



**CARROLLTON**  
TEXAS

*Where Connections Happen*

where connections happen



Carrollton Named Top Ten  
in Best Texas Cities for  
Young Families



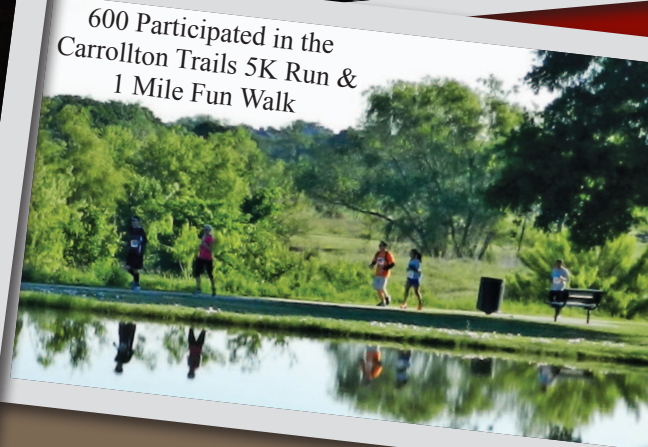
2012-2014  
Carrollton City Council



Carrollton  
Celebrates  
100 Years  
1913-2013



Carrollton Ranked #1 in  
Economic Development by  
Dallas Business Journal



600 Participated in the  
Carrollton Trails 5K Run &  
1 Mile Fun Walk

# Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2013



15,000 Attended  
the 2012 Festival  
at the Switchyard



Award Winning Furneaux  
Creek 5 Channel  
Improvement Project



Fire Station #8  
Opens 2013



**CARROLLTON**  
**T E X A S**

## **CITY OF CARROLLTON, TEXAS**

Comprehensive Annual Financial Report  
For the Year Ended September 30, 2013



Front Row (L-R): Mayor Matthew Marchant, Councilmember Jeff Andonian  
Second Row (L-R): Councilmember Doug Hrbacek, Councilmember Lisa Sutter,  
Councilmember Terry Simons  
Third Row (L-R): Councilmember Anthony Wilder, Mayor Pro Tem Kevin Falconer,  
Deputy Mayor Pro Tem Bob Garza

**City Manager**  
Leonard Martin

**Assistant City Manager/  
Chief Financial Officer**  
Robert B. Scott, CPA

**Prepared by**  
Finance Department  
Pamela Hodges, CPA  
Controller

# CITY OF CARROLLTON, TEXAS

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# CITY OF CARROLLTON, TEXAS

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January 16, 2014

The Honorable Mayor and Members of the City Council  
City of Carrollton  
Carrollton, Texas

The Finance Department and City Manager's Office are pleased to submit the Comprehensive Annual Financial Report for the City of Carrollton, Texas for the fiscal year ended September 30, 2013.

This report provides the City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

To the best of our knowledge and belief the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Grant Thornton LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2013. The independent auditor's report is located at the front of the financial section of this report.

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

## CITY PROFILE

### Location

The City of Carrollton is the tenth largest city in population in the North Central Texas area. Located in northwest Dallas, southeast Denton, and southwest Collin counties, Carrollton is only 14 miles from downtown Dallas and 10 miles northeast of the Dallas-Fort Worth International Airport. Carrollton is readily accessible via Interstate 35E on the west, the Dallas North Tollway on the east, the President George Bush Turnpike and State Highway 121. Interstate Highway 635 is

only two miles south of the city limits. The City encompasses approximately 37 square miles with 34 square miles of developable land which is approximately 95% developed.

The City is a home rule city operating under the Council-Manager form of government. The City Council is comprised of the Mayor and seven Council members, who enact local laws, determine policies and adopt the annual budget. The City Manager is appointed by the City Council and is responsible for the daily management of the City. The Basic Financial Statements of the City include all government activities, organizations and functions for which the City is financially accountable as defined by the Governmental Accounting Standard Board. Based on these criteria, no other governmental organizations are included in this report.

### Services Provided

The City provides to its citizens those services that have proven to be necessary and meaningful and which the City at the least cost can provide. Major services provided under general government and enterprise functions are: police and fire protection, emergency ambulance service, water and sewer services, sanitation services, park and recreational facilities, library services, street improvements and general administrative services. The City also offers a 36-hole golf course and an aggressive economic development service. Internal services of the City, accounted for on a cost reimbursement basis, are fleet services, risk management, and employee health and disability coverage.

### Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulations and contractual requirements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City charter provides that the City Council shall adopt the annual budget prepared by City Management. This budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between line



items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item, and are posted electronically monthly for City departmental and divisional management.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled item by item. Revenue budgets are reviewed monthly.

## ECONOMIC OUTLOOK AND FINANCIAL CONDITION

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

### Regional Economy

The Dallas-Fort Worth Metroplex's (DFW) economy continues to expand, outperforming most of the cities in the U.S. and Texas. The Federal Reserve Bank of Dallas reported in their November 2013 D-FW Economic Indicators update:

“The Dallas-Fort-Worth economy has expanded at a moderately strong pace this year and is outperforming the state as a whole. Year to date, Dallas-Fort Worth employment has grown 2.9 percent, which is above the state's rate of 2.4 percent. Job growth continues to be mostly broad-based across sectors. Housing activity remains at high levels, and home prices continue to rise as inventories fall. Demand for industrial space has led to the lowest availability rates since 2007”

“The Dallas and Fort Worth unemployment rates remain below those of the U.S. and Texas, and the Dallas Fed Business-Cycle Indexes suggest continued expansion for the Dallas-Fort Worth metroplex”

Forbes in its January 2013 *America's Fastest Growing Cities* article reported:

“Perhaps not surprisingly, cities in Texas – which welcomed more than 427,000 newcomers from August 2011 to July 2012, according to the U.S. Census Bureau – dominated our list. Houston ranked second, behind Austin, followed by Dallas in third place”...

“Robust labor markets, unemployment rates under 6% (well below the national average), no state income tax, a business-friendly regulatory environment, and strong population inflows all contributed to Texas towns' high rankings.”

## Carrollton's Position in the Region

Carrollton is home to a diversified group of manufacturing and distribution firms. Products manufactured range from oil well equipment to high tech components. Distribution and service operations are equally diversified. This diversification is evident in the fact that the top ten taxpayers represent less than 6% of assessed valuation in the City.

The City also benefits from a well-educated and affluent workforce. According to U.S. Census Bureau's 2012 American Community Survey, Carrollton's median household income of \$66,329 compares favorably to \$56,954 for DFW and \$50,740 for Texas. Also according to the survey, the workforce is educated with 36.1% of the population having a bachelor's degree or more, compared to 31.6% for DFW and 26.7% for Texas.

The following facts reflect Carrollton's economic condition and outlook:

Carrollton ranks in the top cities in the region in creating the highest number of new jobs, the total new development square footage, and the number of businesses moving to Carrollton, including the expansion of current businesses. The economic cornerstone is the well-balanced residential and business tax base. With the Dallas Area Rapid Transit's (DART) Green Line having arrived in Carrollton in December 2010, Carrollton is at a crossroads of tremendous opportunity for developers, citizens, potential residents and businesses.

Carrollton ranks high in the state for a quality of work environment. As of October 2013, with unemployment at 6.0% statewide and 5.9% in Dallas County, Carrollton's unemployment was 5.4%.

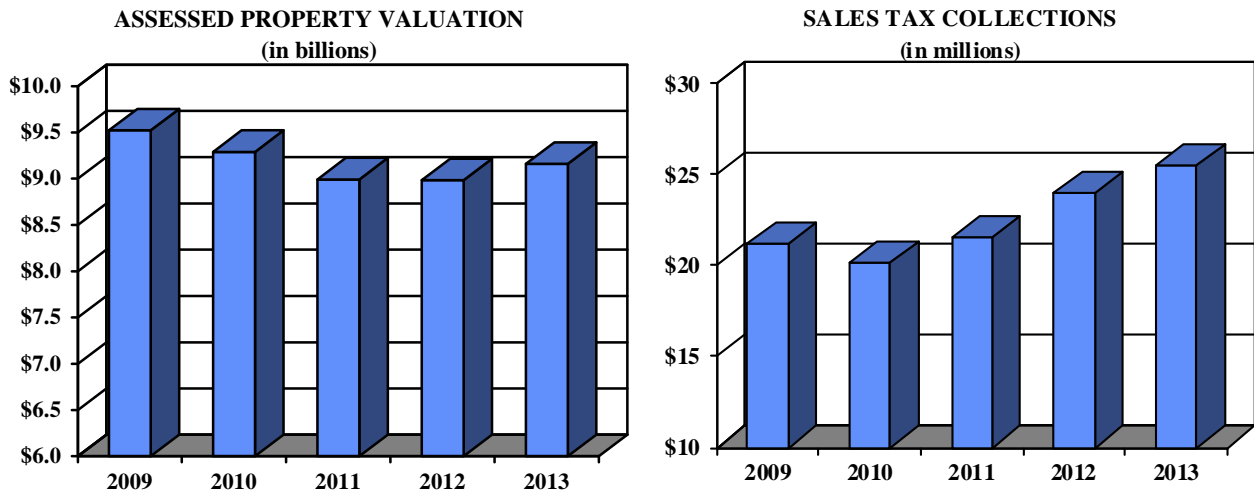
In June 2013, the Dallas Business Journal ranked Carrollton's Economic Development Agency as the largest one in North Texas based on dollar value of contracts done in 2012.

Building activity continues to recover from the slowdown experienced during the recession.

Carrollton has five major business parks - Valwood Industrial Park, Frankford Trade Center, Austin Ranch, International Business Park and Trinity Mills Industrial Park. Valwood Industrial Park and the Frankford Trade Center are among the premier industrial parks in the Dallas/Fort Worth area.

Total certified taxable value, not including estimated value for property under protest, for all residential and commercial property in the City was approximately \$9.1 billion for fiscal year 2013, a 2% increase from the previous year.

Sales tax collections totaled \$25,446,798 in fiscal year 2013, a 5.9% increase from the previous year.



### Future Economic Outlook

Through December, fiscal year 2014 sales taxes have increased by 8.4% compared to the same period in fiscal year 2013. While benefiting from the recent increases, the City also recognized its exposure to decreases and adopted a sales tax mitigation strategy whereby a portion of sales tax is dedicated to non-recurring capital expenditures. For fiscal year 2014, property valuations increased 4.8%, with a 1.5% increase in residential property and 7.4% increase in commercial and industrial properties. New construction continues to be primarily in the commercial and industrial sector.

Carrollton has approximately 950 acres of vacant land ready for future development with 860 of those acres currently zoned for commercial and industrial use. This bodes well for the City as these uses generally require a lower level of City services while providing a higher level of revenue to the City as compared to the typical residential development.

Carrollton’s economic future is not without challenges. The City is no longer an outer ring suburb that can simply rely on construction on vacant land to fuel growth in tax base and the economy. As it approaches single family residential build out and vacant commercial tracts become scarce, the City must invest more heavily than ever to keep Carrollton an attractive place to live and work. The City Council, recognizing these trends, has adopted strategic goals that create a vision for the City’s future. To obtain this vision the City has:

- Dramatically reduced its workforce from 1,016 full time authorized positions in fiscal year 2001 to 801 for fiscal year 2013 by eliminating duplicate positions, leveraging technology,

outsourcing non-core services that can be performed more efficiently by the private sector and implementing a managed competition program to improve efficiency.

- The savings from this restructuring has been reinvested in the community through increased capital expenditures, increased code enforcement and neighborhood reinvestment programs.
- Aggressively pursued transit-oriented development related to light rail which arrived in the City in December 2010. Carrollton's multiple rail lines will allow it to eventually become one of three mass transit rail hubs in the Metroplex.
- Maintained conservative financial policies and strong financial position that will allow it to react quickly to development opportunities.

### Long-term financial planning

The City Council has adopted a series of financial standards and policies for operating and debt management. Management of the City has made every effort to comply with these standards and policies and believe we are currently in compliance.

Annually a Multi-Year Budget and Financial Forecast is presented to the City Council as part of the budget process. This document forecasts the operating, debt service and fleet replacement fund operations for the upcoming three years. Additionally, a multi-year Capital Plan is prepared and presented to the City Council as part of the annual budget process.

In addition, the City has recognized the long-term financial implications of its pension and retiree health benefits. Regarding pensions, it has adjusted benefits and significantly stepped up funding to ensure the long-term sustainability of the plan. For retiree health care, it has implemented a defined contribution structure for any employees with less than 20 years of service as of January 1, 2009. These changes were designed to provide a sustainable benefit to our employees without shifting costs to future tax payers.

## OTHER INFORMATION

### Independent Audit

Article II, Section 2.18 of the City Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with, and the independent auditor's report has been included in this report.

Additionally, the City has a Finance/Audit Committee as a sub-committee of the City Council which functions as an audit committee and hears and reviews all recommendations made by the independent auditors.

## Certificate of Achievement

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 for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last 24 consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

## Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Appreciation is expressed to City employees throughout the organization, especially those employees who were instrumental in the successful completion of this report.

We would like to thank the members of the City Council for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,

  
Leonard Martin  
City Manager  
Robert B. Scott, CPA  
Assistant City Manager/Chief Financial Officer  
Pamela M. Hodges, CPA  
Controller

**CITY OF CARROLLTON, TEXAS**

**City Council**

Matthew Marchant, Mayor

Kevin Falconer, Mayor Pro Tem, Place 5

Bob Garza, Deputy Mayor Pro Tem, Place 4

Jeff Andonian  
- Place 1

Anthony Wilder  
- Place 2

Doug Hrbacek  
- Place 3

Terry Simons  
- Place 6

Lisa Sutter  
- Place 7

**City Manager**

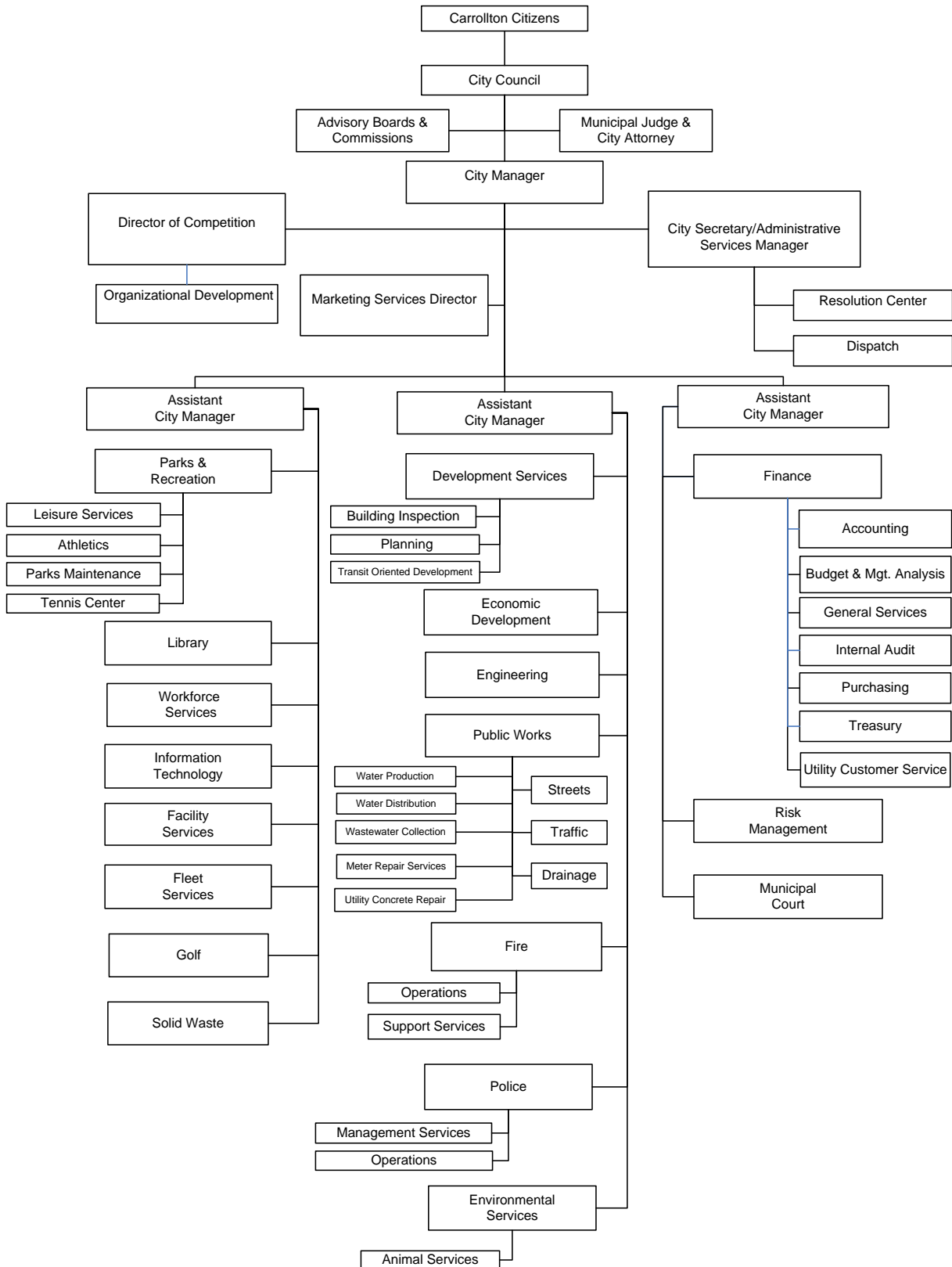
Leonard Martin

**Assistant City Manager/Chief Financial Officer**

Robert B. Scott, CPA

# CITY OF CARROLLTON, TEXAS

## Organizational Chart September 30, 2013





Government Finance Officers Association

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

Presented to

**City of Carrollton  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2012**

Executive Director/CEO





## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**Grant Thornton LLP**  
1717 Main Street, Suite 1500  
Dallas, TX 75201-4667  
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F 214.561.2370  
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linkd.in/GrantThorntonUS  
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The Honorable Mayor, City Council and City Manager  
The City of Carrollton, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carrollton, Texas (the "City") as of and for the year ended September 30, 2013, 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 from material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carrollton, Texas as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other matters**

#### ***Required supplementary information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 15, the Texas Municipal Retirement System Schedule of Funding Progress on page 59, and the Retiree Health Plan Schedule of Funding Progress on page 60 be presented to supplement the basic financial statements. Such information, although not a required 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. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures 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.

#### ***Supplementary information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining fund financial statements, individual non-major fund financial statements, and individual fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### ***Other information***

The introductory section, statistical section, and continuing financial disclosure tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

GRANT THORNTON LLP

Dallas, Texas  
January 16, 2014

## CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis  
For the Year Ended September 30, 2013

Amounts in Thousands Unless Stated Otherwise  
(Unaudited)

January 16, 2014

As management of the City of Carrollton, we offer this narrative overview and analysis of the financial activities and financial position of the City for the fiscal year ended September 30, 2013. In the broadest context, the financial well being of a government lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes combined with the vision of the government's elected and appointed leadership to spend those taxes strategically so that the City's tax base, service levels, City assets and the City's desirability will be maintained not just for the current year but well into the future. Financial reporting is limited in its ability to provide this "big picture" but rather focuses on financial position and changes in financial position. In other words, are revenues and or expenses/expenditures higher or lower than the previous year? Has net position (containing both short and long term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities) of the government been maintained? We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, (pages i-vii of this report) and the statistical section (pages 107-127 of this report) as well as information on the City's Council's Strategic Goals, the annual budget and other community information found on the City's website at [www.cityofcarrollton.com](http://www.cityofcarrollton.com). It should be noted that the Independent Auditors' Report describes the auditors' association with the various sections of this report and that all of the additional information from the website and other City sources is unaudited and has not been updated for events that may have occurred subsequent to the issuance of the respective report.

### IN BRIEF

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$468,649 (net position). This number must be viewed in the context that the vast majority of the City's net position of \$338,557 (72%) is the net investment in capital assets and that most capital assets in a government do not directly generate revenue nor can they be sold to generate liquid capital. The net position restricted for specific purposes totals \$7,335 (2%). The remaining \$122,757 (26%) is the unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. Unrestricted net position increased by \$4,299 in fiscal year 2013.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$103,401. Within this total \$1,848 is non-spendable for prepaid and land held for resale, \$15,837 is restricted by specific legal requirements, such as by debt covenants and \$67,571 has been committed and assigned to specific types of expenditures. The remaining \$18,145 is unassigned fund balance in the general fund and can be used for any lawful purpose.

## CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis  
For the Year Ended September 30, 2013

Amounts in Thousands Unless Stated Otherwise  
(Unaudited)

- The City's long-term liabilities decreased by \$5,216 due primarily to existing debt retirements partially offset by the issuance of bonds for capital improvements.
- After several years of recessionary impacts to its financial operations, the City has experienced a third year of more consistent and robust growth in its revenues. The Economic Factors and Next Year's Budget section on the last page of this discussion provide additional information on the subject.

### 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 four components: 1) government-wide financial statements, 2) fund financial statements 3) notes to the financial statements and 4) required supplementary information which includes this management's discussion and analysis and multi-year funding progress on the City's pension plan and retiree health plan. In addition to the basic financial statements, this report also contains other supplementary information as listed in the Table of Contents.

**Government-wide financial statements** - The government-wide financial statements 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 and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City 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 future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish between 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 and administration, public safety, development services, and cultural and recreation. The business-type activities of the City include Water and Sewer, Golf Course and Sanitation operations. The government-wide financial statements can be found on pages 16-17 of this report.

## CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis  
For the Year Ended September 30, 2013

Amounts in Thousands Unless Stated Otherwise  
(Unaudited)

**Fund financial statements** - A fund is a self-balancing set of 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 two categories- governmental funds and proprietary funds.

