

Comprehensive Annual Financial Report

Fiscal Year ended September 30, 2018



City of Colleyville, Texas

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2018

Prepared by
Finance Department

Shereen Gendy
Chief Financial Officer

Karen Hines
Accounting Manager

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City of Colleyville, Texas
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended September 30, 2018
 Table of Contents

	Exhibit	Page
Introductory Section		
Letter of Transmittal		v
Certificate of Achievement		xi
Organizational Chart		xii
Principal Officials		xiii
Financial Section		
Independent Auditor's Report		3
Management's Discussion and Analysis		7
Basic Financial Statements		
Government-Wide Financial Statements:		
Statement of Net Position	1	21
Statement of Activities	2	22
Fund Financial Statements:		
Governmental Funds Financial Statements:		
Balance Sheet	3	29
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4	30
Statement of Revenues, Expenditures, and Changes in Fund Balance	5	31
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	6	32
Proprietary Funds Financial Statements:		
Statement of Net Position	7	34
Statement of Revenues, Expenses, and Changes in Net Position	8	35
Statement of Cash Flows	9	36
Fiduciary Fund Financial Statement:		
Statement of Fiduciary Net Position	10	39
Notes to the Basic Financial Statements		41
Required Supplementary Information		
Budgetary Comparison Schedules:		
Budgetary Comparison Schedule - General Fund	A-1	72
Budgetary Comparison Schedule - Colleyville Economic Development Fund	A-2	73
Notes to Budgetary Comparison Schedules		75
Schedule of Changes in Net Pension Liability and Related Ratios - TMRS	A-3	76
Schedule of Contributions - TMRS	A-4	77
Notes to Texas Municipal Retirement System Required Supplementary Information		78
Schedule of Changes in Net OPEB Liability and Related Ratios - TMRS	A-5	79
Notes to Texas Municipal Retirement System- OPEB Liability		80

City of Colleyville, Texas
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended September 30, 2018
 Table of Contents – Continued

	Exhibit	Page
Combining And Individual Fund Financial Statements And Schedules		
Budgetary Comparison Schedule - Debt Service Fund	B-1	83
Non-Major Governmental Funds		85
Combining Balance Sheet	B-2	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	B-3	92
Budgetary Comparison Schedule - Crime District Fund	B-4	96
Agency Funds:		
Statement of Changes in Assets and Liabilities	C-1	98
Combining Statement of Changes in Assets and Liabilities	C-2	99
 Statistical Section		
Net Position By Component	1	104
Changes in Net Position	2	106
Fund Balances - Governmental Funds	3	108
Changes in Fund Balances - Governmental Funds	4	109
Assessed Value and Estimated Actual Value of Taxable Property	5	110
Direct and Overlapping Property Tax Rates	6	111
Principal Property Tax Payers	7	112
Property Tax Levies and Collections	8	113
Principal Water Customers	9	114
Ratios of Outstanding Debt by Type	10	115
Ratio of General Bonded Debt Outstanding	11	116
Direct and Overlapping Governmental Activities Debt	12	117
Pledged Revenue Coverage	13	118
Demographic and Economic Statistics	14	120
Principal Employers	15	121
Full-Time Equivalent City Government Employees By Function/Program	16	122
Operating Indicators By Function/Program	17	123

Introductory Section

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March 19, 2019

To the Citizens of the City of Colleyville:

The Comprehensive Annual Financial Report (CAFR) of the City of Colleyville (the "City") for the fiscal year ended September 30, 2018, 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 Weaver and Tidwell, 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, 2018, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Colleyville's financial statements for fiscal year ended September 30, 2018, 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 Wastewater 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 a new purchase order can be processed to re-appropriated the encumbrance against the following fiscal year's budget. 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 primarily 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. During the fiscal year, the City issued 169 new residential building permits, and the average appraised value of a residential property was \$571,103. The City issued 77 certificates of occupancy for new, remodeled, and expanding businesses. The City's strong economy supports a 95% occupancy rate of existing retail and office spaces.

In fiscal year 2018, commercial developments continued to bring new tenants and sales tax dollars to Colleyville including:

- Shanty2Chic LLC
- Texas Ketamine Specialists, PLLC
- Embroidme
- Chipotle Mexican Grill
- Ver Halen Aesthetics & Plastic Surgery
- Visionary Technology Systems
- Hotworx

In addition to these new businesses and tenants, Colleyville expects to see the following developments in the near future:

- A new ±9,000 square foot wedding & event venue (Mont Claire) off of Colleyville Boulevard in the Winding Creek development
- Zoning has been approved for a new ±86,675 square foot self-storage warehouse (Advantage Storage) on Precinct Line Rd on the western city limits
- Domino's restaurant intends to occupy a portion of the Bear Creek Wine & Spirits at 7101 Colleyville Blvd
- Lilium Florists is expanding the building at their location at 4800 Colleyville Blvd, doubling their existing square footage
- New commercial building permits were issued for a 6,200 square foot building that will be home to a new optometry office and a Vietnamese restaurant
- A tenant finish out permit has been submitted for Chef Point fine dining restaurant on State Hwy 121

Fiscal year 2018 capital projects included the completion of Pleasant Run Road Reconstruction including the upsizing of a waterline, drainage improvements, ribbon curbs, and sidewalk on the east side of the road; and the Manning Drive Wastewater Project including the replacement of the wastewater line along with street rehabilitation of Manning, Stafford, Bowman, and Oak Knoll Drives. Street rehabilitation projects included John McCain Road from Pleasant Run Road to Marantha Court; L.D. Lockett from Precinct Line Road to Pleasant Run Road, and Oak Timbers Court, Tyler Street, Behrens Road, and Behrens Court, Bluebonnet, Montclair, and Wayne Drives, and Pleasant Run Road (John McCain to North City Limit).

Transportation projects in progress at the end of fiscal year 2018 are State Highway 26/Colleyville Boulevard construction of Phases II and III.

For the Future. In Fiscal Year 2019 street rehabilitation projects will include Cheek-Sparger Road from Bedford Road to Silverwood Lane, Bransford Road, Patterson Lane, Van Oaks Drive, White Drive, Bill Simmons, Curtis, Sherbert, and McDonwell School Roads. Major construction projects will include the reconstruction of Frontier Court and Cheek-Sparger Road from San Bar Lane to Oak Briar Lane. Construction of SH26 is scheduled to conclude in 2019.

FINANCIAL INFORMATION:

Financial Policies

The City of Colleyville operates under financial policies that include multiple components to provide consistency, clarity, and appropriate statutory compliance in the City's financial processes. The City's Charter provides a strong foundation, outlining requirements for the annual budget, monthly financial reports, and annual audit. Additional policies such as the Investment Policy which is reviewed annually by the City Council and the Fund Balance Policy which is reviewed every three years by the Audit Committee provide further details and guidance. Decisions are also made in accordance with any existing bond covenants or state law.

In July 2018, the investment policy was updated to limit the maximum allowable investment in Local Government Investment Pools that invests in commercial paper to 5% of the portfolio, which reflects the City’s conservative risk tolerance. To diversify the investment portfolio, the updated policy allows investing up to 75% of the portfolio in government only Local Government Investment Pools. To seek higher return on investments while maintaining liquidity, the city expanded the investment portfolio to include investments in TexPool, TexStar and Texas CLASS.

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 2017. At the end of Fiscal Year 2018, 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 January 2017, the City Council held a Visioning Workshop and created a new Strategic Plan, with support from an outside facilitator and senior staff. The Strategic Plan included an updated Vision, Mission, and Values. The Strategic Plan also articulated six overall goals and several strategies to achieve each, as shown below in the version that was updated in June 2018. For each strategy identified, one or more objectives were assigned.

City of Colleyville Strategic Plan (updated June 2018)



In June 2018, the City Council held their annual priority setting work session, at which nine consensus priorities were identified (listed below).

- SH26 corridor enhancements - design & bid
- City Plaza – finalize design & construct
- Multi-purpose Center study to determine scope (Senior/Rec/Community) – Go/No Go decision = intended outcome
- 5-Year Capital Trail Master Plan
- Storm Water Master Plan
- Communications Strategy & Enhancements
- Develop TIF 5-Year Plan Strategy
- Set priorities & implement Parks Master Plan
- Continue improving City events and opportunities for engagement
- Explore, develop and expand community partnerships – Chamber, County road projects, other cities, Entrepreneur Center, etc.

Staff's role is to manage City activities and finances in a way that reflects the City Council's and the community's highest priorities. Development of the annual budget is guided by the priorities outlined in the City of Colleyville's Strategic Plan. Every new effort and element of the City's budget, including existing programs, is tied to one or more of these goals, strategies, and objectives.

As a part of the annual budget process, an updated five-year forecast for the General Fund, Utility Fund, Drainage Fund, and Debt Service Fund is presented to the City Council with the proposed budget. The budget process also includes an annual update of the five-year capital improvement program (CIP). Projects in the CIP are funded from a variety of sources including the Capital Projects Fund, Utility Capital Projects Fund, the Tax Increment Financing (TIF) District Fund, or Special Revenue Funds. The Capital Projects Fund accounts for money transferred from the General Fund for use on capital projects, street impact fees, perimeter street fees, and other funds for general capital projects. For internal reporting and tracking, a Utility Capital Projects Fund was created in Fiscal Year 2017 to account for money transferred from the Utility Fund (the operating fund) for use on utility capital projects, water impact fees, and wastewater impact fees. For the CAFR purposes, the activity for the Utility Fund and the Utility Capital Projects Fund are combined as the Water and Wastewater Fund activity.

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 CAFR for the fiscal year ended September 30, 2017. This was the 29th 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 CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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 Government Finance Officers Association of the United States and Canada (GFOA) has given the Award for an Outstanding Achievement in Popular Annual Financial Reporting (PAFR) Award to the City of Colleyville for its PAFR for the fiscal year ended September 30, 2017. The PAFR is valid for one year. This was the first year that the City has received this prestigious award. The GFOA established the PAFR Program in 1991 to encourage and assist state and local governments to extract information from their comprehensive annual financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal. Fiscal year 2018 PAFR will be submitted to GFOA to determine its eligibility for another certificate.

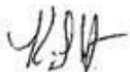
The City also received the GFOA's Distinguished Budget Presentation award for its annual budget dated October 1, 2017. In order to qualify for this award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, 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,



Shereen Gendy, MSA, CPA, CGFO
Chief Financial Officer



Karen Hines
Accounting Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Colleyville
Texas

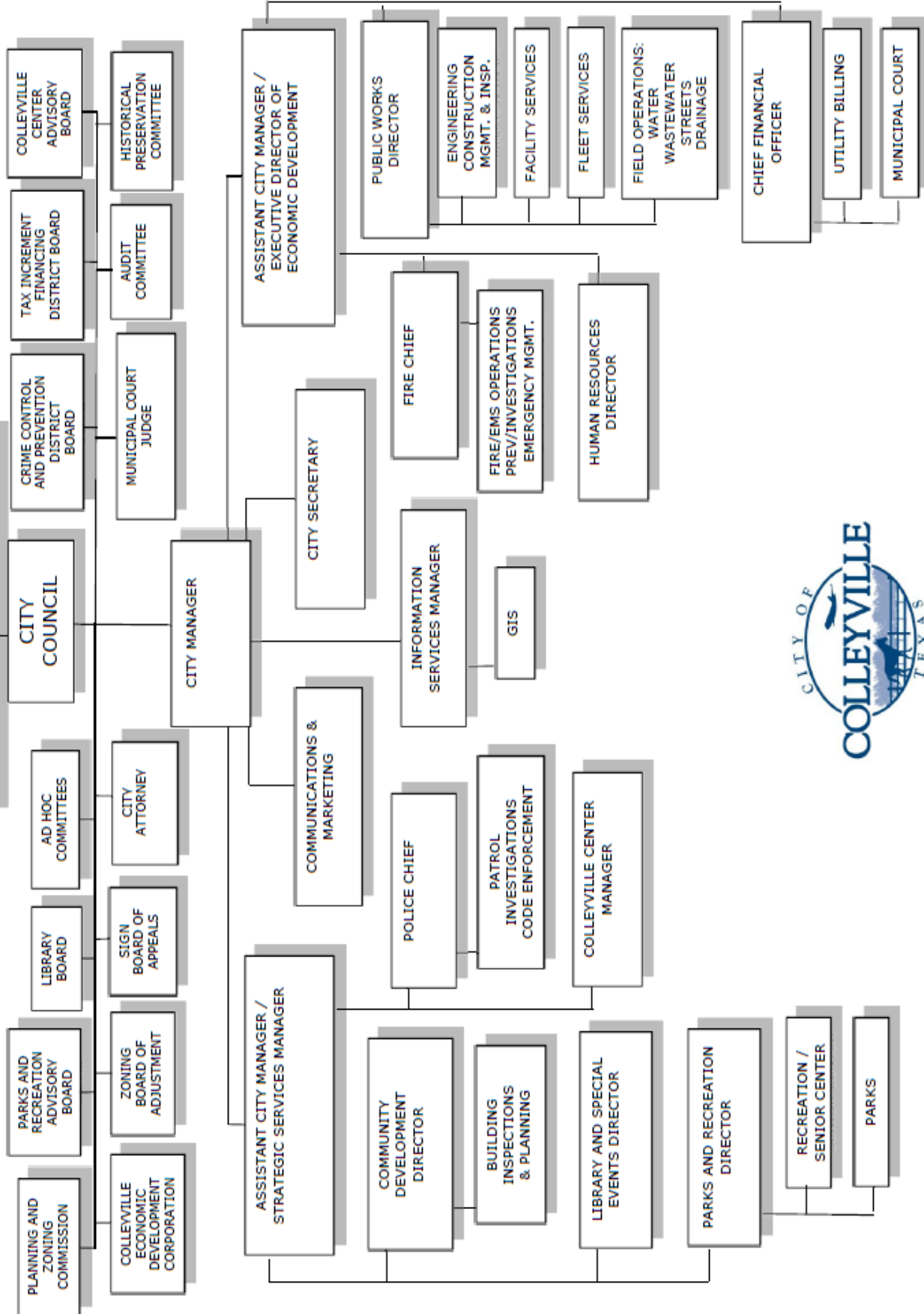
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO

CITIZENS OF COLLEYVILLE



CITY OF COLLEYVILLE, TEXAS

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

CITY OFFICIALS

YEAR ENDED SEPTEMBER 30, 2018

Richard Newton
Mayor

Tammy Nakamura
Councilmember, Place 1

Bobby Lindamood
Mayor Pro Tem and
Councilmember, Place 2

Kathy Wheat
Councilmember, Place 3

George W. Dodson
Councilmember, Place 4

Chuck Kelley
Councilmember, Place 5

Callie Rigney
Councilmember, Place 6

Jerry Ducay
City Manager

Shereen Gendy
Chief Finance Office

Karen Hines
Accounting Manager

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Financial Section

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Independent Auditor's Report

To the Members of the City Council
and City Manager
City of Colleyville, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Members of the City Council and Manager of
City of Colleyville, Texas

Emphasis of Matter

As discussed in Note 9 and 14 to the financial statements, the City adopted new accounting guidance GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. 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 (pages 7 through 16), budgetary comparison information (pages 72 through 75), and TMRS pension and OPEB schedules (pages 76 through 80) 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's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements.

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

The Members of the City Council and Manager of
City of Colleyville, Texas

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 19, 2019

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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, 2018. 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 v – x of this report

Financial Highlights

- The assets of the City of Colleyville exceeded its liabilities as of September 30, 2018, by \$210,726,373 (net position). Of this amount, \$58,279,057 (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 \$4,843,898 from FY 2018 operations.
- As of the close of the current fiscal year, the City of Colleyville's governmental funds reported combined ending fund balances of \$42,241,171. Of this amount, \$8,991,999 is unassigned fund balance available for use within the City's fund designation and fiscal policies.
- As of September 30, 2018, unreserved, unassigned fund balance for the General Fund was \$8,991,999 or 42.99% 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 19 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, Public Safety, Public Works, and Cultural and Recreation. 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 of the funds of the City can be divided into three categories: governmental, funds, proprietary funds, and fiduciary funds. The fund financial statements for governmental funds, proprietary funds, and fiduciary funds can be found in the financial section of this report.

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 evaluation 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 27 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, Colleyville Economic Development, 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 33 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.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The Fiduciary fund statement is presented on page 37. The accounting used for fiduciary funds is similar to the accounting used for proprietary funds. The City has two agency funds: Employee Activity and Sesquicentennial Fund. Agency funds are one of the City's fiduciary fund types. The agency funds account for funds held in an agency capacity for the benefit of the City employees and for the benefit of the City's historical purposes.

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 41 – 67 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 non-major funds are presented beginning on page 81 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 \$210,726,373 as of September 30, 2018.

The largest portion of the City's net position (\$143,942,986) 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		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 48,868,523	\$ 44,138,502	\$ 24,338,315	\$ 20,613,149	\$ 73,206,838	\$ 64,751,651
Capital assets, net	112,588,679	112,067,401	43,923,237	44,698,792	156,511,916	156,766,193
Total assets	161,457,202	156,205,903	68,261,552	65,311,941	229,718,754	221,517,844
Deferred outflows of resources	2,547,481	3,354,608	342,092	496,362	2,889,573	3,850,970
Current liabilities	2,594,456	3,565,444	1,722,655	1,960,547	4,317,111	5,525,991
Long-term liabilities	14,054,032	13,393,803	543,069	534,348	14,597,101	13,928,151
Total liabilities	16,648,488	16,959,247	2,265,724	2,494,895	18,914,212	19,454,142
Deferred inflows of resources	2,590,749	28,414	376,993	3,783	2,967,742	32,197
Net position						
Net Investment in capital assets	100,382,597	99,881,334	43,560,389	44,123,735	143,942,986	144,005,069
Restricted	8,504,330	6,918,143	-	-	8,504,330	6,918,143
Unrestricted	35,878,519	35,773,373	22,400,538	19,185,890	58,279,057	54,959,263
Total net position	\$ 144,765,446	\$ 142,572,850	\$ 65,960,927	\$ 63,309,625	\$ 210,726,373	\$ 205,882,475

A portion of the City's net position (\$8,504,330) represents resources that are subject to external restriction on how they may be used. The remaining balance (\$58,279,057) 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, 2018, 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. In fiscal year 2018, the City adopted GASB 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. Accordingly, the cumulative effect of the accounting changes as of the beginning of the year, reducing the beginning of the year net position by \$368,812 for Governmental activities and \$53,163 for business-type activities for a total primary government decrease in beginning net position of \$421,975. Fiscal year 2018 governmental activities resulted in a \$2,651,408 increase in net position. That increase was primarily due to the increase in tax revenues (property taxes, sales taxes and franchise taxes) and the city's successful efforts to cut down on expenses. Fiscal year 2018 business-type activities resulted in a \$2,704,465 increase in net position. 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. In fiscal year 2018, TRA refunded the City more than \$1.1M after calculating the authority's true up balances. The City also experienced a 2% increase in the water and wastewater customer base as well as an increase in impact fees.

