19,032)	(1,178,590)
Net cash used for noncapital financing activities	(1,159,558)	(19,032)	(1,178,590)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(4,460,413)	(30,041)	(4,490,454)
Proceeds from sale of capital assets	5,062	9,805	14,867
Capital grants and contributions	2,362,261	-	2,362,261
Principal paid on debt	(469,976)	(225,000)	(694,976)
Interest paid on debt	(28,550)	(26,437)	(54,987)
Net cash used for capital and related financing activities	(2,591,616)	(271,673)	(2,863,289)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Purchase) sale of investments	(652,958)	190	(652,768)
Earnings on investments	51,017	1,463	52,480
Net cash provided (used) by investing activities	(601,941)	1,653	(600,288)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(946,744)	(48,709)	(995,453)
CASH AND CASH EQUIVALENTS, BEGINNING	5,150,294	1,276,944	6,427,238
CASH AND CASH EQUIVALENTS, ENDING	\$ 4,203,550	\$ 1,228,235	\$ 5,431,785

CITY OF COLLEYVILLE, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

(Continued)

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Enterprise Funds		
	Water and Wastewater	Drainage Utility	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income	\$ 1,773,481	\$ 131,598	\$ 1,905,079
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization expense	1,926,781	119,028	2,045,809
Changes in assets and liabilities:			
Decrease (increase) in assets:			
Accounts receivable	(640,112)	(10,266)	(650,378)
Inventory	(88,799)	-	(88,799)
Accrued interest receivable	(7,496)	(51)	(7,547)
Increase (decrease) in liabilities:			
Accounts payable	389,175	(28,299)	360,876
Accrued liabilities	13,249	3,684	16,933
Compensated absences payable	(23,005)	(3,787)	(26,792)
Customer deposits	12,975	-	12,975
Net pension liability	52,422	29,738	82,160
Accrued interest payable	(2,300)	(1,302)	(3,602)
Net cash provided by operations	<u>\$ 3,406,371</u>	<u>\$ 240,343</u>	<u>\$ 3,646,714</u>
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, 2015

	<u>Agency Fund</u>
ASSETS	
Cash and investments	\$ <u>25,318</u>
Total assets	\$ <u>25,318</u>
LIABILITIES	
Due to other agencies and individuals	\$ <u>25,318</u>
Total liabilities	\$ <u>25,318</u>

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

CITY OF COLLEYVILLE, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

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 **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.

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.

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 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 is done through resolution of the City Council. This intent can be expressed by the 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 City has the following items that qualify for reporting in this category.

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

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund 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 three 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.

Q. Pensions

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

R. Prior Period Adjustment – Change in Accounting Principles

As a result of implementing GASB Statement 68, the City has increased beginning net position as of October 1 2014 by \$4,351,412 for the governmental activities and \$588,635 for the business-type activities.

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 \$(15,404,179) difference are as follows:

Bonds payable	\$(13,855,000)
Capital leases payable	(649,345)
Accrued interest payable	(110,833)
Compensated absences	<u>(789,001)</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	 \$(<u>15,404,179</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 \$(2,042,040) difference are as follows:

Capital outlay	\$ 6,268,273
Depreciation expense	<u>(4,226,233)</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>2,042,040</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 \$(5,554) difference are as follows:

Property taxes	\$ 6,729
Ambulance revenue	(9,120)
Adjudicated fines	<u>(3,163)</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>5,554</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 \$1,459,693 difference are as follows:

Principal payments and refundings	\$ <u>1,459,693</u>
Net adjustment to reduce <i>fund balance -total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$ <u>1,459,693</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 \$(52,816) difference are as follows:

Compensated absences	\$(41,069)
Accrued interest	<u>(11,747)</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>\$(52,816)</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, 2015.

- (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

Community development and engineering, fire and rescue, and capital outlay expenditures in the general fund exceeded appropriations by \$43,473, \$57,163, and \$231,402. This overage was funded by under spending in other functions.

4. DETAILED NOTES ON ALL FUNDS

Deposits and Investments

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
LOGIC	\$ 24,851,107	33
U. S. Treasuries and Agencies	<u>22,326,370</u>	353
Total fair value	<u>\$ 47,177,477</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, 2015.

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	\$ 585,604	\$ -	\$ -	\$ -	\$ 3,106,888	\$ 114,162	\$ 3,806,654
Taxes	158,767	-	25,618	-	-	-	184,385
Due from other governments	670,005	185,487	227	591,512	-	-	1,447,231
Loans	160,000	-	-	-	-	-	160,000
Accrued interest	12,356	4,644	-	6,699	16,463	342	40,504
Gross receivables	1,586,732	190,131	25,845	598,211	3,123,351	114,504	5,638,774
Less: allowance for uncollectibles	(447,889)	-	-	-	(52,732)	-	(500,621)
Net total receivables	\$ 1,138,843	\$ 190,131	\$ 25,845	\$ 598,211	\$ 3,070,619	\$ 114,504	\$ 5,138,153

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 2015 levy was based, was \$4,103,146,803.

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, 2015, 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 \$13,486,892 for the year ended September 30, 2015. Property taxes receivable at September 30, 2015, were \$184,385.

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, 2015, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,178,641	\$ -	\$ -	\$ 9,178,641
Construction in progress	3,831,697	4,343,983	(3,053,038)	5,122,642
Total assets not being depreciated	<u>13,010,338</u>	<u>4,343,983</u>	<u>(3,053,038)</u>	<u>14,301,283</u>
Capital assets, being depreciated:				
Buildings and improvements	46,132,834	749,654	-	46,882,488
Machinery and equipment	10,773,596	569,573	(335,711)	11,007,458
Infrastructure	84,231,649	9,367,649	-	93,599,298
Total capital assets being depreciated	<u>141,138,079</u>	<u>10,686,876</u>	<u>(335,711)</u>	<u>151,489,244</u>
Less accumulated depreciation:				
Buildings and improvements	(15,946,886)	(1,413,351)	-	(17,360,237)
Machinery and equipment	(8,039,593)	(940,296)	329,072	(8,650,817)
Improvements other than buildings	(24,443,849)	(1,872,586)	-	(26,316,435)
Total accumulated depreciation	<u>(48,430,328)</u>	<u>(4,226,233)</u>	<u>329,072</u>	<u>(52,327,489)</u>
Total capital assets being depreciated, net	<u>92,707,751</u>	<u>6,460,643</u>	<u>(6,639)</u>	<u>99,161,755</u>
Governmental activities capital assets, net	<u>\$ 105,718,089</u>	<u>\$ 10,804,626</u>	<u>\$(3,059,677)</u>	<u>\$ 113,463,038</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 304,839	\$ -	\$ -	\$ 304,839
Construction in progress	1,715,997	2,057,160	-	3,773,157
Total assets not being depreciated	<u>2,020,836</u>	<u>2,057,160</u>	<u>-</u>	<u>4,077,996</u>
Capital assets, being depreciated:				
Buildings and improvements	53,922	-	-	53,922
Machinery and equipment	2,133,927	13,630	(138,636)	2,008,921
Improvements other than buildings	72,218,901	2,419,666	(40,886)	74,597,681
Total capital assets being depreciated	<u>74,406,750</u>	<u>2,433,296</u>	<u>(179,522)</u>	<u>76,660,524</u>
Less accumulated depreciation:				
Buildings and improvements	(49,573)	(622)	-	(50,195)
Machinery and equipment	(1,344,990)	(214,630)	138,636	(1,420,984)
Improvements other than buildings	(31,171,032)	(1,813,868)	40,886	(32,944,014)
Total accumulated depreciation	<u>(32,565,595)</u>	<u>(2,029,120)</u>	<u>179,522</u>	<u>(34,415,193)</u>
Total capital assets being depreciated, net	<u>41,841,155</u>	<u>404,176</u>	<u>-</u>	<u>42,245,331</u>
Business-type activities capital assets, net	<u>\$ 43,861,991</u>	<u>\$ 2,461,336</u>	<u>\$ -</u>	<u>\$ 46,323,327</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Component unit:				
Capital assets, not being depreciated:				
Construction in progress	\$ 8,055,352	\$ 4,162,511	\$ -	\$ 12,217,863
Total assets not being depreciated	<u>8,055,352</u>	<u>4,162,511</u>	<u>-</u>	<u>12,217,863</u>
Capital assets, being depreciated:				
Improvements other than buildings	1,845,976	7,265	-	1,853,241
Total capital assets being depreciated	<u>1,845,976</u>	<u>7,265</u>	<u>-</u>	<u>1,853,241</u>
Less accumulated depreciation:				
Improvements other than buildings	(221,374)	(41,249)	-	(262,623)
Total accumulated depreciation	<u>(221,374)</u>	<u>(41,249)</u>	<u>-</u>	<u>(262,623)</u>
Total capital assets being depreciated, net	<u>1,624,602</u>	<u>(33,984)</u>	<u>-</u>	<u>1,590,618</u>
Component unit capital assets, net	<u>\$ 9,679,954</u>	<u>\$ 4,128,527</u>	<u>\$ -</u>	<u>\$ 13,808,481</u>