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Non-financial assets such as governmental buildings, roads, drainage ways, park land and long-term liabilities such as bonds payable or long term liabilities that will not be paid with current assets are excluded. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains 11 governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Debt Service, Streets and Drainage, and General and Public Facilities funds, all of which are considered to be major funds. Data from the other 7 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 the Comprehensive Annual Financial Report. The basic governmental funds financial statements can be found on pages 18-22.

**Proprietary Funds** - The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, golf and sanitation operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its fleet services, risk management and employee health and disability programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

## CITY OF CARROLLTON, TEXAS

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Amounts in Thousands Unless Stated Otherwise  
(Unaudited)

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer, Golf Course, and Sanitation funds, since all are considered to be major funds of the City. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in the form of combining statements elsewhere in the Comprehensive Annual Financial Report. The basic proprietary fund financial statements can be found on pages 23-26 of this report.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-58.

**Other Information** – In addition to the basic financial statements and accompanying notes, the basic financial statements contain required supplementary information including this discussion and analysis and information concerning the City's progress in funding its obligations to provide pension and retiree health benefits to its employees.

### GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

As noted earlier, net position and especially net position by category may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$468,649 as of September 30, 2013.

The largest portion of the City's net position \$338,557 (72%) reflects its investments in capital assets (e.g., land, building, equipment, improvements and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently these assets are not available for future spending, and with exception of business type assets, do not generate direct revenue for the City. They do represent, however, an obligation on the part of the City to maintain these assets into the future. 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.

An additional portion of the City's net position of \$7,335 (2%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$122,757 (26%) may be used to meet the government's ongoing obligations to citizens and creditors.

**CITY OF CARROLLTON, TEXAS**

Management’s Discussion and Analysis  
For the Year Ended September 30, 2013

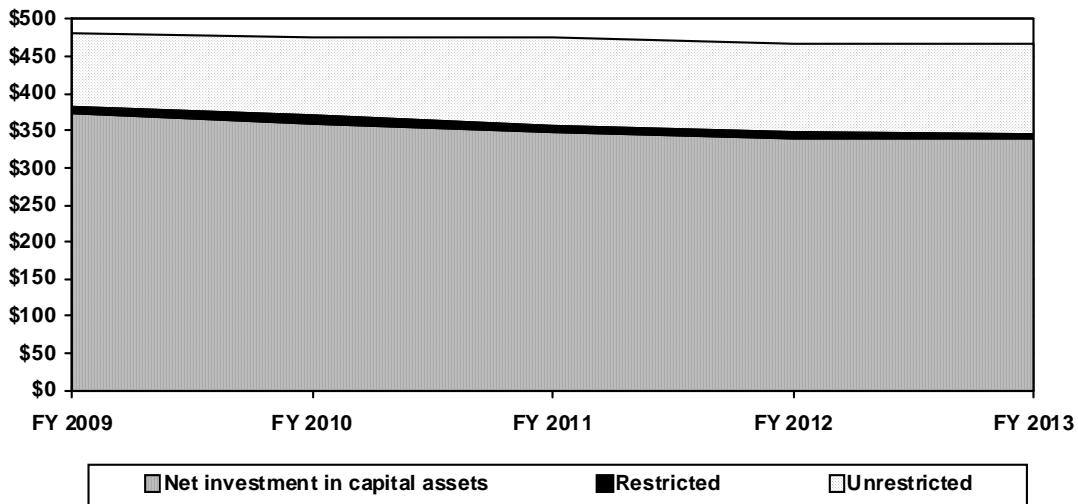
Amounts in Thousands Unless Stated Otherwise  
(Unaudited)

**CITY OF CARROLLTON’S NET POSITION**  
(Amounts in Thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Current and other assets	\$ 130,833	\$ 136,382	\$ 38,231	\$ 38,160	\$ 169,064	\$ 174,542
Capital assets, net	<u>375,578</u>	<u>370,014</u>	<u>138,577</u>	<u>134,960</u>	<u>514,155</u>	<u>504,974</u>
Total Assets	<u>506,411</u>	<u>506,396</u>	<u>176,808</u>	<u>173,120</u>	<u>683,219</u>	<u>679,516</u>
Long term liabilities	177,776	174,655	21,914	19,819	199,690	194,474
Other liabilities	<u>11,160</u>	<u>10,544</u>	<u>5,343</u>	<u>5,849</u>	<u>16,503</u>	<u>16,393</u>
Total Liabilities	<u>188,936</u>	<u>185,199</u>	<u>27,257</u>	<u>25,668</u>	<u>216,193</u>	<u>210,867</u>
Net Position:						
Net investment in capital assets	223,050	222,048	117,681	116,509	340,731	338,557
Restricted	6,227	5,782	1,610	1,553	7,837	7,335
Unrestricted	<u>88,198</u>	<u>93,367</u>	<u>30,260</u>	<u>29,390</u>	<u>118,458</u>	<u>122,757</u>
Total Net Position	<u>\$ 317,475</u>	<u>\$ 321,197</u>	<u>\$ 149,551</u>	<u>\$ 147,452</u>	<u>\$ 467,026</u>	<u>\$ 468,649</u>

As of September 30, 2013, the City has positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**Total Net Assets**  
**Governmental and Business-Type Activities**  
(in millions)



# CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis  
For the Year Ended September 30, 2013

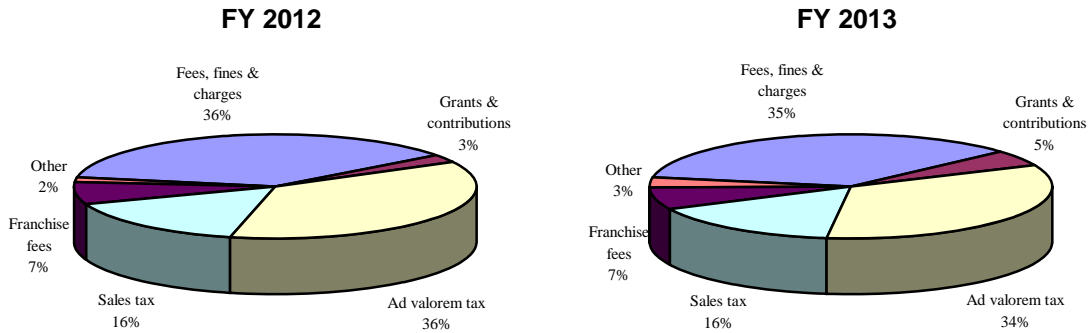
Amounts in Thousands Unless Stated Otherwise  
(Unaudited)

The current and other assets increased in the Governmental activities by \$5,549 and decreased in the Business-type activities by \$71. Increase in the Governmental activities is primarily due to issuance of debt and accumulation of other funds for future capital purchases offset by acquisition and construction of capital assets.

The City's long-term liabilities decreased by \$5,216 due primarily to existing debt retirements offset by the issuance of bonds for capital improvements.

**Analysis of the City's Operations** – Overall the City had an increase in net position of \$1,623 or 0.3%.

## Changes in Net Position Revenue by Major Category Governmental and Business-Type Activities



**Governmental Activities:** Governmental activities net position increased by \$3,722. Net investment in capital assets decreased by \$1,002 or 0.4%. Restricted net position decreased \$445 or 7.1%. Unrestricted net position increased by \$5,169 or 5.9%.



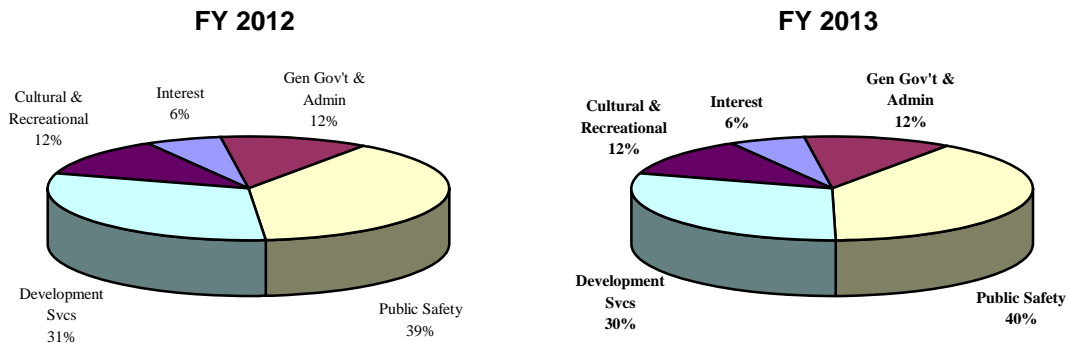
# CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis  
For the Year Ended September 30, 2013

Amounts in Thousands Unless Stated Otherwise  
(Unaudited)

Excluding transfers from business-type activities, total revenues for governmental activities increased from the previous year by \$9,094. General revenue (excluding transfers) had a net increase of \$4,688 or 5.1%. In General Revenues, ad valorem tax experienced an increase of \$683 due to an increase in assessed valuations. Additionally, increases were seen in sales taxes of \$1,426 and franchise fees of \$270. Other general revenues increased by \$2,309, primarily due to a \$3,160 recovery from a public-private development partnership offset by decreases in investment earnings and miscellaneous income. See further information on this development partnership in note 11 on pages 52-54. Program revenues had a \$4,406, or 27.5%, net increase primarily due to increases in fines and forfeitures, and charges for services and developer capital contributions. Net transfers from the business type activities to governmental activities increased by \$74 from the previous year.

## Expenses by Type Governmental Activities



Total expenses for governmental activities increased \$415 or 0.4%.

Business-type Activities: Net position from business-type activities decreased by \$2,099 or 1.4% from \$149,551 to \$147,452. Net investment in capital assets decreased by \$1,172 or 1.0% primarily due to capital asset depreciation partially offset by retirements of related debt and capital additions. Unrestricted net position decreased by \$870 or 2.9%. Restricted net position decreased by \$57 due to reduction in the required reserve for revenue bonds.

# CITY OF CARROLLTON, TEXAS

## Management's Discussion and Analysis For the Year Ended September 30, 2013

Amounts in Thousands Unless Stated Otherwise  
(Unaudited)

The following table provides a summary of the City's operations for year ended September 30, 2013 with comparative totals for year ended September 30, 2012.

### CITY OF CARROLLTON'S CHANGES IN NET POSITION (Amounts in Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Revenues:						
Program Revenues:						
Fees, fines and charges for services	\$ 12,753	\$ 14,507	\$ 43,228	\$ 43,842	\$ 55,981	\$ 58,349
Operating grants and contributions	143	84	-	-	143	84
Capital grants and contributions	3,147	5,858	648	1,741	3,795	7,599
General revenues:						
Ad valorem taxes	55,177	55,860	-	-	55,177	55,860
Sales tax	24,021	25,447	-	-	24,021	25,447
Occupancy tax	177	156	-	-	177	156
Franchise fees	10,286	10,556	-	-	10,286	10,556
Investment earnings net of change in fair value of investments	649	41	148	(11)	797	30
Gain on sale of capital assets	121	120	13	62	134	182
Public-private partnership recovery	-	3,160	-	-	-	3,160
Miscellaneous	<u>1,104</u>	<u>883</u>	<u>88</u>	<u>100</u>	<u>1,192</u>	<u>983</u>
Total revenues	<u>107,578</u>	<u>116,672</u>	<u>44,125</u>	<u>45,734</u>	<u>151,703</u>	<u>162,406</u>
Expenses:						
General government and administration	14,144	14,684	-	-	14,144	14,684
Public safety	46,305	47,660	-	-	46,305	47,660
Development services	37,333	36,052	-	-	37,333	36,052
Cultural and recreational	13,968	14,112	-	-	13,968	14,112
Interest on long term debt	6,749	6,406	-	-	6,749	6,406
Water and Sewer	-	-	34,872	35,482	34,872	35,482
Golf	-	-	1,086	828	1,086	828
Sanitation	-	-	5,415	5,559	5,415	5,559
Total expenses	<u>118,499</u>	<u>118,914</u>	<u>41,373</u>	<u>41,869</u>	<u>159,872</u>	<u>160,783</u>
Increase (decrease) in net position before transfers	(10,921)	(2,242)	2,752	3,865	(8,169)	1,623
Transfers	<u>5,890</u>	<u>5,964</u>	<u>(5,890)</u>	<u>(5,964)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	(5,031)	3,722	(3,138)	(2,099)	(8,169)	1,623
Net position October 1	<u>322,506</u>	<u>317,475</u>	<u>152,689</u>	<u>149,551</u>	<u>475,195</u>	<u>467,026</u>
Net position September 30	<u>\$ 317,475</u>	<u>\$ 321,197</u>	<u>\$ 149,551</u>	<u>\$ 147,452</u>	<u>\$ 467,026</u>	<u>\$ 468,649</u>

# CITY OF CARROLLTON, TEXAS

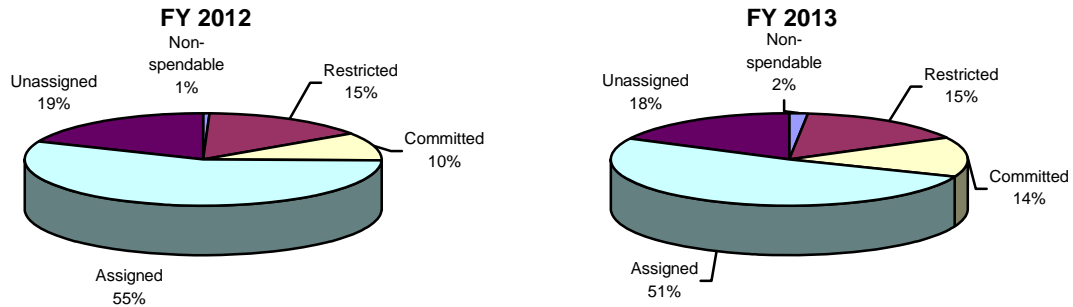
Management's Discussion and Analysis  
For the Year Ended September 30, 2013

Amounts in Thousands Unless Stated Otherwise  
(Unaudited)

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

**Governmental funds** - The focus of the City'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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending in the next fiscal year.

### Fund Balances by Type Governmental Funds



At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$103,401. Within this total \$1,848 is non-spendable for prepaid and land held for resale, \$15,837 is restricted by specific legal requirements, such as by debt covenants and \$67,571 has been committed and assigned to specific types of expenditures. The remaining \$18,145 is unassigned fund balance in the general fund and can be used for any lawful purpose.

In the general fund, the City originally budgeted for a fund balance decrease in the current year of \$642. It is one of the City's financial policies to maintain fund balance in the general fund equal to 60 days expenditures and when those balances significantly exceed the 60 day target to transfer the excess to capital project funds to fund pay-as-you-go capital expenditures. Due to actual expenditures being less than originally budgeted and revenues being more than originally budgeted, transfers out to capital projects funds were increased and the actual budget basis fund balance change was an increase for fiscal year 2013 of \$161. During the year the City continued to experience an increase in its sales tax revenue, the general fund's second largest revenue. The nature of sales tax in Texas is discussed in note 6 on pages 44-45 of this report. A majority of the increase is due to an increase in activity from high technology companies including companies locating to Carrollton for the first time. In order to manage this increase in a volatile revenue source, the city council adopted a financial policy to transfer sales tax received in excess of the amount budgeted for recurring purposes to capital projects funds to be used for one-time capital

## CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis  
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expenditures. Strong sales tax growth combined with the City's continued emphasis on expenditure control including close monitoring of expenditures in the final days of the fiscal year resulted in the increase in fund balance. The fund balance exceeding the City's financial policy of 60 days will be addressed during the fiscal year 2015 budget deliberations.

Debt service fund balance decreased in 2013 by \$270. Streets and Drainage Capital Projects fund balance decreased in 2013 by \$188 primarily due to capital outlay expenditures offset by the issuance of general obligation bonds. General and Public Facilities Capital Projects fund balance increased in 2013 by \$9,193 primarily due to transfers in from other funds for future capital projects offset by capital outlay expenditures.

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

Unrestricted net position of the respective enterprise funds are \$28,352 for Water and Sewer, \$571 for Golf Course and \$408 for Sanitation. The total of all enterprise funds' net position of \$147,393 is adjusted by \$59 for the consolidation of the internal service fund activities related to enterprise funds to equal the total net position for business-type activities in the entity-wide statements of \$147,452. Change in net position for enterprise funds in 2013 were (\$2,141) in the Water and Sewer Fund, \$144 in the Golf Course Fund and (\$170) in the Sanitation Fund.

**General Fund Budgetary Highlights** - The City made revisions to the original appropriations approved by the City Council. Overall these changes resulted in a decrease in budgeted expenditures from the original budget of 2.6% or \$2,098. Management's estimate of the General Fund's budgeted revenues increased \$3,757 or 4.9% from original budget based on year-to-date experience.

### PENSIONS AND RETIREE HEALTHCARE

Pensions and retiree health care continue to receive negative media attention as governments around the nation struggle to fund these commitments. The City is committed to providing programs in these areas that are fair to both employees and taxpayers and that can be sustained over the long term.

Pension funded status has increased five years in a row and is currently 95% funded for the December 31, 2012 valuation. However, as discussed in footnote 7 on pages 46-49, subsequent to year end, the Texas Municipal Retirement system adopted significant changes to the plan that will affect future actuarial values. While, the overall affect should be positive in the long term, the City is expecting a net reduction in funded status based on these changes for the December 31, 2013 valuation.

## CITY OF CARROLLTON, TEXAS

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Retiree health care's actuarially accrued liability has been calculated in accordance with GASB 45 to be \$4.8 million as of December 31, 2011, a decrease of \$537 from the previous biennial valuation. This amount should continue to decrease as the City has converted to a defined contribution model. The City does not anticipate any changes in its pension strategy due to the issuance of GASB 68, Employer Accounting for Pensions.

### CAPITAL ASSETS

The City's net investment in capital assets for its governmental and business-type activities as of September 30, 2013, amounts to \$504,974 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, equipment, intangibles, improvements, and infrastructure and construction in progress. The total decrease in the City's investment in capital assets, net of accumulated depreciation, for the current fiscal year was 1.8% (1.5% decrease for governmental activities and 2.6% decrease in business-type activities.)

#### Capital Assets at Year-end Net of Accumulated Depreciation

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
Land	\$ 104,983	\$ 105,318	\$ 2,368	\$ 2,368	\$ 107,351	\$ 107,686
Buildings	25,632	28,615	4,286	4,021	29,918	32,636
Equipment	10,247	10,222	2,042	2,102	12,289	12,324
Intangibles	1,087	745	9	35	1,096	780
Improvements	27,885	28,073	1,092	944	28,977	29,017
Infrastructure	198,072	194,208	128,780	125,443	326,852	319,651
Construction in Progress	<u>7,672</u>	<u>2,833</u>	<u>-</u>	<u>47</u>	<u>7,672</u>	<u>2,880</u>
Total	<u>\$ 375,578</u>	<u>\$ 370,014</u>	<u>\$ 138,577</u>	<u>\$ 134,960</u>	<u>\$ 514,155</u>	<u>\$ 504,974</u>

The City conducts a comprehensive infrastructure condition assessment every three to four years resulting in an Infrastructure Report Card available on the City's website. The City is planning an update to this assessment in fiscal year 2014 and will be using it to both evaluate the effectiveness of its infrastructure replacement program and the appropriateness of the estimated useful lives used to report depreciation in the financial statements.

**CITY OF CARROLLTON, TEXAS**

Management’s Discussion and Analysis  
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 (Unaudited)

Major capital asset events during the current fiscal year included the following:

- Acquisition of vehicles and equipment totaling \$3.41 million, including \$1.15 million of public safety equipment and vehicles, \$1.91 million of parks, library, golf course and public works equipment, and \$350 thousand of information technology and facilities equipment.
- Construction of the Transit Oriented Development downtown garage totaling \$4.9 million, and acquisition of Transit Oriented Development land totaling \$336 thousand.
- Parks and recreation center improvements totaling \$1.93 million, including \$1.77 million in trails construction and parks irrigation improvements construction and \$162 thousand in parks building improvements.
- Golf course improvements and golf facilities totaling \$418 thousand.
- Water and sewer system infrastructure improvements totaling \$4.02 million, including \$902 thousand in developer contributions.
- Street and Alley Improvements of \$15.02 million, including \$2.0 million in developer contributions.
- Drainage Improvements of \$3.2 million, including \$1.26 million in developer contributions.

Additional information on the City’s capital assets can be found in note 4 on pages 38-39 of this report.

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the City had a total bonded debt of \$180,711. Of this amount, \$162,645 comprises bonded debt backed by the full faith and credit of the government and \$18,066 represents bonds secured solely by water and sewer revenues.

**Outstanding Debt at Year End  
 Bonds and Notes Payable**

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>
General Obligation						
Bonds	\$ 164,049	\$ 161,205	\$ -	\$ -	\$ 164,049	\$ 161,205
Revenue Bonds	-	-	19,846	18,066	19,846	18,066
Certificates of						
Obligation	-	-	1,750	1,440	1,750	1,440
Total	<u>\$ 164,049</u>	<u>\$ 161,205</u>	<u>\$ 21,596</u>	<u>\$ 19,506</u>	<u>\$ 185,645</u>	<u>\$ 180,711</u>

During the fiscal year, the City’s total debt decreased by \$4,934 or 2.7% due to existing debt retirements and amortization of premiums of \$14,930 offset by a new General Obligation Bond issue of \$9,996.

## CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis  
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The City's General Obligation, Tax and Golf Course Surplus Revenue Certificates of Obligation, and Waterworks and Sewer System Revenue Bond ratings are listed below.