As of September 30, 2018, the City had \$1,522,000 in capital projects outstanding that are funded by the business-type activities. Pleasant Run John McCain to Tinker Waterline Replacement (\$1,055,000), repairs of elevated storage tanks (\$20,000), design of pressure valve improvements (\$48,000), pleasant run road rehabilitation- Shelton Drive to John McCain (\$124,000) and Replacement of 6" and 8" wastewater pipelines (\$275,000).

Tiered rates which have been in place since December 2012 were replaced with a flat rate structure in July 2016. The flat rate provides a more equitable basis for our residents by charging a flat base rate that varies depending on the meter size (rather than consumption) and a flat volumetric rate per thousand gallons of usage. The new rate structure gave the residents a relief from high water bills in summer months. Risk to the City is minimized under the new utility rate structure adopted in Fiscal Year 2016, which recovers all of the City's distribution and collection costs in the base rate component and costs related to the purchase of treated water or wastewater treatment are recovered in the volumetric component of the rate.

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended September 30, 2018. Governmental activities increased the City of Colleyville's net position by \$2,192,596. Business-type activities contributed an increase to the City's net position of \$2,651,302. Those amounts are net of the cumulative effect of change in accounting principle related to the adoption of GASB 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions that reduced the beginning net position balance by \$368,812 for governmental activities and \$53,163 for business-type activities.

City of Colleyville's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 4,395,586	\$ 4,296,470	\$ 18,334,071	\$ 16,941,965	\$ 22,729,657	\$ 21,238,435
Operating grants and contributions	614,794	507,616	-	-	614,794	507,616
Capital grants and contributions	406,094	1,302,174	277,639	481,413	683,733	1,783,587
General revenues:						
Property tax	15,471,246	14,548,461	-	-	15,471,246	14,548,461
Sales tax	7,578,861	7,304,507	-	-	7,578,861	7,304,507
Franchise tax	1,982,578	2,105,881	-	-	1,982,578	2,105,881
Other tax	351,715	263,587	-	-	351,715	263,587
Investment income	315,611	148,933	167,427	100,525	483,038	249,458
Miscellaneous	126,859	168,865	183,685	-	310,544	168,865
Gain on sale of capital assets	51,620	17,000	-	-	51,620	17,000
Total revenues	31,294,964	30,663,494	18,962,822	17,523,903	50,257,786	48,187,397
Expenses:						
General government	\$ 5,330,690	4,881,741	-	-	5,330,690	4,881,741
Community development	1,387,909	1,672,823	-	-	1,387,909	1,672,823
Fire and rescue	5,690,454	5,524,975	-	-	5,690,454	5,524,975
Leisure services	4,271,760	4,987,965	-	-	4,271,760	4,987,965
Maintenance	738,834	1,243,614	-	-	738,834	1,243,614
Municipal court	595,879	606,269	-	-	595,879	606,269
Police	6,634,046	6,093,309	-	-	6,634,046	6,093,309
Streets and drainage	4,009,383	3,578,365	-	-	4,009,383	3,578,365
Water and wastewater	-	-	15,257,125	14,779,262	15,257,125	14,779,262
Drainage	-	-	740,994	646,145	740,994	646,145
Interest on long-term debt	334,839	408,268	-	-	334,839	408,268
Total expenses	28,993,794	28,997,329	15,998,119	15,425,407	44,991,913	44,422,736
Increases (decreases) in net position before transfers	2,301,170	1,666,165	2,964,703	2,098,496	5,265,873	3,764,661
Transfers	260,238	63,319	(260,238)	(63,319)	-	-
Change in net position	2,561,408	1,729,484	2,704,465	2,035,177	5,265,873	3,764,661
Net position - October 1	142,572,850	140,843,366	63,309,625	61,274,448	205,882,475	202,117,814
Cumulative effect of change in accounting principle	(368,812)	-	(53,163)	-	(421,975)	-
Net position - October 1, as restated	142,204,038	140,843,366	63,256,462	61,274,448	205,460,500	202,117,814
Net position - September 30	\$ 144,765,446	\$ 142,572,850	\$ 65,960,927	\$ 63,309,625	\$ 210,726,373	\$ 205,882,475

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.

In fiscal year 2018, the governmental funds' unrestricted fund balance increased by \$125,239 due to a number of factors. The General Fund is the only governmental fund that can have an unrestricted fund balance. The total General Fund revenue was \$997,488 above budget, including \$830,519 in tax revenue (property taxes, sales taxes and franchise taxes). Colleyville benefits from a strong residential base which helps mitigate the negative effects of economic fluctuations. Despite the property tax rate reduction, the General Fund's property tax revenue was more than \$350,000 above budget. Sales tax is the second largest revenue source. Despite the massive construction project in the City's primary commercial corridor along Colleyville Boulevard (SH26), the sales tax revenue was \$198,740 above budget due to the city's continuous efforts to support and market the impacted businesses during construction. The City began quarterly promotion programs in 2018 to assist businesses impacted by State Highway 26 construction, a 3-mile \$38 million roadway expansion project through the City's main commercial corridor. Each quarter, the City rolled out a new program. Quarter 1 was a business advertising grant, where 80 businesses utilized grant funding to advertise their business. Quarter 2 was a partnership with the Grapevine-Colleyville ISD in which school PTAs competed in the Colleyville Receipt Race. Schools collected receipts from Colleyville businesses and the City provided first, second, and third place prizes for the PTAs who collected the most receipts. During Quarter 3, the mailed each Colleyville household a \$10 gift card twice to use at any Colleyville business. The business provided a \$10 discount with a minimum \$20 purchase, and the City reimbursed the businesses for the gift cards. Quarter 4 was called Colleyville Gives. The City brought back, upon request, the advertising grants but this time, offered to double the grant if the business would donate \$500 to a local non-profit. Over \$28,000 was donated to local charities.

Also, in fiscal year 2018, the City Council provided direction to transfer the excess fund balance above 100 days of reserves (policy minimum requires 90 day reserve) to the Capital Projects Fund to fund future capital projects. The fiscal year 2018 excess fund balance allowed the Council to authorize a transfer of \$2,300,000 to the Capital Projects Fund, in addition to the originally budgeted transfers of \$1,500,000, for a total transfer of \$3,800,000 which contributed to the net increase in the Capital Projects Fund balance of \$685,854. The aforementioned transfers from the General Fund to the Capital Projects Fund were contained within funds that are in the governmental fund classification and did not change the total governmental activities fund balance.

Fiscal year 2018 Debt Service Fund balance increased by \$4,780 primarily due to \$132,517 in greater than anticipated property tax and investment interest revenues combined with a planned budgeted utilization of \$125,000 of surplus fund balance for the down payment on the lease-purchase agreement for a new ambulance. The City of Colleyville has been focused on reducing and eliminating debt, working toward a pay as you go method. The city has not issued any new tax supported debt since 2007. All debt issuances after that were refunding debts.

Proprietary funds- The unrestricted net position of the proprietary funds are \$20,043,241 for the Water and Wastewater Fund and \$2,357,297 for the Drainage Utility Fund. In fiscal year 2018, the City adopted GASB 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions. Accordingly, the cumulative effect of the accounting changes as of the beginning of the year, reducing the beginning of the year net position by \$43,756 for the Water and Sewer fund and \$9,407 for the Drainage fund for a total business-type activity decrease in beginning net position of \$5,163. Fiscal year 2018 activities resulted in a net position increase of \$2,428,194 in the Water and Sewer fund and \$276,271 for the Drainage fund. During fiscal year 2018, the revenues collected exceeded the budgeted amounts in many areas including \$1,126,820 in water and wastewater impact fees, \$200,418 capital project rate revenues and \$277,639 in developer's contributions. The Drainage fees were \$39,047.51 above budget and the water and wastewater sales were \$491,846 above budget. The increase is primarily due to the expansion of the city's customer base by 2% and an increase in consumption by 10%. Tiered rates which have been in place since December 2012 were replaced with a flat rate structure in July 2016. The flat rate provides a more equitable basis for our residents by charging a flat base rate that varies depending on the meter size (rather than consumption) and a flat volumetric rate per thousand gallons of usage. The new rate structure gave the residents a relief from high water bills in summer months. The new rates did include the continued pass-through of the Trinity River Authority water and wastewater rate increases.

Governmental activities – There was an increase of \$631,470 in revenue compared to fiscal year 2017. Colleyville benefits from a strong residential base which helps mitigate the negative effects of economic fluctuations. Property values have experienced a 10.04% growth over the prior year's certified values. Despite the tax rate reduction from \$0.33913/\$100 valuation to \$0.333834/\$100 valuation, the City's actual property tax revenue was \$922,785 more than last year's for the General Fund and the Debt Service Fund. The current year tax collection rate was 99.6% of the levy. The sales tax revenues increased by \$274,351 for the General Fund, Colleyville Economic Development and the Colleyville Crime Control District. The governmental activities experienced a total of \$1,161,964 increase in tax revenues. Fiscal year 2017 reported an exceptionally higher than usual developer's contribution but fiscal year 2018 numbers are in line with historical trends.

Business-type activities – The City has two enterprise operations, the Waste and Wastewater Fund and the Drainage Utility Fund. The total operating revenue of the Water and Sewer Fund was \$17,516,576 for the fiscal year with an increase of about \$1,560,247 from the prior year due to many factors including an increase of \$352,150 in impact fees and an increase of \$876,804 in the water and wastewater sales. In fiscal year 2018, the water consumption increased by 10% with only 2% increase in the customer base. Also, in December 2017, the volumetric rates went up to pass through the rate increase from the Trinity River Authority, the City's provider of treated water. The increase in the Trinity River Authority rates was the primary factor behind the increase in the fund's operating expense of about \$484,725. The coverage ratio for debt for this fund was 26.57 for the fiscal year, exclusive of transfers. The slight increase in the Drainage Utility Fund's operating revenue increase of about \$15,544 was due to new residential and commercial construction.

General fund budgetary highlights – With the FY18 budget, resources were allocated according to the priorities of our citizens and City Council, while maintaining the conservative fiscal approach that has allowed Colleyville to attain and maintain an AAA bond rating. Cost increases were absorbed via reductions in other expenses or by identifying alternative fund sources, to allow any new revenue to be allocated for priority areas.

The FY 2018 budget took a more aggressive approach to using the most restrictive funding source first, in order to reduce the burden on the General Fund. Approximately \$200,000 of eligible expenditures were shifted to both the Colleyville Economic Development Corporation (CEDC) Fund and the Tax Increment Financing (TIF) Fund. This generated a General Fund operating surplus that allows high priority issues to be addressed.

In fiscal year 2017, a compensation and classification study was performed. It was a six month effort guided by a committee of citizens, Councilmembers, and staff and it resulted in a new compensation structure that was implemented in fiscal year 2018. Employees earning below the new minimum salary of their position's pay range received a market adjustment to bring them into the new ranges, and feathering tenured employees into their ranges based on years of service to address compression. The Fiscal year 2018 budget reflected the City Council's bold vision of fully implementing the recommendations of the 2017 Compensation and Classification Study for a total cost of just over \$657,000.

Also in the fiscal year 2018, the City provided a staffing level of 206 full-time equivalents (FTEs), 2 FTEs more than in fiscal year 2017. The two new FTEs were added by bringing certain landscaping work in-house, as opposed to paying a contractor, and did not result in any net increase to the budget. Major capital purchases included six vehicles for the police department, a pothole patching unit for public works and a four-wheel drive fairway mower for the Parks department.

For the year ended September 30, 2018, revenues exceeded the final budget in the General Fund due to tax receipts being greater than anticipated, and overall expenditures were lower than the budget due to the City's efforts to cut down on expenditures and when possible, moving expenditures out of the General Fund to other eligible funding sources.

Refer to the General Fund Statement of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual on page 72 of this report for a detailed presentation of the actual General Fund operations compared to both the original and final budget for fiscal year 2018.

Capital Assets

The City of Colleyville's investment in capital assets for its governmental and business-type activities as of September 30, 2018 amounts to \$156,511,916 (net of accumulated depreciation). This investment in capital assets includes land, building, equipment, improvements other than buildings, infrastructure, and construction work in progress. Declines in overall asset valuations were due to accumulated depreciation on aging assets. Major capital asset events occurring during the current fiscal year included the following:

- Capitalized \$1,336,000 in street improvements, including Glade Road (\$249,000), Bedford Road (\$72,000) and Bedford Road retaining wall (\$1,000,000).
- Capitalized \$350,000 for the Ambulance capital lease.
- Capitalized \$506,000 in water and \$159,000 in wastewater.

City of Colleyville's Capital Assets at Year End

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land	\$ 9,178,641	\$ 9,178,641	\$ 304,839	\$ 304,839	\$ 9,483,480	\$ 9,483,480
Buildings and improvements	50,400,558	50,400,558	53,922	53,922	50,454,480	50,454,480
Equipment	14,018,330	12,872,812	2,264,969	2,019,281	16,283,299	14,892,093
Infrastructure/water distribution sewer collection	99,522,267	98,134,864	80,398,064	79,732,627	179,920,331	177,867,491
Construction in progress	4,663,882	2,309,931	1,522,362	1,100,366	6,186,244	3,410,297
Less: accumulated depreciation	(65,194,999)	(60,829,405)	(40,620,919)	(38,512,243)	(105,815,918)	(99,341,648)
Total capital assets, net	<u>\$ 112,588,679</u>	<u>\$ 112,067,401</u>	<u>\$ 43,923,237</u>	<u>\$ 44,698,792</u>	<u>\$ 156,511,916</u>	<u>\$ 156,766,193</u>

Additional information on the City's capital assets can be found in Note 5, pages 53 – 55 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 \$12,630,745. Of this amount, \$5,665,000 represents bonded debt backed by the full faith and credit of the government, \$5,680,000 represents bonds secured by sales tax revenues, and \$365,000 represents bonds secured solely by drainage utility system revenues. The city paid off the water and sewer revenue bonds in fiscal year 2018.

The City's capitalized lease obligations of \$637,365 pertain to the prior year lease purchase of a fire pumper truck and mid-mount aerial platform fire apparatus and the newly added ambulance lease.

**Outstanding Debt and Year End
Bonds, Notes and Capitalized Lease Obligations Payable**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
	General obligation bonds and certificates of obligation	\$ 5,665,000	\$ 7,125,000	\$ -	\$ -	\$ 5,665,000
Sales tax revenue bonds	5,680,000	6,105,000	-	-	5,680,000	6,105,000
Revenue bonds payable	-	-	365,000	630,000	365,000	630,000
Capital lease obligations	637,365	597,110	-	-	637,365	597,110
Bond premiums	235,299	238,957	48,081	72,121	283,380	311,078
Total long-term debt	\$ 12,217,664	\$ 14,066,067	\$ 413,081	\$ 702,121	\$ 12,630,745	\$ 14,768,188
Long-term debt to net position percentage	8%	10%	1%	1%	6%	7%

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 Obligations Bonds	AAA	AAA
Water Revenue Bonds	AAA	AAA

In July 2016, the AAA rating on the City's General Obligation Bonds was reaffirmed by both Standard and Poor's and Fitch Ratings. These are the highest bond ratings assigned to municipal debt by these agencies. The City's Water Works and Sewer System Revenue Bond were paid off in fiscal year 2018. Additional information on the City of Colleyville's long-term debt can be found in Note 7 on pages 56 – 59 of this report

Economic Factors and Next Year's Budgets and Rates

Colleyville benefits from a strong residential base, which helps mitigate the negative effects of economic fluctuations. Property values have rebounded from the declines experienced in fiscal years 2011 and 2012, and have experienced tremendous growth in the last several years. 2018 certified values increased 7.7% in total, compared to 2017 certified values. One of the City Council's highest priorities is minimizing the tax burden of our citizens. As such, careful consideration is given to the amount of revenue (and associated tax rate) needed, as opposed to simply maintaining a tax rate that brings in ever increasing amounts of revenue due to increased property values. Any tax rate above the effective rate (i.e., that brings in more revenue than the prior year, excluding revenue from new construction) must be fully justified, with the reasons for adopting such a rate clearly communicated. For fiscal year 2019, the City had a goal of adopting the effective tax rate, which was achieved by adopting a tax rate of \$0.320800/\$100 valuation, a \$0.013034 reduction from the fiscal year 2018 tax rate of \$0.333834/\$100 valuation. This rate reduction serves to provide some relief to property owners receiving higher appraisal values, while also providing the revenue necessary to fund programs and services.

Sales tax is the second largest revenue source; however, the City's primary commercial corridor along Colleyville Boulevard (SH26) continues to be under full reconstruction. The City was pleased to see a 4% increase in sales tax revenue from the previous year even with construction. Sales tax has been budgeted conservatively with two percent growth for fiscal year 2019, and limited growth in future years, until reconstruction has been completed. The City led aggressive efforts in 2018 to help businesses along the commercial corridor which included advertising grants, a business receipt competition with school district PTAs, and gift cards mailed to all Colleyville homes.

At the budget work session presentation on August 7, staff reviewed a five-year forecast for all operating funds. That forecast includes estimates for expenditures and the revenues necessary to continue balancing the budget. Ad valorem revenue was projected with growth of 0% in fiscal year 2019, reflecting an effective tax rate, and sales tax was projected with limited growth for the reasons mentioned above. The forecast for General Fund expenditures includes general cost increases of 3.2% for materials and contractual services required each year, as well as personnel costs to continue funding appropriate market and merit adjustments and increasing healthcare costs. These forecasts help staff and the City Council focus on the long-term budgetary implications of current funding decisions. They also help to put long-term goals into perspective relative to the overall resources available.

The fiscal year 2019 budget provides a staffing level of 200.5 full-time equivalents (FTEs), 4.0 FTEs less than in fiscal year 2018. This was largely possible by eliminating layers of management within the organization and developing a flatter organizational chart. These staffing efficiencies were all accomplished without any layoffs, but rather through organic opportunities through vacancies. For fiscal year 2019, the City was able to fully absorb a 7% increase in health insurance premiums as well as implement a second-dollar health reimbursement account for employees to help offset deductible costs.

Water and wastewater base rates are directly related to the City's budget for the Utility Fund, and rates are set to only recover the City's cost of operating the utility system. Based on the fiscal year 2019 budget, which includes declining debt payments and a slight increase in the number of customers, water and wastewater base rates were lowered and the incremental difference was added to the capital improvement plan base rate. The CIP base rate is a capital funding component of the rate structure to ensure adequate cash funding of future utility capital projects. The total City portion of the utility bill for a typical residential 1-inch water meter customer did not change.

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 Shereen Gendy, Chief Financial Officer, at 100 Main Street, Colleyville, Texas 76034, or call (817) 503-1014.