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

Governmental activities:	
General government	\$ 476,303
Community Development	6,193
Fire and rescue	453,322
Leisure services	968,226
Maintenance	5,029
Police	343,157
Streets and drainage	<u>1,974,003</u>
Total depreciation expense - governmental activities	<u>\$ 4,226,233</u>
Business-type activities:	
Water and wastewater	\$ 1,910,807
Drainage utility	<u>118,313</u>
Total depreciation expense - business-type activities	<u>\$ 2,029,120</u>

Construction Commitments

The government has active construction projects as of September 30, 2015. The major projects are listed as follows:

Project	Spent-to-date	Remaining Commitment
Kingston	\$ 2,008,659	\$ 159,472
Hwy 26 waterline/sewerline relocation project	3,210,223	59,637
Pleasant Run (Mission to Bogart)	1,692,072	319,578
Western Trails, Area 1	1,157,306	206,898
Reagan Estates, Area 2	<u>451,015</u>	<u>58,901</u>
Total	<u>\$ 8,519,275</u>	<u>\$ 804,486</u>

Interfund Transactions

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

Interfund Transfers

	Transfer In				Total
	General	Capital Projects	Debt Service	Nonmajor Government Funds	
Transfer Out:					
General	\$ -	\$ 4,565,677	\$ -	\$ 242,000	\$ 4,807,677
Nonmajor governmental	-	-	500,985	10,000	510,985
Water and wastewater	1,115,272	-	-	44,286	1,159,558
Drainage fee	-	-	-	19,032	19,032
Total Transfers Out	\$ 1,115,272	\$ 4,565,677	\$ 500,985	\$ 315,318	\$ 6,497,252

The transfer of \$1,115,272 from the Water and Wastewater Fund to the General Fund represents the 2015 Administrative transfer and the franchise fee based on gross water and wastewater revenue of the prior year's audited financial statements. The transfer of \$4,807,677 from the General Fund to the Capital Projects and nonmajor governmental funds represents transfers for capital replacement. The transfer of \$500,985 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%	\$ 13,855,000
		\$ 13,855,000

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

	Balance September 30, 2014	Additions	Retirements	Balance September 30, 2015	Amounts Due Within One Year
<u>Governmental activities</u>					
General obligation bonds and certificates of obligation	\$ 7,660,000	\$ -	\$ 740,000	\$ 6,920,000	\$ 770,000
Sales tax revenue bonds	7,330,000	-	395,000	6,935,000	410,000
Capital lease obligations	974,038	-	324,693	649,345	287,094
Compensated absences	747,932	508,296	467,227	789,001	157,800
Total governmental activities	<u>16,711,970</u>	<u>508,296</u>	<u>1,926,920</u>	<u>15,293,346</u>	<u>1,624,894</u>
<u>Business-type activities</u>					
Revenue bonds and certificates of obligation	2,225,000	-	685,000	1,540,000	450,000
Premium on bonds	69,830	-	9,976	59,854	-
Compensated absences	101,140	55,926	82,718	74,348	14,870
Total business-type activities	<u>2,395,970</u>	<u>55,926</u>	<u>777,694</u>	<u>1,674,202</u>	<u>464,870</u>
Total primary government	<u>\$ 19,107,940</u>	<u>\$ 564,222</u>	<u>\$ 2,704,614</u>	<u>\$ 16,967,548</u>	<u>\$ 2,089,764</u>
<u>Component unit</u>					
Tax increment financing fund revenue bonds	\$ 3,670,000	\$ -	\$ 565,000	\$ 3,105,000	\$ 585,000
Bond premium	104,876	-	20,976	83,900	-
Total component unit	<u>\$ 3,774,876</u>	<u>\$ -</u>	<u>\$ 585,976</u>	<u>\$ 3,188,900</u>	<u>\$ 585,000</u>

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

Governmental activities long-term liabilities at September 30, 2015, 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%.	\$ 2,020,000
\$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%.	4,125,000
\$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>775,000</u>
Total General Obligation Bonds and Certificates of Obligation	<u>\$ 6,920,000</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>6,935,000</u>
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Total Revenue Bonds	\$ <u><u>6,935,000</u></u>
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The City's defeased debt as of September 30, 2015, was \$9,795,000.

Business-type activities long-term liabilities at September 30, 2015, 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>850,000</u>
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Total Water and Wastewater Fund	\$ <u><u>850,000</u></u>
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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>690,000</u>
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Total Drainage Utility Fund	\$ <u><u>690,000</u></u>
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Total Business-type activities	\$ <u><u>1,540,000</u></u>
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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, 2015, the City was in compliance with these requirements.

The City's component unit, the Tax Increment Financing District, long-term liabilities at September 30, 2015, 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>3,105,000</u>
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Total Tax Increment Financing District	\$ <u><u>3,105,000</u></u>
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Governmental Activities

<u>September 30,</u>	General Obligation Bonds and Certificates of Obligation		Revenue Bonds	
	Principal	Interest	Principal	Interest
	2016	\$ 770,000	\$ 251,258	\$ 410,000
2017	795,000	223,179	420,000	181,872
2018	810,000	194,388	425,000	169,704
2019	850,000	163,828	445,000	157,176
2020	320,000	141,400	460,000	144,144
2021-2025	2,290,000	455,000	2,500,000	511,632
2026-2030	<u>1,085,000</u>	<u>43,900</u>	<u>2,275,000</u>	<u>133,560</u>
	<u>\$ 6,920,000</u>	<u>\$ 1,472,953</u>	<u>\$ 6,935,000</u>	<u>\$ 1,491,912</u>

Business-type Activities

<u>September 30,</u>	Revenue Bonds	
	Principal	Interest
2016	\$ 450,000	\$ 42,446
2017	460,000	28,291
2018	265,000	16,899
2019	115,000	10,670
2020	125,000	6,506
2021-2025	<u>125,000</u>	<u>2,169</u>
	<u>\$ 1,540,000</u>	<u>\$ 106,981</u>

Discretely Presented Component Unit - Tax Increment Financing Fund

<u>September 30,</u>	Revenue Bonds	
	Principal	Interest
2016	\$ 585,000	\$ 97,425
2017	600,000	79,650
2018	615,000	61,425
2019	640,000	39,400
2020	<u>665,000</u>	<u>13,300</u>
	<u>\$ 3,105,000</u>	<u>\$ 291,200</u>

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:

	<u>Governmental Activities</u>
Asset:	
Machinery and equipment	\$ 2,030,652
Less: accumulated depreciation	<u>(618,843)</u>
Total	<u>\$ 1,411,809</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015, were as follows:

	<u>Governmental Activities</u>
2016	\$ 314,086
2017	161,419
2018	116,839
2019	<u>116,839</u>
Total minimum lease payments	709,183
Less: amount representing interest	<u>(59,838)</u>
Present value of minimum lease payments	<u>\$ 649,345</u>

Defined Benefit Pension Policies

Plan Descriptions

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tMrs.org.

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

Benefits Provided

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

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

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

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years to any age, 5 years at age 60 and above
Updated service credit	100% repeating, transfers
Annuity increase to retirees	0% of CPI

Employees covered by benefit terms

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	99
Inactive employees entitled to but not yet receiving benefits	108
Active employees	180
	<hr/>
	387

Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 6.84% and 7.69% in calendar years 2014 and 2015, respectively. The city's contributions to TMRS for the year ended September 30, 2015, were \$868,363, and were equal to the required contributions.