	<u>Moody's</u> <u>Investors Service</u>	<u>Standard</u> <u>&amp; Poor's</u>	<u>Fitch</u>
General Obligation Bonds	Aa1	AAA	AAA
Certificates of Obligation	Aa1	AAA	AAA
Revenue Bonds	Aa2	AAA	AAA

Additionally, several of the City's Bonds are insured.

Additional information on the City's long term-debt can be found in footnote 5 on pages 40-44 of this report.

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

In the fiscal year 2014 Budget, General Fund revenues are budgeted to increase by 2.8% from the fiscal year 2013 final budget with ad valorem taxes making up 40% of General Fund budgeted revenues. Certified assessed valuations, including estimated values on properties under protest, increased 4.8% for the fiscal year 2014 budget compared to a 2.0% increase in the previous year's budget.

In this coming fiscal year, the City's budget has been impacted by some encouraging economic signs. The City continues to develop commercially and is aggressively pursuing Transit Oriented Development opportunities with light rail service to the City which opened December 6, 2010. Sales tax receipts, the most volatile revenue source, which declined in fiscal years 2008 to 2010 after growing five years in a row, continued to rebound in fiscal year 2013 with 6% growth.

The Water and Sewer Operating Fund is budgeted in fiscal year 2014 to operate at a net deficit of \$1,728 based on the high levels of available fund balance exceeding financial standards.

### **REQUEST FOR INFORMATION**

The financial report is designed to provide our citizens, customers, investors and creditors with general overview of the City's finances. If you have questions about this report or need any additional information, contact the Department of Finance, Attn: Controller, at P.O. Box 110535, Carrollton, Texas 75011-0535, e-mail at [pamela.hodges@cityofcarrollton.com](mailto:pamela.hodges@cityofcarrollton.com) or call (972) 466-3110.

**CITY OF CARROLLTON, TEXAS**

Government-wide Statement of Net Position  
September 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash, cash equivalents and investments	\$ 103,824,644	\$ 27,575,862	\$ 131,400,506
Receivables (net of allowance for doubtful accounts):			
Ad valorem taxes	103,850	-	103,850
Sales taxes	2,105,076	-	2,105,076
Franchise fees	2,910,391	-	2,910,391
Accounts	-	5,118,502	5,118,502
Accrued interest	147,574	35,023	182,597
Other	2,747,372	165,507	2,912,879
Due from other governments	2,082,225	-	2,082,225
Internal balances	(59,227)	59,227	-
Inventories	86,629	-	86,629
Prepaid items	598,317	-	598,317
Land held for resale	1,426,418	-	1,426,418
Restricted assets:			
Cash, cash equivalents and investments	17,973,299	4,976,900	22,950,199
Deferred charges	1,346,954	181,921	1,528,875
Net pension asset	1,088,529	46,580	1,135,109
Capital assets:			
Land	105,318,314	2,367,868	107,686,182
Buildings	63,144,253	19,575,656	82,719,909
Equipment	27,550,872	5,807,891	33,358,763
Intangibles	5,996,030	770,112	6,766,142
Improvements	41,875,011	11,700,068	53,575,079
Infrastructure	260,326,090	225,954,605	486,280,695
Construction in progress	2,833,420	46,514	2,879,934
Accumulated depreciation	(137,029,945)	(131,262,336)	(268,292,281)
<b>Total assets</b>	<b>506,396,096</b>	<b>173,119,900</b>	<b>679,515,996</b>
Liabilities			
Accounts payable	8,995,568	3,128,353	12,123,921
Customer deposits payable	-	2,428,576	2,428,576
Accrued interest	840,247	292,002	1,132,249
Unearned revenue	707,927	-	707,927
Noncurrent liabilities:			
Due within one year	15,032,514	2,168,603	17,201,117
Due in more than one year	159,622,272	17,650,647	177,272,919
<b>Total liabilities</b>	<b>185,198,528</b>	<b>25,668,181</b>	<b>210,866,709</b>
Net position			
Net investment in capital assets	222,048,214	116,508,962	338,557,176
Restricted for:			
Debt service	4,185,961	1,552,989	5,738,950
Capital projects and special revenue purposes	1,596,491	-	1,596,491
Unrestricted	93,366,902	29,389,768	122,756,670
<b>Total net position</b>	<b>\$ 321,197,568</b>	<b>\$ 147,451,719</b>	<b>\$ 468,649,287</b>

See accompanying notes to basic financial statements.



**CITY OF CARROLLTON, TEXAS**

Government-wide Statement of Activities  
For the Year Ended September 30, 2013

Program Activities	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities</b>							
General government and administration	\$ 14,683,787	\$ 216,802	\$ -	\$ -	\$ (14,466,985)	\$ -	\$ (14,466,985)
Public safety	47,660,301	9,632,597	74,882	73,913	(37,878,909)	-	(37,878,909)
Development services	36,051,818	1,939,146	-	5,783,895	(28,328,777)	-	(28,328,777)
Cultural and recreational	14,111,727	2,718,241	9,230	-	(11,384,256)	-	(11,384,256)
Interest on long-term debt	6,406,299	-	-	-	(6,406,299)	-	(6,406,299)
<b>Total governmental activities</b>	<b>118,913,932</b>	<b>14,506,786</b>	<b>84,112</b>	<b>5,857,808</b>	<b>(98,465,226)</b>	<b>-</b>	<b>(98,465,226)</b>
<b>Business-type activities:</b>							
Water and sewer	35,482,178	35,171,954	-	1,522,804	-	1,212,580	1,212,580
Golf	827,540	1,040,473	-	218,672	-	431,605	431,605
Sanitation	5,559,233	7,629,080	-	-	-	2,069,847	2,069,847
<b>Total business-type activities</b>	<b>41,868,951</b>	<b>43,841,507</b>	<b>-</b>	<b>1,741,476</b>	<b>-</b>	<b>3,714,032</b>	<b>3,714,032</b>
<b>Total government</b>	<b>\$ 160,782,883</b>	<b>\$ 58,348,293</b>	<b>\$ 84,112</b>	<b>\$ 7,599,284</b>	<b>(98,465,226)</b>	<b>3,714,032</b>	<b>(94,751,194)</b>
<b>General revenues:</b>							
Taxes:							
Ad valorem					55,859,536	-	55,859,536
Sales					25,446,798	-	25,446,798
Occupancy					156,061	-	156,061
Franchise fees based upon gross receipts					10,556,411	-	10,556,411
Investment earnings net of change in fair value of investments					41,353	(11,503)	29,850
Gain on sale of capital assets					120,011	62,393	182,404
Public-private partnership recovery					3,160,500	-	3,160,500
Miscellaneous					882,757	99,716	982,473
Transfers					5,963,729	(5,963,729)	-
					102,187,156	(5,813,123)	96,374,033
Total general revenues and transfers					3,721,930	(2,099,091)	1,622,839
Change in net position					317,475,638	149,550,810	467,026,448
Net position at beginning of year					\$ 321,197,568	\$ 147,451,719	\$ 468,649,287
Net position at end of year							

See accompanying notes to basic financial statements.

**CITY OF CARROLLTON, TEXAS**

Balance Sheet  
 Governmental Funds  
 September 30, 2013

	General	Debt Service	Streets and Drainage	General and Public Facilities	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 18,497,870	\$ 4,993,729	\$ 32,104,451	\$ 35,175,702	\$ 11,277,495	\$ 102,049,247
Receivables (net, where applicable, of allowance for doubtful accounts):						
Ad valorem taxes	71,371	32,479	-	-	-	103,850
Sales taxes	2,105,076	-	-	-	-	2,105,076
Franchise fees	2,823,877	-	-	86,514	-	2,910,391
Accrued interest	58,769	-	28,871	28,214	10,773	126,627
Other	104,444	-	-	2,575,915	-	2,680,359
Due from other governments	2,958	-	338,549	1,328,055	412,663	2,082,225
Prepaid items	-	-	-	350,000	71,950	421,950
Land held for sale	-	-	-	1,426,418	-	1,426,418
<b>Total assets</b>	<b>\$ 23,664,365</b>	<b>\$ 5,026,208</b>	<b>\$ 32,471,871</b>	<b>\$ 40,970,818</b>	<b>\$ 11,772,881</b>	<b>\$ 113,906,143</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 5,260,096	\$ -	\$ 1,130,497	\$ 1,159,068	\$ 943,855	\$ 8,493,516
Accrued Interest	-	39,238	-	-	-	39,238
Deferred revenue	-	-	-	1,264,200	-	1,264,200
Unearned revenue	10,882	-	560,620	-	136,425	707,927
<b>Total liabilities</b>	<b>5,270,978</b>	<b>39,238</b>	<b>1,691,117</b>	<b>2,423,268</b>	<b>1,080,280</b>	<b>10,504,881</b>
<b>Fund balances:</b>						
<b>Nonspendable for:</b>						
Prepaid items	-	-	-	350,000	71,950	421,950
Land held for resale	-	-	-	1,426,418	-	1,426,418
<b>Restricted for:</b>						
Debt service	-	4,986,970	-	-	-	4,986,970
Streets and drainage	-	-	7,039,695	-	-	7,039,695
Public facilities	-	-	-	1,797,929	-	1,797,929
Other capital projects	-	-	-	121,135	648,781	769,916
Other purposes	-	-	-	-	1,242,218	1,242,218
<b>Committed to:</b>						
Transit oriented development	-	-	-	3,677,459	-	3,677,459
Street rehabilitation	-	-	9,995,506	-	-	9,995,506
Other capital projects	-	-	-	-	748,664	748,664
<b>Assigned to:</b>						
Encumbrances	248,282	-	-	-	-	248,282
Streets and drainage	-	-	13,745,553	-	-	13,745,553
Public facilities	-	-	-	31,174,609	-	31,174,609
Other capital projects	-	-	-	-	7,808,482	7,808,482
Other purposes	-	-	-	-	172,506	172,506
Unassigned	18,145,105	-	-	-	-	18,145,105
<b>Total fund balances</b>	<b>18,393,387</b>	<b>4,986,970</b>	<b>30,780,754</b>	<b>38,547,550</b>	<b>10,692,601</b>	<b>103,401,262</b>
<b>Total liabilities and fund balances</b>	<b>\$ 23,664,365</b>	<b>\$ 5,026,208</b>	<b>\$ 32,471,871</b>	<b>\$ 40,970,818</b>	<b>\$ 11,772,881</b>	<b>\$ 113,906,143</b>

See accompanying notes to basic financial statements.

**CITY OF CARROLLTON, TEXAS**

Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position  
September 30, 2013

Total fund balance - total governmental funds \$ 103,401,262

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

Net pension asset in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. Includes net pension assets of Internal Service Funds. 1,088,529

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. Includes capital assets of Internal Service Funds. 370,014,045

Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 1,264,200

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. (801,009)

Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position (net of amount allocated to business-type activities, capital assets and long term liabilities).

Internal Service Fund balances not included in other reconciling items:

Current assets	\$ 20,099,652	
Accounts payable	(502,052)	
Net amount allocated to business-type activities	(59,227)	19,538,373

Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet. Includes Internal Service Funds' non-current liabilities.

Due within one year	\$ 15,032,514	
Due in more than one year	159,622,272	
Deferred charges	(1,346,954)	(173,307,832)

Net position of governmental activities \$ 321,197,568

See accompanying notes to basic financial statements.

**CITY OF CARROLLTON, TEXAS**

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended September 30, 2013

	General	Debt Service	Streets and Drainage	General and Public Facilities	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
<b>Taxes:</b>						
Ad valorem	\$ 32,143,660	\$18,537,559	\$ 3,130,014	\$ -	\$ 1,804,027	\$ 55,615,260
Penalty and interest	167,785	76,491	-	-	-	244,276
Sales	25,446,798	-	-	-	-	25,446,798
Occupancy	-	-	-	-	156,061	156,061
Franchise fees	10,213,980	-	-	342,431	-	10,556,411
Assessments	-	-	-	-	173,671	173,671
Charges for services	5,039,219	-	-	-	145,791	5,185,010
Intergovernmental	2,958	-	860,478	1,646,164	1,274,417	3,784,017
Licenses and permits	2,298,049	-	-	-	47,453	2,345,502
Fines and forfeitures	6,235,333	-	-	151,701	415,569	6,802,603
Investment earnings net of change in fair value of investments	129,958	(14,081)	(23,986)	(39,295)	(3,897)	48,699
Public-private partnership recovery	-	-	-	1,896,300	-	1,896,300
Miscellaneous	438,753	-	135,530	255,871	52,603	882,757
<b>Total revenues</b>	<u>82,116,493</u>	<u>18,599,969</u>	<u>4,102,036</u>	<u>4,253,172</u>	<u>4,065,695</u>	<u>113,137,365</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General government and administration	13,818,786	-	-	-	-	13,818,786
Public safety	45,201,315	-	-	-	267,479	45,468,794
Development services	9,245,445	-	-	-	-	9,245,445
Cultural and recreational	10,561,622	-	-	-	611,844	11,173,466
Capital outlay	-	-	11,415,814	7,247,775	5,522,055	24,185,644
<b>Debt service:</b>						
Principal retirement	-	12,250,000	-	-	-	12,250,000
Interest and fiscal charges	-	6,619,954	-	-	-	6,619,954
<b>Total expenditures</b>	<u>78,827,168</u>	<u>18,869,954</u>	<u>11,415,814</u>	<u>7,247,775</u>	<u>6,401,378</u>	<u>122,762,089</u>
Excess (deficiency) of revenues over expenditures	<u>3,289,325</u>	<u>(269,985)</u>	<u>(7,313,778)</u>	<u>(2,994,603)</u>	<u>(2,335,683)</u>	<u>(9,624,724)</u>
<b>Other financing sources (uses):</b>						
Bonds issued	-	-	8,865,000	-	600,000	9,465,000
Premium on bonds issued	-	-	530,902	-	-	530,902
Transfers in	5,724,370	-	655,571	12,999,028	811,255	20,190,224
Transfers out	(8,959,939)	-	(2,925,421)	(811,255)	(1,113,668)	(13,810,283)
<b>Total other financing sources (uses)</b>	<u>(3,235,569)</u>	<u>-</u>	<u>7,126,052</u>	<u>12,187,773</u>	<u>297,587</u>	<u>16,375,843</u>
Net change in fund balances	<u>53,756</u>	<u>(269,985)</u>	<u>(187,726)</u>	<u>9,193,170</u>	<u>(2,038,096)</u>	<u>6,751,119</u>
Fund balances at beginning of year	<u>18,339,631</u>	<u>5,256,955</u>	<u>30,968,480</u>	<u>29,354,380</u>	<u>12,730,697</u>	<u>96,650,143</u>
Fund balances at end of year	<u>\$ 18,393,387</u>	<u>\$ 4,986,970</u>	<u>\$ 30,780,754</u>	<u>\$ 38,547,550</u>	<u>\$ 10,692,601</u>	<u>\$ 103,401,262</u>

See accompanying notes to basic financial statements.

**CITY OF CARROLLTON, TEXAS**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2013

Net change in fund balances - total governmental funds \$ 6,751,119

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

Governmental funds report all payments to pensions as expenditures. However, in the government-wide statement of activities the actuarial annually required contribution is considered as expense. Any excess payment is recorded an asset. Change in net pension asset. 98,541

Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay recorded as capital assets in the current period. 18,352,206

The net effect of various transactions involving capital assets.

Capital contributions	\$ 3,262,478	
Asset retirements/disposals	<u>(59,551)</u>	3,202,927

Depreciation expense on capital assets is reported in the government-wide statement of activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds. (28,781,077)

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 issuance costs, 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 these differences in the treatment of long-term debt and related items.

Bonds issued	\$ (9,465,000)	
Premium on bonds issued	(530,902)	
Payment to refunding bond escrow agent	-	
Bond principal retirement	12,250,000	
Amortization of deferred charges	(109,726)	
Amortization of bond premiums/discounts	589,707	
Amortization of bond refunding losses	<u>(292,365)</u>	2,441,714

Payment of compensated absences is reported as expenditures in the governmental funds when actually paid. However, on the government-wide statement of activities, compensated absences are expensed as they are accrued. Change in the compensated absences liability. (243,502)

Some revenues will not be collected for several months after the City's fiscal year end. These are not considered "available" revenues in the governmental funds until received. Change in amount deferred on fund statements. 159,625

Accrued interest expense on long-term debt is reported in the government-wide statement of activities, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds. Change in accrued interest. 26,039

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds is reported with governmental activities net of amount allocated to business-type activities and depreciation expense.

Change in net position	\$ 172,631	
Net of amount allocated to business activities	(67,990)	
Depreciation expense	<u>1,609,697</u>	<u>1,714,338</u>

Change in net position of governmental activities \$ 3,721,930

See accompanying notes to basic financial statements.

**CITY OF CARROLLTON, TEXAS**

General Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended September 30, 2013

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
<b>Taxes:</b>						
Ad valorem	\$ 31,741,687	\$ 31,577,000	\$ 32,143,660	\$ -	\$ 32,143,660	\$ 566,660
Penalty and interest	235,000	174,000	167,785	-	167,785	(6,215)
Sales	23,300,400	24,876,800	25,446,798	-	25,446,798	569,998
Franchise fees	9,405,500	10,173,000	10,213,980	-	10,213,980	40,980
Charges for services	4,614,837	4,922,869	5,039,219	-	5,039,219	116,350
Intergovernmental	-	-	2,958	-	2,958	2,958
Licenses and permits	1,892,000	2,270,150	2,298,049	-	2,298,049	27,899
Fines and forfeitures	5,063,940	5,919,200	6,235,333	-	6,235,333	316,133
Investment earnings net of change in fair value of investments	181,050	171,700	129,958	67,180	197,138	25,438
Miscellaneous	400,000	506,865	438,753	-	438,753	(68,112)
<b>Total revenues</b>	<b>76,834,414</b>	<b>80,591,584</b>	<b>82,116,493</b>	<b>67,180</b>	<b>82,183,673</b>	<b>1,592,089</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government and administration	15,952,188	13,672,859	13,818,786	(71,680)	13,747,106	(74,247)
Public safety	44,456,354	45,258,537	45,201,315	46,061	45,247,376	11,161
Development services	9,902,964	9,610,151	9,245,445	7,431	9,252,876	357,275
Cultural and recreational	10,877,832	10,549,819	10,561,622	(21,914)	10,539,708	10,111
<b>Total expenditures</b>	<b>81,189,338</b>	<b>79,091,366</b>	<b>78,827,168</b>	<b>(40,102)</b>	<b>78,787,066</b>	<b>304,300</b>
Excess (deficiency) of revenues over expenditures	(4,354,924)	1,500,218	3,289,325	107,282	3,396,607	1,896,389
<b>Other financing sources (uses):</b>						
Transfers in	5,637,954	5,630,853	5,724,370	-	5,724,370	93,517
Transfers out	(1,925,000)	(9,830,903)	(8,959,939)	-	(8,959,939)	870,964
<b>Total other financing sources (uses)</b>	<b>3,712,954</b>	<b>(4,200,050)</b>	<b>(3,235,569)</b>	<b>-</b>	<b>(3,235,569)</b>	<b>964,481</b>
<b>Net change in fund balances</b>	<b>(641,970)</b>	<b>(2,699,832)</b>	<b>53,756</b>	<b>107,282</b>	<b>161,038</b>	<b>2,860,870</b>
Fund balances at beginning of year	18,045,639	18,045,639	18,339,631	(293,992)	18,045,639	-
<b>Fund balances at end of year</b>	<b>\$ 17,403,669</b>	<b>\$ 15,345,807</b>	<b>\$ 18,393,387</b>	<b>\$ (186,710)</b>	<b>\$ 18,206,677</b>	<b>\$ 2,860,870</b>

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Net Position  
 Proprietary Funds  
 September 30, 2013

	Business Type Activities - Enterprise Funds				Governmental
	Water and Sewer	Golf Course	Sanitation	Total	Activities- Internal Service Funds
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 26,645,510	\$ 496,079	\$ 434,273	\$ 27,575,862	\$ 19,748,696
Receivables (net where applicable of allowance for doubtful accounts)					
Accounts	4,293,741	-	824,761	5,118,502	-
Accrued interest	32,146	714	2,163	35,023	20,947
Other	-	165,507	-	165,507	67,013
Inventories	-	-	-	-	86,629
Prepaid items	-	-	-	-	176,367
<b>Restricted assets:</b>					
Cash and cash equivalents	3,423,911	-	-	3,423,911	-
Total current assets	<u>34,395,308</u>	<u>662,300</u>	<u>1,261,197</u>	<u>36,318,805</u>	<u>20,099,652</u>
<b>Noncurrent assets:</b>					
<b>Restricted assets:</b>					
Cash and cash equivalents	1,552,989	-	-	1,552,989	-
Deferred charges	174,832	7,089	-	181,921	-
Net pension asset	46,580	-	-	46,580	3,675
<b>Capital assets:</b>					
Land	1,372,868	995,000	-	2,367,868	-
Buildings	18,038,700	1,536,956	-	19,575,656	176,409
Equipment	3,503,019	844,569	1,460,303	5,807,891	16,917,193
Intangibles	770,112	-	-	770,112	104,714
Improvements	-	11,700,068	-	11,700,068	-
Infrastructure	225,954,605	-	-	225,954,605	-
Construction in progress	46,514	-	-	46,514	-
Accumulated depreciation	(117,562,240)	(12,746,525)	(953,571)	(131,262,336)	(10,627,367)
Total capital assets, net of accumulated depreciation	<u>132,123,578</u>	<u>2,330,068</u>	<u>506,732</u>	<u>134,960,378</u>	<u>6,570,949</u>
Total noncurrent assets	<u>133,897,979</u>	<u>2,337,157</u>	<u>506,732</u>	<u>136,741,868</u>	<u>6,574,624</u>
Total assets	<u>168,293,287</u>	<u>2,999,457</u>	<u>1,767,929</u>	<u>173,060,673</u>	<u>26,674,276</u>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	2,188,098	86,954	853,301	3,128,353	502,052
Estimated health claims payable	-	-	-	-	945,000
Customer deposits payable	2,428,576	-	-	2,428,576	-
Revenue bonds payable	1,778,671	-	-	1,778,671	-
Certificates of obligation payable	-	325,000	-	325,000	-
Compensated absences	64,932	-	-	64,932	1,116
Accrued interest	280,752	11,250	-	292,002	-
Total current liabilities	<u>6,741,029</u>	<u>423,204</u>	<u>853,301</u>	<u>8,017,534</u>	<u>1,448,168</u>
<b>Noncurrent liabilities:</b>					
Revenue bonds payable	15,947,328	-	-	15,947,328	-
Certificates of obligation payable	-	1,115,000	-	1,115,000	-
Compensated absences	588,319	-	-	588,319	25,133
Other post employment benefits obligation	-	-	-	-	162,372
Long-term risk liability	-	-	-	-	1,371,081
Total noncurrent liabilities	<u>16,535,647</u>	<u>1,115,000</u>	<u>-</u>	<u>17,650,647</u>	<u>1,558,586</u>
Total liabilities	<u>23,276,676</u>	<u>1,538,204</u>	<u>853,301</u>	<u>25,668,181</u>	<u>3,006,754</u>
<b>Net Position</b>					
Net investment in capital assets	115,112,162	890,068	506,732	116,508,962	6,570,949
<b>Restricted for:</b>					
Revenue bond retirement	1,552,989	-	-	1,552,989	-
Unrestricted	28,351,460	571,185	407,896	29,330,541	17,096,573
Total net position	<u>\$ 145,016,611</u>	<u>\$ 1,461,253</u>	<u>\$ 914,628</u>	<u>147,392,492</u>	<u>\$ 23,667,522</u>

Reconciliation to government-wide statement of net position:	
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	59,227
Net position of business-type activities	<u>\$ 147,451,719</u>

See accompanying notes to basic financial statements.