Basic Financial Statements

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Government-Wide Financial Statements

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City of Colleyville, Texas
Statement of Net Position
September 30, 2018

Exhibit 1

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 18,411,475	\$ 7,493,985	\$ 25,905,460	\$ 1,575,549
Investments	24,663,490	13,085,425	37,748,915	19,479,093
Receivables (net of allowance for uncollectibles of \$293,344)				
Accounts	107,034	2,600,700	2,707,734	7,721
Taxes	991,869	-	991,869	-
Loans	1,405,750	-	1,405,750	-
Due from other governments	702,750	-	702,750	-
Inventories	1,613	161,624	163,237	-
Prepaid items	2,175	-	2,175	-
Restricted assets:				
Investments	-	612,987	612,987	-
Accrued interest	58,718	14,873	73,591	9,474
Net pension asset	2,523,649	368,721	2,892,370	-
Capital assets:				
Non-depreciable	13,842,523	1,827,201	15,669,724	10,290,048
Depreciable (net of depreciation)	98,746,156	42,096,036	140,842,192	10,151,658
Total assets	161,457,202	68,261,552	229,718,754	41,513,543
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge for refunding	11,582	2,152	13,734	-
Deferred outflows - TMRS pension and OPEB	2,535,899	339,940	2,875,839	-
Total deferred outflows of resources	2,547,481	342,092	2,889,573	-
LIABILITIES				
Accounts payable	1,881,478	985,743	2,867,221	152,532
Accrued liabilities	478,292	41,153	519,445	-
Accrued interest payable	54,986	1,583	56,569	4,763
Advances from developers	141,698	212,506	354,204	-
Customer deposits	38,002	481,670	519,672	-
Non-current liabilities:				
Due within one year	2,416,347	117,577	2,533,924	649,040
Due in more than one year	11,637,685	425,492	12,063,177	669,041
Total liabilities	16,648,488	2,265,724	18,914,212	1,475,376
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - TMRS pension	2,590,749	376,993	2,967,742	-
Total deferred inflows of resources	2,590,749	376,993	2,967,742	-
NET POSITION				
Net investment in capital assets	100,382,597	43,560,389	143,942,986	19,123,625
Restricted:				
Debt service	1,936,893	-	1,936,893	-
Court security and technology	74,767	-	74,767	-
Grant Programs	1,554	-	1,554	-
Leisure services	564,555	-	564,555	-
Economic development	4,471,253	-	4,471,253	-
Police	1,455,308	-	1,455,308	-
Unrestricted	35,878,519	22,400,538	58,279,057	20,914,542
TOTAL NET POSITION	\$ 144,765,446	\$ 65,960,927	\$ 210,726,373	\$ 40,038,167

The Notes to the Financial Statements are an integral part of this statement.

City of Colleyville, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2018

Functions/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental activities:				
General government	\$ 5,330,690	\$ 35,684	\$ 1,767	\$ 302,150
Community development	1,387,909	1,447,081	-	-
Fire and rescue	5,690,454	378,019	102,380	-
Leisure services	4,271,760	563,228	407,040	-
Maintenance	738,834	-	-	-
Municipal court	595,879	1,110,960	-	-
Police	6,634,046	101,662	103,607	-
Streets and drainage	4,009,383	758,952	-	103,944
Interest on long-term debt	334,839	-	-	-
Total governmental activities	28,993,794	4,395,586	614,794	406,094
Business-type activities:				
Water and sewer	15,257,125	17,332,891	-	277,639
Drainage	740,994	1,001,180	-	-
Total business-type activities	15,998,119	18,334,071	-	277,639
TOTAL PRIMARY GOVERNMENT	\$ 44,991,913	\$ 22,729,657	\$ 614,794	\$ 683,733
COMPONENT UNIT				
Tax increment financing	\$ 1,050,960	\$ -	\$ -	\$ -
Total component unit	\$ 1,050,960	\$ -	\$ -	\$ -

General revenues and transfers:
Taxes:
Property taxes
Sales taxes
Franchise taxes
Other taxes
Interest on investments
Gain on sale of capital assets
Miscellaneous
Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Cumulative effect of change in
accounting principle

NET POSITION, end of year

The Notes to the Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	
\$ (4,991,089)	\$ -	\$ (4,991,089)	-
59,172	-	59,172	-
(5,210,055)	-	(5,210,055)	-
(3,301,492)	-	(3,301,492)	-
(738,834)	-	(738,834)	-
515,081	-	515,081	-
(6,428,777)	-	(6,428,777)	-
(3,146,487)	-	(3,146,487)	-
(334,839)	-	(334,839)	-
(23,577,320)	-	(23,577,320)	-
-	2,353,405	2,353,405	-
-	260,186	260,186	-
-	2,613,591	2,613,591	-
<u>\$ (23,577,320)</u>	<u>\$ 2,613,591</u>	<u>\$ (20,963,729)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (1,050,960)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,050,960)</u>
\$ 15,471,246	\$ -	\$ 15,471,246	\$ 5,628,258
7,578,861	-	7,578,861	-
1,982,578	-	1,982,578	-
351,715	-	351,715	-
315,611	167,427	483,038	242,419
51,620	-	51,620	-
126,859	183,685	310,544	-
260,238	(260,238)	-	(257,950)
26,138,728	90,874	26,229,602	5,612,727
2,561,408	2,704,465	5,265,873	4,561,767
142,572,850	63,309,625	205,882,475	35,476,400
(368,812)	(53,163)	(421,975)	-
<u>\$ 144,765,446</u>	<u>\$ 65,960,927</u>	<u>\$ 210,726,373</u>	<u>\$ 40,038,167</u>

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Fund Financial Statements

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**Governmental Funds
Financial Statements**

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City of Colleyville, Texas
 Balance Sheet
 Governmental Funds
 September 30, 2018

Exhibit 3

	General	Debt Service	Capital Projects	Colleyville Economic Development	Non-Major Governmental Funds	Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 289,390	\$ 662,683	\$ 10,920,988	\$ 2,956,116	\$ 3,582,298	\$ 18,411,475
Investments	9,601,219	34,969	7,067,379	1,516,371	6,443,552	24,663,490
Receivables, net of allowances for uncollectibles:						
Accounts	107,034	-	-	-	-	107,034
Taxes	967,642	24,227	-	-	-	991,869
Loans	135,750	1,270,000	-	-	-	1,405,750
Due from other funds	4,803	-	-	-	-	4,803
Due from other governments	-	-	-	337,581	365,169	702,750
Inventories	1,613	-	-	-	-	1,613
Accrued interest	28,221	-	11,982	6,421	12,094	58,718
Prepaid items	2,175	-	-	-	-	2,175
TOTAL ASSETS	\$ 11,137,847	\$ 1,991,879	\$ 18,000,349	\$ 4,816,489	\$ 10,403,113	\$ 46,349,677
LIABILITIES						
Accounts payable	\$ 894,624	\$ -	\$ 646,924	\$ 336,482	\$ 3,448	\$ 1,881,478
Accrued liabilities	231,845	-	222,355	8,754	15,338	478,292
Advances from developers	47,548	-	94,150	-	-	141,698
Due to other funds	-	-	-	-	4,803	4,803
Customer deposits	38,002	-	-	-	-	38,002
Total liabilities	1,212,019	-	963,429	345,236	23,589	2,544,273
DEFERRED INFLOWS OF RESOURCES						
Unavailable resources	270,329	1,293,904	-	-	-	1,564,233
TOTAL DEFERRED INFLOWS OF RESOURCES	270,329	1,293,904	-	-	-	1,564,233
FUND BALANCES						
Nonspendable for:						
Inventories	1,613	-	-	-	-	1,613
Prepaid items	2,175	-	-	-	-	2,175
Restricted for:						
Debt service	-	697,975	-	-	-	697,975
Court security and technology	-	-	-	-	74,767	74,767
Grant programs	-	-	-	-	1,554	1,554
Leisure services	-	-	-	-	564,555	564,555
Economic development	-	-	-	4,471,253	-	4,471,253
Police	-	-	-	-	1,455,308	1,455,308
Committed for:						
Strategic initiatives	659,712	-	-	-	-	659,712
Leisure services	-	-	-	-	1,884,152	1,884,152
Capital projects	-	-	17,036,920	-	4,953,463	21,990,383
Assigned for:						
Capital projects	-	-	-	-	1,423,668	1,423,668
Leisure services	-	-	-	-	22,057	22,057
Unassigned	8,991,999	-	-	-	-	8,991,999
Total fund balances	9,655,499	697,975	17,036,920	4,471,253	10,379,524	42,241,171
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 11,137,847	\$ 1,991,879	\$ 18,000,349	\$ 4,816,489	\$ 10,403,113	\$ 46,349,677

The Notes to the Financial Statements are an integral part of this statement.

City of Colleyville, Texas

Exhibit 4

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
As of September 30, 2018

TOTAL FUND BALANCES - GOVERNMENT FUNDS	\$ 42,241,171
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet	112,588,679
Interest payable on long-term debt does not require current financial resources; therefore, interest payable is not reported as a liability in the governmental funds balance sheet.	(54,986)
OPEB asset has not been included in the governmental fund financial statements, as these assets do not represent current financial resources.	2,523,649
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	1,564,233
For debt refundings, the difference between the acquisition price and net carrying amount of the debt has been deferred and amortized in the government-wide financial statements.	11,582
Net deferred outflows of resources related to the City's net pension liability results in an increase in net position in the government-wide financial statements.	(54,850)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.	<u>(14,054,032)</u>
Net position of governmental activities	<u>\$ 144,765,446</u>

City of Colleyville, Texas
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2018

Exhibit 5

	General	Debt Service	Capital Projects	Colleyville Economic Development	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 20,863,094	\$ 830,318	\$ -	\$ 1,947,711	\$ 1,974,068	\$ 25,615,191
Fines and forfeitures	746,988	-	-	-	111,721	858,709
Licenses, permits and fees	1,237,198	-	-	-	-	1,237,198
Intergovernmental	210,377	654,200	-	-	86,240	950,817
Charges for services	1,419,613	-	-	-	-	1,419,613
Capital improvement fees	-	-	744,465	-	-	744,465
Grants/Contributions	34,570	-	-	-	475,532	510,102
Investment earnings	119,745	566	85,291	26,749	83,260	315,611
Miscellaneous	98,449	-	-	-	29,177	127,626
Total revenues	24,730,034	1,485,084	829,756	1,974,460	2,759,998	31,779,332
EXPENDITURES						
Current:						
General government	4,481,360	-	57,974	75,326	169,545	4,784,205
Community development and engineering	1,342,270	-	7,554	-	-	1,349,824
Fire and rescue	4,913,773	-	-	-	29,166	4,942,939
Leisure services	2,514,730	-	-	540,232	227,891	3,282,853
Maintenance	701,424	-	-	-	-	701,424
Municipal court	390,348	-	-	-	205,531	595,879
Police services	4,775,859	-	-	-	978,611	5,754,470
Streets and drainage	1,201,900	-	596,452	-	-	1,798,352
Capital outlay	594,141	-	3,281,922	580,270	493,869	4,950,202
Debt service:						
Principal retirement	-	1,776,206	-	425,000	-	2,201,206
Interest and fiscal charges	-	205,943	-	169,704	-	375,647
Total expenditures	20,915,805	1,982,149	3,943,902	1,790,532	2,104,613	30,737,001
Excess (deficiency) of revenues over (under) expenditures	3,814,229	(497,065)	(3,114,146)	183,928	655,385	1,042,331
OTHER FINANCING SOURCES (USES)						
Proceeds from a capital lease	356,459	-	-	-	-	356,459
Proceeds from the sale of property	34,396	-	-	-	16,255	50,651
Transfers in	205,053	501,845	3,800,000	65,794	588,024	5,160,716
Transfers out	(4,314,706)	-	-	-	(585,772)	(4,900,478)
Total other financing sources (uses)	(3,718,798)	501,845	3,800,000	65,794	18,507	667,348
Net change in fund balances	95,431	4,780	685,854	249,722	673,892	1,709,679
Fund balances, beginning of year	9,560,068	693,195	16,351,066	4,221,531	9,705,632	40,531,492
FUND BALANCES, END OF YEAR	\$ 9,655,499	\$ 697,975	\$ 17,036,920	\$ 4,471,253	\$ 10,379,524	\$ 42,241,171

The Notes to the Financial Statements are an integral part of this statement.

City of Colleyville, Texas

Exhibit 6

Reconciliation of the Statement of Revenues,
Expenditures and Changes In Fund Balances of
Governmental Funds to the Statement of Activities
For the Fiscal Year Ended September 30, 2018

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ 1,709,679
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.	4,950,202
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(4,532,868)
The issuance of long-term debt (e.g. bonds) 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of the following items:	
Proceeds from capital leases	\$ (356,459)
Principal payments	2,201,206
Amortization of premiums and deferred losses	<u>(2,133)</u>
	1,842,614
Implementation of GASB 68 requires certain expenditures to be de-expended and recorded as deferred. The following is the net effect of the current year pension expense (\$1,344,796) and contributions made during the year of \$1,005,508.	(339,288)
Current year changes in the long-term liability for compensated absences do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.	(541,338)
Changes in the other post employment benefit assets and liabilities are not reported at the fund level; however they are reported at the government-wide level.	(21,937)
Current year changes in accrued interest payable do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.	25,568
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the fair market value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.	103,944
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	<u>(635,168)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,561,408</u>

The Notes to the Financial Statements are an integral part of this statement.

Proprietary Funds Financial Statements

City of Colleyville, Texas
Statement of Net Position
Proprietary Funds
September 30, 2018

Exhibit 7

	Water and Sewer Fund	Drainage Utility Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 6,884,859	\$ 609,126	\$ 7,493,985
Investments	11,492,929	1,592,496	13,085,425
Accounts receivable, net of allowance	2,463,983	136,717	2,600,700
Inventories	161,624	-	161,624
Restricted assets:			
Investments	481,670	131,317	612,987
Total current assets	<u>21,485,065</u>	<u>2,469,656</u>	<u>23,954,721</u>
Noncurrent assets:			
Accrued interest	14,017	856	14,873
Net pension asset	302,419	66,302	368,721
Capital assets:			
Land and improvements	304,839	-	304,839
Buildings	53,922	-	53,922
Utility system	76,095,052	4,303,012	80,398,064
Equipment and furniture	1,558,004	706,965	2,264,969
Construction in progress	1,522,362	-	1,522,362
Less: accumulated depreciation	(38,797,782)	(1,823,137)	(40,620,919)
Total non-current assets	<u>41,052,833</u>	<u>3,253,998</u>	<u>44,306,831</u>
Total assets	<u>62,537,898</u>	<u>5,723,654</u>	<u>68,261,552</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred charge for refunding	-	2,152	2,152
Deferred outflows - TMRS pension and OPEB	284,623	55,317	339,940
Total deferred outflows of resources	<u>284,623</u>	<u>57,469</u>	<u>342,092</u>
LIABILITIES			
Current liabilities:			
Accounts payable	974,503	11,240	985,743
Accrued liabilities	35,190	5,963	41,153
Accrued interest payable	-	1,583	1,583
Advances from developers	95,613	116,893	212,506
Customer deposits	481,670	-	481,670
Compensated absences	-	2,577	2,577
Revenue bonds payable	-	115,000	115,000
Total current liabilities	<u>1,586,976</u>	<u>253,256</u>	<u>1,840,232</u>
Noncurrent liabilities:			
Compensated absences	93,536	18,849	112,385
Revenue bonds payable	-	250,000	250,000
Net OPEB liability	51,940	11,167	63,107
Total non-current liabilities	<u>145,476</u>	<u>280,016</u>	<u>425,492</u>
Total liabilities	<u>1,732,452</u>	<u>533,272</u>	<u>2,265,724</u>
DEFERRED INFLOW OF RESOURCES			
Deferred inflows - TMRS pension	310,431	66,562	376,993
Total deferred inflows of resources	<u>310,431</u>	<u>66,562</u>	<u>376,993</u>
NET POSITION			
Net investment in capital assets	40,736,397	2,823,992	43,560,389
Unrestricted	20,043,241	2,357,297	22,400,538
TOTAL NET POSITION	<u>\$ 60,779,638</u>	<u>\$ 5,181,289</u>	<u>\$ 65,960,927</u>

The Notes to the Financial Statements are an integral part of this statement.

City of Colleyville, Texas
Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2018

Exhibit 8

	Water and Sewer Fund	Drainage Utility Fund	Total
OPERATING REVENUES			
Metered water sales	\$ 11,329,423	\$ -	\$ 11,329,423
Wastewater service charges	4,382,440	-	4,382,440
Drainage service charges	-	989,926	989,926
Other charges and services	1,621,028	11,254	1,632,282
Miscellaneous	183,685	-	183,685
	<hr/>	<hr/>	<hr/>
Total operating revenues	17,516,576	1,001,180	18,517,756
OPERATING EXPENSES			
Personnel services	1,882,513	425,107	2,307,620
Maintenance and contractual services	11,075,599	103,110	11,178,709
Material and supplies	268,939	52,285	321,224
Depreciation and amortization	2,028,911	147,146	2,176,057
	<hr/>	<hr/>	<hr/>
Total operating expenses	15,255,962	727,648	15,983,610
OPERATING INCOME (LOSS)	2,260,614	273,532	2,534,146
NON-OPERATING REVENUES (EXPENSES)			
Interest income	132,310	35,117	167,427
Interest expense	(1,163)	(13,346)	(14,509)
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	131,147	21,771	152,918
Income (loss) before capital contributions and transfers	2,391,761	295,303	2,687,064
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions	277,639	-	277,639
Transfers out	(241,206)	(19,032)	(260,238)
	<hr/>	<hr/>	<hr/>
Total capital contributions and transfers	36,433	(19,032)	17,401
Change in net position	2,428,194	276,271	2,704,465
Net position, beginning of year	58,395,200	4,914,425	63,309,625
Cumulative effect of change in accounting principle	(43,756)	(9,407)	(53,163)
	<hr/>	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 60,779,638	\$ 5,181,289	\$ 65,960,927

The Notes to the Financial Statements are an integral part of this statement.

City of Colleyville, Texas
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2018

Exhibit 9

	Water and Sewer Fund	Drainage Utility Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 17,414,806	\$ 982,026	\$ 18,396,832
Cash payments to suppliers for goods and services	(11,284,509)	(153,115)	(11,437,624)
Cash payments to employees for services	(1,810,317)	(414,265)	(2,224,582)
Net cash provided by (used in) operating activities	4,319,980	414,646	4,734,626
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers out	(241,206)	(19,032)	(260,238)
Net cash provided by non-capital financing activities	(241,206)	(19,032)	(260,238)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(851,225)	(255,925)	(1,107,150)
Principal payments on bonds	(155,000)	(110,000)	(265,000)
Interest paid of debt	(2,326)	(14,510)	(16,836)
Net cash used in capital and related financing activities	(1,008,551)	(380,435)	(1,388,986)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Purchase) sale of investments	(8,783,978)	(1,524,199)	(10,308,177)
Earnings on investments	125,617	34,566	160,183
Net cash provided by (used in) investing activities	(8,658,361)	(1,489,633)	(10,147,994)
Net change in cash and cash equivalents	(5,588,138)	(1,474,454)	(7,062,592)
Cash and cash equivalents, beginning of year	12,472,997	2,083,580	14,556,577
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 6,884,859	\$ 609,126	\$ 7,493,985
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income (loss)	\$ 2,260,614	\$ 273,532	\$ 2,534,146
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	2,028,911	147,146	2,176,057
Decrease (increase) in assets and deferred outflows of resources:			
Receivables	(113,680)	(19,154)	(132,834)
Inventory	29,218	-	29,218
Net pension asset	(302,419)	(66,302)	(368,721)
Deferred outflows - TMRS pension and OPEB	49,712	10,743	60,455
Increase (decrease) in liabilities and deferred outflows of resources:			
Accounts payable	21,991	1,427	23,418
Accrued liabilities	8,820	852	9,672
Compensated absences	27,728	1,280	29,008
Customer deposits	11,910	-	11,910
Net pension liability	(61,980)	(12,040)	(74,020)
Net OPEB liability	51,940	11,167	63,107
Deferred inflows - TMRS pension	307,215	65,995	373,210
Net cash provided by (used in) operating activities	\$ 4,319,980	\$ 414,646	\$ 4,734,626
NON-CASH CAPITAL AND RELATED FINANCING			
Contributions of capital assets from developers	\$ 277,639	\$ -	\$ 277,639

The Notes to the Financial Statements are an integral part of this statement.