Net Pension Liability

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

Actuarial assumptions:

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

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering the 2009 through 2011, and the dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

Discount Rate

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2013	\$ 42,047,025	\$ 46,456,782	\$(4,409,757)
Changes for the year:			
Service cost	1,598,908	-	1,598,908
Interest	2,938,763	-	2,938,763
Difference between expected and actual experience	136,216	-	136,216
Contributions - employer	-	745,874	(745,874)
Contributions - employee	(1,728,299)	763,324	(2,491,623)
Net investment income	-	2,657,437	(2,657,437)
Benefit payments, including refunds of employee contributions	-	(1,728,299)	1,728,299
Administrative expense	-	(27,747)	27,747
Other changes	-	(2,281)	2,281
Net changes	<u>2,945,588</u>	<u>2,408,308</u>	<u>537,280</u>
Balance at 12/31/2014	<u>\$ 44,992,613</u>	<u>\$ 48,865,090</u>	<u>\$(3,872,477)</u>

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

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's net pension liability	\$ 2,425,275	\$(3,872,477)	\$(9,066,776)

Pension Plan Fiduciary Net Position

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2015, the City recognized pension expense of \$699,427.

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

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual economic experience	\$ 108,097
Difference between projected and actual investment earnings	<u>475,630</u>
Total	<u>\$ 583,727</u>

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year ended Dec 31</u>		
2015	\$	147,027
2016		147,027
2017		147,027
2018		<u>142,646</u>
	\$	<u>583,727</u>

Subsequent event

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

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 term of the contracts are 35 years (water – April 2014) and 50 years (wastewater – November 2023), however both contain language that they will continue in effect until all related bonds and refunding bonds in lieu of debt have been paid. 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 2015 amounted to approximately \$7,727,104 and \$2,102,605, 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, 2015, developers had escrowed \$3,023,466 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 contributes to SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years ended 2015, 2014, and 2013 were \$17,776, 16,837, and \$15,132, 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>
09/30/13	.015%	.015%	100%
09/30/14	.016%	.016%	100%
09/30/15	.015%	.015%	100%

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF COLLEYVILLE, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Plan Year	<u>2014</u>
A. Total pension liability	
Service Cost	\$ 1,598,908
Interest (on the Total Pension Liability)	2,938,763
Difference between expected and actual experience	136,216
Benefit payments, including refunds of employee contributions	(1,728,299)
Net change in total pension liability	2,945,588
Total pension liability - beginning	<u>42,047,025</u>
Total pension liability - ending (a)	<u>\$ 44,992,613</u>
B. Plan fiduciary net position	
Contributions - Employer	\$ 745,874
Contributions - Employee	763,324
Net Investment Income	2,657,437
Benefit payments, including refunds of employee contributions	(1,728,299)
Administrative Expenses	(27,747)
Other	<u>(2,281)</u>
Net change in plan fiduciary net position	2,408,308
Plan fiduciary net position - beginning	<u>46,456,782</u>
Plan fiduciary net position - ending (b)	<u>\$ 48,865,090</u>
C. Net pension liability - ending (a) - (b)	<u>\$(3,872,477)</u>
D. Plan fiduciary net position as a percentage of total pension liability	108.61%
E. Covered employee payroll	\$ 10,904,635
F. Net position liability as a percentage of covered employee payroll	-35.51%

CITY OF COLLEYVILLE, TEXAS

SCHEDULE OF CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Fiscal Year	2014	2015
Actuarial determined contribution	\$ 738,034	\$ 868,363
Contributions in relation to the actuarially determined contribution	738,034	868,363
Contribution deficiency (excess)	-	-
Covered employee payroll	10,707,890	11,640,489
Contributions as a percentage of covered employee payroll	6.89%	7.46%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.

Mortality RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis of with BB.

Other Information:

Notes There were no benefit changes during the year.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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 of 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, 2015

	Special Revenue Funds		
	Voluntary Park	Voluntary Library	Police Asset Forfeiture
ASSETS			
Cash and cash equivalents	\$ 1,310	\$ 51,257	\$ 4,092
Investments	849,617	359,532	-
Due from other governments	-	-	-
Accrued interest	1,299	820	-
Total assets	852,226	411,609	4,092
LIABILITIES			
Accounts payable	-	6,848	-
Accrued liabilities	-	-	-
Advances from developers	-	-	-
Total liabilities	-	6,848	-
FUND BALANCES			
Restricted	-	-	4,092
Committed	852,226	404,761	-
Assigned	-	-	-
Total fund balances	852,226	404,761	4,092
Total liabilities and fund balances	\$ 852,226	\$ 411,609	\$ 4,092

Special Revenue Funds

Tree Preservation	Library Donation	Recreational Event	Colleyville Center Development	Recycling	LEOSE
\$ 38,459	\$ 136,301	\$ 5,449	\$ 5,857	\$ 1,627	\$ 1,711
-	-	-	-	-	-
-	-	-	-	-	-
<u>38,459</u>	<u>136,301</u>	<u>5,449</u>	<u>5,857</u>	<u>1,627</u>	<u>1,711</u>
-	1,240	-	-	-	-
-	-	-	-	-	-
13,724	-	-	-	-	-
<u>13,724</u>	<u>1,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	135,061	-	5,857	-	1,711
24,735	-	-	-	-	-
-	-	5,449	-	1,627	-
<u>24,735</u>	<u>135,061</u>	<u>5,449</u>	<u>5,857</u>	<u>1,627</u>	<u>1,711</u>
<u>\$ 38,459</u>	<u>\$ 136,301</u>	<u>\$ 5,449</u>	<u>\$ 5,857</u>	<u>\$ 1,627</u>	<u>\$ 1,711</u>

CITY OF COLLEYVILLE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

SEPTEMBER 30, 2015

	Special Revenue Funds		
	Colleyville Economic Development	Crime District	Kidsville Maintenance
ASSETS			
Cash and cash equivalents	\$ 2,146,379	\$ 1,233,158	\$ 20,251
Investments	510,424	-	-
Due from other governments	319,352	272,160	-
Accrued interest	524	-	-
	<u>2,976,679</u>	<u>1,505,318</u>	<u>20,251</u>
LIABILITIES			
Accounts payable	785	79	-
Accrued liabilities	-	23,596	-
Advances from developers	-	-	-
Total liabilities	<u>785</u>	<u>23,675</u>	<u>-</u>
FUND BALANCES			
Restricted	2,975,894	1,481,643	20,251
Committed	-	-	-
Assigned	-	-	-
Total fund balances	<u>2,975,894</u>	<u>1,481,643</u>	<u>20,251</u>
Total liabilities and fund balances	<u>\$ 2,976,679</u>	<u>\$ 1,505,318</u>	<u>\$ 20,251</u>

Special Revenue Funds

Special Donations	Court Technology	Court Security	TDPA Grant	Public Art	Juvenile Case Manager
\$ 72,303	\$ 61,707	\$ 73,838	\$ 8,133	\$ 7,904	\$ 22,551
-	-	-	-	-	-
-	-	-	-	-	-
<u>72,303</u>	<u>61,707</u>	<u>73,838</u>	<u>8,133</u>	<u>7,904</u>	<u>22,551</u>
-	-	-	-	-	13
-	-	878	-	-	2,304
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>878</u>	<u>-</u>	<u>-</u>	<u>2,317</u>
72,303	61,707	72,960	8,133	-	20,234
-	-	-	-	-	-
-	-	-	-	7,904	-
<u>72,303</u>	<u>61,707</u>	<u>72,960</u>	<u>8,133</u>	<u>7,904</u>	<u>20,234</u>
<u>\$ 72,303</u>	<u>\$ 61,707</u>	<u>\$ 73,838</u>	<u>\$ 8,133</u>	<u>\$ 7,904</u>	<u>\$ 22,551</u>

CITY OF COLLEYVILLE, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

SEPTEMBER 30, 2015

	Capital Project Funds		
	Colleyville Tomorrow	Parks Tomorrow	Park Land Dedication
ASSETS			
Cash and cash equivalents	\$ 1,907,749	\$ 1,197,656	\$ 200,510
Investments	375,326	-	2,114,383
Due from other governments	-	-	-
Accrued interest	462	-	2,949
	2,283,537	1,197,656	2,317,842
LIABILITIES			
Accounts payable	-	-	-
Accrued liabilities	-	-	-
Advances from developers	-	-	-
Total liabilities	-	-	-
FUND BALANCES			
Restricted	-	-	-
Committed	2,283,537	1,197,656	2,317,842
Assigned	-	-	-
Total fund balances	2,283,537	1,197,656	2,317,842
Total liabilities and fund balances	\$ 2,283,537	\$ 1,197,656	\$ 2,317,842