**CITY OF CARROLLTON, TEXAS**

Statement of Revenues, Expenses and Changes in Net Position  
 Proprietary Funds  
 For the Year Ended September 30, 2013

	Business Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Operating revenues:					
Charges for services	\$ 35,171,954	\$ 1,040,473	\$ 7,629,080	\$ 43,841,507	\$ 15,850,601
Miscellaneous	99,716	-	-	99,716	-
Total operating revenues	<u>35,271,670</u>	<u>1,040,473</u>	<u>7,629,080</u>	<u>43,941,223</u>	<u>15,850,601</u>
Operating expenses:					
Personal services	3,483,877	-	-	3,483,877	153,459
Supplies and services	21,518,288	64,324	5,363,538	26,946,150	13,573,444
Utilities	909,152	-	-	909,152	33,652
Allocations	1,074,436	9,429	76,470	1,160,335	63,722
Depreciation	7,876,715	648,763	146,030	8,671,508	1,609,697
Total operating expenses	<u>34,862,468</u>	<u>722,516</u>	<u>5,586,038</u>	<u>41,171,022</u>	<u>15,433,974</u>
Income (loss) from operations	<u>409,202</u>	<u>317,957</u>	<u>2,043,042</u>	<u>2,770,201</u>	<u>416,627</u>
Nonoperating revenues (expenses):					
Investment earnings net of change in fair value of investments	(15,286)	287	3,496	(11,503)	(7,346)
Gain on sale/retirement of capital assets	53,619	8,774	-	62,393	179,562
Interest expense	(657,136)	(108,783)	-	(765,919)	-
Total nonoperating revenues (expenses)	<u>(618,803)</u>	<u>(99,722)</u>	<u>3,496</u>	<u>(715,029)</u>	<u>172,216</u>
Income (loss) before contributions and transfers	(209,601)	218,235	2,046,538	2,055,172	588,843
Capital contributions	1,522,804	218,672	-	1,741,476	-
Transfers out	<u>(3,454,158)</u>	<u>(292,886)</u>	<u>(2,216,685)</u>	<u>(5,963,729)</u>	<u>(416,212)</u>
Change in net position	(2,140,955)	144,021	(170,147)	(2,167,081)	172,631
Net position at beginning of year	<u>147,157,566</u>	<u>1,317,232</u>	<u>1,084,775</u>		<u>23,494,891</u>
Net position at end of year	<u>\$ 145,016,611</u>	<u>\$ 1,461,253</u>	<u>\$ 914,628</u>		<u>\$ 23,667,522</u>
Reconciliation to government-wide statement of activities:					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				67,990	
Change in net position of business-type activities				<u>\$ (2,099,091)</u>	

See accompanying notes to basic financial statements.



**CITY OF CARROLLTON, TEXAS**

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended September 30, 2013

	Business -Type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Cash flows from operating activities:					
Cash received from customers for services	\$ 35,159,999	\$ 1,003,741	\$ 7,632,692	\$ 43,796,432	\$ -
Cash received from employees for services	-	-	-	-	1,806,170
Cash received from other funds for services	-	-	-	-	14,034,219
Cash received from loss claim recoveries	-	-	-	-	1,055,682
Other operating cash receipts	99,716	-	-	99,716	-
Cash payments to suppliers for goods and services	(22,503,101)	(38,051)	(5,306,598)	(27,847,750)	(6,150,397)
Cash payments to employees for services	(3,003,806)	-	-	(3,003,806)	(134,872)
Cash payment for loss claims	-	-	-	-	(9,117,384)
Cash payments to other funds for services	(1,280,795)	(11,296)	(67,242)	(1,359,333)	(74,163)
Net cash provided by operating activities	<u>8,472,013</u>	<u>954,394</u>	<u>2,258,852</u>	<u>11,685,259</u>	<u>1,419,255</u>
Cash flows from noncapital financing activities:					
Transfers to other funds	<u>(3,454,158)</u>	<u>(292,886)</u>	<u>(2,216,685)</u>	<u>(5,963,729)</u>	<u>(416,212)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(3,424,881)	(560,408)	-	(3,985,289)	(1,982,104)
Proceeds from sale of capital assets	53,619	8,774	-	62,393	239,322
Interest paid on bonds	(724,679)	(109,376)	-	(834,055)	-
Retirement of bonds	(1,680,000)	(310,000)	-	(1,990,000)	-
Capital contributions	<u>620,990</u>	<u>218,672</u>	<u>-</u>	<u>839,662</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(5,154,951)</u>	<u>(752,338)</u>	<u>-</u>	<u>(5,907,289)</u>	<u>(1,742,782)</u>
Cash flows from investing activities:					
Interest on cash and cash equivalents	<u>(26,384)</u>	<u>(9)</u>	<u>2,775</u>	<u>(23,618)</u>	<u>(14,312)</u>
Net increase (decrease) in cash and cash equivalents	(163,480)	(90,839)	44,942	(209,377)	(754,051)
Cash and cash equivalents, October 1	<u>31,785,890</u>	<u>586,918</u>	<u>389,331</u>	<u>32,762,139</u>	<u>20,502,747</u>
Cash and cash equivalents, September 30	<u>\$ 31,622,410</u>	<u>\$ 496,079</u>	<u>\$ 434,273</u>	<u>\$ 32,552,762</u>	<u>\$ 19,748,696</u>

(Continued)

**CITY OF CARROLLTON, TEXAS**

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended September 30, 2013

	Business -Type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Reconciliation of income from operations to net cash provided by operating activities:					
Income from operations	\$ 409,202	\$ 317,957	\$ 2,043,042	\$ 2,770,201	\$ 416,627
Adjustments to reconcile income from operations to net cash provided by operating activities:					
Depreciation	7,876,715	648,763	146,030	8,671,508	1,609,697
Provision for doubtful accounts	40,471	-	9,228	49,699	-
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(90,775)	-	3,612	(87,163)	-
(Increase) decrease in other receivables	-	(36,732)	-	(36,732)	258,418
Increase in inventories	-	-	-	-	(5,380)
Increase in prepaid items	-	-	-	-	(42,067)
Increase in net pension asset	(4,308)	-	-	(4,308)	(259)
Increase (decrease) in accounts payable	201,373	24,406	56,940	282,719	(4,463)
Increase in estimated health claims payable	-	-	-	-	44,000
Increase in deposits	78,820	-	-	78,820	-
Increase (decrease) in liability for compensated absences	(39,485)	-	-	(39,485)	4,541
Decrease in long-term risk liability	-	-	-	-	(1,024,231)
Increase in other post employment benefits obligation	-	-	-	-	162,372
Net cash provided by operating activities	<u>\$ 8,472,013</u>	<u>\$ 954,394</u>	<u>\$ 2,258,852</u>	<u>\$ 11,685,259</u>	<u>\$ 1,419,255</u>

Noncash investing, capital and financing activities:

During the past year, the Enterprise Funds received \$901,814 noncash capital contributions from developers consisting of water and sewer infrastructure.

Reconciliation of total cash and cash equivalents:

Current assets:					
Cash and cash equivalents	\$ 26,645,510	\$ 496,079	\$ 434,273	\$ 27,575,862	\$ 19,748,696
Restricted assets - cash and cash equivalents	3,423,911	-	-	3,423,911	-
Noncurrent assets:					
Restricted assets - cash and cash equivalents	1,552,989	-	-	1,552,989	-
Total cash and cash equivalents	<u>\$ 31,622,410</u>	<u>\$ 496,079</u>	<u>\$ 434,273</u>	<u>\$ 32,552,762</u>	<u>\$ 19,748,696</u>

See accompanying notes to basic financial statements.

(Concluded)

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### A. General Statement

Incorporated on June 14, 1913, the City of Carrollton operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, development services, culture, recreation and waterworks.

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

#### B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including legally separate organizations as component units within the City's reporting entity are set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards. Based on this criteria, the City has no component units.

#### C. Basis of Presentation

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exception to this general rule is interfund services provided by the internal service funds. Elimination of these charges would distort the direct costs reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

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

## **CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

### Fund Financial Statements:

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

#### General Fund-

General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

#### Debt Service Fund-

Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted exclusively for debt service expenditures.

#### Streets and Drainage Fund-

Streets and Drainage Fund is used to account for funds received and expended for the construction and renovation of thoroughfares, arterial streets and drainage improvements in the City.

#### General and Public Facilities Fund-

General and Public Facilities Fund is used to account for funds received and expended for construction, renovation, expansion and major improvement of various City facilities, acquisition of land and other large nonrecurring projects.

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2013

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary funds:

#### Water and Sewer Fund-

Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

#### Golf Course Fund-

Golf Course Fund is used to account for payments received from the contractor and improvements made to the City's golf course, including administration, operation and maintenance.

#### Sanitation Fund-

Sanitation Fund is used to account for billing, collection and payment for solid waste collection and disposal services. All costs are financed through charges to sanitation customers.

Additionally, the City reports the Internal Service Funds which are used to account for the fleet management services, self funded property and casualty insurance provided to departments of the City and self funded health and disability insurance provided to employees of the City.

Proprietary funds distinguish operating revenues and expenses from non-operating 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. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

### D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the Statement of Net Position and the operating statements present increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

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

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received, as they are deemed immaterial.

### E. Budgetary Control

Annual budgets are adopted for all governmental funds except for the capital projects funds, which adopt project-length budgets.

The City Charter establishes the fiscal year as the twelve-month period beginning October 1. The departments submit to the City Manager a budget of estimated expenditures for the ensuing fiscal

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2013

year after which the City Manager subsequently submits a budget of estimated expenditures and revenues to the City Council by August 1.

Upon receipt of the budget estimates, the Council holds a public hearing on the proposed budget. Information about the Budget Ordinance is then published in the official newspaper of the City.

At least ten days prior to October 1, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations, which were adopted.

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results, except for the effect of encumbrances and unrealized investment gains and losses, which are adjusted to the actual results for this comparison.

#### F. Cash, Cash Equivalents and Investments

Cash of all funds, including restricted cash, are pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's equity in the pooled cash accounts is available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with maturity of ninety days or less are also considered to be "cash equivalents". Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General Fund and interfund payables of the deficit fund.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

### G. Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year.

### H. Inventories

The inventories in the Internal Service Funds consist of fuel supplies and are recorded at cost using the first-in/first-out method.

### I. Interfund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as “internal balances”.

### J. Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

The City allocates to the Proprietary funds an indirect cost percentage of administrative services for those funds but paid through the General Fund along with other indirect costs deemed necessary for their operations. During the year ended September 30, 2013, the City allocated \$2,455,064 as a transfer for such services.

### K. Land Held for Resale

Land held for resale in the General and Public Facilities Capital Project Fund is held for redevelopment and is valued at the estimated realizable value.

### L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All purchased capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.



**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

Outlays for capital assets are capitalized as projects are constructed. Infrastructure assets begin depreciating at the end of year in which costs are incurred. Other constructed capital assets begin depreciating when the asset is placed in service.

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over three years of useful life. Infrastructure assets capitalized have an original cost of \$250,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20 - 50 Years
Equipment	3 - 10 Years
Intangibles	4 - 20 Years
Improvements	10 - 40 Years
Infrastructure	20 - 30 Years

M. Restricted Assets

Certain cash and investments balances are restricted by various legal and contractual obligations.

The following table summarizes the restricted cash and investments:

Governmental activities:	
Debt Service Fund	\$ 4,993,729
Bond construction account	10,729,730
Other Capital Project Funds	848,399
Special Revenue Funds	1,401,441
	<u>17,973,299</u>
Business-type activities	
Revenue bond accrued interest payable	280,752
Current maturities of revenue bonds	714,583
Reserve for revenue bond retirement	1,552,989
Customer deposits	2,428,576
	<u>4,976,900</u>
Total Restricted cash and investments	<u>\$ 22,950,199</u>

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

### N. Compensated Absences

The City's policy allows employees to accumulate unused sick leave on an unlimited basis and vacation leave up to 432 hours for Fire Shift Civil Service employees and up to 288 hours for all other employees. Upon termination employees are entitled to be paid for accumulated leave as follows:

#### Vacation Leave:

- Civil Service employees who have completed six full months of service and Non-Civil Service employees hired on or before January 1, 2011 who have completed five years of service will be paid any accumulated vacation leave.
- Non-Civil Service employees hired on or before January 1, 2011 who have completed six full months of service but less than five years will be paid for accumulated vacation leave up to a maximum of 160 hours.
- Non-Civil Service employees hired after January 1, 2011 who have completed six full months of service will be paid for accumulated vacation leave up to a maximum of 120 hours.

#### Sick Leave:

- Civil Service Fire Shift employees who have completed one full year of service will be paid for accumulated sick leave up to 1,440 hours.
- All other Civil Service employees who have completed one full year of service and Non-Civil Service employees hired on or before January 1, 2010 who have completed five years of service will be paid for accumulated sick leave up to 960 hours.
- Non-Civil Service employees hired after January 1, 2010 will not be paid for accumulated sick leave.

### O. Nature and Purpose of Classifications of Fund Equity

Governmental Funds fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors or laws or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted or committed. Assignments are made by City management based on Council direction.

For the classification of Governmental Fund balances, the City considers an expenditure to be made from the most restrictive first when more than one classification is available.

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

Net position restricted for revenue bond retirement in the Water and Sewer Fund is a reserve required by revenue bond covenants.

### P. Minimum Fund Balance Policy

It is the desire of the City to maintain adequate General Fund fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a General Fund minimum fund balance of 60 days of budgeted expenditures.

### Q. Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

## (2) **BUDGET BASIS OF ACCOUNTING:**

The City prepares its annual budget on a basis (budget basis) which differs from a GAAP basis. The budget and all transactions are presented in accordance with the City's method (budget basis) in the Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General Fund to provide a meaningful comparison of actual results with the budget. The differences between budget and GAAP basis in the General Fund are that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to an assignment of fund balance (GAAP), unrealized investment gain (loss) is recognized for GAAP basis only and interfund loan transactions treated as transfers for budget basis.

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2013

Adjustments necessary to convert the General Fund's net change in fund balances on the budget basis to a GAAP basis are as follows:

Net change in fund balances - budget basis	\$ 161,038
Beginning of year adjustment for encumbrances recognized as expenditures	(288,384)
End of year adjustment for encumbrances not recognized as expenditures	248,282
Unrealized investment gain recognized for GAAP basis only	<u>(67,180)</u>
Net change in fund balances - GAAP basis	<u><u>\$ 53,756</u></u>

### 3) DEPOSITS AND INVESTMENTS:

Deposits - State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, all noninterest-bearing transaction accounts are fully insured, regardless of the balance of the account at all FDIC-insured institutions from December 31, 2010 through December 31, 2012. All of the City of Carrollton deposits are covered by Section 343 of the Dodd Frank Act, making the City's requirement for collateral at the FDIC not necessary until December 31, 2012. After December 31, 2012, all deposits of the City that exceeded the federal depository insurance coverage level was covered by collateral held by the Federal Reserve Bank in the City's name under a joint safekeeping agreement with JPMorgan Chase Bank, N.A. The collateral value held at the Federal Reserve Bank in the City's name at fiscal year-end was \$8,633,953.

At September 30, 2013, the carrying amount of the City's deposits was a credit balance of \$862,033, and the respective bank balances totaled \$385,354. The City's cash on hand totaled \$36,650.

Investments - State statutes, City investment policy, City bond ordinances and City resolutions authorize the City's investments. The City is authorized to invest in the following: U.S. Government obligations and its agencies or instrumentalities; direct obligations of this state or its agencies and instrumentalities; collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States with ten years or less stated final maturity (cannot be an inverse floater, a principal only or interest only); obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent rating, no-load; SEC registered mutual funds with a weighted average stated maturity of less than two years that are invested in allowable

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

securities; obligations of Texas and its agencies; fully collateralized repurchase agreements and reverse repurchase agreements; prime domestic commercial paper; prime domestic bankers' acceptances; guaranteed investment contracts; securities lending program consisting of authorized investments by the City's investment policy; insured or collateralized certificates of deposit; government pools; and no-load SEC registered money market funds consisting of any of these securities listed. For additional information see the City of Carrollton Investment Policy at [www.cityofcarrollton.com](http://www.cityofcarrollton.com).

The City's investments carried at fair value as of September 30, 2013, were:

Investments:	Fair Value	Effective Duration (in years)	Credit Risk
Coupon Treasuries	\$ 14,011,172	0.532	AA+
Coupon Agencies	108,466,025	0.070	AAA
Discount Agencies	1,999,776	0.369	AAA
Government Pools	30,699,115	-	AAA
Total Fair Value	<u>\$ 155,176,088</u>		
Portfolio Duration:		0.102	

**Interest Rate Risk** – In compliance with the City's Investment Policy, as of September 30, 2013, the City minimized the interest rate risk in the portfolio, related to current market events, by: limiting the effective duration of security types not to exceed two years with the exception of securities purchases related to reserve funds; structuring the investment portfolio so that securities matured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity; monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by the Public Funds Investment Act; and investing operating funds primarily in short-term securities, money market mutual funds, or similar government investment pools.

**Credit Risk** – In compliance with the City's Investment Policy, as of September 30, 2013, the City minimized credit risk losses due to default of a security issuer or backer, by;

- limiting investments to the safest types of securities;
- limiting Bank Certificate of Deposit to less than \$250,000;
- all of the City's purchased investments in US Agencies Obligations were rated AAA, AAA and Aaa by Standard & Poors, Fitch and Moody's, respectively;
- pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business; and
- diversifying the investment portfolio so that potential losses on individual securities were minimized.