Fiduciary Fund Financial Statements

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City of Colleyville, Texas

Employee Activity Fund and Sesquicentennial Fund
Statement of Fiduciary Net Position
September 30, 2018

Exhibit 10

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 24,997
TOTAL ASSETS	<u>\$ 24,997</u>
LIABILITIES	
Due to other agencies and individuals	\$ 24,997
TOTAL LIABILITIES	<u>\$ 24,997</u>

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City of Colleyville, Texas

Notes to the Basic Financial Statements

Note 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 discretely 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-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.

City of Colleyville, Texas

Notes to the Basic Financial Statements

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.

City of Colleyville, Texas

Notes to the Basic Financial Statements

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.

The Colleyville Economic Development 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.

Additionally, the City also reports the following funds:

Special Revenue Funds — 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.

City of Colleyville, Texas

Notes to the Basic Financial Statements

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 and Investments

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.

The City's cash and cash equivalents are considered to be cash on hand and demand deposits. Investments for the City are reported at fair value, except for the position in investment pools. The City's investment in pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

E. 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 uncollectible accounts receivable for utility billing is estimated as a percentage of sales calculated based on historical experience. 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.

City of Colleyville, Texas

Notes to the Basic Financial Statements

Property taxes are imposed nonexchange revenues. Assets from imposed nonexchange transactions are recorded when the entity has enforceable legal claim to the asset, or when the entity receives resources, whichever comes first. The enforceable legal claim date for property taxes is the assessment date. The assessment date has been designated in the enabling legislation as of October 1. The City's property tax is levied on the assessed value listed as of the prior January 1. Taxes are due upon receipt of the tax bill. All unpaid taxes become delinquent if not paid before February 1 of the current fiscal year.

F. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

G. 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 acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

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:

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

H. 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. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements.

City of Colleyville, Texas

Notes to the Basic Financial Statements

I. 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.

J. 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.

City of Colleyville, Texas

Notes to the Basic Financial Statements

K. 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.

L. 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.

M. 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/OPEB contributions after measurement date — These contributions are deferred and recognized in the following fiscal year.

Difference in projected and actual earnings on pension assets and OPEB liabilities — This difference is deferred and amortized over a closed five year period.

Difference in expected actual pension/OPEB 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 one type of item, which arises only under a modified accrual basis of accounting, which 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 four sources: property taxes, municipal fines and ambulance fees, and a note payable from the component unit. These amounts are deferred and recognized as an inflow of resources in that period that the amounts become available. The City also had a deferred inflow of resources for the following:

Difference in projected and actual earnings on pension assets and OPEB liabilities – The difference will be amortized over a closed five year period.

City of Colleyville, Texas

Notes to the Basic Financial Statements

N. 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.

O. 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.

P. Pensions

For purposes of measuring the net pension asset, 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 Asset 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.

Q. Other Post-Employment Benefits

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the City's actuary report. For this purpose, OPEB expense recognized each fiscal year is equal to the change in the total OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Information regarding the City's Total OPEB 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. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Note 2. Stewardship, Compliance and Accountability

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.

City of Colleyville, Texas

Notes to the Basic Financial Statements

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, Colleyville Economic Development Fund, Crime District Fund, Debt Service, and Enterprise Funds. Budgetary control is maintained at the fund level. Internal budgets prepared for various boards are reviewed by the City Council for expenditures of other Special Revenue Funds. These budgeted expenditures are not formally adopted by the City Council.
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, Colleyville Economic Development Fund, Crime District Fund, 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.

Note 3. Deposits and Investments

In fiscal year 2016, the City adopted GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

City of Colleyville, Texas
Notes to the Basic Financial Statements

As of September 30, 2018, the City held the following fair value measurements:

	Value at September 30, 2018	Fair Value Measurements			Percent of Total Investments	Weighted Average Maturity (Days)
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs		
City:						
Cash and cash equivalents:						
Cash deposits - City	\$ 25,900,501	\$ -	\$ -	\$ -		
Petty Cash - City	4,959					
Cash deposits - trust and agency	24,997	-	-	-		
Investments not subject to fair value:						
Investment pools:						
TexPool	11,825,221	-	-	-	18%	28
TexStar	10	-	-	-	0%	30
Texas CLASS	9,015,892	-	-	-	14%	55
LOGIC	439,754	-	-	-	1%	34
Investments in certificates of deposits:						
Certificates of deposits	3,818,291	-	-	-		
Investments by fair value level:						
Federal Farm Credit Bonds	7,443,043	-	7,443,043	-	12%	100
Federal Home Loan Bank Bonds	3,960,625	-	3,960,625	-	6%	88
Freddie Mac	1,859,066	-	1,859,066	-	3%	319
Total cash and investments of the city	<u>64,292,359</u>	<u>-</u>	<u>13,262,734</u>	<u>-</u>		
Component unit:						
Cash and cash equivalents:						
Cash deposits	1,575,549	-	-	-		
Investments not subject to fair value:						
Investment pools:						
Texas CLASS	4,007,061	-	-	-	19%	55
TexPool	13,276,109	-	-	-	63%	28
Investments by fair value level:						
Federal Farm Credit Bonds	482,751	-	482,751	-	2%	100
Federal Home Loan Bank Bonds	1,199,812	-	1,199,812	-	6%	100
Freddie Mac	513,360	-	513,360	-	2%	88
Total cash and investments of the component unit	<u>21,054,642</u>	<u>-</u>	<u>2,195,923</u>	<u>-</u>		
Total cash and investments of the reporting entity	<u>\$ 85,347,001</u>	<u>\$ -</u>	<u>\$ 15,458,657</u>	<u>\$ -</u>		

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

City of Colleyville, Texas

Notes to the Basic Financial Statements

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.

Investment Pools and non-negotiable Certificates of Deposit are measured at amortized cost or net asset value and are exempt from fair value reporting and therefore have been excluded from the hierarchy.

The amounts for TexStar, Texas Class, Logic and TexPool (pooled investments) are reported as investments in the Statement of Net Position.

The *Texpool*, *TexasClass* and *Logic* investment pools are an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pool transacts at a net asset value of \$1.00 per share, has weighted average maturities of sixty days or less and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have not more than 5% of portfolio with one issuer (excluding U.S. government securities) and can meet reasonably foreseeable redemptions. Texpool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state emergency that affects the pool's liquidity.

The *TexStar* investment pool is an external pool measured at NAV. *TexStar's* strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pools. *TexStar* has a redemption notice period of one day and may redeem daily. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national or state emergency that affects the pool's liquidity.

U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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, 2018.

City of Colleyville, Texas

Notes to the Basic Financial Statements

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 assets in investments meet the requirements as noted above.

Note 4. 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	Debt Service	Water and Sewer	Drainage Fee	
Receivables:					
Accounts	\$ 359,158	\$ 24,227	\$ 2,505,203	\$ 136,717	\$ 3,025,305
Taxes	967,642	-	-	-	967,642
Loans	135,750	-	-	-	135,750
Gross receivables	1,462,550	24,227	2,505,203	136,717	4,128,697
Less allowance	252,124	-	41,220	-	293,344
Net total receivables	\$ 1,210,426	\$ 24,227	\$ 2,463,983	\$ 136,717	\$ 3,835,353

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. The assessed value, net of exemptions, upon which the fiscal 2018 levy was based, was \$4,875,661,443.

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, 2018, was \$.333834 per \$100 of assessed valuation.

Taxes are due by January 31 following the levy date. Tax collections, including related penalties and interest, was \$16,690,402 for the year ended September 30, 2018. Property taxes receivable at September 30, 2018, were \$204,478.

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.

City of Colleyville, Texas
Notes to the Basic Financial Statements

Note 5. Capital Assets

Capital asset activity for the year ended September 30, 2018, was as follows:

Primary Government

	Beginning Balance	Capital Acquisitions	Sales or Disposals	Adjustments/ Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 9,178,641	\$ -	\$ -	\$ -	\$ 9,178,641
Construction-in-progress	2,309,931	3,769,392	-	(1,415,441)	4,663,882
Total capital assets not being depreciated	<u>11,488,572</u>	<u>3,769,392</u>	<u>-</u>	<u>(1,415,441)</u>	<u>13,842,523</u>
Capital assets being depreciated:					
Buildings and building improvements	50,400,558	-	-	-	50,400,558
Machinery and Equipment	12,872,812	1,233,236	(167,274)	79,556	14,018,330
Improvements other than buildings	98,134,864	51,518	-	1,335,885	99,522,267
Total capital assets being depreciated	<u>161,408,234</u>	<u>1,284,754</u>	<u>(167,274)</u>	<u>1,415,441</u>	<u>163,941,155</u>
Accumulated depreciation:					
Buildings and building improvements	(20,634,185)	(1,368,995)	-	-	(22,003,180)
Machinery and Equipment	(9,997,434)	(1,113,519)	167,274	-	(10,943,679)
Improvements other than buildings	(30,197,786)	(2,050,354)	-	-	(32,248,140)
Total accumulated depreciation	<u>(60,829,405)</u>	<u>(4,532,868)</u>	<u>167,274</u>	<u>-</u>	<u>(65,194,999)</u>
Total capital assets being depreciated, net	<u>100,578,829</u>	<u>(3,248,114)</u>	<u>-</u>	<u>1,415,441</u>	<u>98,746,156</u>
Governmental activities capital assets, net	<u>\$ 112,067,401</u>	<u>\$ 521,278</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,588,679</u>
	Beginning Balance	Capital Acquisitions	Sales or Disposals	Adjustments/ Transfers	Ending Balance
Business-Type activities:					
Capital assets not being depreciated:					
Land	\$ 304,839	\$ -	\$ -	\$ -	\$ 304,839
Construction in progress	1,100,366	763,269	-	(341,273)	1,522,362
Total capital assets not being depreciated	<u>1,405,205</u>	<u>763,269</u>	<u>-</u>	<u>(341,273)</u>	<u>1,827,201</u>
Capital assets being depreciated:					
Buildings and building improvements	53,922	-	-	-	53,922
Machinery and equipment	2,019,281	297,356	(51,668)	-	2,264,969
Improvements other than buildings	79,732,627	324,164	-	341,273	80,398,064
Total capital assets being depreciated	<u>81,805,830</u>	<u>621,520</u>	<u>(51,668)</u>	<u>341,273</u>	<u>82,716,955</u>
Accumulated depreciation:					
Buildings and building improvements	(51,439)	(622)	-	-	(52,061)
Machinery and equipment	(1,643,690)	(210,908)	51,668	-	(1,802,930)
Improvements other than buildings	(36,817,114)	(1,948,814)	-	-	(38,765,928)
Total accumulated depreciation	<u>(38,512,243)</u>	<u>(2,160,344)</u>	<u>51,668</u>	<u>-</u>	<u>(40,620,919)</u>
Total capital assets being depreciated, net	<u>43,293,587</u>	<u>(1,538,824)</u>	<u>-</u>	<u>341,273</u>	<u>42,096,036</u>
Business type activities capital assets, net	<u>\$ 44,698,792</u>	<u>\$ (775,555)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,923,237</u>

City of Colleyville, Texas
Notes to the Basic Financial Statements

	Beginning Balance	Capital Acquisitions	Sales or Disposals	Adjustments/ Transfers	Ending Balance
Component unit activities:					
Capital assets not being depreciated:					
Construction-in-progress	\$ 12,655,623	\$ 1,616,705	\$ -	\$ (3,982,280)	\$ 10,290,048
Total capital assets not being depreciated	<u>12,655,623</u>	<u>1,616,705</u>	<u>-</u>	<u>(3,982,280)</u>	<u>10,290,048</u>
Capital assets being depreciated:					
Improvements other than buildings	6,878,536	62,758	-	3,982,280	10,923,574
Total capital assets being depreciated	<u>6,878,536</u>	<u>62,758</u>	<u>-</u>	<u>3,982,280</u>	<u>10,923,574</u>
Accumulated depreciation:					
Improvements other than buildings	(546,145)	(225,771)	-	-	(771,916)
Total accumulated depreciation	<u>(546,145)</u>	<u>(225,771)</u>	<u>-</u>	<u>-</u>	<u>(771,916)</u>
Total capital assets being depreciated, net	<u>6,332,391</u>	<u>(163,013)</u>	<u>-</u>	<u>3,982,280</u>	<u>10,151,658</u>
Component unit activities capital assets, net	<u>\$ 18,988,014</u>	<u>\$ 1,453,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,441,706</u>

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

Governmental activities:	
General government	\$ 422,939
Public safety	1,098,751
Public works	2,096,078
Culture and recreation	<u>915,100</u>
Total depreciation expense - governmental activities	<u>\$ 4,532,868</u>
Business-type activities:	
Water and sewer	2,013,915
Drainage utility	146,429
	<u>\$ 2,160,344</u>

City of Colleyville, Texas
Notes to the Basic Financial Statements

Construction Commitments

The government has active construction projects as of September 30, 2018. The major projects are listed as follows:

Project	Spent-to-date	Remaining Commitment
Glade Road reconstruction Phase 1	\$ 1,733,074	\$ 270,273
Glade Road design Phases 2-4	795,518.52	146,611.88
Glad Road (Phase 2 - Manning to Pool) - ROW	342,673.00	87,327.00
Glade Road PH II ROW Consultant	89,684.10	42,815.90
Pleasant Run - John McCain to Shelton - design	327,613.35	37,486.65
Pleasant Run - John McCain to Shelton	4,081,160.46	857,400.72
Water Project 9	20,400.00	206,200.00
Frontier Court drainage - design	41,600.00	6,400.00
McDonwell School Road and Westcoat Drive Roundabout- design	76,159.51	80,519.49
Water Project 8 - design	47,960.00	3,380.00
WW Project 3 - design	20,915.76	6,084.24
WW Project 3 - construction	157,404.28	463,789.22
Total	\$ 7,734,163	\$ 2,208,288

Note 6. Interfund Transactions

The composition of interfund transfers as of September 30, 2018, is as follows:

	Transfer in					Total
	General	Debt Service	Capital Projects	Colleyville Economic Development	Nonmajor Government Funds	
Transfer out:						
General fund	\$ -	\$ -	\$ 3,800,000	\$ -	\$ 514,706	\$ 4,314,706
Nonmajor governmental funds	8,133	501,845	-	65,794	10,000	585,772
Water and wastewater	196,920	-	-	-	44,286	241,206
Drainage fee	-	-	-	-	19,032	19,032
Total	\$ 205,053	\$ 501,845	\$ 3,800,000	\$ 65,794	\$ 588,024	\$ 5,160,716

The most significant interfund transfers include the transfer of \$3,800,000 from the General Fund to the Capital Projects and no major governmental funds represents transfers for capital replacement.

The transfer of \$501,845 from the Crime Control District to the Debt Service Fund is for the repayment of debt. All principal and interest is paid from the Debts Service Fund. The \$196,920 from the water and wastewater fund to the General Fund is a budgeted transfer for the fund's share of administrative expenses.

City of Colleyville, Texas
Notes to the Basic Financial Statements

Note 7. 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 \$35,540,000.

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.

Long-term liability activity for the year ended September 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One Year
Governmental activities:					
General obligation bonds and certificates of obligation	\$ 7,125,000	\$ -	\$ (1,460,000)	\$ 5,665,000	\$ 1,510,000
Sales tax revenue bonds	6,105,000	-	(425,000)	5,680,000	445,000
Bond premiums	238,957	-	(3,658)	235,299	10,020
Capital leases payable	597,112	356,459	(316,206)	637,365	193,690
Compensated absences	857,241	541,338	-	1,398,579	257,637
Net OPEB liability	371,316	66,473	-	437,789	-
Total governmental activities	\$ 15,294,626	\$ 964,270	\$ (2,204,864)	\$ 14,054,032	\$ 2,416,347
Business-type activities:					
Revenue bonds and certificates of obligation	\$ 630,000	\$ -	\$ (265,000)	\$ 365,000	\$ 115,000
Bond premiums	24,939	-	(24,939)	-	-
Compensated absences	85,954	29,008	-	114,962	2,577
Net OPEB liability	53,531	9,576	-	63,107	-
Total business-type activities	\$ 794,424	\$ 38,584	\$ (289,939)	\$ 543,069	\$ 117,577
Component unit:					
Note payable to primary government	\$ 1,880,000	\$ -	\$ (610,000)	\$ 1,270,000	\$ 625,000
Bond premiums	72,121	-	(24,040)	48,081	24,040
Total component unit	\$ 1,952,121	\$ -	\$ (634,040)	\$ 1,318,081	\$ 649,040

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

City of Colleyville, Texas

Notes to the Basic Financial Statements

Long-term liabilities at September 30, 2018, consisted of the following:

<u>General Obligation Bonds and Certificates of Obligation</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Governmental</u>	<u>Business-Type</u>
\$4,895,000 Series 2006, General Obligation Refunding Bonds	2019	3.64%	\$ 540,000	\$ -
\$2,945,000 Series 2011, General Obligation Refunding Bonds	2020	2.0 - 4.0%	330,000	-
\$6,225,000 Series 2016, General Obligation Refunding Bonds	2027	2.0 - 3.0%	<u>4,795,000</u>	<u>-</u>
			<u>\$ 5,665,000</u>	<u>\$ -</u>

<u>Governmental Revenue Bonds</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Governmental</u>	<u>Business-Type</u>
\$7,330,000 Series 2013, Refunding and Improvement Sales Tax Revenue Bonds	2029	2.88%	\$ 5,680,000	\$ -
\$1,550,000 Series 2011, Waterworks and Wastewater System Refunding Bonds	2021	3.47%	<u>-</u>	<u>365,000</u>
			<u>\$ 5,680,000</u>	<u>\$ 365,000</u>

The ordinances authorizing the issuance of Waterworks and Wastewater System Revenue Bonds created the Interest and Sinking Fund and Reserve Fund. The gross revenue of the waterworks and wastewater system, after deduction of reasonable expenses of operations and maintenance, are pledged to such funds in amounts equal to the total annual principal and interest requirements of the bonds and amounts required to maintain the Reserve Fund. At September 30, 2018, the City was in compliance with these requirements.