Capital Project Funds			
CEDC Capital Project	Capital and Cable Equipment Replacement	Kimzey Park	Total Governmental Funds
\$ 65,794	\$ 349,998	\$ 3,576	\$ 7,617,570
-	449,861	-	4,659,143
-	-	-	591,512
-	645	-	6,699
<u>65,794</u>	<u>800,504</u>	<u>3,576</u>	<u>12,874,924</u>
-	2,545	-	11,510
-	-	-	26,778
-	-	-	13,724
<u>-</u>	<u>2,545</u>	<u>-</u>	<u>52,012</u>
-	-	-	4,859,846
65,794	-	3,576	7,150,127
-	797,959	-	812,939
<u>65,794</u>	<u>797,959</u>	<u>3,576</u>	<u>12,822,912</u>
<u>\$ 65,794</u>	<u>\$ 800,504</u>	<u>\$ 3,576</u>	<u>\$ 12,874,924</u>

CITY OF COLLEYVILLE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds		
	Voluntary Park	Voluntary Library	Police Asset Forfeiture
REVENUES			
Taxes	\$ -	\$ -	\$ -
Fees and fines	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Donations	150,092	150,090	-
Investment earnings	2,146	1,961	-
Miscellaneous	-	-	-
Total revenues	152,238	152,051	-
EXPENDITURES			
Current:			
General government	-	-	-
Community development and engineering	-	-	-
Fire and rescue	-	-	-
Leisure services	61,556	151,391	-
Municipal court	-	-	-
Police	-	-	96
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	-	-	-
Total expenditures	61,556	151,391	96
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	90,682	660	(96)
OTHER FINANCING SOURCES (USES)			
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	-	-	-
NET CHANGE IN FUND BALANCES	90,682	660	(96)
FUND BALANCES, BEGINNING	761,544	404,101	4,188
FUND BALANCES, ENDING	\$ 852,226	\$ 404,761	\$ 4,092

Special Revenue Funds

Tree Preservation	Library Donation	Recreational Event	Colleyville Center Development	Recycling	LEOSE
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	1,830	-	-	-	3,970
-	-	-	-	-	-
-	21,068	4,900	-	-	-
-	-	-	-	-	-
-	-	-	-	15,000	-
<u>-</u>	<u>22,898</u>	<u>4,900</u>	<u>-</u>	<u>15,000</u>	<u>3,970</u>
-	-	-	-	15,000	-
-	-	-	-	-	-
820	23,096	3,926	-	-	1,253
-	-	-	-	-	-
-	-	-	-	-	2,063
-	-	-	-	-	-
-	-	-	-	-	-
<u>820</u>	<u>23,096</u>	<u>3,926</u>	<u>-</u>	<u>15,000</u>	<u>3,316</u>
(820)	(198)	974	-	-	654
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(820)	(198)	974	-	-	654
<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>24,735</u>	\$ <u>135,061</u>	\$ <u>5,449</u>	\$ <u>5,857</u>	\$ <u>1,627</u>	\$ <u>1,711</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, 2015

	Special Revenue Funds		
	Colleyville Economic Development	Crime District	Kidsville Maintenance
REVENUES			
Taxes	\$ 1,725,811	\$ 1,523,470	\$ -
Fees and fines	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Donations	-	-	-
Investment earnings	2,259	987	-
Miscellaneous	-	-	-
Total revenues	<u>1,728,070</u>	<u>1,524,457</u>	<u>-</u>
EXPENDITURES			
Current:			
General government	51,949	-	-
Community development and engineering	-	-	-
Fire and rescue	-	-	-
Leisure services	237,477	-	175
Municipal court	-	-	-
Police	-	729,301	-
Debt service:			
Principal	395,000	-	-
Interest and other charges	205,416	-	-
Capital outlay	596,329	218,642	-
Total expenditures	<u>1,486,171</u>	<u>947,943</u>	<u>175</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>241,899</u>	<u>576,514</u>	<u>(175)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term debt, net	-	-	-
Payment to bond escrow agent	-	-	-
Sale of capital assets	-	16,800	-
Transfers in	-	-	-
Transfers out	-	(510,985)	-
Total other financing sources and uses	<u>-</u>	<u>(494,185)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	241,899	82,329	(175)
FUND BALANCES, BEGINNING	<u>2,733,995</u>	<u>1,399,314</u>	<u>20,426</u>
FUND BALANCES, ENDING	<u>\$ 2,975,894</u>	<u>\$ 1,481,643</u>	<u>\$ 20,251</u>

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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	32,148	34,394	-	-	67,012
3,367	-	-	-	-	-
-	53,560	-	-	-	-
21,010	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>24,377</u>	<u>85,708</u>	<u>34,394</u>	<u>-</u>	<u>-</u>	<u>67,012</u>
-	-	-	-	-	-
-	-	-	-	-	-
844	-	-	-	-	-
10,139	-	-	-	-	-
-	52,673	34,080	-	-	55,226
3,613	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,596</u>	<u>52,673</u>	<u>34,080</u>	<u>-</u>	<u>-</u>	<u>55,226</u>
9,781	33,035	314	-	-	11,786
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,781</u>	<u>33,035</u>	<u>314</u>	<u>-</u>	<u>-</u>	<u>11,786</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>
<u>\$ 72,303</u>	<u>\$ 61,707</u>	<u>\$ 72,960</u>	<u>\$ 8,133</u>	<u>\$ 7,904</u>	<u>\$ 20,234</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, 2015

	Capital Project Funds		
	Colleyville Tomorrow	Parks Tomorrow	Park Land Dedication
REVENUES			
Taxes	\$ -	\$ -	\$ -
Fees and fines	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Donations	-	-	634,122
Investment earnings	3,697	1,292	4,685
Miscellaneous	-	-	-
Total revenues	3,697	1,292	638,807
EXPENDITURES			
Current:			
General government	-	-	-
Community development and engineering	-	-	-
Fire and rescue	-	-	-
Leisure services	5,291	-	-
Municipal court	-	-	-
Police	-	-	-
Debt service:			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay	2,132	-	352,291
Total expenditures	7,423	-	352,291
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,726)	1,292	286,516
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term debt, net	-	-	-
Payment to bond escrow agent	-	-	-
Sale of capital assets	-	-	-
Transfers in	63,318	-	-
Transfers out	-	-	-
Total other financing sources and uses	63,318	-	-
NET CHANGE IN FUND BALANCES	59,592	1,292	286,516
FUND BALANCES, BEGINNING	2,223,945	1,196,364	2,031,326
FUND BALANCES, ENDING	\$ 2,283,537	\$ 1,197,656	\$ 2,317,842

Capital Project Funds			
CEDC Capital Project	Capital and Cable Equipment Replacement	Kimzey Park	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 3,249,281
-	-	-	133,554
-	-	-	9,167
-	-	-	53,560
-	-	-	981,282
-	1,214	-	18,241
-	-	-	15,000
<u>-</u>	<u>1,214</u>	<u>-</u>	<u>4,460,085</u>
10,398	109,623	-	186,970
1,250	-	-	1,250
-	-	-	2,097
8,801	-	-	502,672
-	-	-	141,979
-	14,966	-	750,039
-	-	-	395,000
-	-	-	205,416
<u>60,582</u>	<u>82,568</u>	<u>-</u>	<u>1,312,544</u>
<u>81,031</u>	<u>207,157</u>	<u>-</u>	<u>3,497,967</u>
(81,031)	(205,943)	-	962,118
-	-	-	-
-	-	-	-
-	-	-	16,800
-	252,000	-	315,318
-	-	-	(510,985)
<u>-</u>	<u>252,000</u>	<u>-</u>	<u>(178,867)</u>
(81,031)	46,057	-	783,251
<u>146,825</u>	<u>751,902</u>	<u>3,576</u>	<u>12,039,661</u>
<u>\$ 65,794</u>	<u>\$ 797,959</u>	<u>\$ 3,576</u>	<u>\$ 12,822,912</u>

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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, 2015

	<u>Budget</u>	<u>Actual</u>	Variance with Budget - Positive (Negative)
REVENUES			
Taxes	\$ 727,816	\$ 808,761	\$ 80,945
Investment earnings	1,975	965	(1,010)
Total revenues	<u>729,791</u>	<u>809,726</u>	<u>79,935</u>
EXPENDITURES			
Debt service:			
Principal retirement	1,064,693	1,064,693	-
Interest and fiscal charges	318,749	318,998	(249)
Total expenditures	<u>1,383,442</u>	<u>1,383,691</u>	<u>(249)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(653,651)</u>	<u>(573,965)</u>	<u>79,686</u>
OTHER FINANCING SOURCES			
Transfers in	500,985	500,985	-
Total other financing sources	<u>500,985</u>	<u>500,985</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(152,666)</u>	<u>(72,980)</u>	<u>79,686</u>
FUND BALANCE, BEGINNING	<u>902,490</u>	<u>902,490</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 749,824</u>	<u>\$ 829,510</u>	<u>\$ 79,686</u>