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

**(4) CAPITAL ASSETS:**

Capital asset activity for the year ended September 30, 2013, was as follows:

	Balance October 1	Additions/ Completions	Retirements/ Adjustments	Balance September 30
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 104,982,459	\$ 335,855	\$ -	\$ 105,318,314
Construction in progress	7,671,888	(4,838,468)	-	2,833,420
Total capital assets not being depreciated	<u>112,654,347</u>	<u>(4,502,613)</u>	<u>-</u>	<u>108,151,734</u>
Capital assets being depreciated:				
Buildings	58,072,813	5,077,440	(6,000)	63,144,253
Equipment	26,898,664	2,644,770	(1,992,562)	27,550,872
Intangibles	5,806,898	189,132	-	5,996,030
Improvements	40,106,634	1,768,377		41,875,011
Infrastructure	271,831,452	18,159,266	(29,664,628)	260,326,090
Total capital assets being depreciated	<u>402,716,461</u>	<u>27,838,985</u>	<u>(31,663,190)</u>	<u>398,892,256</u>
Less accumulated depreciation for:				
Buildings	(32,440,489)	(2,089,063)	-	(34,529,552)
Equipment	(16,651,473)	(2,556,806)	1,879,251	(17,329,028)
Intangibles	(4,719,697)	(530,994)	-	(5,250,691)
Improvements	(12,221,630)	(1,580,834)	-	(13,802,464)
Infrastructure	(73,759,458)	(22,023,380)	29,664,628	(66,118,210)
Total accumulated depreciation	<u>(139,792,747)</u>	<u>(28,781,077)</u>	<u>31,543,879</u>	<u>(137,029,945)</u>
Total capital assets being depreciated, net	<u>262,923,714</u>	<u>(942,092)</u>	<u>(119,311)</u>	<u>261,862,311</u>
Governmental activities capital assets, net	<u>\$ 375,578,061</u>	<u>\$ (5,444,705)</u>	<u>\$ (119,311)</u>	<u>\$ 370,014,045</u>

# CITY OF CARROLLTON, TEXAS

## Notes to Basic Financial Statements For Year Ended September 30, 2013

	Balance October 1	Additions/ Completions	Retirements/ Adjustments	Balance September 30
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 2,367,868	\$ -	\$ -	\$ 2,367,868
Construction in progress	-	46,514	-	46,514
Total capital assets not being depreciated	<u>2,367,868</u>	<u>46,514</u>	<u>-</u>	<u>2,414,382</u>
Capital assets being depreciated:				
Buildings	19,563,656	12,000	-	19,575,656
Equipment	5,486,302	526,003	(204,414)	5,807,891
Intangibles	729,892	40,220	-	770,112
Improvements	11,294,344	405,724	-	11,700,068
Infrastructure	221,930,292	4,024,313	-	225,954,605
Total capital assets being depreciated	<u>259,004,486</u>	<u>5,008,260</u>	<u>(204,414)</u>	<u>263,808,332</u>
Less accumulated depreciation for:				
Buildings	(15,277,791)	(276,434)	-	(15,554,225)
Equipment	(3,444,324)	(466,010)	204,414	(3,705,920)
Intangibles	(721,150)	(13,766)	-	(734,916)
Improvements	(10,201,725)	(554,039)	-	(10,755,764)
Infrastructure	(93,150,252)	(7,361,259)	-	(100,511,511)
Total accumulated depreciation	<u>(122,795,242)</u>	<u>(8,671,508)</u>	<u>204,414</u>	<u>(131,262,336)</u>
Total capital assets being depreciated, net	<u>136,209,244</u>	<u>(3,663,248)</u>	<u>-</u>	<u>132,545,996</u>
Business-type activities capital assets, net	<u>\$ 138,577,112</u>	<u>\$ (3,616,734)</u>	<u>\$ -</u>	<u>\$ 134,960,378</u>

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

Governmental activities:	
General government and administration	\$ 776,871
Public safety	2,710,098
Development services	22,511,958
Cultural and recreational	2,782,150
Total depreciation expense - Governmental activities	<u>\$ 28,781,077</u>
Business-type activities:	
Water and sewer	\$ 7,876,715
Golf course	648,763
Sanitation	146,030
Total depreciation expense - Business-type activities	<u>\$ 8,671,508</u>

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

**(5) LONG-TERM DEBT AND LIABILITIES:**

General Obligation Bonds and Certificates of Obligation –

General obligation bonds and certificates of obligation provide funds for the acquisition and construction of major capital equipment and facilities. General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. General obligation bonds and certificates of obligation require the City to compute, at the time other taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. The City is in compliance with this requirement.

The 2002 Tax and Golf Course Surplus Revenue Certificates of Obligation constitute direct tax obligations of the City payable from ad valorem taxes levied, within the limits prescribed by law, against all taxable property within the City and are additionally payable from and secured by a pledge of surplus net revenues of the City’s Golf Course as provided in the ordinances authorizing the Certificates. In December 2013, subsequent to year end, the City called all the remaining certificates of obligation. These certificates of obligation were repaid from available cash balances in the General Fund creating an internal loan for \$1,440,000 due from the Golf Course Enterprise Fund.

At September 30, 2013, general obligation bonds and certificates of obligation currently outstanding are as follows:

	Interest Rate %	Issue Date	Maturity Date	Outstanding
General Obligation Bonds:				
Improvement, Series 2003	3 - 4.25	06/01/2003	08/15/2023	\$ 805,000
Improvement and Refunding, Series 2005	3 - 5.25	02/15/2005	08/15/2025	24,810,000
Improvement, Series 2006	4 - 6	06/01/2006	08/15/2026	17,230,000
Improvement, Series 2007	4 - 5.25	08/01/2007	08/15/2027	16,365,000
Improvement and Refunding, Series 2009	2 - 5	04/15/2009	08/15/2029	27,600,000
Improvement and Refunding, Series 2010	2.25 - 4.125	04/15/2010	08/15/2030	25,125,000
Improvement, Series 2011	3 - 4.25	04/15/2011	08/15/2030	13,530,000
Refunding, Series 2012	2 - 4	05/01/2012	08/15/2025	19,385,000
Improvement, Series 2013	2 - 4.5	07/15/2013	08/15/2033	9,465,000
				<u>\$ 154,315,000</u>
Certificates of Obligation:				
Tax and Golf Course Surplus Revenue, Series 2002	5 - 6.25	05/15/2002	08/15/2017	<u>\$ 1,440,000</u>



**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

Annual debt service requirements to maturity for general obligation bonds and certificates of obligation are as follows:

General Obligation Bonds

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 13,020,000	\$ 6,525,783	\$ 19,545,783
2015	12,975,000	5,950,694	18,925,694
2016	12,555,000	5,443,444	17,998,444
2017	12,140,000	4,977,644	17,117,644
2018	12,065,000	4,491,881	16,556,881
2019-2023	49,015,000	15,521,738	64,536,738
2024-2027	33,385,000	6,152,762	39,537,762
2029-2033	9,160,000	780,862	9,940,862
Total	<u>\$ 154,315,000</u>	<u>\$ 49,844,808</u>	<u>\$ 204,159,808</u>

Certificates of Obligation

<u>Year Ending</u> <u>September 30</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 325,000	\$ 90,000	\$ 415,000
2015	350,000	69,688	419,688
2016	370,000	47,813	417,813
2017	395,000	24,687	419,687
Total	<u>\$ 1,440,000</u>	<u>\$ 232,188</u>	<u>\$ 1,672,188</u>

Revenue Bonds –

Revenue bonds are used to finance the acquisition and construction of major capital improvements for the water and sewer system and related facilities. These revenue bonds constitute special obligations of the City solely secured by a lien on and pledge of the net revenues of the water and sewer system.

The revenue bonds are collateralized by the revenue of the water and sewer system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the revenue bond funds. Remaining revenues may then be used for any lawful purpose. The ordinances also contain provisions which, among other items, restrict the issuance of

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

additional revenue bonds unless the special funds noted above contain the required amounts and certain financial ratios are met. Management of the City believes that it is in compliance with all significant financial requirements as of September 30, 2013.

At September 30, 2013, revenue bonds currently outstanding are as follows:

	<u>Interest Rate %</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Outstanding</u>
Revenue Bonds:				
Waterworks and Sewer System Revenue Improvement, Series 2005	2.5 - 4.2	02/15/2005	05/01/2025	\$ 2,825,000
Waterworks and Sewer System Revenue Improvement, Series 2007	4.375 - 5	08/01/2007	05/01/2027	4,545,000
Waterworks and Sewer System Revenue Refunding, Series 2012	2 - 4	05/01/2012	05/01/2023	9,745,000
				<u>\$ 17,115,000</u>

Annual debt service requirements to maturity for revenue bonds are as follows:

<u>Year Ending September 30</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	1,715,000	673,804	\$ 2,388,804
2015	1,215,000	614,229	1,829,229
2016	1,260,000	574,204	1,834,204
2017	1,310,000	524,378	1,834,378
2018	1,360,000	470,604	1,830,604
2019-2023	7,260,000	1,478,018	8,738,018
2024-2027	2,995,000	291,614	3,286,614
Total	<u>\$ 17,115,000</u>	<u>\$ 4,626,851</u>	<u>\$ 21,741,851</u>

**Bonds Authorized and Unissued –**

At September 30, 2013, the City had \$27,080,211 in general obligation bonds which were authorized and unissued. On November 6, 2013, subsequent to year end, a bond election was held and an additional \$75,000,000 of general obligation bonds were authorized by the voters.

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

### Defeased Bonds Outstanding –

In the current and prior years, the City issued refunding bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service savings. The City has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to ensure payment of debt service on the refunded bonds.

Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. Although defeased, the refunded debt from these earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On September 30, 2013, \$8,225,000 of General Obligation bonds and \$4,060,000 of Revenue bonds outstanding are considered defeased.

### Compensated Absences –

Compensated absences represent the estimated liability for employees' accrued vacation and sick leave for which employees are entitled to be paid upon termination. The retirement of this liability is paid from the General Fund, Enterprise Funds and Internal Service Funds based on the assignment of an employee at termination.

### Health Claims Liability –

Health claims liability represents an estimate of self-insured claims liability outstanding of the Employee Health and Disability Internal Service Fund. All health claims are expected to be paid within one year.

### Long-term Risk Liability –

The long-term risk liability is the actuarially determined liability related to the City's self-insured retention program accounted for in the Risk Management Internal Service Fund.

### Other Post Employment Benefits Obligation –

The other post employment benefits obligation represents a liability for the amount of actuarially required contribution for retiree health care benefits in excess of the actual contributions made.

### Changes in long-term liabilities –

On the next schedule, the additions to the General Obligation Bonds in the Governmental Type Activities represent the issuance of \$9,465,000 of General Obligation Refunding Bonds, Series 2013.

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

Transactions for the year ended September 30, 2013 are summarized as follows:

	Balance October 1	Additions	Reductions	Balance September 30	Due within one year
<u>Governmental type activities</u>					
Bonds payable:					
General obligation bonds	\$ 157,100,000	\$ 9,465,000	\$ (12,250,000)	\$ 154,315,000	\$ 13,020,000
Less deferred amounts:					
For discounts and premiums	6,949,299	530,902	(589,707)	6,890,494	609,019
On refunding	(2,931,807)	-	292,365	(2,639,442)	(292,365)
Total bonds payable	161,117,492	9,995,902	(12,547,342)	158,566,052	13,336,654
Compensated absences	13,362,238	1,143,817	(895,774)	13,610,281	750,860
Health claims liability	901,000	7,128,294	(7,084,294)	945,000	945,000
Other post employment benefits obligation	-	162,372	-	162,372	-
Long-term risk liability	2,395,312	902,094	(1,926,325)	1,371,081	-
Total governmental activities	<u>\$ 177,776,042</u>	<u>\$ 19,332,479</u>	<u>\$ (22,453,735)</u>	<u>\$ 174,654,786</u>	<u>\$ 15,032,514</u>
<u>Business type activities</u>					
Bonds payable:					
Revenue bonds	\$ 18,795,000	\$ -	\$ (1,680,000)	\$ 17,115,000	\$ 1,715,000
Certificates of obligation	1,750,000	-	(310,000)	1,440,000	325,000
Less deferred amounts:					
For discounts and premiums	1,050,967	-	(100,250)	950,717	99,120
On refunding	(375,167)	-	35,449	(339,718)	(35,449)
Total bonds payable	21,220,800	-	(2,054,801)	19,165,999	2,103,671
Compensated absences	692,736	69,848	(109,333)	653,251	64,932
Total business-type activities	<u>21,913,536</u>	<u>69,848</u>	<u>(2,164,134)</u>	<u>19,819,250</u>	<u>2,168,603</u>
Total government	<u>\$ 199,689,578</u>	<u>\$ 19,402,327</u>	<u>\$ (24,617,869)</u>	<u>\$ 194,474,036</u>	<u>\$ 17,201,117</u>

**(6) PROPERTY AND SALES TAXES:**

Property tax is levied each October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the City. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the City Council. Appraised values are established by the Appraisal Board of Review at 100% for estimated fair market value.

Taxes are due on October 1, the levy date, and are delinquent after the following January 31. Tax liens are automatic on January 1 each year. The tax lien is part of a lawsuit for property that can be

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2013

filed any time after taxes become delinquent (February 1). The City usually waits until after May 1 and July 1 to file suits on business personal property and real property, respectively. As of July 1, 20% collection costs may be added to all delinquent accounts. Current tax collections for the year ended September 30, 2013, were 99.3% of the tax levy.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are levied. Revenues are recognized as the related ad valorem taxes are collected including those collected 60 days after year-end. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with GAAP have been recognized as revenue.

The City Charter does not provide for a debt limit; therefore, no computation can be made. However, at September 30, 2013, the City had a tax margin of \$1.88 for every \$100 valuation based upon a maximum ad valorem tax of \$2.50 for every \$100 valuation imposed by Texas Constitutional law.

In Texas, central appraisal districts are required under the Property Tax Code to assess all property within its respective county on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed at least 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. Under this legislation the City continues to set tax rates on City property. However, if the effective tax rate, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the maintenance and operating tax rate to no more than 8% above the effective tax rate of the previous year.

Sales and use tax is authorized under state law with the City's levy equal to one percent of taxable sales and uses. The Texas Comptroller of Public Accounts collects all sales and use taxes on behalf of the City, remitting all taxes collected less a 2% service fee to the City on a monthly basis.

The State of Texas utilizes origin based sourcing for municipal sales and use tax. Under this approach, sales and use tax is sourced to the taxing jurisdiction in which the selling business is located regardless of where in the state the purchaser resides or the product is shipped. Origin sourcing can produce large individual sales and use tax payors to specific jurisdictions. Additionally, sales and use tax can fluctuate not only due to general economic factors but also due to relocations of businesses between taxing jurisdictions. The identity of and the amount paid by individual sales and use tax payers is strictly confidential under state law.

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

### (7) PENSION PLAN:

#### Plan Description:

The City provides pension benefits for all eligible employees through a nontraditional, joint contributory, hybrid defined benefit plan administered by Texas Municipal Retirement System (TMRS), an agent, multiple-employer public employee retirement system. The City has adopted plan provisions among the options available in the TMRS statutes.

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

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200% of the employee's accumulated contributions.

Beginning in 1993, the City granted on an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 1993, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

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

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	75% Repeating
Annuity Increase to retirees	50% of CPI Repeating

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

The City does not participate in Social Security.

### Funding Policy:

Under the state law governing TMRS, the actuary annually determines the City contribution rate per GAAP and per state statutes on a calendar-year basis. While the City is required to contribute the statutory rate, as a practical matter, TMRS adopts statutory rates that conform with GAAP. The City discloses the annual pension costs based on the calculated rates per GAAP for the City's fiscal year. The rate per GAAP is 13.95% of covered payroll for the months in calendar year 2012, and 13.66% for the months in calendar year 2013. This rate consists of the normal cost contribution rate and the prior service contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually. The prior service contribution rate amortizes the unfunded actuarial liability over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2011 valuation is effective for rates beginning January 1, 2013). If a change in plan provisions is elected by the City, this rate can change. For months in calendar year 2012, the City made contributions of 13.95% which equaled the actuarially required contribution required by GAAP. For the months in calendar year 2013, the City continued to make contributions of 13.95%, which provided for an additional voluntary contribution of .29 percentage points over the actuarially required contribution required by GAAP of 13.66%.

### Annual Pension Cost and Net Pension Asset:

The annual pension cost and net pension asset are as follows:

Annual Required Contribution (ARC)	\$6,444,731
Contributions Made – statutorily required monthly	6,444,731
Contributions Made – voluntary monthly	<u>103,108</u>
Increase in net pension asset	103,108
Net Pension Asset, beginning of the year	<u>1,032,001</u>
Net Pension Asset, end of the year	<u>\$1,135,109</u>

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
 For Year Ended September 30, 2013

Three-Year Trend Information

Fiscal <u>Year</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension (Obligation) <u>Asset</u>
2011	\$7,807,248	103%	1,046,553
2012	6,544,714	100	1,032,001
2013	6,444,731	102	1,135,109

Funding Status and Funding Progress:

As of December 31, 2012, the most recent actuarial valuation date, the plan was 95% funded. The actuarial accrued liability for benefits was \$309,695,066, and the actuarial value of assets was \$294,274,104, resulting in an unfunded actuarial accrued liability (UAAL) of \$15,420,962. The covered payroll (annual payroll of active employees covered by the plan) was \$45,175,371, and the ratio of the UAAL to the covered payroll was 34.1%.

Actuarial Methods and Assumptions:

A summary of actuarial assumptions is as follows:

Actuarial Valuation Date	December 31, 2012
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	25 years – closed period
Amortization Period for New Gains/Losses	30 years
Asset Valuation Method	10-year smoothed market
Investment Rate of Return	7.0%
Projected Salary Increases	Varies by age and service
Inflation Rate	3%
Cost-of-Living Adjustments	1.5%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.



## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2013

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

On October 9, 2013, subsequent to the City's year end, the TMRS Board adopted two significant changes that will affect future actuarial values:

- (a) Update to the mortality table used to determine the annuity purchase rate – The change in mortality tables was necessary to reflect the increasing life expectancy of plan members and retirees. Effective January 1, 2015, this change will affect future retirees only and will be phased in over thirteen years.
  
- (b) Change from the Projected Unit Credit to the Entry Age Normal actuarial method – Entry Age Normal (EAN) is the most widely used actuarial method by public sector pension plans and will be required by GAAP beginning in fiscal year 2015 for determination of the Net Pension Liability for financial reporting purposes. Changing to the EAN for funding purposes enables TMRS to more closely coordinate funding with the financial reporting once GASB Statement No. 68 is implemented (see note 14).

Both changes will be reflected in the December 31, 2013 valuation. Adoption of the updated mortality tables for determining the annuity purchase rate will slow the growth of the annuities of future retirees resulting in a reduction of the accrued actuarial liability. Adoption of EAN will produce higher accrued actuarial liabilities. While the combined impact of these two changes will partially offset, the City is expecting an overall reduction in funded status for the December 2013 actuarial valuation.

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

**(8) INTERFUND TRANSFERS:**

Interfund transfers during the year ended September 30, 2013, were as follows:

	<u>Transfers In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Streets and Drainage</u>	<u>General and Public Facilities</u>	<u>Non-Major Governmental</u>	
<u>Transfers Out</u>					
General Fund	\$ -	\$ -	\$ 8,959,939	\$ -	\$ 8,959,939
Streets and Drainage	-	-	2,925,421		2,925,421
General and Public Facilities	-	-	-	811,255	811,255
Non-Major Governmental	-	-	1,113,668	-	1,113,668
Internal Service	416,212	-	-	-	416,212
Water and Sewer	3,454,158	-	-	-	3,454,158
Golf Course	292,886	-	-	-	292,886
Sanitation	1,561,114	655,571	-	-	2,216,685
<b>Total</b>	<b><u>\$ 5,724,370</u></b>	<b><u>\$ 655,571</u></b>	<b><u>\$ 12,999,028</u></b>	<b><u>\$ 811,255</u></b>	<b><u>\$ 20,190,224</u></b>

Transfers are primarily used to move funds from:

- The Proprietary Funds to the General Fund for an allocated amount of administrative services.
- The Water and Sewer Fund to the General Fund for a payment in lieu of taxes.
- Sanitation Fund to the Streets and Drainage capital project fund for alley improvements.
- The General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.
- The Streets and Drainage capital project fund to the General and Public Facilities capital project fund for transit-oriented development projects.

**(9) WATER PURCHASE AND WASTEWATER TREATMENT CONTRACTS:**

The City has a contract with Dallas Water Utilities to purchase substantially all of the City’s potable water. Under the contract, the City pays Dallas Water Utilities a rate based on a fixed demand charge plus water usage. The rates charged are subject to minimum annual contract payments. Water expense for the years ended September 30, 2012 and 2013 were \$11,280,556 and \$11,407,185, respectively.

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

The City has a contract with Trinity River Authority whereby the Trinity River Authority has agreed to provide a wastewater treatment and disposal system for the benefit of the City and any "additional member City" as defined. Each member city pays an "annual payment", as defined, as its pro rata share of operating expenses and debt service of Trinity River Authority. The City's annual expense for the years ended September 30, 2012 and 2013 were \$7,221,568 and \$7,813,235, respectively.

### (10) SELF-INSURANCE:

The City administers a self-insured retention program (SIR) within the Risk Management Internal Service Fund in order to deal with potential liabilities. Claims in excess of the self-insured retention amounts are covered through third-party limited-coverage insurance policies. The City is self-insured with excess coverage in these areas:

<u>Policy</u>	<u>Retention</u>	<u>Limits on Liability</u>
General Liability, Law Enforcement Liability, Errors and Omissions	\$50,000 per occurrence	\$2,000,000 per occurrence and \$4,000,000 policy aggregate
Workers' Compensation	\$100,000 per occurrence	Statutory
Property Loss	\$25,000 per occurrence	\$135,865,774
Automobile Liability	\$50,000 per occurrence	\$1,000,000 per occurrence
Automobile Physical Damage	\$10,000	Actual cash value or agreed value as scheduled

All funds of the City participate in the program and make payments to the Risk Management Fund. As of the end of fiscal year 2013, the loss reserve was estimated at \$1,371,081.

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
 For Year Ended September 30, 2013

Changes in this reserve amount in fiscal years 2012 and 2013 were as follows:

	Balance at Beginning of <u>Fiscal Year</u>	Current-year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance at End of <u>Fiscal Year</u>
2011-2012	\$ 2,395,312	\$ 938,798	\$ 938,798	\$ 2,395,312
2012-2013	\$ 2,395,312	(\$ 122,137)	\$ 902,094	\$ 1,371,081

The City maintains the Employee Health and Disability Fund to account for the City's employee health care coverage and long-term disability programs which are self-insured by the City with long-term disability claims in excess of one year covered through third-party insurance policies. In addition, excess insurance of up to \$1,000,000 has been obtained for an individual employee's health care claims exceeding \$225,000 and for health claims in the aggregate exceeding \$9,491,059. Revenues are recognized from payroll deductions and City contributions. At September 30, 2013, a liability of \$945,000 has been recorded, which represents estimated claims incurred but not yet reported. Changes in this claims liability during fiscal years 2012 and 2013 were as follows:

	Balance at Beginning of <u>Fiscal Year</u>	Current-year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance at End of <u>Fiscal Year</u>
2011-2012	\$ 828,000	\$ 7,449,078	\$ 7,376,078	\$ 901,000
2012-2013	\$ 901,000	\$7,128,294	\$ 7,084,294	\$ 945,000

There have been no significant reductions in insurance coverage during the fiscal year 2013.

**(11) COMMITMENTS AND CONTINGENT LIABILITIES:**

Encumbrances – As discussed in note 1 E, Budgetary Control, for budgetary purposes includes the impact of encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services (i.e. purchase orders). At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year in the General Fund were \$248,282.