The City's component unit, the Tax Increment Financing District, long-term liabilities at September 30, 2018, consisted of the following:

Tax Increment Financing District

<u>Notes Payable</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Component Unit</u>
\$2,480,000 Note payable to primary government	2020	2.0 - 4.0%	<u>\$ 1,270,000</u>
			<u>\$ 1,270,000</u>

City of Colleyville, Texas
Notes to the Basic Financial Statements

Governmental-type Activities

General Obligation Bonds and Certificates of Obligation

Fiscal Years Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 1,510,000	\$ 133,128	\$ 1,643,128
2020	1,045,000	91,425	1,136,425
2021	410,000	68,750	478,750
2022	425,000	56,225	481,225
2023	435,000	43,325	478,325
2024-2027	1,840,000	74,600	1,914,600
Total	\$ 5,665,000	\$ 467,453	\$ 6,132,453

General Revenue Bonds

Fiscal Years Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 445,000	\$ 157,176	\$ 602,176
2020	460,000	144,144	604,144
2021	470,000	130,752	600,752
2022	490,000	130,752	620,752
2023	500,000	102,672	602,672
2024-2028	2,720,000	286,272	3,006,272
2029	595,000	8,568	603,568
Total	\$ 5,680,000	\$ 960,336	\$ 6,640,336

Business-type Activities

Revenue Bonds and Certificates of Obligation

Fiscal Years Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2019	\$ 115,000	\$ 10,670	\$ 125,670
2020	125,000	6,506	131,506
2021	125,000	2,169	127,169
Total	\$ 365,000	\$ 19,345	\$ 384,345

City of Colleyville, Texas

Notes to the Basic Financial Statements

Discretely Presented Component Unit – Tax Increment Financing Fund

Revenue Bonds and Certificates of Obligation

Fiscal Years Ending September 30,	Tax Increment Financing Fund		
	Principal	Interest	Total
2019	\$ 625,000	\$ 28,725	\$ 653,725
2020	645,000	9,675	654,675
Total	\$ 1,270,000	\$ 38,400	\$ 1,308,400

Capital Leases

The City has entered into lease agreements as lessee for financing and acquisition of vehicles and equipment for public safety. 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.

In October 2017, the City entered into a capital lease agreement for a 2017 Ambulance. The total amount financed was \$356,459. The City will make annual payments of \$49,988 through June 2022 at an interest rate of 3.42%.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2018, were as follows:

Fiscal Years Ending September 30,	Governmental Activities
2019	\$ 208,418
2020	93,673
2021	95,219
2022	96,818
2023	48,484
2024-2027	194,134
Total minimum lease payments	736,746
Less: amount representing interest	(99,381)
Present value of minimum lease payments	\$ 637,365

Note 8. Defined Benefit Pension Policies

Plan Descriptions

The City participates as one of 883 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.

City of Colleyville, Texas

Notes to the Basic Financial Statements

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	Twenty years to any age, five 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, 2017 valuation and measurement date, the following employees were covered by the benefit -terms:

Inactive employees or beneficiaries currently receiving benefits	123
Inactive employees entitled to but not yet receiving benefits	141
Active employees	185
	<hr/>
	449
	<hr/> <hr/>

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 as 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 8.57% and 8.97% in calendar years 2017 and 2018, respectively. The city's contributions to TMRS for the year ended September 30, 2018, were \$1,150,466, and were equal to the required contributions.

Net Pension Liability/(Asset)

The City's Net Pension Liability/(Asset) was measured as of December 31, 2017, and the Total Pension Liability/(Asset) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

City of Colleyville, Texas

Notes to the Basic Financial Statements

Actuarial Assumptions

The Total Pension Liability/(Asset) in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.00% per year
Investment Rate of Return	6.75%, 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 Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the city, rates are multiplied by a factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustments are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year-set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal Actuarial cost method and a one-time change to the amortization policy. 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.

City of Colleyville, Texas

Notes to the Basic Financial Statements

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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major assets class in fiscal year 2018 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%	4.55%
International equity	17.5%	6.35%
Core fixed income	10.0%	1.00%
Non-core fixed income	20.0%	3.90%
Real return	10.0%	3.80%
Real estate	10.0%	4.50%
Absolute return	10.0%	3.75%
Private equity	5.0%	7.50%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability/(Asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in 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/(Asset).

City of Colleyville, Texas
Notes to the Basic Financial Statements

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability(Asset) (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balance at December 31, 2016	\$ 52,324,015	\$ 51,702,218	\$ 621,797
Changes for the year:			
Service cost	2,045,941	-	2,045,941
Interest	3,528,308	-	3,528,308
Change of benefit terms	-	-	-
Difference between expected and actual experience	19,139	-	19,139
Changes of assumptions	-	-	-
Contributions - employer	-	1,082,013	(1,082,013)
Contributions - employee	-	898,468	(898,468)
Net investment income	-	7,166,092	(7,166,092)
Benefit payments, including refunds of employee contributions	(2,151,523)	(2,151,523)	-
Administrative expense	-	(37,136)	37,136
Other changes	-	(1,882)	1,882
Net changes	<u>3,441,865</u>	<u>6,956,032</u>	<u>(3,514,167)</u>
Balance at December 31, 2017	<u><u>\$ 55,765,880</u></u>	<u><u>\$ 58,658,250</u></u>	<u><u>\$ (2,892,370)</u></u>

The following presents the net pension liability/(asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.75%) or one-percentage-higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability(asset)	\$ 4,887,914	\$ (2,892,370)	\$ (9,300,270)

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, 2018, the City recognized pension expense of \$1,538,670. The General Fund, Capital Projects Fund, Colleyville Economic Development Fund, Water and Sewer Fund, Drainage Utility Fund, Crime District Fund, and Juvenile Case Manger Fund have been used to liquidate pension liabilities.

City of Colleyville, Texas

Notes to the Basic Financial Statements

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 156,165	\$ (20,575)
Changes in actuarial assumptions	347,736	-
Difference between projected and actual investment earnings		(1,485,094)
Contributions subsequent to the measurement date	875,367	-
Total	\$ 1,379,268	\$ (1,505,669)

\$875,367 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/(asset) for the measurement year ending December 30, 2018 (i.e. recognized in the City's financial statements for the year ended September 30, 2019). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Years Ended September 30,	Net Deferred Outflows (Inflows) of Resources
2018	\$ 309,392
2019	124,230
2020	(702,313)
2021	(733,077)
2022	-
Total	\$ (1,001,768)

Note 9. Other Postemployment Benefits

Plan Description

The City participates in a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). The City has elected, by ordinance, to participate in this program and provide group-term life insurance coverage for their active members and retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be a single-employer unfunded OPEB plan.

Membership in the plan at December 31, 2017, the date of the latest actuarial valuation, consists of the following:

Inactive employees currently receiving benefits	83
Inactive employees entitled to but not yet receiving benefits	18
Active employees	185
Total	286

City of Colleyville, Texas

Notes to the Basic Financial Statements

Valuation of Assets

For purposes of calculating the Total OPEB Liability, the plan is considered to be unfunded and therefore no assets are accumulated for OPEB.

Actuarial Assumptions:

The OPEB Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.00% per year
Discount rate	3.31%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the city, rates are multiplied by a factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustments are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year-set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method.

Discount Rate

Because the Supplemental Death Benefits Fund is considered an unfunded trust under GASB Statement No. 75, the relevant discount rate for calculating the Total OPEB Liability is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date.

	OPEB Liability
Balance at December 31, 2016	\$ 424,847
Changes for the year:	
Service cost	21,820
Interest	16,399
Change of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions	41,681
Benefit payments, including refunds of employee contributions	(3,851)
Net changes	76,049
Balance at December 31, 2017	\$ 500,896

City of Colleyville, Texas

Notes to the Basic Financial Statements

The following presents the OPEB liability of the City, calculated using the discount rate of 3.31%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.31%) or one-percentage-higher (4.31%) than the current rate:

	1% Decrease in Discount (2.31%)	Discount Rate (3.31%)	1% Increase in Discount (4.31%)
Net OPEB liability	\$ 608,797	\$ 500,896	\$ 417,957

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended September 30, 2018, the City recognized OPEB expense of \$44,592. The General Fund, Capital Projects Fund, Colleyville Economic Development Fund, Water and Sewer Fund, Drainage Utility Fund, Crime District Fund, and Juvenile Case Manger Fund have been used to liquidate OPEB liabilities.

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions and other inputs	35,308	-
Contributions made subsequent to measurement date	2,977	-
Total	\$ 38,285	\$ -

\$2,977 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the measurement year ending December 30, 2018 (i.e. recognized in the City's financial statements for the year ended September 30, 2019). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2018	\$ 6,373
2019	6,373
2020	6,373
2021	6,373
2022	6,373
Thereafter	3,443
Total	\$ 35,308

City of Colleyville, Texas

Notes to the Basic Financial Statements

Note 10. 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 2018 amounted to approximately \$7,833,464 and \$2,733,723, respectively.

Note 11. 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.

Note 12. 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.

Note 13. Tax Abatements

The City negotiates Chapter 380 sales tax rebate agreements on an individual basis. The City has tax rebate agreements with one entity as of September 30, 2018. The agreement states that the company desires to purchase and use new building materials within the City to generate additional sales and use tax revenue for the City. Sales taxes abated under this agreement was 80% for a total of \$28,178 for the year ended September 30, 2018.

Note 14. Cumulative Effect of Change in Accounting Principle

As a result of the implementation of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits other than Pensions", an adjustment has been made to record the City's total OPEB liability as of October 1, 2017. As a result, beginning net position of the governmental activities has been decreased by \$368,812 and business-type activities has been decreased by \$53,163.

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Required Supplementary Information

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Budgetary Comparison Schedules

City of Colleyville, Texas

General Fund

Budgetary Comparison Schedule (GAAP Basis)

For the Fiscal Year Ended September 30, 2018

Exhibit A-1

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 20,032,575	\$ 20,032,575	\$ 20,863,094	\$ 830,519
Fines and forfeitures	920,460	920,460	746,988	(173,472)
Licenses, permits and fees	984,600	984,600	1,237,198	252,598
Intergovernmental	210,377	210,377	210,377	-
Charges for services	1,479,534	1,479,534	1,419,613	(59,921)
Grants/Contributions	-	-	34,570	34,570
Investment earnings	45,000	45,000	119,745	74,745
Miscellaneous	60,000	60,000	98,449	38,449
TOTAL REVENUES	23,732,546	23,732,546	24,730,034	997,488
EXPENDITURES				
Current:				
General government	5,145,324	5,145,324	4,481,360	663,964
Community development and engineering	1,556,643	1,556,643	1,342,270	214,373
Fire and rescue	4,972,946	4,972,946	4,913,773	59,173
Leisure services	2,649,708	2,649,708	2,514,730	134,978
Maintenance	726,724	726,724	701,424	25,300
Municipal court	438,865	438,865	390,348	48,517
Police services	4,878,543	4,878,543	4,775,859	102,684
Streets and drainage	1,690,994	1,690,994	1,201,900	489,094
Capital outlay	14,000	14,000	594,141	(580,141)
TOTAL EXPENDITURES	22,073,747	22,073,747	20,915,805	1,157,942
Excess of revenues over expenditures	1,658,799	1,658,799	3,814,229	2,155,430
OTHER FINANCING SOURCES (USES)				
Proceeds from a capital lease	-	-	356,459	356,459
Proceeds from the sale of property	5,100	5,100	34,396	29,296
Transfers from other funds	196,920	196,920	205,053	8,133
Transfers to other funds	(2,014,706)	(2,014,706)	(4,314,706)	(2,300,000)
TOTAL OTHER FINANCING SOURCES (USES)	(1,812,686)	(1,812,686)	(3,718,798)	(1,906,112)
NET CHANGE IN FUND BALANCE	(153,887)	(153,887)	95,431	249,318
FUND BALANCES, beginning of year	9,560,068	9,560,068	9,560,068	-
FUND BALANCES, end of year	\$ 9,406,181	\$ 9,406,181	\$ 9,655,499	\$ 249,318

City of Colleyville, Texas

Colleyville Economic Development Fund
 Budgetary Comparison Schedule (GAAP Basis)
 For the Fiscal Year Ended September 30, 2018

Exhibit A-2

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 1,850,000	\$ 1,850,000	\$ 1,947,711	\$ 97,711
Investment earnings	9,090	9,090	26,749	17,659
Total revenues	1,859,090	1,859,090	1,974,460	115,370
EXPENDITURES				
General government	94,035	94,035	75,326	18,709
Leisure services	1,021,885	1,016,885	540,232	476,653
Capital outlay	-	847,990	580,270	267,720
Debt service:				
Principal retirement	425,000	425,000	425,000	-
Interest and fiscal charges	169,704	169,704	169,704	-
Total expenditures	1,710,624	2,553,614	1,790,532	763,082
Excess (deficiency) of revenues over (under) expenditures	148,466	(694,524)	183,928	878,452
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	65,794	65,794
Total other financing sources (uses)	-	-	65,794	65,794
Net change in fund balance	148,466	(694,524)	249,722	944,246
FUND BALANCE, beginning of year	4,221,531	4,221,531	4,221,531	-
FUND BALANCE, end of year	<u>\$ 4,369,997</u>	<u>\$ 3,527,007</u>	<u>\$ 4,471,253</u>	<u>\$ 944,246</u>

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City of Colleyville, Texas

Notes to the Budgetary Comparison Schedules
For the Fiscal Year Ended September 30, 2018

Budgetary Data

The City Council adheres to the following procedures in establishing the budgets reflected in the 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 taxpayers' comments.
3. Prior to September 30, the budget is legally enacted through passage of an ordinance.
4. Annual budgets are legally adopted for the General Fund, Debt Service Fund, the Colleyville Economic Development Fund, and the Crime District Fund all on a basis consistent with accounting principles generally accepted in the United States of America. Formal budgetary integration is not employed for Proprietary Funds. However, the City does adopt an annual budget for those funds for managerial control. Budgetary data for the Capital Projects Fund has not been presented in the budgetary comparison schedules, as such funds are budgeted over the life of the respective project and not on an annual basis. Accordingly, formal budgetary integration is not employed for the Capital Projects Funds.
5. 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.
6. Expenditures in excess of appropriations for the year ended September 30, 2018 were:

General Fund:	
Capital Outlay	(\$580,141)

The General Fund capital outlay expenditures exceeded appropriations by \$580,141 mainly due to the \$356,459 ambulance lease, \$168,396 streets equipment and \$54,970 for a 14 passenger shuttle for the senior center. This overage was funded by underspending in other functions.

City of Colleyville, Texas

Exhibit A-3

Schedule of Changes in Net Pension Liability
and Related Ratios
Texas Municipal Retirement System
Last Four Measurement Years

	Measurement Year <u>2017</u>	Measurement Year <u>2016</u>	Measurement Year <u>2015</u>	Measurement Year <u>2014</u>
Total pension liability:				
Service cost	\$ 2,045,941	\$ 1,920,420	\$ 1,820,192	\$ 1,598,908
Interest	3,528,308	3,302,291	3,149,676	2,938,763
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	19,139	205,568	(55,444)	136,216
Change in assumptions	-	-	937,119	-
Benefit payments, including refunds of employee contributions	(2,151,523)	(2,133,755)	(1,814,665)	(1,728,299)
Net change in total pension liability	3,441,865	3,294,524	4,036,878	2,945,588
Total pension liability - beginning	52,324,015	49,029,491	44,992,613	42,047,025
Total pension liability - ending (a)	55,765,880	52,324,015	49,029,491	44,992,613
Plan fiduciary net position:				
Contributions - employer	1,082,013	922,484	903,631	745,874
Contributions - employee	898,468	851,897	822,553	763,324
Net investment income	7,166,092	3,298,224	72,103	2,657,437
Benefit payments, including refunds of employee contributions	(2,151,523)	(2,133,755)	(1,814,665)	(1,728,299)
Administrative expense	(37,136)	(37,249)	(43,918)	(27,747)
Other	(1,882)	(2,007)	(2,170)	(2,281)
Net change in plan fiduciary net position	6,956,032	2,899,594	(62,466)	2,408,308
Plan fiduciary net position - beginning	51,702,218	48,802,624	48,865,090	46,456,782
Plan fiduciary net position - ending (b)	58,658,250	51,702,218	48,802,624	48,865,090
Net pension liability(asset) - ending (a) - (b)	\$ (2,892,370)	\$ 621,797	\$ 226,867	\$ (3,872,477)
Plan fiduciary net position as a percentage of total pension liability(asset)	105.19%	98.81%	99.54%	108.61%
Covered payroll	\$ 12,835,255	\$ 12,169,964	\$ 11,750,753	\$ 10,904,635
Net pension liability(asset) as a percentage of covered payroll	-22.53%	5.11%	1.93%	-35.51%

Note: Only four years of data is presented in accordance with GASB #68, paragraph 138. "The information for all period for the 10-year schedules that are required to be presented as required supplementary information may be available initially. In these cases, during the transition period, that information should be presented for as many periods as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement. Additional years' information will be displayed as it becomes available."

City of Colleyville, Texas
 Schedule of Contributions
 Texas Municipal Retirement System
 Last Five Fiscal Years

Exhibit A-4

	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>	<u>Fiscal Year 2014</u>
Actuarially determined contribution	\$ 1,538,670	\$ 1,048,848	\$ 941,907	\$ 868,363	\$ 738,034
Contribution in relation of the actuarially determined contribution	<u>1,538,670</u>	<u>1,048,848</u>	<u>941,907</u>	<u>868,363</u>	<u>738,034</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 12,835,255	\$ 12,528,384	\$ 12,281,471	\$ 11,640,489	\$ 10,707,890
Contributions as a percentage of covered payroll	11.99%	8.37%	7.67%	7.46%	6.89%

Note: GASB #68, paragraph 81.2.b requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

Note: Only five years of data is presented in accordance with GASB #68, paragraph 138. "The information for all period for the 10-year schedules that are required to be presented as required supplementary information may be available initially. In these cases, during the transition period, that information should be presented for as many periods as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement. Additional years' information will be displayed as it becomes available."

City of Colleyville, Texas

Notes to Texas Municipal Retirement System- Net Pension Asset
Required Supplementary Information
For the Fiscal Year Ended September 30, 2018

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB
Other Information	There were no benefit changes during the year.

City of Colleyville, Texas**Exhibit A-5**

Schedule of Changes in Net OPEB Liability
and Related Ratios
Texas Municipal Retirement System
Last Measurement Year

	Measurement Year 2017
Total OPEB liability:	
Service cost	\$ 21,820
Interest	16,399
Changes of benefit terms	-
Difference between expected and actual experience	-
Change in assumptions	41,681
Benefit payments, including refunds of employee contributions	<u>(3,851)</u>
Net changes	76,049
Net OPEB liability - beginning	<u>424,847</u>
Net OPEB liability - ending	<u><u>\$ 500,896</u></u>
Covered payroll	\$ 12,835,255
Net OPEB liability as a percentage of covered payroll	3.90%

Note: Only one year of data is presented in accordance with GASB #75. "The information for all period for the 10-year schedules that are required to be presented as required supplementary information may be available initially. In these cases, during the transition period, that information should be presented for as many periods as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement. Additional years' information will be displayed as it becomes available."