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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, 2015

	<u>Employee Activity Fund</u>	<u>Sesquicentennial Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ <u>6,330</u>	\$ <u>18,988</u>	\$ <u>25,318</u>
Total assets	\$ <u>6,330</u>	\$ <u>18,988</u>	\$ <u>25,318</u>
LIABILITIES			
Due to other agencies and individuals	\$ <u>6,330</u>	\$ <u>18,988</u>	\$ <u>25,318</u>
Total liabilities	\$ <u>6,330</u>	\$ <u>18,988</u>	\$ <u>25,318</u>

CITY OF COLLEYVILLE, TEXAS

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

AGENCY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Employee Activity Fund			Balance 09/30/15
	Balance 10/01/14	Additions	Deletions	
Cash and cash equivalents	\$ 7,106	\$ 3,697	\$ 4,473	\$ 6,330
Total assets	\$ 7,106	\$ 3,697	\$ 4,473	\$ 6,330
Due to other agencies and individuals	\$ 7,106	\$ 3,697	\$ 4,473	\$ 6,330
Total liabilities	\$ 7,106	\$ 3,697	\$ 4,473	\$ 6,330

	Sesquicentennial Fund			Balance 09/30/15
	Balance 10/01/14	Additions	Deletions	
Cash and cash equivalents	\$ 18,405	\$ 583	\$ -	\$ 18,988
Total assets	\$ 18,405	\$ 583	\$ -	\$ 18,988
Due to other agencies and individuals	\$ 18,405	\$ 583	\$ -	\$ 18,988
Total liabilities	\$ 18,405	\$ 583	\$ -	\$ 18,988

	Total Agency Funds			Balance 09/30/15
	Balance 10/01/14	Additions	Deletions	
Cash and cash equivalents	\$ 25,511	\$ 4,280	\$ 4,473	\$ 25,318
Total assets	\$ 25,511	\$ 4,280	\$ 4,473	\$ 25,318
Due to other agencies and individuals	\$ 25,511	\$ 4,280	\$ 4,473	\$ 25,318
Total liabilities	\$ 25,511	\$ 4,280	\$ 4,473	\$ 25,318

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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.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	100
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	110
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.	115
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.	122
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.	124

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		
	2006	2007	2008
Governmental activities:			
Net investment in capital assets	\$ 66,991,146	\$ 71,824,719	\$ 77,484,725
Restricted for:			
Debt service	937,578	1,032,586	889,689
Court security and technology	-	-	-
Grant programs	-	-	-
Leisure services	-	-	-
Economic development	-	-	-
Streets and drainage	-	-	-
Police	-	-	-
Unrestricted	<u>19,002,816</u>	<u>21,987,778</u>	<u>21,862,136</u>
Total governmental activities net position	<u>\$ 86,931,540</u>	<u>\$ 94,845,083</u>	<u>\$ 100,236,550</u>
Business-type activities:			
Net investment in capital assets	\$ 25,919,619	\$ 32,804,703	\$ 39,442,148
Restricted for:			
Debt service	882,821	1,080,751	1,024,349
Unrestricted	<u>19,253,772</u>	<u>13,626,274</u>	<u>7,837,790</u>
Total business-type activities net position	<u>\$ 46,056,212</u>	<u>\$ 47,511,728</u>	<u>\$ 48,304,287</u>
Primary government:			
Net investment in capital assets	\$ 92,910,765	\$ 104,629,422	\$ 116,926,873
Restricted for:			
Debt service	1,820,399	2,113,337	1,914,038
Court security and technology	-	-	-
Grant programs	-	-	-
Leisure services	-	-	-
Economic development	-	-	-
Streets and drainage	-	-	-
Police	-	-	-
Unrestricted	<u>38,256,588</u>	<u>35,614,052</u>	<u>29,699,926</u>
Total primary government net position	<u>\$ 132,987,752</u>	<u>\$ 142,356,811</u>	<u>\$ 148,540,837</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						
		2009	2010	2011	2012	2013	2014	2015
\$	79,243,497	\$ 81,970,674	\$ 83,166,142	\$ 83,211,988	\$ 84,414,252	\$ 89,754,051	\$ 98,958,693	
	1,040,896	1,057,699	1,106,893	1,159,092	857,143	831,073	744,295	
	-	-	153,420	91,637	101,411	109,766	154,901	
	-	-	23,208	21,116	16,489	9,190	9,844	
	-	-	201,184	207,736	207,770	224,064	233,472	
	-	-	1,863,900	1,998,845	2,277,373	2,733,995	2,975,894	
	-	-	6,428,106	8,192,568	8,432,946	12,188,836	13,838,090	
	-	-	994,913	1,143,454	1,223,271	1,403,502	1,485,735	
	<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>20,681,413</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>	<u>139,082,337</u>	
\$	39,174,562	\$ 39,080,043	\$ 38,892,098	\$ 38,395,708	\$ 39,269,943	\$ 41,567,161	\$ 44,823,618	
	987,181	983,225	662,050	-	-	-	-	
	<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>15,260,882</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>	<u>60,084,500</u>	
\$	118,418,059	\$ 121,050,717	\$ 122,058,240	\$ 121,607,696	\$ 123,684,195	\$ 131,321,212	\$ 143,782,311	
	2,028,077	2,040,924	1,768,943	1,159,092	857,143	831,073	744,295	
	-	-	153,420	91,637	101,411	109,766	154,901	
	-	-	23,208	21,116	16,489	9,190	9,844	
	-	-	201,184	207,736	207,770	224,064	233,472	
	-	-	1,863,900	1,998,845	2,277,373	2,733,995	2,975,894	
	-	-	6,428,106	8,192,568	8,432,946	12,188,836	13,838,090	
	-	-	994,913	1,143,454	1,223,271	1,403,502	1,485,735	
	<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>35,942,295</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>	<u>199,166,837</u>	

CITY OF COLLEYVILLE, TEXAS

CHANGES IN NET POSITION

(Accrual Basis of Accounting)

	Fiscal Year		
	2006	2007	2008
EXPENSES			
Governmental activities:			
General government	\$ 2,729,064	\$ 2,438,051	\$ 2,814,874
Community Development and Engineering	1,267,136	1,523,768	1,481,124
Fire and rescue	3,814,585	3,790,831	3,958,111
Leisure services	3,513,992	3,525,094	4,033,105
Maintenance	383,504	434,984	417,265
Municipal court	270,345	262,198	324,020
Police	3,801,644	4,232,185	4,657,438
Streets and drainage	2,932,465	2,890,995	3,129,730
Interest on long-term debt	1,142,043	1,032,374	1,101,714
Total governmental activities expenses	<u>19,854,778</u>	<u>20,130,480</u>	<u>21,917,381</u>
Business-type activities:			
Water and wastewater	9,428,373	9,337,282	11,179,548
Drainage	548,963	671,773	593,600
Interest on long-term debt	440,703	400,752	362,642
Total business-type activities expenses	<u>10,418,039</u>	<u>10,409,807</u>	<u>12,135,790</u>
Total primary government program expenses	<u>\$ 30,272,817</u>	<u>\$ 30,540,287</u>	<u>\$ 34,053,171</u>
PROGRAM REVENUES			
Governmental activities:			
Charges for services:			
General government	\$ 6,000	\$ 6,000	\$ 16,000
Community Development and Engineering	2,163,596	1,454,744	1,332,453
Fire and rescue	239,386	303,868	250,814
Leisure services	448,606	424,024	563,738
Municipal court	813,781	932,452	1,171,919
Police	70,899	81,054	79,699
Streets and drainage	472,860	355,157	358,688
Operating grants and contributions	399,819	431,683	1,856,567
Capital grants and contributions	4,355,357	5,372,281	3,973,954
Total governmental activities program revenues	<u>8,970,304</u>	<u>9,361,263</u>	<u>9,603,832</u>