Grants – The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2013

Litigation – Various claims and lawsuits are pending against the City. In the opinion of City management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the City's financial position, results of operations, or cash flows.

Construction Commitments – The City has active construction projects as of September 30, 2013. Total accumulated commitments for ongoing capital projects are composed of the following:

Streets and Drainage	\$ 34,923,002
Traffic	3,524,769
Parks and Recreation	5,373,382
General Facilities	38,525,827
Community Development	6,013,184
Tax Increment Reinvestment Zone	229,048
Water and Sewer	13,978,824
Golf Course	277,155
Total	<u>\$ 102,845,191</u>

These commitments will be funded through unspent bond proceeds, unrestricted cash and intergovernmental participations.

Development – In 2009, the City entered into a disposition and development agreement with TCC High Street Development, LLC (TCC). This agreement included a public construction incentive agreement for a mixed use catalyst development in Downtown Carrollton known as the “Union at Carrollton Square”. The incentives include a commitment to fund the construction of a parking garage and public infrastructure in conjunction with the private development for a total amount of \$10,070,096 partially offset by a grant of \$1,545,433 for construction committed roadway improvements. As of September 30, 2013, the total incurred costs were \$9,770,461.

In 2011, this agreement was amended in recognition of the extraordinarily tight lending conditions for these types of projects. This amendment required the City to fund an additional \$3,160,500 as a security incentive for TCC's lender for recourse and cost overruns. This incentive was to be returned to the City either at the sale of the property or sooner if certain conditions are met (i.e. the project is constructed within budget and/or the lender reduces their recourse requirements as the project leases apartments). In any event, repayment of the security incentive takes precedent over profit pay out. Additionally, the amended agreement calls for the City to receive 50% of the profit when the property is sold. The \$3,160,500 paid to TCC for their lender's security and cost overrun reserve requirements during fiscal year 2011 was treated as an expense of the period due to the uncertainty of future recovery. During fiscal year 2013, the lender released \$632,100 (20%) of this security incentive. In October 2013, an additional \$1,264,200 (40%) was released. The remainder of the security incentive was released in December 2013. The City has recognized a receivable and a

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

revenue titled "Public-private partnership recovery" as of September 30, 2013 for the return of the security incentive.

Additionally, related ground and parking garage lease agreements provide for TCC's, and its future assignees, use of land underlying the development and a portion of the parking garage for up to 100 years. Each lease agreement provides for a nominal upfront payment per 24 year lease term. The tenant is responsible for maintenance of the parking garage.

### (12) OTHER POSTEMPLOYMENT BENEFITS:

#### Program Description:

In addition to the pension benefits described in Note 7, as required by state law and defined by City Policy, the City makes available health care benefits to all employees who retire from the City and who are receiving benefits from a City sponsored retirement program (Texas Municipal Retirement System, and/or a Section 457 Deferred Compensation Plan) through a single-employer defined benefit healthcare plan. This healthcare plan provides lifetime insurance or until age 65 if eligible for Medicare to eligible retirees, their spouses and dependents through the City's group health insurance plan, which covers both active and retired members. Benefit provisions are established by management.

Current retirees in the health plan and at retirement, active employees with 20 years or more of service or at 60 years or more of age with five years or more of service on January 1, 2009 are eligible to remain in the health plan at the total blended contribution rate for active and retiree participants (Retiree Health Existing (Closed) Program). For financial reporting purposes, the Retiree Health Existing (Closed) Program is accounted for in the Employee Health and Disability Fund. No other financial statements are issued related to the Retiree Health Existing (Closed) Program.

A new Retiree Defined Contribution Program effective January 1, 2009 for active employees with less than 20 years of service or at 60 years or more of age with less than five years of service will require participants to contribute an aged-based full-cost premium if they choose to remain on the City's healthcare plan upon retirement. In return, the City has begun making scheduled contributions into a Retiree Health Savings plan in the name of each employee who has ten years of service or more. Employees are 50% vested at 15 years of service with the City and 100% vested at 20 years of service.

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

Under the provisions of GASB Statement 45, employees who will be required to contribute the full aged based cost for coverage for the City's Health Plan do not receive an Other Post Employment Benefit. Accordingly, only those employees who are eligible to participate in the Retiree Health Existing (Closed) Program are included in the valuation results described below.

### Funding Policy:

Current retirees contribute to the Retiree Health Existing (Closed) Program the total blended premium for active and retired participants. The City contribution to the Retiree Health Existing (Closed) Program consists of pay-as-you-go claims in excess of the retiree contributions. Retiree contributions rates for fiscal year 2013 were \$6,660 to \$33,786 per year depending on coverage levels selected. In fiscal year 2013, total member contributions were \$512,761. The City contributions to the plan for fiscal year 2013, which are also equal to claims paid in excess of premiums collected, were \$367,251.

### Annual OPEB Cost and Net OPEB Obligation:

The City's annual other postemployment benefit (OPEB) cost (expense) for the Retiree Health Existing (Closed) Program is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution	\$529,623
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>529,623</u>
Contributions made	<u>367,251</u>
Change in OPEB obligation	162,372
Net OPEB obligation (asset) – beginning of year	-
Net OPEB obligation (asset) – end of year	<u>\$162,372</u>

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2013

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and 2013 were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Costs</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$529,623	100%	\$ -
2013	529,623	69%	162,372

#### Funded Status and Funding Progress:

As of December 31, 2011, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$4,843,593, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) for fiscal year 2013 was \$6,650,475, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 72.8%.

Actuarial values of the program involve estimates of the value of reported amounts and assumptions of the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare costs trend. Amounts determined regarding the funded status of the program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets held in an irrevocable trust is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. As the City chose to close its program as of January 1, 2009 and to not establish an irrevocable trust, plan assets will always be reported under GASB Statement 45 as zero. It is important to note; however, that the net assets available in the Employee Health and Disability Fund as of September 30, 2013 exceed the Actuarial Accrued Liability of \$4,843,593.

#### Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.



## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

In December 31, 2011, actuarial valuation, the Projected Unit Credit cost method was used. The actuarial assumptions include a 4.5% investment rate of return (compounded annually net after investment expenses) and an annual healthcare cost trend rate of 8.5% initially, reduced by decrements to an ultimate rate of 4.5% after 8 years. Both rates include a 3% inflation assumption. The City's unfunded actuarial accrued liability is being amortized as a level percent of active member payroll over a closed period. The remaining amortization period at December 31, 2011 was 15 years.

### **(13) SERVICE CONCESSION ARRANGEMENT FOR CITY GOLF COURSE:**

The City has an agreement with Evergreen Alliance Golf Limited, L.P. (EAGLE), under which EAGLE will operate and collect user fees from the Indian Creek Golf Course. EAGLE pays the City 28% of net revenues it earns monthly from the operation of the golf course. The City uses the funds received to fund the City's operational, debt service and capital improvements costs related to the golf course. The City reports the golf course and related equipment as a capital asset with a carrying amount of \$2,330,068 at September 30, 2013.

### **(14) NEW AND FUTURE FINANCIAL REPORTING REQUIREMENTS:**

The GASB has issued the following statements which become effective for fiscal year 2013.

Statement No. 60 "*Accounting and Financial Reporting of Service Concession Arrangements*" – The objective of Statement No. 60 is to improve financial reporting for service concession arrangements. This statement required the City add a note to the financial statements related to the service concession arrangement for the City's golf course (see note 13) but did not require any changes to the accounting for this arrangement.

Statement No. 63 "*Financial Report of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*" – This statement will standardize the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position. The only impact of the implementation of this standard was changing financial statement items previously called "net assets" to be titled "net position". The City has no items that are required by this statement to be presented as deferred outflows of resources or deferred inflows of resources.

The GASB has issued the following statements which will become effective in future years.

Statement No. 65 "*Items Previously Reported as Assets and Liabilities.*" – The objective of Statement No. 65 is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or to recognize

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2013

certain items that were previously reported as assets and liabilities as outflows of resources or inflows of resources. This statement will become effective for the City in fiscal year 2014.

Statement No. 68, “*Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27.*” – This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer’s financial statements for any actuarially unfunded portion of pension benefits earned to date. This statement will become effective for the City in fiscal year 2015.

Management has not yet determined the effect of these statements on the financial statements; however, the impact of Statement No. 68 is expected to be significant as they will now reflect a previously unrecorded liability. The City also expects the largest deferred inflows and outflows to be pension related.

**CITY OF CARROLLTON, TEXAS**

Required Supplementary Information  
 Texas Municipal Retirement System  
 Schedule of Funding Progress  
 Last Ten Fiscal Years  
 (Unaudited)

<u>Fiscal Year</u>	(1) <u>Actuarial Value of Assets**</u>	(2) <u>Actuarial Accrued Liability*</u>	<u>Funded Ratio (1)/(2)</u>	<u>Unfunded Actuarial Liability</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability As a Percentage of Covered Payroll</u>
2004	\$128,856,066	\$151,848,369	84.9%	\$22,992,303	\$39,616,484	58.0%
2005	132,672,341	158,303,490	83.8%	25,631,149	40,738,288	62.9%
2006	137,972,528	165,878,626	83.2%	27,906,098	39,670,739	70.3%
2007	146,875,267	178,152,761	82.4%	31,277,494	41,951,353	74.6%
2008	141,565,199	198,026,702	71.5%	56,461,503	42,811,373	131.9%
2009	150,073,733	197,379,646	76.0%	47,305,913	45,747,413	103.4%
2010	161,328,186	208,924,862	77.2%	47,596,676	46,403,538	102.6%
2011	257,904,344	281,246,707	91.7%	23,342,363	45,234,987	51.6%
2012	275,783,003	295,569,643	93.3%	19,786,640	44,593,544	44.4%
2013	294,274,104	309,695,066	95.0%	15,420,962	45,175,371	34.1%

\* As of December 31 of the preceding year, the date of the actuarial valuation.

\*\* Assets are stated at amortized cost as of December 31 of the preceding year for years 2003-2008. Beginning in 2009, actuarial value of assets is calculated using 10-year smoothing.

Notes:

For fiscal years 2004 to 2007, the actuarial accrued liability was calculated using the Unit Credit actuarial funding method. For fiscal year 2008 and forward, the actuarial accrued liability was calculated using the Projected Unit Credit actuarial funding method.

Fiscal year 2008 actuarial accrued liability adjusted for plan changes adopted effective January 1, 2009.

Fiscal year 2009 actuarial accrued liability adjusted for plan changes adopted effective January 1, 2010.

Fiscal years 2011 and forward includes the impact of Senate Bill 350 enacted by the Texas Legislature in June 2011. This legislation provided a restructuring of the Texas Municipal Retirement System funds effective December 31, 2010.

**CITY OF CARROLLTON, TEXAS**  
 Required Supplementary Information  
 Retiree Health Plan  
 Schedule of Funding Progress  
 Last Three Fiscal Years  
 (Unaudited)

<u>Fiscal Year*</u>	(1) <u>Actuarial Value of Assets</u>	(2) <u>Actuarial Accrued Liability</u>	<u>Funded Ratio (1)/(2)</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Annual Covered Payroll**</u>	<u>Unfunded Actuarial Accrued Liability As a Percentage of Covered Payroll</u>
2011	\$ -	\$5,380,780	0.0%	\$5,380,780	\$8,585,896	62.7%
2012	-	4,843,593	0.0%	4,843,593	7,163,109	67.6%
2013	-	4,843,593	0.0%	4,843,593	6,650,475	72.8%

\* Fiscal Year 2011 as of December 31, 2009 actuarial valuation. Fiscal Year 2012 and 2013 as of December 31, 2011 actuarial valuation.

\*\* Annual covered payroll is the payroll related to those grandfathered employees who will be able to retire and continue health coverage at a subsidized premium.

## **COMBINING FINANCIAL STATEMENTS**

### **NON-MAJOR GOVERNMENTAL FUNDS**

#### **Special Revenue Funds**

Hotel/Motel Tax Fund - to account for the accumulation of resources from the Hotel/Motel Tax assessment levied by the City. These monies are to be spent to promote the progress, development or growth of the City within the guidelines set forth on disposition of revenues collected under the authority of the Texas Hotel Occupancy Tax Act (Article 1269; Vernon's Texas Civil Statutes).

Public Safety Fund - to account for special fines and forfeitures and grant funds for Public Safety programs.

Cultural and Recreational Fund – to account for miscellaneous funds designated for special cultural and recreational programs of the City.

#### **Capital Project Funds**

Parks and Recreation Fund - to account for funds received and expended for purchase of land, improvements and construction of parks and recreational facilities.

Traffic Fund - to account for funds received and expended for new installations and replacement of traffic signalization equipment, and installation of underground conduit and wiring for street lights.

Tax Increment Reinvestment Zone – to account for funds received and expended within the City's Tax Increment Reinvestment Zone located adjacent to the light rail stations.

Community Development Fund – to account for funds received and expended on community beautification and revitalization programs. This fund includes grant funds from Community Development Block Grant program and the Neighborhood Partnership tax levy.

**CITY OF CARROLLTON, TEXAS**

Combining Balance Sheet  
 Non-Major Governmental Funds  
 September 30, 2013

	Special Revenue			Capital Projects				Total Other Governmental Funds
	Hotel/Motel Tax	Public Safety	Cultural and Recreational	Parks and Recreation	Traffic	Tax Increment Reinvestment Zone	Community Development	
<b>Assets</b>								
Cash and cash equivalents	\$ 207,842	\$ 1,193,599	\$ 246,127	\$ 4,320,645	\$ 2,762,200	\$ 116,904	\$ 2,430,178	\$ 11,277,495
Accrued interest receivable	237	793	35	4,960	2,766	183	1,799	10,773
Due from other governments	-	-	-	-	-	-	412,663	412,663
Prepaid items	71,950	-	-	-	-	-	-	71,950
Total assets	<u>\$ 280,029</u>	<u>\$ 1,194,392</u>	<u>\$ 246,162</u>	<u>\$ 4,325,605</u>	<u>\$ 2,764,966</u>	<u>\$ 117,087</u>	<u>\$ 2,844,640</u>	<u>\$ 11,772,881</u>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 4,316	\$ 19,512	\$ 73,656	\$ 235,993	\$ 18,935	\$ 15,031	\$ 576,412	\$ 943,855
Due to other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Unearned revenue	-	136,425	-	-	-	-	-	136,425
Total liabilities	<u>4,316</u>	<u>155,937</u>	<u>73,656</u>	<u>235,993</u>	<u>18,935</u>	<u>15,031</u>	<u>576,412</u>	<u>1,080,280</u>
<b>Fund balances:</b>								
Nonspendable for:								
Prepaid items	71,950	-	-	-	-	-	-	71,950
Restricted for:								
Capital projects	-	-	-	-	546,725	102,056	-	648,781
Other purposes	203,763	1,038,455	-	-	-	-	-	1,242,218
Committed to:								
Capital projects	-	-	-	748,664	-	-	-	748,664
Assigned to:								
Capital projects	-	-	-	3,340,948	2,199,306	-	2,268,228	7,808,482
Other purposes	-	-	172,506	-	-	-	-	172,506
Total fund balance	<u>275,713</u>	<u>1,038,455</u>	<u>172,506</u>	<u>4,089,612</u>	<u>2,746,031</u>	<u>102,056</u>	<u>2,268,228</u>	<u>10,692,601</u>
Total liabilities and fund balances	<u>\$ 280,029</u>	<u>\$ 1,194,392</u>	<u>\$ 246,162</u>	<u>\$ 4,325,605</u>	<u>\$ 2,764,966</u>	<u>\$ 117,087</u>	<u>\$ 2,844,640</u>	<u>\$ 11,772,881</u>

**CITY OF CARROLLTON, TEXAS**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Non-Major Governmental Funds  
 For the Year Ended September 30, 2013

	Special Revenue				Capital Projects				Total Other Governmental Funds
	Hotel/Motel Tax	Public Safety	Cultural and Recreational	Parks and Recreation	Traffic	Tax Increment Reinvestment Zone	Community Development		
Revenues:									
Ad valorem tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,374	\$ 1,789,653	\$ 1,804,027	
Occupancy tax	156,061	-	-	-	-	-	-	156,061	
Assessments	-	-	-	126,715	46,956	-	-	173,671	
Charges for services	33,216	-	-	112,575	-	-	-	145,791	
Intergovernmental	-	71,924	9,230	-	147,783	-	1,045,480	1,274,417	
Licenses and permits	-	-	47,453	-	-	-	-	47,453	
Fines and forfeitures	-	415,569	-	-	-	-	-	415,569	
Investment earnings									
net of change in fair value of investments	(22)	(237)	(806)	872	(1,989)	168	(1,883)	(3,897)	
Miscellaneous	-	-	24,878	27,725	-	-	-	52,603	
Total revenues	189,255	487,256	80,755	267,887	192,750	14,542	2,833,250	4,065,695	
Expenditures:									
Current:									
Public safety	-	267,479	-	-	-	-	-	267,479	
Cultural and recreational	449,316	-	162,528	-	-	-	-	611,844	
Capital outlay	-	-	-	2,009,035	391,046	103,493	3,018,481	5,522,055	
Total expenditures	449,316	267,479	162,528	2,009,035	391,046	103,493	3,018,481	6,401,378	
Excess (deficiency) of revenues over expenditures	(260,061)	219,777	(81,773)	(1,741,148)	(198,296)	(88,951)	(185,231)	(2,335,683)	
Other financing sources (uses):									
Bonds issued	-	-	-	-	600,000	-	-	600,000	
Transfers in	-	-	-	-	-	-	811,255	811,255	
Transfers out	-	-	-	-	-	-	(1,113,668)	(1,113,668)	
	-	-	-	-	600,000	-	(302,413)	297,587	
Net change in fund balances	(260,061)	219,777	(81,773)	(1,741,148)	401,704	(88,951)	(487,644)	(2,038,096)	
Fund balances at beginning of year	535,774	818,678	254,279	5,830,760	2,344,327	191,007	2,755,872	12,730,697	
Fund balances at end of year	\$ 275,713	\$ 1,038,455	\$ 172,506	\$ 4,089,612	\$ 2,746,031	\$ 102,056	\$ 2,268,228	\$ 10,692,601	



# CARROLLTON

TEXAS



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

**Special Revenue and Debt Service Funds**



# CARROLLTON

TEXAS

**CITY OF CARROLLTON, TEXAS**

Hotel/Motel Tax Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended September 30, 2013  
 With Comparative Actual Totals for 2012

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>Revenues:</b>					
Occupancy tax	\$ 135,000	\$ 155,000	\$ 156,061	\$ 1,061	\$ 176,826
Charges for services	35,000	30,366	33,216	2,850	37,608
Investment earnings net of change in fair value of investments	<u>1,500</u>	<u>525</u>	<u>(22)</u>	<u>(547)</u>	<u>2,628</u>
Total revenues	171,500	185,891	189,255	3,364	217,062
<b>Expenditures:</b>					
<b>Current:</b>					
Cultural and recreational	<u>451,404</u>	<u>496,114</u>	<u>449,316</u>	<u>46,798</u>	<u>482,643</u>
Deficiency of revenues over expenditures	(279,904)	(310,223)	(260,061)	50,162	(265,581)
<b>Other financing uses:</b>					
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,453)</u>
Net change in fund balances	(279,904)	(310,223)	(260,061)	50,162	(305,034)
Fund balances at beginning of year	<u>535,774</u>	<u>535,774</u>	<u>535,774</u>	<u>-</u>	<u>840,808</u>
Fund balances at end of year	<u>\$ 255,870</u>	<u>\$ 225,551</u>	<u>\$ 275,713</u>	<u>\$ 50,162</u>	<u>\$ 535,774</u>

**CITY OF CARROLLTON, TEXAS**

Public Safety Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended September 30, 2013  
 With Comparative Actual Totals for 2012

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Revenues:					
Intergovernmental	\$ 49,862	\$ 71,913	\$ 71,924	\$ 11	\$ 142,500
Fines and forfeitures	390,000	465,000	415,569	(49,431)	392,911
Investment earnings net of change in fair value of investments	<u>2,575</u>	<u>2,810</u>	<u>(237)</u>	<u>(3,047)</u>	<u>1,301</u>
Total revenues	442,437	539,723	487,256	(52,467)	536,712
Expenditures:					
Current:					
Public Safety	<u>502,319</u>	<u>409,981</u>	<u>267,479</u>	<u>142,502</u>	<u>766,132</u>
Net change in fund balances	(59,882)	129,742	219,777	90,035	(229,420)
Fund balances at beginning of year	<u>818,678</u>	<u>818,678</u>	<u>818,678</u>	<u>-</u>	<u>1,048,098</u>
Fund balances at end of year	<u>\$ 758,796</u>	<u>\$ 948,420</u>	<u>\$ 1,038,455</u>	<u>\$ 90,035</u>	<u>\$ 818,678</u>

**CITY OF CARROLLTON, TEXAS**

Cultural and Recreational Special Revenue Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended September 30, 2013  
 With Comparative Actual Totals for 2012

	2013			Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Revenues:					
Intergovernmental	\$ -	\$ 9,230	\$ 9,230	\$ -	\$ -
Licenses and permits	24,000	47,453	47,453	-	23,788
Investment earnings net of change in fair value of investments	150	100	(806)	(906)	346
Miscellaneous	10,000	20,770	24,878	4,108	34,123
Total revenues	<u>34,150</u>	<u>77,553</u>	<u>80,755</u>	<u>3,202</u>	<u>58,257</u>
Expenditures:					
Current:					
Cultural and recreational	<u>95,000</u>	<u>185,000</u>	<u>162,528</u>	<u>22,472</u>	<u>51,747</u>
Net change in fund balances	<u>(60,850)</u>	<u>(107,447)</u>	<u>(81,773)</u>	<u>25,674</u>	<u>6,510</u>
Fund balances at beginning of year	<u>254,279</u>	<u>254,279</u>	<u>254,279</u>	<u>-</u>	<u>247,769</u>
Fund balances at end of year	<u>\$ 193,429</u>	<u>\$ 146,832</u>	<u>\$ 172,506</u>	<u>\$ 25,674</u>	<u>\$ 254,279</u>