City of Colleyville, Texas

Notes to Texas Municipal Retirement System- Net OPEB Liability
Required Supplementary Information
For the Fiscal Year Ended September 30, 2018

Inflation	2.50%
Salary Increases	3.50% to 10.5% including inflation
Discount Rate	3.31%
Retirees' share of benefit-related cost	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates - disabled retirees	PR2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

Combining and Individual Fund Financial Statements and Schedules

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City of Colleyville, Texas

Exhibit B-1

Debt Service Fund

Budgetary Comparison Schedule (GAAP Basis)

For the Fiscal Year Ended September 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 693,367	\$ 693,367	\$ 830,318	\$ 136,951
Intergovernmental	654,200	654,200	654,200	-
Interest	5,000	5,000	566	(4,434)
Total revenues	1,352,567	1,352,567	1,485,084	132,517
EXPENDITURES				
Principal retirement	1,978,162	1,978,162	1,776,206	201,956
Interest and fiscal charges	1,250	1,250	205,943	(204,693)
Total expenditures	1,979,412	1,979,412	1,982,149	(2,737)
Deficiency of revenues under expenditures	(626,845)	(626,845)	(497,065)	129,780
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	501,845	501,845	501,845	-
Total other financing sources (uses)	501,845	501,845	501,845	-
Net change in fund balance	(125,000)	(125,000)	4,780	129,780
FUND BALANCE, beginning of year	693,195	693,195	693,195	-
FUND BALANCE, end of year	<u>\$ 568,195</u>	<u>\$ 568,195</u>	<u>\$ 697,975</u>	<u>\$ 129,780</u>

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Non-Major 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.

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.

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 court security purposes.

Grant Fund — This fund is used to account for grant related activity.

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.

Hotel Tax Fund — This fund is used to account for all hotel occupancy tax revenues which are restricted by state statute and can only be used on expenditures related to tourism activities.

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 — This 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.

Vehicle/Equipment Replacement — This fund is used to account for the replacement of vehicle and other capital equipment.

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City of Colleyville, Texas
 Non-Major Governmental Funds
 Combining Balance Sheet
 September 30, 2018

Special Revenue

	<u>Voluntary Park</u>	<u>Voluntary Library</u>	<u>Police Asset Forfeiture</u>	<u>Tree Preservation</u>	<u>Library Donation</u>
ASSETS					
Cash and cash equivalents	\$ 362,815	\$ 98,859	\$ 23,292	\$ 316,668	\$ 137,002
Investments	744,198	356,861	-	-	-
Due from other governments	-	-	-	-	-
Accrued interest	3,211	1,540	-	-	-
TOTAL ASSETS	<u>\$ 1,110,224</u>	<u>\$ 457,260</u>	<u>\$ 23,292</u>	<u>\$ 316,668</u>	<u>\$ 137,002</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	-	-	23,292	-	137,002
Committed	1,110,224	457,260	-	316,668	-
Assigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,110,224</u>	<u>457,260</u>	<u>23,292</u>	<u>316,668</u>	<u>137,002</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,110,224</u>	<u>\$ 457,260</u>	<u>\$ 23,292</u>	<u>\$ 316,668</u>	<u>\$ 137,002</u>

Special Revenue

Recreational Event	LEOSE	Crime District	Kidsville Maintenance	Special Donations
\$ 14,153	\$ 1,554	\$ 377,225	\$ 5,813	\$ 58,082
-	-	785,088	-	-
-	-	286,437	-	45
-	-	-	-	-
<u>\$ 14,153</u>	<u>\$ 1,554</u>	<u>\$ 1,448,750</u>	<u>\$ 5,813</u>	<u>\$ 58,127</u>
\$ -	\$ -	\$ 2,463	\$ -	\$ -
-	-	14,271	-	-
-	-	-	-	-
-	-	16,734	-	-
-	1,554	1,432,016	5,813	58,127
-	-	-	-	-
14,153	-	-	-	-
<u>14,153</u>	<u>1,554</u>	<u>1,432,016</u>	<u>5,813</u>	<u>58,127</u>
<u>\$ 14,153</u>	<u>\$ 1,554</u>	<u>\$ 1,448,750</u>	<u>\$ 5,813</u>	<u>\$ 58,127</u>

City of Colleyville, Texas
 Non-Major Governmental Fund
 Combining Balance Sheet
 September 30, 2018

Special Revenue

	<u>Court Technology</u>	<u>Court Security</u>	<u>Grant Fund</u>	<u>Public Art</u>	<u>Juvenile Case Manager</u>	<u>Hotel Fund</u>
ASSETS						
Cash and cash equivalents	\$ -	\$45,276	\$ -	\$ 7,904	\$ 13,147	\$307,143
Investments	-	-	-	-	-	-
Accounts receivable	5,645	3,333	4,803	-	8,436	56,470
Accrued interest	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 5,645</u>	<u>\$48,609</u>	<u>\$ 4,803</u>	<u>\$ 7,904</u>	<u>\$ 21,583</u>	<u>\$363,613</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -
Accrued liabilities	-	135	-	-	932	-
Due to other funds	-	-	4,803	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>135</u>	<u>4,803</u>	<u>-</u>	<u>935</u>	<u>-</u>
FUND BALANCES						
Restricted	5,645	48,474	-	-	20,648	363,613
Committed	-	-	-	-	-	-
Assigned	-	-	-	7,904	-	-
TOTAL FUND BALANCES	<u>5,645</u>	<u>48,474</u>	<u>-</u>	<u>7,904</u>	<u>20,648</u>	<u>363,613</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,645</u>	<u>\$48,609</u>	<u>\$ 4,803</u>	<u>\$ 7,904</u>	<u>\$ 21,583</u>	<u>\$363,613</u>

Capital Projects

Colleyville Tomorrow	Parks Tomorrow	Park Land Dedication	CEDC Capital Project	Vehicle/ Equipment Replacement	Total Non-Major Governmental Funds
\$ 707,393	\$ 2,331	\$ 126,570	\$ -	\$ 977,071	\$ 3,582,298
1,747,312	1,048,359	1,315,715	-	446,019	6,443,552
-	-	-	-	-	365,169
107	-	5,676	-	1,560	12,094
<u>\$2,454,812</u>	<u>\$1,050,690</u>	<u>\$1,447,961</u>	<u>\$ -</u>	<u>\$ 1,424,650</u>	<u>\$ 10,403,113</u>
\$ -	\$ -	\$ -	\$ -	\$ 982	\$ 3,448
-	-	-	-	-	15,338
-	-	-	-	-	4,803
-	-	-	-	982	23,589
-	-	-	-	-	2,096,184
2,454,812	1,050,690	1,447,961	-	-	6,837,615
-	-	-	-	1,423,668	1,445,725
<u>2,454,812</u>	<u>1,050,690</u>	<u>1,447,961</u>	<u>-</u>	<u>1,423,668</u>	<u>10,379,524</u>
<u>\$2,454,812</u>	<u>\$1,050,690</u>	<u>\$1,447,961</u>	<u>\$ -</u>	<u>\$ 1,424,650</u>	<u>\$ 10,403,113</u>

City of Colleyville, Texas

Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes In Fund Balances
 For the Fiscal Year Ended September 30, 2018

	Special Revenue				
	Voluntary Park	Voluntary Library	Police Asset Forfeiture	Tree Preservation	Library Donation
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	19,250	-
Intergovernmental	47,573	-	-	-	5,696
Grants/contributions	181,504	181,504	-	-	20,286
Investment earnings	4,767	1,215	-	-	-
Miscellaneous	-	-	14,557	-	-
Total revenues	233,844	182,719	14,557	19,250	25,982
EXPENDITURES					
Current:					
General government	-	-	-	14,278	-
Fire and rescue	-	-	-	-	-
Leisure services	-	154,486	-	-	26,275
Municipal court	-	-	-	-	-
Police services	-	-	342	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	154,486	342	14,278	26,275
Excess (deficiency) of revenues over expenditures	233,844	28,233	14,215	4,972	(293)
OTHER FINANCING SOURCES (USES)					
Proceeds from the sale of property	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	233,844	28,233	14,215	4,972	(293)
FUND BALANCES, BEGINNING OF YEAR	876,380	429,027	9,077	311,696	137,295
FUND BALANCES, END OF YEAR	\$ 1,110,224	\$ 457,260	\$ 23,292	\$ 316,668	\$ 137,002

Special Revenue

Recreational Event	LEOSE	Crime District	Kidsville Maintenance	Special Donations
\$ -	\$ -	\$ 1,732,409	\$ -	\$ -
20	-	-	-	-
-	3,977	-	-	-
11,507	-	-	-	24,731
-	-	13,428	-	-
4,888	-	-	-	-
<u>16,415</u>	<u>3,977</u>	<u>1,745,837</u>	<u>-</u>	<u>24,731</u>
-	-	-	-	-
-	2,961	-	-	16,392
12,963	-	-	2,595	7,254
-	-	-	-	-
-	2,859	924,679	-	4,544
-	-	444,502	-	-
<u>12,963</u>	<u>5,820</u>	<u>1,369,181</u>	<u>2,595</u>	<u>28,190</u>
<u>3,452</u>	<u>(1,843)</u>	<u>376,656</u>	<u>(2,595)</u>	<u>(3,459)</u>
-	-	16,255	-	-
-	-	-	-	-
-	-	(511,845)	-	-
-	-	(495,590)	-	-
<u>3,452</u>	<u>(1,843)</u>	<u>(118,934)</u>	<u>(2,595)</u>	<u>(3,459)</u>
<u>10,701</u>	<u>3,397</u>	<u>1,550,950</u>	<u>8,408</u>	<u>61,586</u>
<u>\$ 14,153</u>	<u>\$ 1,554</u>	<u>\$ 1,432,016</u>	<u>\$ 5,813</u>	<u>\$ 58,127</u>

City of Colleyville, Texas

Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 For the Fiscal Year Ended September 30, 2018

Special Revenue

	Court Technology	Court Security	Grant Fund	Public Art	Juvenile Case Manager	Hotel Fund
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241,659
Fines and forfeitures	19,620	14,693	-	-	58,138	-
Intergovernmental	22,580	6,414	-	-	-	-
Grants/contributions	-	-	56,000	-	-	-
Investment earnings	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	42,200	21,107	56,000	-	58,138	241,659
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Fire and rescue	-	-	9,813	-	-	-
Leisure services	-	-	-	-	-	24,318
Municipal court	111,733	32,567	-	-	61,231	-
Police services	-	-	46,187	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	111,733	32,567	56,000	-	61,231	24,318
Excess (deficiency) of revenues over expenditures	(69,533)	(11,460)	-	-	(3,093)	217,341
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of property	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	(8,133)	-	-	-
Total other financing sources (uses)	-	-	(8,133)	-	-	-
NET CHANGE IN FUND BALANCES	(69,533)	(11,460)	(8,133)	-	(3,093)	217,341
FUND BALANCES, BEGINNING OF YEAR	75,178	59,934	8,133	7,904	23,741	146,272
FUND BALANCES, END OF YEAR	\$ 5,645	\$ 48,474	\$ -	\$ 7,904	\$ 20,648	\$ 363,613

Capital Projects

Colleyville Tomorrow	Parks Tomorrow	Park Land Dedication	CEDC Capital Project	Vehicle/ Equipment Replacement	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,974,068
-	-	-	-	-	111,721
-	-	-	-	-	86,240
-	-	-	-	-	475,532
31,658	17,053	12,000	-	3,139	83,260
-	-	9,732	-	-	29,177
<u>31,658</u>	<u>17,053</u>	<u>21,732</u>	<u>-</u>	<u>3,139</u>	<u>2,759,998</u>
-	-	-	-	155,267	169,545
-	-	-	-	-	29,166
-	-	-	-	-	227,891
-	-	-	-	-	205,531
-	-	-	-	-	978,611
-	-	-	-	49,367	493,869
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>204,634</u>	<u>2,104,613</u>
<u>31,658</u>	<u>17,053</u>	<u>21,732</u>	<u>-</u>	<u>(201,495)</u>	<u>655,385</u>
-	-	-	-	-	16,255
63,318	-	-	-	524,706	588,024
-	-	-	(65,794)	-	(585,772)
<u>63,318</u>	<u>-</u>	<u>-</u>	<u>(65,794)</u>	<u>524,706</u>	<u>18,507</u>
94,976	17,053	21,732	(65,794)	323,211	673,892
2,359,836	1,033,637	1,426,229	65,794	1,100,457	9,705,632
<u>\$ 2,454,812</u>	<u>\$ 1,050,690</u>	<u>\$ 1,447,961</u>	<u>\$ -</u>	<u>\$ 1,423,668</u>	<u>\$ 10,379,524</u>

City of Colleyville, Texas

Crime District Fund

Budgetary Comparison Schedule (GAAP Basis)

For the Fiscal Year Ended September 30, 2018

Exhibit B-4

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget - Positive (Negative)
REVENUES				
Ad valorem taxes	\$ 1,700,000	\$ 1,700,000	\$ 1,732,409	\$ 32,409
Interest	1,500	1,500	13,428	11,928
Total revenues	<u>1,701,500</u>	<u>1,701,500</u>	<u>1,745,837</u>	<u>44,337</u>
EXPENDITURES				
Police services	<u>1,433,560</u>	<u>1,433,560</u>	<u>1,369,181</u>	<u>64,379</u>
Total expenditures	<u>1,433,560</u>	<u>1,433,560</u>	<u>1,369,181</u>	<u>64,379</u>
Excess of revenues over expenditures	<u>267,940</u>	<u>267,940</u>	<u>376,656</u>	<u>108,716</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of property	-	-	16,255	16,255
Transfers to other funds	<u>(511,845)</u>	<u>(511,845)</u>	<u>(511,845)</u>	<u>-</u>
Total other financing sources (uses)	<u>(511,845)</u>	<u>(511,845)</u>	<u>(495,590)</u>	<u>16,255</u>
Net change in fund balance	<u>(243,905)</u>	<u>(243,905)</u>	<u>(118,934)</u>	<u>124,971</u>
FUND BALANCE, beginning of year	<u>1,550,950</u>	<u>1,550,950</u>	<u>1,550,950</u>	<u>-</u>
FUND BALANCE, end of year	<u>\$ 1,307,045</u>	<u>\$ 1,307,045</u>	<u>\$ 1,432,016</u>	<u>\$ 124,971</u>

Agency Funds

The Agency Funds are used to account for resources held for others in a custodial capacity. The City maintains the following Agency Fund:

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**Exhibit C-1**Employee Activity Fund and Sesquicentennial Fund
Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended September 30, 2018

	<u>Employee Activity Fund</u>	<u>Sesquicentennial Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 3,963	\$ 21,034	\$ 24,997
TOTAL ASSETS	<u>\$ 3,963</u>	<u>\$ 21,034</u>	<u>\$ 24,997</u>
LIABILITIES			
Due to other agencies and individuals	\$ 3,963	\$ 21,034	\$ 24,997
TOTAL LIABILITIES	<u>\$ 3,963</u>	<u>\$ 21,034</u>	<u>\$ 24,997</u>

City of Colleyville, Texas

Exhibit C-2

Employee Activity Fund and Sesquicentennial Fund
 Combining Statement of Changes in Assets and Liabilities
 For the Fiscal Year Ended September 30, 2018

Employee Activity Fund				
	Balance 10/1/2017	Additions	Deletions	Balance 9/30/2018
ASSETS				
Cash and cash equivalents	\$ 4,700	\$ 3,568	\$ (4,305)	\$ 3,963
TOTAL ASSETS	\$ 4,700	\$ 3,568	\$ (4,305)	\$ 3,963
LIABILITIES				
Due to other agencies and individuals	\$ 4,700	\$ 3,568	\$ (4,305)	\$ 3,963
TOTAL LIABILITIES	\$ 4,700	\$ 3,568	\$ (4,305)	\$ 3,963
Sesquicentennial Fund				
	Balance 10/1/2017	Additions	Deletions	Balance 9/30/2018
ASSETS				
Cash and cash equivalents	\$ 20,546	\$ 528	\$ (40)	\$ 21,034
TOTAL ASSETS	\$ 20,546	\$ 528	\$ (40)	\$ 21,034
LIABILITIES				
Due to other agencies and individuals	\$ 20,546	\$ 528	\$ (40)	\$ 21,034
TOTAL LIABILITIES	\$ 20,546	\$ 528	\$ (40)	\$ 21,034
Total Agency Funds				
	Balance 10/1/2017	Additions	Deletions	Balance 9/30/2018
ASSETS				
Cash and cash equivalents	\$ 25,246	\$ 4,096	\$ (4,345)	\$ 24,997
TOTAL ASSETS	\$ 25,246	\$ 4,096	\$ (4,345)	\$ 24,997
LIABILITIES				
Due to other agencies and individuals	\$ 25,246	\$ 4,096	\$ (4,345)	\$ 24,997
TOTAL LIABILITIES	\$ 25,246	\$ 4,096	\$ (4,345)	\$ 24,997

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Statistical Section

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Statistical Section

This part of the City of Colleyville comprehensive annual financial report present 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:

Financial Trends Information	104
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These schedules contain trend information intended to help the reader understand how the City's financial position has changed over time.

Revenue Capacity Information	110
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These schedules contain information intended to help the reader assess the City's most significant revenue source, property taxes.

Debt Capacity Information.....	115
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These schedules contain information intended to assist users in understanding and assessing the City's current levels of outstanding debt and the ability to issue additional debt.

Demographic and Economic Information	120
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These schedules provide demographic and economic indicators intended to help the readers understand the socioeconomic environment within which the City's financial activities take place.

Operating Information	123
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These schedules provide contextual information about the City's operations and resources intended to assist readers in using financial statement information to understand and assess the City's economic condition.