TABLE 2

		Fiscal Year											
		2009	2010	2011	2012	2013	2014	2015					
\$	2,945,481	\$	2,691,905	\$	2,715,154	\$	3,125,214	\$	4,075,001	\$	4,103,928	\$	4,676,185
	1,530,901		1,645,221		1,402,669		1,397,839		1,429,755		1,613,311		1,582,461
	4,113,793		4,419,945		4,421,496		4,321,929		4,529,225		4,625,036		5,264,026
	3,941,259		4,118,769		4,191,960		4,124,619		4,106,822		3,776,068		4,042,252
	455,752		423,783		412,513		400,306		494,545		575,696		684,301
	291,724		302,756		303,839		319,445		586,709		501,604		522,422
	4,841,217		4,836,274		4,878,055		4,579,570		4,961,444		5,019,343		5,681,698
	3,503,519		3,885,182		3,657,591		3,073,530		5,322,510		4,128,365		4,404,701
	1,051,180		1,000,061		849,390		780,029		724,458		717,045		536,161
	<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>		<u>27,394,207</u>
	10,612,372		11,242,553		12,009,187		12,258,587		12,544,530		13,238,893		14,055,232
	658,016		572,234		742,160		723,994		707,647		571,886		833,599
	331,361		296,288		-		-		-		-		-
	<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>14,888,831</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>	\$	<u>42,283,038</u>
\$	15,000	\$	15,000	\$	97,234	\$	28,408	\$	15,000	\$	15,000	\$	17,500
	666,914		647,298		868,363		1,146,518		927,690		1,387,329		1,587,038
	271,216		235,225		305,882		335,308		308,339		377,021		327,264
	6,595,487		468,426		1,213,167		520,433		501,260		510,991		503,098
	1,002,008		1,213,178		970,143		1,015,804		1,271,095		1,268,447		1,474,485
	51,631		94,059		70,709		81,056		70,513		71,022		75,415
	215,619		345,780		296,350		338,845		316,338		347,565		802,551
	713,189		543,516		822,056		490,069		468,361		486,869		450,559
	360,023		423,873		405,347		381,308		1,158,050		5,943,465		7,712,266
	<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>		<u>12,950,176</u>

CITY OF COLLEYVILLE, TEXAS

CHANGES IN NET POSITION

(Accrual Basis of Accounting)

	Fiscal Year		
	2006	2007	2008
PROGRAM REVENUES			
Business-type activities:			
Charges for services:			
Water and wastewater	\$ 12,357,576	\$ 9,127,470	\$ 11,114,892
Drainage	830,292	841,972	859,013
Capital grants and contributions	1,100,354	1,561,255	1,415,785
Total business-type activities program revenues	<u>14,288,222</u>	<u>11,530,697</u>	<u>13,389,690</u>
Total primary government program revenues	<u>\$ 23,258,526</u>	<u>\$ 20,891,960</u>	<u>\$ 22,993,522</u>
NET (EXPENSE) REVENUES			
Governmental activities	\$(10,884,474)	\$(10,769,217)	\$(12,313,549)
Business-type activities	<u>3,870,183</u>	<u>1,120,890</u>	<u>1,253,900</u>
Total primary government net expense	<u>(7,014,291)</u>	<u>(9,648,327)</u>	<u>(11,059,649)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities:			
Taxes			
Property	9,483,546	10,153,775	11,367,967
Franchise	1,790,543	1,779,376	1,818,060
Sales	4,355,627	4,674,068	4,740,964
Other	76,005	89,132	82,532
Investment earnings	904,361	1,224,361	804,864
Miscellaneous	65,313	97,963	96,348
Gain on sale of capital assets	-	-	116,112
Transfers	532,357	664,085	841,936
Total governmental activities	<u>17,207,752</u>	<u>18,682,760</u>	<u>19,868,783</u>
Business-type activities:			
Investment earnings	846,214	998,710	380,595
Gain on sale of capital assets	-	-	-
Transfers	<u>(532,357)</u>	<u>(664,085)</u>	<u>(841,936)</u>
Total business-type activities	<u>313,857</u>	<u>334,625</u>	<u>(461,341)</u>
Total primary government	<u>17,521,609</u>	<u>19,017,385</u>	<u>19,407,442</u>
CHANGE IN NET POSITION			
Governmental activities	6,323,278	7,913,543	7,555,234
Business-type activities	<u>4,184,040</u>	<u>1,455,515</u>	<u>792,559</u>
Total primary government	<u>\$ 10,507,318</u>	<u>\$ 9,369,058</u>	<u>\$ 8,347,793</u>

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

TABLE 2
(continued)

							Fiscal Year						
							2009	2010	2011	2012	2013	2014	2015
\$	11,303,868	\$	11,414,425	\$	14,355,418	\$	14,034,600	\$	14,661,491	\$	14,789,614	\$	15,800,163
	874,637		897,361		903,089		918,323		928,863		939,868		948,565
	63,293		147,014		168,365		169,464		876,660		2,707,835		2,362,261
	<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>19,110,989</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>	\$	<u>32,061,165</u>
\$(12,783,739)	\$(19,337,541)	\$(17,783,416)	\$(17,784,732)	\$(21,193,823)	\$(14,652,687)	\$(14,444,031)
	640,049		347,725		2,675,525		2,139,806		3,214,837		4,626,538		4,222,158
	<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>		<u>(10,221,873)</u>
	12,121,420		12,557,716		12,414,948		12,414,457		12,497,692		12,950,832		13,493,621
	2,017,440		1,867,065		2,031,268		2,207,463		2,074,731		2,172,801		2,319,723
	4,718,976		4,936,484		5,056,597		5,495,730		5,902,557		6,472,195		6,705,914
	74,198		75,365		80,731		65,808		68,592		98,160		107,977
	471,524		76,968		95,822		108,192		77,269		39,697		100,843
	77,854		82,833		55,454		74,041		85,562		61,643		82,873
	25,237		65,306		-		147,969		-		810,020		-
	<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>1,178,590</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>		<u>23,989,541</u>
	168,940		15,158		38,674		4,084		38,987		23,655		52,480
	-		15,864		-		-		103,437		40,814		5,062
	<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>(1,178,590)</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>(1,121,048)</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>		<u>22,868,493</u>
	7,546,707		1,181,818		2,810,283		3,810,796		625,120		9,132,953		9,545,510
	<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>3,101,110</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>	\$	<u>12,646,620</u>

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CITY OF COLLEYVILLE, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,147	\$ 132,664	\$ 1,759	\$ 1,269	\$ 2,119
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	706,942	813,536	813,536	813,536	813,536
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	<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>	<u>8,736,746</u>
Total general fund	<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>	<u>\$ 9,552,401</u>
All other governmental funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	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	19,527,446
Committed	-	-	-	-	-	5,967,620	6,193,060	6,262,082	6,793,236	7,150,127
Assigned	-	-	-	-	-	1,148,548	954,818	910,611	765,908	812,939
Unassigned	-	-	-	-	-	-	-	(4,975)	-	-
Unassigned, reported in:										
Special revenue funds	4,760,679	4,814,412	5,696,905	7,267,350	5,664,493	-	-	-	-	-
Capital projects funds	<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>	<u>-</u>
Total all other governmental funds	<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>	<u>\$ 27,490,512</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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Taxes	\$ 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	\$ 22,620,506
Developer contributions	549,911	683,425	226,488	-	-	-	-	-	-	-
Licenses, fees and permits	1,931,265	1,244,218	1,113,595	646,302	607,132	923,590	1,130,426	857,135	1,090,012	1,303,710
Capital improvement fees	482,860	389,657	358,688	208,622	334,075	281,260	322,498	300,900	333,496	785,992
Fines and penalties	841,595	965,416	1,203,260	1,028,425	1,244,146	998,221	1,051,899	1,000,954	1,043,821	1,217,654
Charges for services	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	1,571,510
Interest	904,361	1,224,361	804,864	471,524	76,968	95,823	110,550	77,269	39,697	100,842
Intergovernmental	5,409	4,361	1,437,935	350,468	100,807	541,709	124,056	76,506	556,954	1,377,763
Donations	396,627	735,756	548,093	401,432	379,853	602,401	406,789	487,066	918,613	981,282
Miscellaneous	83,730	107,700	116,280	155,100	97,833	70,453	89,041	100,562	76,643	97,873
Total revenues	22,078,097	23,246,511	25,107,380	29,280,675	23,112,056	24,836,184	24,500,710	24,763,785	27,384,044	30,057,132
EXPENDITURES										
General government	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	4,126,132
Comm Development/Eng	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	1,524,342
Fire	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	4,618,103
Police	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	5,143,662
Leisure services	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	2,996,371
Streets and drainage	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	2,407,780
Municipal court	270,037	252,961	323,059	291,893	302,172	302,666	319,084	586,911	501,027	508,566
Maintenance	377,144	415,708	410,636	449,806	417,946	405,911	394,830	489,685	570,011	662,480
Capital outlay	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	6,268,273
Debt service:										
Interest	1,141,817	1,094,001	2,584,790	1,033,148	944,751	838,320	757,594	697,140	716,228	524,414
Principal	1,929,047	2,005,204	1,189,798	2,275,553	2,180,061	2,259,004	2,007,585	2,246,921	1,342,586	1,459,693
Total expenditures	23,240,805	25,699,451	26,630,016	24,385,739	26,825,324	23,895,551	22,775,737	26,656,609	25,373,572	30,239,816