**CITY OF CARROLLTON, TEXAS**

Debt Service Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended September 30, 2013  
 With Comparative Actual Totals for 2012

	2013					2012	
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
Revenues:							
Taxes:							
Ad valorem	\$ 18,328,560	\$ 18,425,000	\$ 18,537,559	\$ -	\$ 18,537,559	\$ 112,559	\$ 19,450,624
Penalty and interest	120,000	65,000	76,491	-	76,491	11,491	115,270
Investment earnings net of change in fair value of investments	6,000	5,500	(14,081)	18,261	4,180	(1,320)	10,035
Total revenues	<u>18,454,560</u>	<u>18,495,500</u>	<u>18,599,969</u>	<u>18,261</u>	<u>18,618,230</u>	<u>122,730</u>	<u>19,575,929</u>
Expenditures:							
Debt service:							
Principal retirement	12,250,000	12,250,000	12,250,000	-	12,250,000	-	12,730,000
Interest and fiscal charges	<u>6,619,881</u>	<u>6,619,381</u>	<u>6,619,954</u>	<u>-</u>	<u>6,619,954</u>	<u>(573)</u>	<u>6,967,800</u>
Total expenditures	<u>18,869,881</u>	<u>18,869,381</u>	<u>18,869,954</u>	<u>-</u>	<u>18,869,954</u>	<u>(573)</u>	<u>19,697,800</u>
Excess (deficiency) of revenues over expenditures	(415,321)	(373,881)	(269,985)	18,261	(251,724)	122,157	(121,871)
Other financing sources:							
Refunding bonds issued	-	-	-	-	-	-	20,100,000
Premium on bonds issued	-	-	-	-	-	-	2,217,933
Payment to refunded bond escrow agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,317,933)</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(415,321)	(373,881)	(269,985)	18,261	(251,724)	122,157	(121,871)
Fund balances at beginning of year	<u>5,258,865</u>	<u>5,258,865</u>	<u>5,256,955</u>	<u>1,910</u>	<u>5,258,865</u>	<u>-</u>	<u>5,378,826</u>
Fund balances at end of year	<u>\$ 4,843,544</u>	<u>\$ 4,884,984</u>	<u>\$ 4,986,970</u>	<u>\$ 20,171</u>	<u>\$ 5,007,141</u>	<u>\$ 122,157</u>	<u>\$ 5,256,955</u>

**SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

**General Fund**

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

**CITY OF CARROLLTON, TEXAS**

General Fund  
 Comparative Balance Sheets  
 September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Cash and cash equivalents	\$ 18,497,870	\$ 18,280,175
Receivables (net, where applicable, of allowance for doubtful accounts)		
Ad valorem taxes	71,371	-
Sales taxes	2,105,076	1,934,847
Franchise fees	2,823,877	2,761,090
Accrued interest	58,769	34,536
Other	104,444	96,075
Due from other funds	-	134,194
Due from other governments	<u>2,958</u>	<u>-</u>
 Total assets	 <u><u>\$ 23,664,365</u></u>	 <u><u>\$ 23,240,917</u></u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 5,260,096	\$ 4,892,143
Unearned revenue	<u>10,882</u>	<u>9,143</u>
 Total liabilities	 <u><u>5,270,978</u></u>	 <u><u>4,901,286</u></u>
Fund balances:		
Assigned to:		
Encumbrances	248,282	288,384
Unassigned	<u>18,145,105</u>	<u>18,051,247</u>
 Total fund balances	 <u><u>18,393,387</u></u>	 <u><u>18,339,631</u></u>
 Total liabilities and fund balances	 <u><u>\$ 23,664,365</u></u>	 <u><u>\$ 23,240,917</u></u>



**CITY OF CARROLLTON, TEXAS**

General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended September 30, 2013  
 With Comparative Actual Totals for 2012

	2013					2012	
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
Revenues:							
Taxes:							
Ad valorem	\$ 31,741,687	\$ 31,577,000	\$ 32,143,660	\$ -	\$ 32,143,660	\$ 566,660	\$ 31,691,951
Penalty and interest	235,000	174,000	167,785	-	167,785	(6,215)	236,553
Sales	23,300,400	24,876,800	25,446,798	-	25,446,798	569,998	24,020,903
Franchise fees	9,405,500	10,173,000	10,213,980	-	10,213,980	40,980	9,962,752
Charges for services	4,614,837	4,922,869	5,039,219	-	5,039,219	116,350	4,581,900
Intergovernmental	-	-	2,958	-	2,958	2,958	-
Licenses and permits	1,892,000	2,270,150	2,298,049	-	2,298,049	27,899	1,951,889
Fines and forfeitures	5,063,940	5,919,200	6,235,333	-	6,235,333	316,133	5,471,923
Investment earnings net of change in fair value of investments	181,050	171,700	129,958	67,180	197,138	25,438	185,007
Miscellaneous	400,000	506,865	438,753	-	438,753	(68,112)	397,074
Total revenues	<u>76,834,414</u>	<u>80,591,584</u>	<u>82,116,493</u>	<u>67,180</u>	<u>82,183,673</u>	<u>1,592,089</u>	<u>78,499,952</u>
Expenditures:							
Current:							
General government and administration	15,952,188	13,672,859	13,818,786	(71,680)	13,747,106	(74,247)	12,894,095
Public safety	44,456,354	45,258,537	45,201,315	46,061	45,247,376	11,161	42,863,356
Development services	9,902,964	9,610,151	9,245,445	7,431	9,252,876	357,275	9,398,097
Cultural and recreational	10,877,832	10,549,819	10,561,622	(21,914)	10,539,708	10,111	10,071,746
Total expenditures	<u>81,189,338</u>	<u>79,091,366</u>	<u>78,827,168</u>	<u>(40,102)</u>	<u>78,787,066</u>	<u>304,300</u>	<u>75,227,294</u>
Excess (deficiency) of revenues over expenditures	<u>(4,354,924)</u>	<u>1,500,218</u>	<u>3,289,325</u>	<u>107,282</u>	<u>3,396,607</u>	<u>1,896,389</u>	<u>3,272,658</u>
Other financing sources (uses):							
Transfers in	5,637,954	5,630,853	5,724,370	-	5,724,370	93,517	5,760,140
Transfers out	<u>(1,925,000)</u>	<u>(9,830,903)</u>	<u>(8,959,939)</u>	<u>-</u>	<u>(8,959,939)</u>	<u>870,964</u>	<u>(7,264,211)</u>
Total other financing sources (uses)	<u>3,712,954</u>	<u>(4,200,050)</u>	<u>(3,235,569)</u>	<u>-</u>	<u>(3,235,569)</u>	<u>964,481</u>	<u>(1,504,071)</u>
Net change in fund balances	(641,970)	(2,699,832)	53,756	107,282	161,038	2,860,870	1,768,587
Fund balances at beginning of year	<u>18,045,639</u>	<u>18,045,639</u>	<u>18,339,631</u>	<u>(293,992)</u>	<u>18,045,639</u>	<u>-</u>	<u>16,571,044</u>
Fund balances at end of year	<u>\$ 17,403,669</u>	<u>\$ 15,345,807</u>	<u>\$ 18,393,387</u>	<u>\$ (186,710)</u>	<u>\$ 18,206,677</u>	<u>\$ 2,860,870</u>	<u>\$ 18,339,631</u>

**CITY OF CARROLLTON, TEXAS**

General Fund  
 Schedule of Revenues - Budget and Actual  
 For the Year Ended September 30, 2013  
 With Comparative Actual Totals for 2012

	2013				2012		
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
Taxes:							
Ad valorem	\$ 31,741,687	\$ 31,577,000	\$ 32,143,660	\$ -	\$ 32,143,660	\$ 566,660	\$ 31,691,951
Penalty and interest	235,000	174,000	167,785	-	167,785	(6,215)	236,553
Sales:							
City sales	23,225,400	24,776,800	25,345,836	-	25,345,836	569,036	23,941,284
Mixed drink	75,000	100,000	100,962	-	100,962	962	79,619
Total sales	23,300,400	24,876,800	25,446,798	-	25,446,798	569,998	24,020,903
Franchise fees:							
Electric	5,210,000	5,588,000	5,370,784	-	5,370,784	(217,216)	5,329,838
Telecommunications	873,000	1,250,000	1,309,790	-	1,309,790	59,790	1,365,804
Gas	1,010,000	910,000	1,071,254	-	1,071,254	161,254	951,179
Cable	1,627,500	1,690,000	1,712,986	-	1,712,986	22,986	1,616,774
Solid waste	685,000	735,000	749,166	-	749,166	14,166	699,157
Total franchise	9,405,500	10,173,000	10,213,980	-	10,213,980	40,980	9,962,752
Charges for services:							
Public safety service fees	1,635,000	1,883,700	2,105,960	-	2,105,960	222,260	1,667,639
Culture and recreation fees	2,508,733	2,274,545	2,341,603	-	2,341,603	67,058	2,475,455
Other service fees	471,104	764,624	591,656	-	591,656	(172,968)	438,806
Total charges for services	4,614,837	4,922,869	5,039,219	-	5,039,219	116,350	4,581,900
Intergovernmental	-	-	2,958	-	2,958	2,958	-
Licenses and permits:							
Building permits	1,130,000	1,430,000	1,440,106	-	1,440,106	10,106	1,161,161
Licenses	20,000	23,000	29,700	-	29,700	6,700	22,330
Environmental health charges	671,000	720,100	728,430	-	728,430	8,330	671,624
Other licenses and permits	71,000	97,050	99,813	-	99,813	2,763	96,774
Total licenses and permits	1,892,000	2,270,150	2,298,049	-	2,298,049	27,899	1,951,889
Fines and forfeitures:							
Municipal court	4,933,440	5,782,700	5,965,107	-	5,965,107	182,407	5,273,924
Other fines	130,500	136,500	270,226	-	270,226	133,726	197,999
Total fines and forfeitures	5,063,940	5,919,200	6,235,333	-	6,235,333	316,133	5,471,923
Investment earnings net of change in fair value of investments	181,050	171,700	129,958	67,180	197,138	25,438	185,007
Miscellaneous	400,000	506,865	438,753	-	438,753	(68,112)	397,074
Total revenues	\$ 76,834,414	\$ 80,591,584	\$ 82,116,493	\$ 67,180	\$ 82,183,673	\$ 1,592,089	\$ 78,499,952

CITY OF CARROLLTON, TEXAS

General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Year Ended September 30, 2013  
 With Comparative Actual Totals for 2012

	2013					2012	
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
General government and administration:							
City council:							
Personal services	\$ 24,400	\$ 23,455	\$ 23,978	\$ -	\$ 23,978	\$ (523)	\$ 22,800
Supplies and services	53,162	60,877	22,031	-	22,031	38,846	63,708
Utilities	12,057	10,326	8,586	-	8,586	1,740	11,562
Allocations	598	598	598	-	598	-	598
	<u>90,217</u>	<u>95,256</u>	<u>55,193</u>	<u>-</u>	<u>55,193</u>	<u>40,063</u>	<u>98,668</u>
City management:							
Personal services	1,035,343	1,112,828	1,161,724	-	1,161,724	(48,896)	1,009,042
Supplies and services	99,159	121,924	103,262	430	103,692	18,232	100,455
Utilities	12,246	9,274	5,606	-	5,606	3,668	11,743
Allocations	8,800	8,800	8,800	-	8,800	-	8,800
	<u>1,155,548</u>	<u>1,252,826</u>	<u>1,279,392</u>	<u>430</u>	<u>1,279,822</u>	<u>(26,996)</u>	<u>1,130,040</u>
Marketing Services:							
Personal services	267,195	272,519	273,281	-	273,281	(762)	245,735
Supplies and services	115,900	70,050	63,645	-	63,645	6,405	68,442
Utilities	1,848	2,000	2,386	-	2,386	(386)	1,772
Allocations	3,834	3,834	3,834	-	3,834	-	3,834
	<u>388,777</u>	<u>348,403</u>	<u>343,146</u>	<u>-</u>	<u>343,146</u>	<u>5,257</u>	<u>319,783</u>
Accounting:							
Personal services	451,695	466,150	467,260	-	467,260	(1,110)	456,106
Supplies and services	142,316	144,596	140,534	-	140,534	4,062	134,374
Utilities	4,742	3,793	2,690	-	2,690	1,103	4,547
Allocations	5,536	5,536	5,536	-	5,536	-	5,536
	<u>604,289</u>	<u>620,075</u>	<u>616,020</u>	<u>-</u>	<u>616,020</u>	<u>4,055</u>	<u>600,563</u>
Finance administration:							
Personal services	380,834	388,547	395,392	-	395,392	(6,845)	383,067
Supplies and services	433,454	422,529	416,910	-	416,910	5,619	414,796
Utilities	1,662	1,740	1,995	-	1,995	(255)	1,594
Allocations	7,299	7,299	7,299	-	7,299	-	7,299
	<u>823,249</u>	<u>820,115</u>	<u>821,596</u>	<u>-</u>	<u>821,596</u>	<u>(1,481)</u>	<u>806,756</u>
Budget and management analysis:							
Personal services	273,110	277,344	278,223	-	278,223	(879)	269,173
Supplies and services	10,579	10,375	6,860	-	6,860	3,515	10,293
Utilities	3,937	3,135	2,197	-	2,197	938	3,775
Allocations	4,357	4,357	4,357	-	4,357	-	4,356
	<u>291,983</u>	<u>295,211</u>	<u>291,637</u>	<u>-</u>	<u>291,637</u>	<u>3,574</u>	<u>287,597</u>
Purchasing:							
Personal services	160,283	152,888	153,152	-	153,152	(264)	149,883
Supplies and services	6,530	5,630	3,454	-	3,454	2,176	3,334
Utilities	1,140	1,876	3,119	-	3,119	(1,243)	1,094
Allocations	1,410	1,410	1,410	-	1,410	-	1,410
	<u>169,363</u>	<u>161,804</u>	<u>161,135</u>	<u>-</u>	<u>161,135</u>	<u>669</u>	<u>155,721</u>
General services:							
Personal services	68,515	68,507	68,820	-	68,820	(313)	66,722
Supplies and services	54,207	53,812	37,848	-	37,848	15,964	36,671
Utilities	3,610	3,523	3,674	-	3,674	(151)	3,462
Allocations	3,354	3,354	3,354	-	3,354	-	3,354
	<u>129,686</u>	<u>129,196</u>	<u>113,696</u>	<u>-</u>	<u>113,696</u>	<u>15,500</u>	<u>110,209</u>

(continued)

CITY OF CARROLLTON, TEXAS

General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Year Ended September 30, 2013  
 With Comparative Actual Totals for 2012

	2013					2012	
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
General government and administration (continued):							
Information technology:							
Personal services	\$ 146,672	\$ 150,580	\$ 150,859	\$ -	\$ 150,859	\$ (279)	\$ 147,708
Supplies and services	5,655,368	5,653,525	5,471,085	(55,089)	5,415,996	237,529	5,517,251
Utilities	29,976	29,320	30,284	-	30,284	(964)	29,058
Allocations	36,364	36,364	36,364	-	36,364	-	36,364
	<u>5,868,380</u>	<u>5,869,789</u>	<u>5,688,592</u>	<u>(55,089)</u>	<u>5,633,503</u>	<u>236,286</u>	<u>5,730,381</u>
Workforce services:							
Personal services	564,999	560,281	552,844	-	552,844	7,437	539,835
Supplies and services	112,545	95,505	84,065	-	84,065	11,440	58,660
Utilities	4,389	4,529	5,101	-	5,101	(572)	4,209
Allocations	5,387	5,387	5,387	-	5,387	-	5,387
	<u>687,320</u>	<u>665,702</u>	<u>647,397</u>	<u>-</u>	<u>647,397</u>	<u>18,305</u>	<u>608,091</u>
City attorney:							
Personal services	586,880	682,607	684,505	-	684,505	(1,898)	597,118
Supplies and services	394,821	66,901	55,057	-	55,057	11,844	71,867
Utilities	5,018	4,141	3,169	-	3,169	972	4,812
Allocations	4,124	4,124	4,124	-	4,124	-	4,124
Capital outlay	2,184	4,833	4,833	-	4,833	-	5,691
	<u>993,027</u>	<u>762,606</u>	<u>751,688</u>	<u>-</u>	<u>751,688</u>	<u>10,918</u>	<u>683,612</u>
Facilities services:							
Personal services	392,327	406,551	391,196	-	391,196	15,355	384,514
Supplies and services	646,186	676,985	669,358	7,235	676,593	392	615,883
Utilities	99,120	87,483	84,357	-	84,357	3,126	79,899
Allocations	42,056	42,658	42,658	-	42,658	-	41,855
	<u>1,179,689</u>	<u>1,213,677</u>	<u>1,187,569</u>	<u>7,235</u>	<u>1,194,804</u>	<u>18,873</u>	<u>1,122,151</u>
Resolution center:							
Personal services	424,486	516,587	522,423	-	522,423	(5,836)	420,563
Supplies and services	5,961	10,744	7,361	-	7,361	3,383	5,178
Allocations	3,926	3,926	3,926	-	3,926	-	3,926
Capital outlay	-	405	-	-	-	405	736
	<u>434,373</u>	<u>531,662</u>	<u>533,710</u>	<u>-</u>	<u>533,710</u>	<u>(2,048)</u>	<u>430,403</u>
Organizational Development:							
Personal services	205,005	216,317	214,871	-	214,871	1,446	213,984
Supplies and services	74,645	75,770	37,337	-	37,337	38,433	39,367
Utilities	-	1,001	2,543	-	2,543	(1,542)	-
Allocations	2,468	2,468	2,468	-	2,468	-	2,468
	<u>282,118</u>	<u>295,556</u>	<u>257,219</u>	<u>-</u>	<u>257,219</u>	<u>38,337</u>	<u>255,819</u>
Non-departmental:							
Personal services	744,296	(345,670)	274,930	-	274,930	(620,600)	-
Supplies and services	1,278,943	844,245	783,460	(24,256)	759,204	85,041	554,301
Allocations	822,930	100,000	-	-	-	100,000	-
Capital outlay	8,000	12,406	12,406	-	12,406	-	-
	<u>2,854,169</u>	<u>610,981</u>	<u>1,070,796</u>	<u>(24,256)</u>	<u>1,046,540</u>	<u>(435,559)</u>	<u>554,301</u>
Total general government and administration	<u>15,952,188</u>	<u>13,672,859</u>	<u>13,818,786</u>	<u>(71,680)</u>	<u>13,747,106</u>	<u>(74,247)</u>	<u>12,894,095</u>

(continued)

CITY OF CARROLLTON, TEXAS

General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Year Ended September 30, 2013  
 With Comparative Actual Totals for 2012

	2013					2012	
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
Public safety:							
Police management services:							
Personal services	\$ 6,309,967	\$ 6,837,706	\$ 6,825,938	\$ -	\$ 6,825,938	\$ 11,768	\$ 7,066,481
Supplies and services	713,503	598,066	564,225	62,362	626,587	(28,521)	364,838
Utilities	86,315	106,462	106,032	-	106,032	430	106,406
Allocations	134,760	134,760	134,760	-	134,760	-	134,760
Capital outlay	71,100	5,100	6,433	-	6,433	(1,333)	72,545
	<u>7,315,645</u>	<u>7,682,094</u>	<u>7,637,388</u>	<u>62,362</u>	<u>7,699,750</u>	<u>(17,656)</u>	<u>7,745,030</u>
Police operations:							
Personal services	11,683,686	11,435,568	11,621,441	-	11,621,441	(185,873)	11,135,693
Supplies and services	1,050,039	1,053,939	1,095,626	(42,583)	1,053,043	896	1,083,538
Utilities	52,530	31,531	32,061	-	32,061	(530)	32,166
Allocations	951,347	940,975	947,683	-	947,683	(6,708)	771,507
Capital outlay	4,400	51,400	13,356	37,816	51,172	228	9,615
	<u>13,742,002</u>	<u>13,513,413</u>	<u>13,710,167</u>	<u>(4,767)</u>	<u>13,705,400</u>	<u>(191,987)</u>	<u>13,032,519</u>
Fire operations:							
Personal services	13,737,417	14,396,196	14,156,574	-	14,156,574	239,622	13,297,492
Supplies and services	1,259,276	1,442,299	1,598,640	(29,502)	1,569,138	(126,839)	1,367,207
Utilities	107,863	107,873	106,961	-	106,961	912	108,395
Allocations	1,088,565	1,095,058	1,096,933	-	1,096,933	(1,875)	991,586
Capital outlay	70,000	70,000	27,108	34,080	61,188	8,812	-
	<u>16,263,121</u>	<u>17,111,426</u>	<u>16,986,216</u>	<u>4,578</u>	<u>16,990,794</u>	<u>120,632</u>	<u>15,764,680</u>
Fire support services:							
Personal services	1,250,347	1,311,109	1,312,744	-	1,312,744	(1,635)	1,200,103
Supplies and services	99,223	102,605	60,925	(1,062)	59,863	42,742	42,672
Utilities	6,753	6,639	6,856	-	6,856	(217)	6,484
Allocations	36,058	34,631	32,777	-	32,777	1,854	32,777
	<u>1,392,381</u>	<u>1,454,984</u>	<u>1,413,302</u>	<u>(1,062)</u>	<u>1,412,240</u>	<u>42,744</u>	<u>1,282,036</u>
Emergency dispatch:							
Personal services	1,848,511	1,578,134	1,561,473	-	1,561,473	16,661	1,386,000
Supplies and services	50,034	50,034	34,631	-	34,631	15,403	34,646
Utilities	6,028	9,447	11,591	-	11,591	(2,144)	8,019
Capital outlay	4,800	6,850	6,777	-	6,777	73	11,947
	<u>1,909,373</u>	<u>1,644,465</u>	<u>1,614,472</u>	<u>-</u>	<u>1,614,472</u>	<u>29,993</u>	<u>1,440,612</u>
Municipal court:							
Personal services	1,030,911	1,039,908	1,060,471	-	1,060,471	(20,563)	936,480
Supplies and services	151,967	160,953	172,320	-	172,320	(11,367)	148,075
Utilities	54,333	55,355	57,571	-	57,571	(2,216)	54,887
Allocations	16,445	16,445	16,445	-	16,445	-	16,445
	<u>1,253,656</u>	<u>1,272,661</u>	<u>1,306,807</u>	<u>-</u>	<u>1,306,807</u>	<u>(34,146)</u>	<u>1,155,887</u>
Environmental services:							
Personal services	1,427,284	1,399,824	1,418,981	-	1,418,981	(19,157)	1,347,728
Supplies and services	357,980	360,394	303,627	(15,050)	288,577	71,817	306,615
Utilities	7,104	9,250	13,182	-	13,182	(3,932)	6,812
Allocations	61,591	61,591	61,591	-	61,591	-	61,591
	<u>1,853,959</u>	<u>1,831,059</u>	<u>1,797,381</u>	<u>(15,050)</u>	<u>1,782,331</u>	<u>48,728</u>	<u>1,722,746</u>