City of Colleyville, Texas
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year					
	2009	2010	2011	2012	2013	2014
Governmental activities						
Net investment in capital assets	\$ 79,243,497	\$ 81,970,674	\$ 83,166,142	\$ 83,211,988	\$ 84,414,252	\$ 89,754,051
Restricted for:						
Debt service	1,040,896	1,057,699	1,106,893	1,159,092	857,143	831,073
Court Security and technology	-	-	153,420	91,637	101,411	109,766
Grant programs	-	-	23,208	21,116	16,489	9,190
Leisure services	-	-	201,184	207,736	207,770	224,064
Economic development	-	-	1,863,900	1,998,845	2,277,373	2,733,995
Police	-	-	994,913	1,143,454	1,223,271	1,403,502
Unrestricted	27,498,864	25,936,703	24,265,699	27,752,287	27,113,566	30,119,775
Total governmental activities net position	\$ 107,783,257	\$ 108,965,076	\$ 111,775,359	\$ 115,586,155	\$ 116,211,275	\$ 125,185,416
Business-type activities						
Net investment in capital assets	\$ 39,174,562	\$ 39,080,043	\$ 38,892,098	\$ 38,395,708	\$ 39,269,943	\$ 41,567,161
Restricted for:						
Debt service	987,181	983,225	662,050	-	-	-
Unrestricted	8,127,736	7,747,336	10,111,776	12,332,238	13,702,724	14,827,594
Total business-type activities net position	\$ 48,289,479	\$ 47,810,604	\$ 49,665,924	\$ 50,727,946	\$ 52,972,667	\$ 56,394,755
Primary government						
Net investment in capital assets	\$ 118,418,059	\$ 121,050,717	\$ 122,058,240	\$ 121,607,696	\$ 123,684,195	\$ 131,321,212
Restricted for:						
Debt service	2,028,077	2,040,924	1,768,943	1,159,092	857,143	831,073
Court Security and technology	-	-	153,420	91,637	101,411	109,766
Grant programs	-	-	23,208	21,116	16,489	9,190
Leisure services	-	-	201,184	207,736	207,770	224,064
Economic development	-	-	1,863,900	1,998,845	2,277,373	2,733,995
Streets and drainage	-	-	-	-	-	-
Police	-	-	994,913	1,143,454	1,223,271	1,403,502
Unrestricted	35,626,600	33,684,039	34,377,475	40,084,525	40,816,290	44,947,369
Total primary governmental net position	\$ 156,072,736	\$ 156,775,680	\$ 161,441,283	\$ 166,314,101	\$ 169,183,942	\$ 181,580,171

Source: Comprehensive Annual Financial Report

Table 1

Fiscal Year			
2015	2016	2017	2018
\$ 98,958,693	\$ 97,982,160	\$ 99,881,334	\$ 100,382,597
744,295	692,093	612,641	1,936,893
154,901	215,142	158,853	74,767
9,844	10,751	11,530	1,554
233,472	233,290	353,561	564,555
2,975,894	3,456,897	4,221,531	4,471,253
1,485,735	1,485,771	1,560,027	1,455,308
34,519,503	36,767,262	35,773,373	35,878,519
<u>\$ 139,082,337</u>	<u>\$ 140,843,366</u>	<u>\$ 142,572,850</u>	<u>\$ 144,765,446</u>
\$ 44,823,618	\$ 44,010,618	\$ 44,123,735	\$ 43,560,389
-	-	-	-
15,260,882	17,263,830	19,185,890	22,400,538
<u>\$ 60,084,500</u>	<u>\$ 61,274,448</u>	<u>\$ 63,309,625</u>	<u>\$ 65,960,927</u>
\$ 143,782,311	\$ 141,992,778	\$ 144,005,069	\$ 143,942,986
744,295	692,093	612,641	1,936,893
154,901	215,142	158,853	74,767
9,844	10,751	11,530	1,554
233,472	233,290	353,561	564,555
2,975,894	3,456,897	4,221,531	4,471,253
-	-	-	-
1,485,735	1,485,771	1,560,027	1,455,308
49,780,385	54,031,092	54,959,263	58,279,057
<u>\$ 199,166,837</u>	<u>\$ 202,117,814</u>	<u>\$ 205,882,475</u>	<u>\$ 210,726,373</u>

City of Colleyville, Texas
Changes in Net Position, Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year					
	2009	2010	2011	2012	2013	2014
Expenses						
Governmental activities:						
General government	\$ 2,945,481	\$ 2,691,905	\$ 2,715,154	\$ 3,125,214	\$ 4,075,001	\$ 4,103,928
Community development and engineering	1,530,901	1,645,221	1,402,669	1,397,839	1,429,755	1,613,311
Fire	4,113,793	4,419,945	4,421,496	4,321,929	4,529,225	4,625,036
Leisure services	3,941,259	4,118,769	4,191,960	4,124,619	4,106,822	3,776,068
Maintenance	455,752	423,783	412,513	400,306	494,545	575,696
Municipal court	291,724	302,756	303,839	319,445	586,709	501,604
Police	4,841,217	4,836,274	4,878,055	4,579,570	4,961,444	5,019,343
Streets and drainage	3,503,519	3,885,185	3,657,591	3,073,530	5,322,510	4,128,365
Interest on long-term debt	1,051,180	1,000,061	849,390	780,029	724,458	717,045
Total governmental activities expenses	<u>22,674,826</u>	<u>23,323,899</u>	<u>22,832,667</u>	<u>22,122,481</u>	<u>26,230,469</u>	<u>25,060,396</u>
Business-type activities:						
Water and sewer	10,612,372	11,242,553	12,009,187	12,258,587	12,544,530	13,238,893
Drainage	658,016	572,234	742,160	723,994	707,647	571,886
Interest on long-term debt	331,361	296,288	-	-	-	-
Total business-type activities expenses	<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>
Total primary government expenses	<u>\$ 34,276,575</u>	<u>\$ 35,434,974</u>	<u>\$ 35,584,014</u>	<u>\$ 35,105,062</u>	<u>\$ 39,482,646</u>	<u>\$ 38,871,175</u>
Program revenues						
Governmental activities:						
Charges for Services:						
General government	\$ 15,000	\$ 15,000	\$ 97,234	\$ 28,408	\$ 15,000	\$ 15,000
Community development	666,914	647,298	868,363	1,146,518	927,690	1,387,329
Fire and rescue	271,216	235,225	305,882	335,308	308,339	377,021
Leisure services	6,595,487	468,426	1,213,167	520,433	501,260	510,991
Municipal court	1,002,008	1,213,178	970,143	1,015,804	1,271,095	1,268,447
Police	51,631	94,059	70,709	81,056	70,513	71,022
Streets and drainage	215,619	345,780	296,350	338,845	316,338	347,565
Operating grants and contributions	713,189	543,516	822,056	490,069	468,361	486,689
Capital grants and contributions	360,023	423,873	405,347	381,308	1,158,050	5,943,465
Total governmental activities program revenues	<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>10,407,529</u>
Business-type activities:						
Charges for services:						
Water and sewer	11,303,868	11,414,425	14,355,418	14,034,600	14,661,491	14,789,641
Drainage	874,637	897,361	903,089	918,323	928,863	939,868
Capital grants and contributions	63,293	147,014	168,365	169,464	876,660	2,707,835
Total business-type activities program revenues	<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>18,437,344</u>
Total primary government program revenues	<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>\$ 28,844,873</u>
Net (expenses) revenue						
Governmental activities	<u>\$(12,783,739)</u>	<u>\$(19,337,544)</u>	<u>\$(17,783,416)</u>	<u>\$(17,784,732)</u>	<u>\$(21,193,823)</u>	<u>\$(14,652,867)</u>
Business-type activities	<u>640,049</u>	<u>347,725</u>	<u>2,675,525</u>	<u>2,139,806</u>	<u>3,214,837</u>	<u>4,626,565</u>
Total primary government net expenses	<u>\$(12,143,690)</u>	<u>\$(18,989,819)</u>	<u>\$(15,107,891)</u>	<u>\$(15,644,926)</u>	<u>\$(17,978,986)</u>	<u>\$(10,026,302)</u>
General revenues and other changes in net position						
Governmental activities:						
Taxes:						
Property taxes	\$ 12,121,420	\$ 12,557,716	\$ 12,414,948	\$ 12,414,457	\$ 12,497,692	\$ 12,950,832
Franchise taxes	2,017,440	1,867,065	2,031,268	2,207,463	2,074,731	2,172,801
Sales taxes	4,718,976	4,936,484	5,056,597	5,495,730	5,902,557	6,472,195
Other	74,198	75,365	80,731	65,808	68,592	98,160
Interest on investments	471,524	76,968	95,822	108,192	77,269	39,697
Gain (Loss) on sale of capital assets	25,237	65,306	-	147,969	-	810,020
Transfers	823,797	857,622	858,879	1,081,868	1,112,540	1,180,292
Miscellaneous	77,854	82,833	55,454	74,041	85,562	61,643
Total governmental activities	<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>
Business-type activities:						
Interest on investments	168,940	15,158	38,674	4,084	38,987	23,655
Gain (Loss) on sale of capital assets	-	15,864	-	-	103,437	40,814
Transfers	(823,797)	(857,622)	(858,879)	(1,081,868)	(1,112,540)	(1,180,292)
Miscellaneous	-	-	-	-	-	-
Total business-type activities	<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>
Total primary government	<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>
Change in net position						
Governmental activities	<u>\$ 7,546,707</u>	<u>\$ 1,181,815</u>	<u>\$ 2,810,283</u>	<u>\$ 3,810,796</u>	<u>\$ 625,120</u>	<u>\$ 9,132,773</u>
Business-type activities	<u>(14,808)</u>	<u>(478,875)</u>	<u>1,855,320</u>	<u>1,062,022</u>	<u>2,244,721</u>	<u>3,510,742</u>
Total primary government	<u>\$ 7,531,899</u>	<u>\$ 702,940</u>	<u>\$ 4,665,603</u>	<u>\$ 4,872,818</u>	<u>\$ 2,869,841</u>	<u>\$ 12,643,515</u>

Source: Comprehensive Annual Financial Report

Table 2

Fiscal Year			
2015	2016	2017	2018
\$ 4,676,185	\$ 4,449,317	\$ 4,881,741	\$ 5,330,690
1,582,461	1,558,750	1,672,823	1,387,909
5,264,026	4,783,421	5,524,975	5,690,454
4,042,252	4,701,443	4,987,965	4,271,760
684,301	689,861	1,243,614	738,834
522,422	448,420	606,269	595,879
5,681,698	5,734,116	6,093,309	6,634,046
4,404,701	5,150,390	3,578,365	4,009,383
536,161	614,159	408,268	334,839
<u>27,394,207</u>	<u>28,129,877</u>	<u>28,997,329</u>	<u>28,993,794</u>
14,055,232	13,995,038	14,779,262	15,257,125
833,599	563,268	646,145	740,994
-	-	-	-
<u>14,888,831</u>	<u>14,558,306</u>	<u>15,425,407</u>	<u>15,998,119</u>
<u>\$ 42,283,038</u>	<u>\$ 42,688,183</u>	<u>\$ 44,422,736</u>	<u>\$ 44,991,913</u>
\$ 17,500	\$ 15,075	\$ 338,857	\$ 35,684
1,587,038	1,356,581	1,148,293	1,447,081
327,264	387,705	340,630	378,019
503,098	505,203	553,633	563,228
1,474,485	1,306,924	1,181,280	1,110,960
75,415	93,566	98,859	101,662
802,551	794,169	634,918	758,952
450,559	514,845	507,616	614,794
7,712,266	319,541	1,302,174	406,094
<u>12,950,176</u>	<u>5,293,609</u>	<u>6,106,260</u>	<u>5,416,474</u>
15,800,163	15,499,159	15,956,329	17,332,891
948,565	954,642	985,636	1,001,180
2,362,261	43,104	481,413	277,639
<u>19,110,989</u>	<u>16,496,905</u>	<u>17,423,378</u>	<u>18,611,710</u>
<u>\$ 32,061,165</u>	<u>\$ 21,790,514</u>	<u>\$ 23,529,638</u>	<u>\$ 24,028,184</u>
\$ (14,444,031)	\$ (22,836,268)	\$ (22,891,069)	\$ (23,577,320)
4,222,158	1,938,599	1,997,971	2,613,591
<u>\$ (10,221,873)</u>	<u>\$ (20,897,669)</u>	<u>\$ (20,893,098)</u>	<u>\$ (20,963,729)</u>
\$ 13,493,621	\$ 13,790,347	\$ 14,548,461	\$ 15,471,246
2,319,723	2,206,890	2,105,881	1,982,578
6,705,914	7,252,963	7,304,507	7,578,861
107,977	106,607	263,587	351,715
100,843	142,343	148,933	315,611
-	51,849	17,000	51,620
1,178,590	895,668	63,319	260,238
82,873	150,630	168,865	126,859
<u>23,989,541</u>	<u>24,597,297</u>	<u>24,620,553</u>	<u>26,138,728</u>
52,480	76,014	100,525	167,427
5,062	71,003	-	-
(1,178,590)	(895,668)	(63,319)	(260,238)
-	-	-	183,685
<u>(1,121,048)</u>	<u>(748,651)</u>	<u>37,206</u>	<u>90,874</u>
<u>\$ 22,868,493</u>	<u>\$ 23,848,646</u>	<u>\$ 24,657,759</u>	<u>\$ 26,229,602</u>
\$ 9,545,510	\$ 1,761,029	\$ 1,729,484	\$ 2,561,408
3,101,110	1,189,948	2,035,177	2,704,465
<u>\$ 12,646,620</u>	<u>\$ 2,950,977</u>	<u>\$ 3,764,661</u>	<u>\$ 5,265,873</u>

City of Colleyville, Texas

Fund Balances, Governmental Funds
(Modified Accrual Basis of Accounting)
Last Ten Fiscal Years
(Unaudited)

Table 3

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Nonspendable	\$ -	\$ -	\$ 2,147	\$ 132,664	\$ 1,759	\$ 1,269	\$ 2,119	\$ 9,388	\$ 11,152	\$ 3,788
Committed	-	-	706,942	813,536	813,536	813,536	813,536	796,438	682,156	659,712
Unassigned	8,207,420	8,813,597	10,223,232	11,762,625	11,006,716	10,080,617	8,736,746	8,719,620	8,866,760	8,991,999
Total general fund	\$ 8,207,420	\$ 8,813,597	\$ 10,932,321	\$ 12,708,825	\$ 11,822,011	\$ 10,895,422	\$ 9,552,401	\$ 9,525,446	\$ 9,560,068	\$ 9,655,499
All other governmental funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,121,567	1,154,570	4,425,532	4,702,200	4,757,937	5,383,007	5,689,356	6,162,352	6,998,697	7,265,412
Committed	-	-	12,395,726	14,385,628	14,695,028	18,982,072	20,988,217	22,372,620	22,853,666	23,874,535
Assigned	-	-	1,148,548	954,818	910,611	765,908	812,939	996,929	1,119,062	1,445,725
Unassigned	-	-	-	-	(4,975)	-	-	-	-	-
Unassigned, reported in:										
Special revenue funds	7,267,350	5,664,493	-	-	-	-	-	-	-	-
Capital projects funds	12,369,631	11,524,206	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 20,758,548	\$ 18,343,269	\$ 17,969,806	\$ 20,042,646	\$ 20,358,601	\$ 25,130,987	\$ 27,490,512	\$ 29,531,901	\$ 30,971,425	\$ 32,585,672

Source: Comprehensive Annual Financial Report

Notes: Includes encumbrances and prepaid items.

The City implemented GASB 54 in 2011

City of Colleyville, Texas

Changes In Fund Balances, Governmental Funds
(Modified Accrual Basis of Accounting)
Last Ten Fiscal Years
(Unaudited)

Table 4

	Fiscal Year					Fiscal Year				
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Taxes	\$18,889,480	\$19,353,358	\$19,627,734	\$20,235,012	\$20,541,466	\$21,747,244	\$22,620,506	\$23,367,715	\$24,159,016	\$ 25,615,191
Licenses, permits and fees	646,302	607,132	923,590	1,130,426	857,135	1,090,012	1,303,710	1,337,928	1,049,673	1,237,198
Capital improvement fees	208,622	334,075	281,260	322,498	300,900	333,496	785,992	766,398	612,134	744,465
Charges for services	1,028,425	1,244,146	998,221	1,051,899	1,000,954	1,043,821	1,217,654	1,023,202	1,218,194	1,601,117
Fines and forfeitures	7,129,322	917,884	1,694,993	1,030,439	1,321,927	1,577,564	1,571,510	1,398,579	1,485,658	858,709
Interest	471,524	76,968	95,823	110,550	77,269	39,697	100,842	142,330	148,909	315,611
Intergovernmental	350,468	100,807	541,709	124,056	76,506	556,954	1,377,763	224,367	668,469	950,817
Grants/Contributions	401,432	379,853	602,401	406,789	487,066	918,613	981,282	421,497	449,130	328,598
Miscellaneous	155,100	97,833	70,453	89,041	100,562	76,643	97,873	165,642	183,889	127,626
Total revenues	29,280,675	23,112,056	24,836,184	24,500,710	24,763,785	27,384,044	30,057,132	28,847,658	29,975,072	31,779,332
EXPENDITURES										
General government	2,639,218	2,423,869	2,383,276	2,753,457	3,171,582	3,746,619	4,126,132	4,036,395	4,166,735	4,784,205
Community development	1,531,785	1,642,047	1,397,256	1,396,259	1,429,574	1,606,589	1,524,342	1,623,972	1,511,400	1,349,824
Fire	3,840,118	3,955,407	3,972,053	3,888,225	4,062,535	4,174,745	4,618,103	4,568,639	4,870,759	4,942,939
Police	4,588,576	4,552,947	4,596,862	4,304,710	4,670,639	4,707,315	5,143,662	5,393,431	3,295,197	5,754,470
Leisure services	3,058,332	3,173,352	3,177,878	3,049,908	3,035,583	2,702,313	2,996,371	3,588,611	727,986	3,282,853
Streets and drainage	1,917,536	2,297,719	2,052,298	1,388,970	3,597,965	2,055,631	2,407,780	3,148,848	543,129	1,798,352
Municipal court	291,893	302,172	302,666	319,084	586,911	501,027	508,566	461,393	5,498,406	595,879
Maintenance	449,806	417,946	405,911	394,830	489,685	570,011	662,480	690,007	1,515,283	701,424
Capital outlay	2,759,774	4,935,053	2,510,027	2,515,115	2,668,074	3,250,508	6,268,273	2,373,025	4,421,734	4,950,202
Debt service										
Principal retirement	2,275,553	2,180,061	2,259,004	2,007,585	2,246,921	1,342,586	1,459,693	1,467,094	2,151,212	2,201,206
Interest and fiscal charges	1,033,148	944,751	838,320	757,594	697,140	716,228	524,414	563,660	420,477	375,647
Total expenditures	24,385,739	26,825,324	23,895,551	22,775,737	26,656,609	25,373,572	30,239,816	27,915,075	29,122,318	30,737,001
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,894,936	(3,713,268)	940,633	1,724,973	(1,892,824)	2,010,472	(182,684)	932,583	852,754	1,042,331
OTHER FINANCING SOURCES (USES)										
Bonds issued	-	-	2,945,000	-	-	-	-	-	-	-
Refunding bonds	-	-	-	-	-	7,330,000	-	6,225,000	-	-
Capital lease	-	981,238	-	894,534	209,425	-	-	-	541,073	356,459
Sale of capital assets	33,759	65,306	7,098	147,969	-	925,033	20,598	95,796	17,000	50,651
Premium on bond issue	-	-	6,561	-	-	-	-	239,163	-	-
Payments to escrow	-	-	(3,012,910)	-	-	(7,600,000)	-	(6,373,776)	-	-
Transfers in	2,338,776	1,884,896	2,458,396	3,893,584	4,189,380	7,355,334	6,497,252	5,665,493	4,552,668	5,160,716
Transfers out	(1,514,979)	(1,027,274)	(1,599,517)	(2,811,716)	(3,076,840)	(6,175,042)	(5,318,662)	(4,769,825)	(4,489,349)	(4,900,478)
Total other financing sources (uses)	857,556	1,904,166	804,628	2,124,371	1,321,965	1,835,325	1,199,188	1,081,851	621,392	667,348
NET CHANGE IN FUND BALANCES	\$ 5,752,492	\$ (1,809,102)	\$ 1,745,261	\$ 3,849,344	\$ (570,859)	\$ 3,845,797	\$ 1,016,504	\$ 2,014,434	\$ 1,474,146	\$ 1,709,679
Debt service as a percentage of noncapital expenditures	15.3%	14.3%	14.5%	13.6%	12.3%	9.3%	8.3%	8.0%	10.4%	17.1%

City of Colleyville, Texas

Table 5

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2009	\$ 3,748,968,313	\$ 99,556,111	\$ 230,676,995	\$ 3,617,847,429	0.35590
2010	3,907,288,105	95,261,420	237,293,931	3,765,255,594	0.35590
2011	3,917,415,346	92,176,541	253,414,335	3,756,177,552	0.35590
2012	3,941,020,477	89,758,416	277,077,387	3,753,701,506	0.35590
2013	3,997,250,723	91,264,033	296,807,896	3,791,706,860	0.35590
2014	4,129,613,419	93,604,217	307,729,550	3,915,488,086	0.35590
2015	4,314,297,434	102,095,151	313,245,782	4,103,146,803	0.35590
2016	4,332,288,268	106,282,459	301,657,610	4,136,913,117	0.35590
2017	4,712,035,716	113,056,889	323,256,895	4,501,835,710	0.33910
2018	5,154,444,185	113,416,769	392,199,511	4,875,661,443	0.33383

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.