CITY OF COLLEYVILLE, TEXAS

**CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,162,708)</u>	<u>\$ (2,452,940)</u>	<u>\$ (1,522,636)</u>	<u>\$ 4,894,936</u>	<u>\$ (3,713,268)</u>	<u>\$ 940,633</u>	<u>\$ 1,724,973</u>	<u>\$ (1,892,824)</u>	<u>\$ 2,010,472</u>	<u>\$ (182,684)</u>
OTHER FINANCING SOURCES (USES)										
Bonds issued	-	9,890,000	-	-	-	2,945,000	-	-	-	-
Refunding bonds	-	-	-	-	-	-	-	-	7,330,000	-
Notes payable	-	-	-	-	-	-	-	-	-	-
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	20,598
Premium on bond issue	-	-	-	-	-	6,561	-	-	-	-
Payments to escrow	-	(4,921,334)	-	-	-	(3,012,910)	-	-	(7,600,000)	-
Transfers in	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	6,497,252
Transfers out	(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)	(5,318,662)
Total other financing sources (uses)	<u>1,093,343</u>	<u>5,641,551</u>	<u>1,116,254</u>	<u>857,556</u>	<u>1,904,166</u>	<u>804,628</u>	<u>2,124,371</u>	<u>1,321,965</u>	<u>1,835,325</u>	<u>1,199,188</u>
NET CHANGE IN FUND BALANCES	<u>\$ (69,365)</u>	<u>\$ 3,188,611</u>	<u>\$ (406,382)</u>	<u>\$ 5,752,492</u>	<u>\$ (1,809,102)</u>	<u>\$ 1,745,261</u>	<u>\$ 3,849,344</u>	<u>\$ (570,859)</u>	<u>\$ 3,845,797</u>	<u>\$ 1,016,504</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>16.4%</u>	<u>16.0%</u>	<u>17.6%</u>	<u>15.3%</u>	<u>14.3%</u>	<u>14.5%</u>	<u>13.6%</u>	<u>12.3%</u>	<u>9.3%</u>	<u>8.3%</u>

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

TABLE 5

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
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
2015	4,314,297,434	102,095,151	313,245,782	4,103,146,803	0.3559	4,103,146,803

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-Eules Bedford Independent School District	Keller Independent School District	Tarrant County	Tarrant County College District	Tarrant County Hospital District
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
2015	0.33461	0.02129	0.35590	1.4350	1.4000	1.32010	1.3750	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	2015		2006	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Velocis Colleyville LP	\$ 26,210,380	0.67%	\$ -	- %
Oncor Electric Delivery	16,678,083	0.43%	-	- %
Toll Dallas TX LLC	12,557,166	0.32%	-	- %
Lifetime Fitness Real Estate	12,304,570	0.31%	16,414,232	0.57%
AC Village Park Partners LLC	10,903,756	0.28%	-	- %
USMC Colleyville LLC	10,057,253	0.26%	-	- %
Wal-Mart Real Estate Business Trust	8,487,901	0.22%	-	- %
RCC Village Properties	8,142,369	0.21%	-	- %
Colleyville Riverwalk LP	5,925,000	0.15%	-	- %
McCormick, Robert & Cynthia	4,396,800	0.11%	-	- %
TXU Electric Delivery	-	- %	16,307,256	0.57%
Albertsons Inc	-	- %	9,934,354	0.35%
Melvin & Martindale Ltd	-	- %	7,685,413	0.27%
Colleyville Plaza LP	-	- %	6,500,480	0.23%
Colleyville 26 Crossing Ltd	-	- %	6,060,000	0.21%
Broughton Ltd Partnership	-	- %	5,973,768	0.21%
Uhlmann-Colleyville LLC	-	- %	5,784,142	0.20%
G Points SC LTD	-	- %	5,289,406	0.18%
Total	\$ 115,663,278	2.95%	\$ 79,949,051	2.78%

Source: Tarrant Appraisal District

TABLE 8

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

Fiscal Year Ended	Taxes Levied for the Fiscal Year	Collected With the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	41,333	13,722,602	100.00%
2015	14,305,704	14,242,584	99.6%	-	14,242,584	99.56%

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	2015		2006	
	Water Usage	Percentage of Total City Water Usage	Water Usage	Percentage of Total City Water Usage
Grapevine-Colleyville ISD	39,527,800	1.82%	40,620,600	1.38%
Lifetime Fitness	16,682,900	0.77%	8,875,100	0.30%
Town Center	14,112,300	0.65%	7,091,100	0.24%
Shadowood Trail	4,850,200	0.22%	5,913,400	0.20%
Market Street	4,775,000	0.22%	7,598,600	0.26%
Bluebonnet Hills	4,694,000	0.22%	11,933,300	0.40%
US Memory Care	4,312,300	0.20%	-	- %
Mady Development	4,158,400	0.19%	-	- %
Westmont	3,840,200	0.18%	3,773,800	0.13%
Whittier Heights	3,806,000	0.17%	-	- %
Villas at Oak Point	3,722,500	0.17%	-	- %
Woodland Hills	3,550,100	0.16%	3,333,000	0.11%
Wash Depot	3,256,200	0.15%	13,523,500	0.46%
G Points SC Ltd	3,195,200	0.15%	-	- %
Colleyville Downs-KRG	3,152,200	0.14%	-	- %
Timarron	3,059,100	0.14%	5,267,000	0.18%
Monticello HOA	3,022,500	0.14%	-	- %
Highland Meadows HOA	3,016,300	0.14%	3,539,300	0.12%
Keller ISD	2,551,800	0.12%	3,458,400	0.12%
Total	129,285,000	5.94%	114,927,100	3.90%

Source: City utility billing records

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	Premium	Water and Sewer Revenue Bonds	Drainage Revenue Bonds	Capital Leases	Premium			
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	10,340,000	349,189	-	6,540,000	2,205,000	13,793	-	37,217,982	2.89%	1,680
2008	16,275,000	9,765,000	430,549	-	5,840,000	2,040,000	-	-	34,350,549	2.64%	1,527
2009	14,665,000	9,170,000	359,996	-	5,200,000	1,870,000	-	-	31,264,996	2.51%	1,386
2010	13,300,000	8,545,000	1,151,173	-	4,520,000	1,695,000	-	-	29,211,173	2.31%	1,281
2011	11,510,000	8,245,000	972,170	5,905	3,600,000	1,550,000	-	99,756	25,982,831	1.73%	1,137
2012	9,975,000	7,930,000	1,709,120	5,249	2,850,000	1,345,000	-	89,780	23,904,149	1.57%	1,042
2013	8,675,000	7,600,000	1,301,624	4,593	2,085,000	1,135,000	-	79,805	20,881,022	1.38%	904
2014	7,660,000	7,330,000	974,038	-	1,310,000	915,000	-	69,830	18,258,868	1.16%	769
2015	6,920,000	6,935,000	649,345	-	850,000	690,000	-	59,854	16,104,199	1.02%	676

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

See Table 15 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		
2006	\$ 10,665,000	\$ 937,578	\$ 9,727,422	0.34%	\$ 448
2007	17,770,000	1,032,586	16,737,414	0.54%	756
2008	16,275,000	889,689	15,385,311	0.45%	684
2009	14,665,000	1,040,896	13,624,104	0.38%	604
2010	13,300,000	1,057,699	12,242,301	0.33%	537
2011	11,510,000	1,106,893	10,403,107	0.28%	455
2012	9,933,921	1,159,092	8,774,829	0.23%	382
2013	8,639,056	857,143	7,781,913	0.21%	337
2014	7,660,000	831,073	6,828,927	0.17%	288
2015	6,920,000	744,295	6,175,705	0.15%	259

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 15.

CITY OF COLLEYVILLE, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF SEPTEMBER 30, 2015

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Birdville Independent School District	\$ 256,161,620	0.080%	\$ 204,929
Carroll Independent School District	216,607,746	0.460%	996,396
Grapevine-Colleyville Independent School District	326,820,150	21.320%	69,678,056
Hurst-Euless-Bedford Independent School District	274,883,170	1.650%	4,535,572
Keller Independent School District	771,227,959	3.330%	25,681,891
Tarrant County	333,795,000	3.040%	10,147,368
Tarrant County Hospital District	23,440,000	3.040%	<u>712,576</u>
Subtotal overlapping debt			111,956,788
City direct debt	10,025,000	100.000%	<u>10,025,000</u>
Total direct and overlapping debt			<u>\$ 121,981,788</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.

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

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CITY OF COLLEYVILLE, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

		Legal Debt Margin Calculation for Fiscal Year 2015										
		Assessed value										\$ 4,103,146,803
		Debt limit (2.5% of assessed value)										102,578,670
		Debt applicable to limit:										
		General obligation bonds										6,920,000
		Less: Amount set aside for repayment of general obligation debt										(744,295)
		Total net debt applicable to limit										6,175,705
		Legal debt margin										\$ 96,402,965
		Fiscal Year										
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Debt limit	\$	71,831,071	77,182,965	85,026,795	87,755,997	94,131,390	93,904,439	93,842,538	94,792,672	97,887,202	102,578,670	
Total net debt applicable to limit		9,727,422	15,967,232	15,385,131	13,624,104	12,242,301	10,403,107	8,815,908	7,817,857	6,828,927	6,175,705	
Legal debt margin	\$	62,103,649	61,215,733	69,641,664	74,131,893	81,889,089	83,501,332	85,026,630	86,974,815	91,129,692	96,402,965	
Total net debt applicable to the limit as a percentage of debt limit.		13.54%	20.69%	18.09%	15.52%	13.01%	11.08%	9.39%	8.25%	6.98%	6.02%	

Note:

Under state finance law, the City's outstanding general obligation debt should not exceed 2.50 percent of total assessed property value.

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		
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	
2015	15,894,829	12,043,267	3,851,562	460,000	30,100	3,361,462	

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		
\$ 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	
959,835	665,498	294,337	225,000	27,847	41,490	1,725,809	395,000	205,416	1,125,393	

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>
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%
2015	23,830	200,822	66,060	4.0%

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	2015		2006	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment*
Grapevine Colleyville ISD	611	11.8%	475	- %
Market Street	345	6.7%	415	- %
Lifetime Fitness	250	4.8%	-	- %
City of Colleyville	205	4.0%	179	- %
Whole Foods Market	125	2.4%	-	- %
Albertsons	118	2.3%	205	- %
Covenant Christian Academy	130	2.5%	-	- %
LaHacienda Ranch	100	1.9%	100	- %
Walmart Neighborhood Market	72	1.4%	-	- %
Sonshine Academy	60	1.2%	60	- %
US Memory Care	60	1.2%	-	- %
Mac's Steak and Seafood	-	- %	60	- %
Compass Christian Church	50	1.0%	-	- %
Total	2,126	41.2%	1,494	- %

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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Management services	6	5	5	4	4	4	4	4	4	4
Finance/court	7	6	6	6	6	6	6	8	8	8
Planning	3	3	3	3	2	2	2	2	4	3
Building	5	5	6	6	5	4	3	3	3.5	5
Other	5	6	6.5	7.5	9.5	11	11	13	12	14
Police										
Officers	32	35	37	38	38	38	39	40	41	44
Civilians	11	13	14	14	13	6	6	6	6.5	6.0
Fire										
Firefighters and officers	33	33	33	33	33	33	35	36	38	41
Civilians	1	1	1	1	2	1	1	1	1	1
Other public works										
Engineering	5	5	5	5	4	4.5	3	3	4	4
Other	3	3	3	3	3	3	3	3	3	3
Streets	10	10	10	10	10	10	10	7	8	8
Parks and recreation	12.5	13.5	13.5	13.5	16.5	16	16	16	16	15
Library	5.5	7.5	8	8	9.5	11.5	11.5	12	13	14
Colleyville center	4.5	4.5	4.5	4.5	4.5	4.5	4.5	3.5	4	4.5
Water/wastewater	28	29	29	29	28	24	25	23	25	25
Drainage	6	6	6	6	6	6	6	7	6	6
Total	177.5	185.5	190.5	191.5	194.0	184.5	185.5	187.5	196.5	204.5

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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Building permits issued	270	140	131	90	77	104	155	103	108	181
Building inspections conducted	9,599	8,941	8,108	5,641	6,149	6,737	8,310	8,292	7,807	7,307
Police										
Physical arrests	485	666	514	809	764	666	653	632	863	800
Calls for service	10,546	17,629	15,292	23,480	12,242	27,254	48,076	61,270	58,522	51,537
Traffic violations	11,218	12,438	15,621	12,550	13,822	11,354	11,980	11,766	19,955	21,450
Fire										
Emergency responses	656	715	681	737	762	830	724	557	627	694
Ambulance calls	589	630	667	693	751	765	803	829	950	959
Inspections	312	503	666	796	784	397	342	306	317	363
Other public works										
Street resurfacing (miles)	3	4.5	8.5	13.9	8.0	6.2	1.0	4.0	1.7	3.7
Parks and recreation										
Athletic field participants	602	4,960	5,159	4,617	4,296	4,378	3,946	4,287	4,315	4,434
Community center rentals	637	592	627	507	373	410	404	398	412	452
Library										
Volumes in collection	43,378	46,311	50,348	54,659	58,147	62,997	65,740	69,736	74,525	77,664
Total volumes borrowed	177,087	197,712	211,674	238,459	244,458	235,238	244,613	250,737	234,667	228,160
Water										
Customers	8,561	8,700	8,893	8,960	9,014	9,103	9,285	9,396	9,507	9,631
Average daily consumption (thousands of gallons)	8,081	5,123	6,619	6,578	5,990	7,928	7,217	6,785	6,539	6,451
Peak daily consumption (thousands of gallons)	16,732	13,068	16,764	16,674	18,207	18,935	18,707	17,052	15,204	19,866
Wastewater										
Customers	7,761	7,966	8,138	8,315	8,389	8,457	8,603	8,731	8,817	8,905

Source: Various City departments

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	7	10	13	13	13	13	12	12	12	13
Fire										
Stations	2	2	3	3	3	3	3	3	3	3
Public works										
Streets (miles)	307	311	312	312	318	282	282	282	283	283
Streetlights	990	1,011	1,010	1,168	1,188	1,169	1,169	1,175	1,175	1,227
Traffic signals	2	2	2	2	2	2	2	2	2	2
Parks and recreation										
Acreage	212	224	224	224	224	224	224	224	224	224
Playgrounds	5	6	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)	175	191	192	199	200	195	201	202	204	205
Fire hydrants	1,206	1,254	1,271	1,340	1,345	1,362	1,389	1,389	1,403	1,422
Storage capacity (thousands of gallons)	4,900	4,900	4,900	9,900	9,900	9,400	9,400	9,400	9,400	9,400
Wastewater										
Sanitary sewers (miles)	154	163	164	166	170	162	169	170	172	172
Storm sewers (miles)	58	59	59	63	63	58	64	58	60	67

Source: Various City departments

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

COMPLIANCE

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PATILLO, 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 17, 2016.

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
March 17, 2016



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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
 EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
 REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Colleyville, Texas' ("the City"), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2015. The City of Colleyville, Texas' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Colleyville Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Colleyville, Texas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

Report on Internal Control over Compliance

Management of the City of Colleyville, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Colleyville, Texas', internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Pattello, Braum & Hill, L.L.P.

Waco, Texas
March 17, 2016

CITY OF COLLEYVILLE, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures
FEDERAL AWARDS			
<u>U. S. Department of Transportation</u>			
Passed through Texas Department of Transportation			
Highway Planning and Construction - Colleyville Quiet Zones	20.205	CSJ: 0902-48-756	\$ <u>1,047,347</u>
Total Passed through Texas Department of Transportation			<u>1,047,347</u>
Total U. S. Department of Transportation			<u>1,047,347</u>
Total Expenditures of Federal Awards			\$ <u>1,047,347</u>

CITY OF COLLEYVILLE, TEXAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

1. GENERAL

The Schedule of Expenditures of Federal Awards presents the activity of all applicable federal programs of the City of Colleyville, Texas. The City's reporting entity is defined in Note I of the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note I of the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments*. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

CITY OF COLLEYVILLE, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued	Unmodified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal and State Awards:

Internal control over major programs: Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs	Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No
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Identification of major programs:

CFDA Numbers: 20.205	Name of Federal Program: Highway Planning and Construction - Colleyville Quiet Zones
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Dollar threshold used to distinguish between type A and type B federal programs	\$300,000
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Auditee qualified as low-risk auditee for federal single audit?	No
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Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for Federal Awards

None

CITY OF COLLEYVILLE, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

None