City of Colleyville, Texas

Direct and Overlapping Property Tax Rates (Per \$100 of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

Table 6

Fiscal Year	City Direct Rates			Overlapping Rates							
	Operating/ General Rate	General Obligation Debt Service	Total Direct	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
2009	0.28860	0.06731	0.35591	1.41000	1.415000	1.290000	1.295500	1.416900	0.264000	0.13796	0.227897
2010	0.29864	0.05726	0.35590	1.40500	1.415000	1.290000	1.295500	1.486300	0.264000	0.13767	0.227897
2011	0.29758	0.05832	0.35590	1.42500	1.415000	1.290000	1.288200	1.530600	0.264000	0.13764	0.227897
2012	0.30881	0.04709	0.35590	1.43500	1.415100	1.320100	1.414000	1.540000	0.264000	0.14897	0.227897
2013	0.31385	0.04205	0.35590	1.43500	1.400000	1.320100	1.407500	1.540000	0.264000	0.14897	0.227897
2014	0.32442	0.03148	0.35590	1.43500	1.400000	1.320100	1.387500	1.540000	0.264000	0.14950	0.227897
2015	0.33461	0.02129	0.35590	1.43500	1.400000	1.320100	1.375000	1.540000	0.264000	0.14950	0.227897
2016	0.33624	0.01966	0.35590	1.45390	1.395000	1.320100	1.350000	1.540000	0.264000	0.14950	0.227897
2017	0.32191	0.01722	0.33913	1.45390	1.390000	1.396700	1.316000	1.520000	0.254000	0.14473	0.227897
2018	0.31600	0.01783	0.33383	1.45390	1.385000	1.396700	1.263000	1.520000	0.244000	0.14006	0.224429

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.

City of Colleyville, Texas
Principal Property Tax Payers
Current Year and Five Years Ago
(Unaudited)

Table 7

2018			2013		
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value ^a	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value ^b
1 KRG Colleyville LLC	\$ 33,883,995	0.69%	Melvin & Martindale LTD	\$ 23,800,000	0.63%
2 Velocis Colleyville LP	33,603,245	0.69%	Toll Dallas TX LLC	18,694,881	0.49%
3 Toll Dallas TX LLC	20,154,400	0.41%	Oncor Electric Delivery Co LLC	15,915,723	0.42%
4 Oncor Electric Delivery Co LLC	16,036,630	0.33%	LTF Real Estate Company Inc	12,304,570	0.32%
5 LTF Real Estate MP I LLC	13,685,000	0.28%	RCC Village Properties LLC	8,831,175	0.23%
6 Standard Pacific of Texas Inc	12,032,695	0.25%	AC Village Park Partners LLC	7,124,273	0.19%
7 Welltower Inc	10,965,235	0.22%	Colleyville Riverwalk LP	6,054,975	0.16%
8 Colleyville Lofts Venture LLC	9,502,079	0.19%	Hudson, Leonard	4,830,200	0.13%
9 Mainvue TX LLC	7,689,461	0.16%	Wilson, Donald	4,250,700	0.11%
10 Atmos Energy/Mid Tex Division	7,046,620	0.14%	Wal-Mart Real Estate Bus Trust	4,200,000	0.11%
Total	\$ 164,599,360	3.38%	Total	\$ 106,006,497	2.80%
Total assessed valuation	4,875,661,443	100.00%	Total assessed valuation	3,791,706,860	100.00%

Source: Tarrant Appraisal District

^a Taxpayers are assessed on January 1, 2017 (2017 tax year) for the 2018 fiscal year.

^b Taxpayers are assessed on January 1, 2012 (2012 tax year) for the 2013 fiscal year.

City of Colleyville, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Table 8

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 12,875,919	\$ 12,734,871	98.90%	\$ 130,351	\$ 12,865,222	99.92%
2010	13,351,922	13,166,515	98.61%	176,914	13,343,429	99.94%
2011	13,183,932	13,063,575	99.09%	111,584	13,175,159	99.93%
2012	13,163,735	13,082,029	99.38%	76,773	13,158,802	99.96%
2013	13,291,462	13,207,902	99.37%	77,723	13,285,625	99.96%
2014	13,722,602	13,681,269	99.70%	33,256	13,714,525	99.94%
2015	14,305,704	14,242,584	99.56%	49,525	14,292,109	99.90%
2016	14,675,127	14,612,632	99.57%	33,200	14,645,832	99.80%
2017	15,508,345	15,423,832	99.46%	31,394	15,455,226	99.66%
2018	16,651,773	16,590,832	99.63%	-	16,590,832	99.63%

Source: Tarrant County Tax Office

City of Colleyville, Texas
Principal Water Customers
Current Year and Nine Years Ago
(Unaudited)

Table 9

Taxpayer	2018		2009	
	Water Usage	Percentage of Total City Water Usage	Water Usage	Percentage of Total City Water Usage
City of Colleyville	44,882,900	1.76%	57,689,200	1.91%
School District	34,165,600	1.34%	45,447,700	2.07%
Fitness Facility	14,339,000	0.56%	10,758,700	0.49%
Shopping Center	12,415,200	0.49%	8,934,000	0.41%
Cemetary	6,695,900	0.26%	5,063,700	0.23%
Health Care Facility	6,231,900	0.24%	-	- %
Irrigation Meters	6,164,700	0.24%	-	- %
Home builder	5,838,400	0.23%	-	- %
HOA	5,262,700	0.21%	4,023,300	0.18%
Shopping Center	4,789,100	0.19%	5,063,700	0.23%
Total	140,785,400	5.52%	136,980,300	5.52%

Notes: City chose not to include the exact names to protect the customers confidentiality.

Source: City utility billing records

City of Colleyville, Texas

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Table 10

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage	
	General Obligation Bonds	Sales Tax Revenue Bonds	Capital Leases	Premium	Water and Sewer Revenue Bonds	Drainage Revenue Bonds	Capital Leases	Premium		of Personal Income ^a	Per Capita ^a
	2009	\$ 14,665,000	\$ 9,170,000	\$ 359,996	\$ -	\$ 5,200,000	\$ 1,870,000	\$ -		\$ -	\$ 31,264,996
2010	13,300,000	8,545,000	1,151,173	-	4,520,000	1,695,000	-	-	29,211,173	17590.42%	1,281
2011	11,510,000	8,245,000	972,170	5,905	3,600,000	1,550,000	-	99,756	25,982,831	13045.69%	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	12002.00%	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	10484.12%	904
2014	7,660,000	7,330,000	974,038	-	1,310,000	915,000	-	69,830	18,258,868	9092.07%	769
2015	6,920,000	6,935,000	649,345	-	850,000	690,000	-	59,854	16,104,199	8019.14%	676
2016	8,550,000	6,525,000	362,251	239,163	505,000	585,000	-	49,878	16,816,292	8373.73%	696
2017	7,125,000	6,105,000	597,110	238,957	155,000	475,000	-	24,939	14,721,006	7096.58%	598
2018	5,665,000	5,680,000	637,365	235,299	-	365,000	-	-	12,582,664	6065.75%	503

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

^aSee Table 14 for personal income and population data.

City of Colleyville, Texas

Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Table 11

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
	General Obligation	Less: Available Debt Service	Total		
	Bonds	Funds			
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
2016	8,550,000	692,093	7,857,907	0.19%	324
2017	7,363,957	612,641	6,751,316	0.15%	274
2018	5,665,000	1,936,893	3,728,107	0.08%	236

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

^a See Table 5 for property value data.

^b See Table 14 for population data.

City of Colleyville, Texas

Direct and Overlapping Governmental Activities Debt
As of September 30, 2018
(Unaudited)

Table 12

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to Area	Share of Overlapping Debt
Debt repaid with property taxes			
Birdville Independent School District	\$ 253,562,467	0.07%	\$ 177,494
Carroll Independent School District	254,924,999	0.37%	943,222
Grapevine-Colleyville Independent School District	415,917,406	22.76%	94,662,802
Hurst-Eules-Bedford Independent School District	299,715,000	1.58%	4,735,497
Keller Independent School District	680,508,707	3.50%	23,817,805
Tarrant County	294,500,000	2.96%	8,717,200
Tarrant County Hospital District	19,300,000	2.96%	571,280
Subtotal, overlapping debt			133,625,300
City of Colleyville (direct debt)	12,217,664	100.00%	12,217,664
Total direct and overlapping debt			\$ 145,842,964

Source: Debt outstanding data provided by each school district and county.
Percentage of debt provided by the Municipal Advisory Council of Texas.

City of Colleyville, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Water and Sewer System Revenue Bonds					Times Coverage
	Total Revenues ^a	Less: Operating Expenses ^b	Net Available Revenue	Annual Requirement ^c		
2009	\$ 11,458,282	\$ 8,943,803	\$ 2,514,479	\$ 881,223	2.85	
2010	11,427,074	9,458,355	1,968,719	893,358	2.20	
2011	14,391,910	10,120,678	4,271,232	977,819	4.37	
2012	13,986,067	10,395,517	3,590,550	827,947	4.34	
2013	14,802,351	10,707,017	4,095,334	823,430	4.97	
2014	14,852,535	11,331,749	3,520,786	819,137	4.30	
2015	15,856,242	12,043,267	3,812,975	490,100	7.78	
2016	15,638,670	11,965,525	3,673,145	365,325	10.05	
2017	16,045,635	12,673,136	3,372,499	359,900	9.37	
2018	17,648,886	13,468,257	4,180,629	157,325	26.57	

^aIncludes operating and non-operating revenues.

^bIncludes operating expenses minus depreciation plus transfers out.

^cIncludes principal and interest.

Table 13

Fiscal Year	Drainage Revenue Bonds					Sales Tax Bonds			
	Total Revenues ^a	Less: Operating Expenses ^b	Net Available Revenue	Annual Requirement ^c	Times Coverage	Sales Tax Increment	Annual Requirement ^c	Times Coverage	
2009	\$ 889,163	\$ 500,677	\$ 388,486	\$ 260,138	1.49	\$ 1,264,385	\$ 643,195	1.97	
2010	915,734	484,712	431,022	257,930	1.67	1,317,161	646,290	2.04	
2011	905,271	551,049	354,222	211,142	1.68	1,319,517	644,195	2.05	
2012	908,387	531,705	376,682	256,244	1.47	1,426,909	646,588	2.21	
2013	930,427	541,598	388,829	251,733	1.54	1,534,635	648,365	2.37	
2014	941,416	416,957	524,459	255,398	2.05	1,673,351	138,390	12.09	
2015	959,833	700,939	258,894	252,847	1.02	1,725,809	600,416	2.87	
2016	966,687	414,619	552,068	127,121	4.34	1,864,084	603,824	3.09	
2017	996,855	493,796	503,059	128,391	3.92	1,872,563	601,872	3.11	
2018	1,036,297	599,534	436,763	124,574	3.51	1,947,710	594,704	3.28	

City of Colleyville, Texas
Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)

Table 14

Fiscal Year	Estimated Population ^a	Personal Income	Per Capital Personal Income	School Enrollment ^b	Unemployment Rate ^c
2009	22,550	\$ 166,063	\$ 55,170	13,691	8.2%
2010	22,807	166,063	55,354	13,657	7.9%
2011	22,860	199,168	65,516	13,514	8.3%
2012	22,950	199,168	65,516	13,378	6.2%
2013	23,090	199,168	65,516	13,513	6.0%
2014	23,740	200,822	66,060	13,751	5.0%
2015	23,830	200,822	66,060	13,824	4.0%
2016	24,230	200,822	66,060	13,830	4.1%
2017	24,630	207,438	68,236	13,972	3.4%
2018	25,010	207,438	66,301	13,882	2.8%

^aNorth Central Texas Council of Governments

^bGrapevine-Colleyville Independent School District

^cTexas Workforce Commission

City of Colleyville, Texas
Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Table 15

2018		
Employer	Employees	Percentage of Total City Employment
Grapevine Colleyville ISD	611	5.90%
Market Street	345	3.33%
Lifetime Fitness	250	2.41%
City of Colleyville	206	1.99%
Covenant Christian Academy	130	1.26%
Whole Foods Market	125	1.21%
Albertsons	118	1.14%
LaHacienda Ranch	100	0.97%
Walmart Neighborhood Market	72	0.70%
US Memory Care	60	0.58%
Total	2,017	19.49%
Total Colleyville Daytime Employees	10,358	

2009		
Employer	Employees	Percentage of Total City Employment
Grapevine Colleyville ISD	681	6.68%
Market Street	369	3.62%
Lifetime Fitness	230	2.26%
City of Colleyville	188	1.84%
Albertsons	110	1.08%
Covenant Christian Academy	107	1.05%
LaHacienda Ranch	100	0.98%
Walmart Neighborhood Market	90	0.88%
Sonshine Academy	60	0.59%
US Memory Care	60	0.59%
Total	1,995	19.57%
Total Colleyville Daytime Employees	10,198	

Source: City of Colleyville Economic Development

City of Colleyville, Texas

Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years
(Unaudited)

Table 16

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Management services	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.75	5.00	4.20
Finance/court	6.00	6.00	6.00	6.00	8.00	8.00	8.00	8.00	9.00	9.00
Planning	3.00	2.00	2.00	2.00	2.00	4.00	3.00	4.00	4.00	4.00
Building	6.00	5.00	4.00	3.00	3.00	3.50	5.00	5.00	5.00	5.00
Other	7.50	9.50	11.00	11.00	13.00	11.63	13.52	14.14	12.14	12.80
Police										
Officers	38.00	38.00	38.00	39.00	40.00	41.00	42.50	43.00	43.00	41.00
Civilians	14.00	13.00	6.00	6.00	6.00	6.50	7.00	6.50	6.00	8.00
Fire										
Firefighters and officers	33.00	33.00	33.00	35.00	36.00	38.00	41.00	41.00	41.00	40.00
Civilians	1.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50
Other public works										
Engineering	5.00	4.00	4.50	3.00	3.00	4.05	3.95	4.75	2.75	2.75
Other	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Streets	10.00	10.00	10.00	10.00	7.00	8.35	8.35	8.35	8.35	8.35
Parks and recreation	13.50	16.50	16.00	16.00	16.00	15.75	15.00	15.00	17.00	17.00
Library	8.00	9.50	11.50	11.50	12.00	13.00	13.63	13.00	13.00	13.00
Colleyville Center	4.50	4.50	4.50	4.50	3.50	4.00	4.50	4.50	4.00	4.00
Water/wastewater	29.00	28.00	24.00	24.50	23.00	24.68	25.03	24.23	25.60	24.70
Drainage	6.00	6.00	6.00	6.00	7.00	6.00	6.00	6.41	6.41	6.20
Total	<u>191.50</u>	<u>194.00</u>	<u>184.50</u>	<u>185.50</u>	<u>187.50</u>	<u>196.45</u>	<u>204.48</u>	<u>205.63</u>	<u>206.25</u>	<u>204.50</u>

Source: City budget

City of Colleyville, Texas

Operating Indicators by Function/Program
Last Ten Fiscal Years
(Unaudited)

Table 17

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Building permits issued	90	77	104	155	103	108	181	182	136	169
Building inspections conducted	5,641	6,149	6,737	8,310	8,292	7,807	7,307	8,940	10,666	11,981
Police										
Physical arrests	809	764	666	653	632	863	800	918	602	715
Calls for service	23,480	12,242	27,254	48,076	61,270	58,522	51,537	43,492	34,437	33,765
Traffic violations	12,550	13,822	11,354	11,980	11,766	19,955	21,450	20,790	13,016	15,832
Fire										
Emergency responses	737	762	830	724	557	627	694	1,783	1,768	1,758
Ambulance calls	693	751	765	803	829	950	959	1,037	967	1,000
Inspections	796	784	397	342	306	317	363	400	361	239
Other public works										
Street resurfacing (miles)	13.9	8.0	6.2	1.0	4.0	1.7	3.7	10.9	6.8	6.0
Parks and recreation										
Athletic field participants	4,617	4,296	4,378	3,946	4,287	4,315	4,434	4,302	4,517	4,386
Community center rentals	507	373	410	404	398	412	452	376	405	314
Library										
Volumes in collection	54,659	58,147	62,997	65,740	69,736	74,525	77,664	80,452	82,182	71,188
Total volumes borrowed	238,459	244,458	235,238	244,613	250,737	234,667	228,160	222,128	227,252	237,124
Water										
Customers	8,960	9,014	9,103	9,285	9,396	9,507	9,631	9,858	9,987	10,215
Average daily consumption (thousands of gallons)	6,578	5,990	7,928	7,217	6,785	6,539	6,451	5,889	6,355	6,508
Peak daily consumption (thousands of gallons)	16,674	18,207	18,935	18,707	17,052	15,204	19,866	15,724	12,434	15,830
Wastewater										
Customers	8,315	8,389	8,457	8,603	8,731	8,817	8,905	9,071	9,270	9,444

Source: City departments

City of Colleyville, Texas

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

(Unaudited)

Table 18

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol unites	13	13	13	12	12	12	13	13	13	13
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Public works										
Streets (miles)	312	318	282	282	282	283	283	283	289	289
Streetlights	1,168	1,188	1,169	1,169	1,175	1,175	1,227	1,269	1,269	1,338
Traffic signals	2	2	2	2	2	2	2	2	2	2
Parks and recreation										
Acreage	224	224	224	224	224	224	224	225	225	225
Playgrounds	6	6	6	6	6	6	6	7	7	7
Baseball/softball diamond	9	9	9	9	9	9	9	9	9	9
Soccer fields	14	14	14	14	14	14	14	14	14	14
Community center	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	199	200	195	201	202	204	205	206	206	206
Fire hydrants	1,340	1,345	1,362	1,389	1,389	1,403	1,422	1,507	1,517	1,521
Storage capacity (thousands of gallons)	9,900	9,900	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Wastewater										
Sanitary sewer (miles)	166	170	162	169	170	172	172	179	180	180
Storm sewers (miles)	63	63	58	64	58	60	67	69	70	70

Source: City departments

^aBaseball, softball, soccer and multipurpose fields combined through 2014