(continued)

CITY OF CARROLLTON, TEXAS

General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Year Ended September 30, 2013  
 With Comparative Actual Totals for 2012

	2013					2012	
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
Public safety (continued):							
Animal control:							
Personal services	\$ 571,963	\$ 588,115	\$ 576,303	\$ -	\$ 576,303	\$ 11,812	\$ 563,781
Supplies and services	77,457	76,486	70,030	-	70,030	6,456	76,968
Utilities	52,080	59,117	64,532	-	64,532	(5,415)	54,264
Allocations	24,717	24,717	24,717	-	24,717	-	24,833
	<u>726,217</u>	<u>748,435</u>	<u>735,582</u>	<u>-</u>	<u>735,582</u>	<u>12,853</u>	<u>719,846</u>
Total public safety	<u>44,456,354</u>	<u>45,258,537</u>	<u>45,201,315</u>	<u>46,061</u>	<u>45,247,376</u>	<u>11,161</u>	<u>42,863,356</u>
Development services:							
Transportation engineering:							
Personal services	655,809	684,637	679,787	-	679,787	4,850	682,556
Supplies and services	50,257	53,982	47,237	-	47,237	6,745	19,333
Utilities	3,405	3,320	3,460	-	3,460	(140)	3,265
Allocations	6,023	6,023	6,023	-	6,023	-	6,024
Capital outlay	68,000	63,775	-	-	-	63,775	37,353
	<u>783,494</u>	<u>811,737</u>	<u>736,507</u>	<u>-</u>	<u>736,507</u>	<u>75,230</u>	<u>748,531</u>
Civil engineering:							
Personal services	724,710	691,933	678,749	-	678,749	13,184	680,093
Supplies and services	69,527	66,244	62,650	(1,188)	61,462	4,782	50,482
Utilities	12,001	11,152	10,354	-	10,354	798	11,125
Allocations	26,681	25,609	25,610	-	25,610	(1)	25,736
Capital outlay	9,600	11,500	7,495	-	7,495	4,005	9,413
	<u>842,519</u>	<u>806,438</u>	<u>784,858</u>	<u>(1,188)</u>	<u>783,670</u>	<u>22,768</u>	<u>776,849</u>
Traffic operations:							
Personal services	715,258	542,097	545,075	-	545,075	(2,978)	660,015
Supplies and services	411,611	375,439	270,254	8,414	278,668	96,771	294,690
Utilities	1,025,636	1,077,236	1,083,749	-	1,083,749	(6,513)	1,069,182
Allocations	312,827	313,857	313,530	-	313,530	327	307,718
	<u>2,465,332</u>	<u>2,308,629</u>	<u>2,212,608</u>	<u>8,414</u>	<u>2,221,022</u>	<u>87,607</u>	<u>2,331,605</u>
Streets:							
Personal services	1,221,875	1,108,579	1,116,393	-	1,116,393	(7,814)	1,074,307
Supplies and services	1,102,233	1,112,750	968,337	(49)	968,288	144,462	1,035,886
Utilities	-	-	123	-	123	(123)	-
Allocations	585,391	577,501	567,780	-	567,780	9,721	551,133
	<u>2,909,499</u>	<u>2,798,830</u>	<u>2,652,633</u>	<u>(49)</u>	<u>2,652,584</u>	<u>146,246</u>	<u>2,661,326</u>
Drainage:							
Personal services	444,790	435,113	426,702	-	426,702	8,411	441,279
Supplies and services	195,951	207,569	171,429	254	171,683	35,886	153,684
Utilities	-	183	579	-	579	(396)	-
Allocations	302,463	302,463	302,463	-	302,463	-	293,620
	<u>943,204</u>	<u>945,328</u>	<u>901,173</u>	<u>254</u>	<u>901,427</u>	<u>43,901</u>	<u>888,583</u>
Public works administration:							
Personal services	-	(69,474)	(5,398)	-	(5,398)	(64,076)	(93,492)
Supplies and services	-	240	(14,118)	-	(14,118)	14,358	(11,054)
Utilities	-	(5,194)	(7,180)	-	(7,180)	1,986	(3,122)
Allocations	(266,716)	(266,716)	(266,716)	-	(266,716)	-	(199,209)
	<u>(266,716)</u>	<u>(341,144)</u>	<u>(293,412)</u>	<u>-</u>	<u>(293,412)</u>	<u>(47,732)</u>	<u>(306,877)</u>

(continued)

CITY OF CARROLLTON, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

For the Year Ended September 30, 2013

With Comparative Actual Totals for 2012

	2013					2012	
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
Development services (continued):							
Planning:							
Personal services	\$ 186,393	\$ 192,965	\$ 193,486	\$ -	\$ 193,486	\$ (521)	\$ 169,857
Supplies and services	25,922	25,922	22,067	-	22,067	3,855	18,663
Utilities	6,452	4,556	2,109	-	2,109	2,447	6,187
Allocations	4,700	4,700	4,700	-	4,700	-	4,700
Capital Outlay	2,000	2,000	-	-	-	2,000	2,000
	<u>225,467</u>	<u>230,143</u>	<u>222,362</u>	<u>-</u>	<u>222,362</u>	<u>7,781</u>	<u>201,407</u>
Building inspection:							
Personal services	1,339,418	1,351,183	1,355,112	-	1,355,112	(3,929)	1,423,215
Supplies and services	88,047	88,659	82,440	-	82,440	6,219	98,934
Utilities	9,046	8,745	9,002	-	9,002	(257)	8,675
Allocations	33,211	32,098	31,858	-	31,858	240	31,805
Capital outlay	458	458	354	-	354	104	864
	<u>1,470,180</u>	<u>1,481,143</u>	<u>1,478,766</u>	<u>-</u>	<u>1,478,766</u>	<u>2,377</u>	<u>1,563,493</u>
Transit Oriented Development:							
Personal services	149,896	144,773	144,978	-	144,978	(205)	147,901
Supplies and services	29,151	29,151	18,652	-	18,652	10,499	25,041
Utilities	2,000	2,261	2,611	-	2,611	(350)	1,668
Allocations	2,015	2,015	2,015	-	2,015	-	2,015
	<u>183,062</u>	<u>178,200</u>	<u>168,256</u>	<u>-</u>	<u>168,256</u>	<u>9,944</u>	<u>176,625</u>
Economic development:							
Personal services	222,497	255,846	256,678	-	256,678	(832)	226,152
Supplies and services	120,597	130,696	119,836	-	119,836	10,860	126,641
Utilities	1,629	2,105	2,980	-	2,980	(875)	1,562
Allocations	2,200	2,200	2,200	-	2,200	-	2,200
	<u>346,923</u>	<u>390,847</u>	<u>381,694</u>	<u>-</u>	<u>381,694</u>	<u>9,153</u>	<u>356,555</u>
Total development services	<u>9,902,964</u>	<u>9,610,151</u>	<u>9,245,445</u>	<u>7,431</u>	<u>9,252,876</u>	<u>357,275</u>	<u>9,398,097</u>
Cultural and recreational:							
Library:							
Personal services	1,978,375	1,867,714	1,866,213	-	1,866,213	1,501	1,865,676
Supplies and services	272,924	224,619	160,691	(389)	160,302	64,317	227,751
Utilities	165,514	158,875	159,517	-	159,517	(642)	162,374
Allocations	32,638	32,638	32,638	-	32,638	-	32,638
Capital outlay	123,650	175,541	180,826	4,748	185,574	(10,033)	13,082
	<u>2,573,101</u>	<u>2,459,387</u>	<u>2,399,885</u>	<u>4,359</u>	<u>2,404,244</u>	<u>55,143</u>	<u>2,301,521</u>
Parks Non-Contract:							
Personal services	634,321	584,096	545,159	-	545,159	38,937	582,356
Supplies and services	283,332	285,198	330,229	(20,000)	310,229	(25,031)	266,162
Utilities	307,197	308,475	267,043	-	267,043	41,432	245,468
Allocations	154,176	152,851	150,363	-	150,363	2,488	152,227
Capital outlay	500	-	-	-	-	-	-
	<u>1,379,526</u>	<u>1,330,620</u>	<u>1,292,794</u>	<u>(20,000)</u>	<u>1,272,794</u>	<u>57,826</u>	<u>1,246,213</u>
Parks Contract:							
Personal services	982,332	868,956	887,603	-	887,603	(18,647)	897,291
Supplies and services	755,911	788,310	770,568	5,561	776,129	12,181	672,637
Allocations	134,618	128,927	129,852	-	129,852	(925)	108,976
Capital outlay	3,000	-	4,307	-	4,307	(4,307)	1,736
	<u>1,875,861</u>	<u>1,786,193</u>	<u>1,792,330</u>	<u>5,561</u>	<u>1,797,891</u>	<u>(11,698)</u>	<u>1,680,640</u>

(continued)

CITY OF CARROLLTON, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

For the Year Ended September 30, 2013

With Comparative Actual Totals for 2012

	2013					Variance with Final Budget Positive (Negative)	2012
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		Actual GAAP Basis
	Original	Final					
Cultural and recreational (continued):							
Tennis Center:							
Personal services	\$ 147,810	\$ 73,453	\$ 73,506	\$ -	\$ 73,506	\$ (53)	\$ 160,792
Supplies and services	319,308	88,958	78,975	-	78,975	9,983	332,118
Utilities	32,392	26,418	30,106	-	30,106	(3,688)	28,685
Allocations	553	553	553	-	553	-	553
	<u>500,063</u>	<u>189,382</u>	<u>183,140</u>	<u>-</u>	<u>183,140</u>	<u>6,242</u>	<u>522,148</u>
Leisure services:							
Personal services	465,032	452,857	453,569	-	453,569	(712)	466,912
Supplies and services	45,054	47,082	35,375	-	35,375	11,707	34,880
Utilities	-	1,130	1,207	-	1,207	(77)	600
Allocations	3,317	3,317	3,317	-	3,317	-	3,317
	<u>513,403</u>	<u>504,386</u>	<u>493,468</u>	<u>-</u>	<u>493,468</u>	<u>10,918</u>	<u>505,709</u>
Rosemeade Recreation Center:							
Personal services	202,891	246,894	261,151	-	261,151	(14,257)	219,861
Supplies and services	232,167	284,268	286,465	-	286,465	(2,197)	224,721
Utilities	58,076	67,173	70,800	-	70,800	(3,627)	60,264
Allocations	9,777	9,777	9,777	-	9,777	-	9,778
	<u>502,911</u>	<u>608,112</u>	<u>628,193</u>	<u>-</u>	<u>628,193</u>	<u>(20,081)</u>	<u>514,624</u>
Crosby Recreation Center:							
Personal services	206,927	217,588	221,466	-	221,466	(3,878)	209,279
Supplies and services	92,168	90,907	54,752	-	54,752	36,155	58,806
Utilities	44,703	42,549	43,187	-	43,187	(638)	43,556
Allocations	8,165	8,165	8,165	-	8,165	-	8,166
	<u>351,963</u>	<u>359,209</u>	<u>327,570</u>	<u>-</u>	<u>327,570</u>	<u>31,639</u>	<u>319,807</u>
Perry Museum:							
Personal services	64,246	66,648	65,617	-	65,617	1,031	-
Supplies and services	8,723	8,704	2,950	-	2,950	5,754	-
Utilities	7,831	9,823	9,721	-	9,721	102	-
Allocations	1,311	1,311	1,311	-	1,311	-	-
	<u>82,111</u>	<u>86,486</u>	<u>79,599</u>	<u>-</u>	<u>79,599</u>	<u>6,887</u>	<u>-</u>
Senior Center:							
Personal services	151,001	178,627	176,440	-	176,440	2,187	166,872
Supplies and services	46,276	47,082	45,542	236	45,778	1,304	33,867
Utilities	40,542	43,935	47,401	-	47,401	(3,466)	40,121
Allocations	13,849	13,849	13,848	-	13,848	1	13,848
	<u>251,668</u>	<u>283,493</u>	<u>283,231</u>	<u>236</u>	<u>283,467</u>	<u>26</u>	<u>254,708</u>
Athletics:							
Personal services	1,558,671	1,644,701	1,727,336	-	1,727,336	(82,635)	1,493,361
Supplies and services	706,601	724,598	755,145	(12,070)	743,075	(18,477)	654,176
Utilities	390,764	395,757	421,799	-	421,799	(26,042)	391,573
Allocations	191,189	177,495	177,132	-	177,132	363	187,266
	<u>2,847,225</u>	<u>2,942,551</u>	<u>3,081,412</u>	<u>(12,070)</u>	<u>3,069,342</u>	<u>(126,791)</u>	<u>2,726,376</u>
Total cultural and recreational	<u>10,877,832</u>	<u>10,549,819</u>	<u>10,561,622</u>	<u>(21,914)</u>	<u>10,539,708</u>	<u>10,111</u>	<u>10,071,746</u>
Total expenditures	<u>\$ 81,189,338</u>	<u>\$ 79,091,366</u>	<u>\$ 78,827,168</u>	<u>\$ (40,102)</u>	<u>\$ 78,787,066</u>	<u>\$ 304,300</u>	<u>\$ 75,227,294</u> (concluded)



## COMBINING FINANCIAL STATEMENTS

### Internal Service Funds

Internal Service Funds account for the financing of goods or services provided by one City department for another.

Fleet Services Fund - to account for the cost of operating and maintaining automotive and other equipment used by City departments and the purchase of general government vehicles (those not used by enterprise fund activities). Service charges are billed to departments on a monthly basis to cover all expenses of the fund.

Risk Management Fund - to account for the operation of a self-insurance fund covering all City property, vehicles, liability and workers' compensation expenses. The City operates under a self-insured retention and commercial insurance coverage purchases, with workers' compensation claims administered by an outside agency.

Employee Health and Disability Fund - to account for the provision of group accident, health and long-term disability insurance coverage for all City employees and those retirees choosing to stay on the plan.

**CITY OF CARROLLTON, TEXAS**

Internal Service Funds  
 Combining Statement of Net Position  
 September 30, 2013

	Fleet Services	Risk Management	Employee Health and Disability	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 4,431,183	\$ 4,058,237	\$ 11,259,276	\$ 19,748,696
Receivables:				
Accrued interest	4,478	4,492	11,977	20,947
Other	-	-	67,013	67,013
Inventories	86,629	-	-	86,629
Prepaid items	-	169,000	7,367	176,367
Total current assets	<u>4,522,290</u>	<u>4,231,729</u>	<u>11,345,633</u>	<u>20,099,652</u>
Noncurrent assets:				
Net pension asset	209	3,466	-	3,675
Capital assets:				
Buildings	176,409	-	-	176,409
Equipment	16,917,193	-	-	16,917,193
Intangibles	34,314	70,400	-	104,714
Accumulated depreciation	(10,556,967)	(70,400)	-	(10,627,367)
Total capital assets, net of accumulated depreciation	<u>6,570,949</u>	<u>-</u>	<u>-</u>	<u>6,570,949</u>
Total noncurrent assets	<u>6,571,158</u>	<u>3,466</u>	<u>-</u>	<u>6,574,624</u>
Total assets	<u>11,093,448</u>	<u>4,235,195</u>	<u>11,345,633</u>	<u>26,674,276</u>
Liabilities				
Current liabilities:				
Accounts payable	287,423	210,377	4,252	502,052
Estimated health claims payable	-	-	945,000	945,000
Compensated absences	-	1,116	-	1,116
Total current liabilities	<u>287,423</u>	<u>211,493</u>	<u>949,252</u>	<u>1,448,168</u>
Noncurrent liabilities:				
Compensated absences	-	25,133	-	25,133
Other post employment benefits obligation	-	-	162,372	162,372
Long-term risk liability	-	1,371,081	-	1,371,081
Total noncurrent liabilities	<u>-</u>	<u>1,396,214</u>	<u>162,372</u>	<u>1,558,586</u>
Total liabilities	<u>287,423</u>	<u>1,607,707</u>	<u>1,111,624</u>	<u>3,006,754</u>
Net Position				
Investment in capital assets	6,570,949	-	-	6,570,949
Unrestricted	4,235,076	2,627,488	10,234,009	17,096,573
Total net position	<u>\$ 10,806,025</u>	<u>\$ 2,627,488</u>	<u>\$ 10,234,009</u>	<u>\$ 23,667,522</u>

**CITY OF CARROLLTON, TEXAS**

Internal Service Funds  
 Combining Statement of Revenues, Expenses and Changes in Net Position  
 For the Year Ended September 30, 2013

	Fleet Services	Risk Management	Employee Health and Disability	Totals
Operating revenues:				
Charges for services	\$ 5,410,000	\$ 1,897,011	\$ 8,543,590	\$ 15,850,601
Operating expenses:				
Personal services	67,251	86,208	-	153,459
Supplies and services	3,210,878	1,076,789	9,285,777	13,573,444
Utilities	33,210	442	-	33,652
Allocations	61,093	2,629	-	63,722
Depreciation	1,609,697	-	-	1,609,697
Total operating expenses	4,982,129	1,166,068	9,285,777	15,433,974
Income (loss) from operations	427,871	730,943	(742,187)	416,627
Nonoperating revenues:				
Investment earnings net of change in fair value of investments	(2,273)	(1,137)	(3,936)	(7,346)
Gain on sale/retirement of capital assets	179,562	-	-	179,562
Total nonoperating revenues	177,289	(1,137)	(3,936)	172,216
Income (loss) before transfers	605,160	729,806	(746,123)	588,843
Transfers out	(285,704)	(130,508)	-	(416,212)
Change in net position	319,456	599,298	(746,123)	172,631
Net position at beginning of year	10,486,569	2,028,190	10,980,132	23,494,891
Net position at end of year	\$ 10,806,025	\$ 2,627,488	\$ 10,234,009	\$ 23,667,522

**CITY OF CARROLLTON, TEXAS**

Internal Service Funds  
 Combining Statement of Cash Flows  
 For the Year Ended September 30, 2013

	Fleet Services	Risk Management	Employee Health and Disability	Totals
Cash flows from operating activities:				
Cash received from employees for services	\$ -	\$ -	\$ 1,806,170	\$ 1,806,170
Cash received from other funds for services	5,410,000	1,897,011	6,727,208	14,034,219
Cash received from loss claim recoveries and refunds	-	88,740	966,942	1,055,682
Cash payments to suppliers for goods and services	(3,248,071)	(1,184,606)	(1,717,720)	(6,150,397)
Cash payments to employees for services	(60,635)	(74,237)	-	(134,872)
Cash payments for loss claims	-	(990,833)	(8,126,551)	(9,117,384)
Cash payments to other funds for services	(67,026)	(7,137)	-	(74,163)
Net cash provided (used) by operating activities	<u>2,034,268</u>	<u>(271,062)</u>	<u>(343,951)</u>	<u>1,419,255</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	(285,704)	(130,508)	-	(416,212)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,982,104)	-	-	(1,982,104)
Proceeds from sale of capital assets	239,322	-	-	239,322
Net cash used by capital and related financing activities	<u>(1,742,782)</u>	<u>-</u>	<u>-</u>	<u>(1,742,782)</u>
Cash flows from investing activities:				
Interest on cash and cash equivalents	(3,476)	(2,569)	(8,267)	(14,312)
Net increase (decrease) in cash and cash equivalents	2,306	(404,139)	(352,218)	(754,051)
Cash and cash equivalents, October 1	4,428,877	4,462,376	11,611,494	20,502,747
Cash and cash equivalents, September 30	<u>\$ 4,431,183</u>	<u>\$ 4,058,237</u>	<u>\$ 11,259,276</u>	<u>\$ 19,748,696</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:				
Income (loss) from operations	\$ 427,871	\$ 730,943	\$ (742,187)	\$ 416,627
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	1,609,697	-	-	1,609,697
Change in assets and liabilities:				
Decrease in other receivables	-	-	258,418	258,418
Increase in inventories	(5,380)	-	-	(5,380)
Increase in prepaid items	-	(38,000)	(4,067)	(42,067)
Increase in net pension asset	(117)	(142)	-	(259)
Increase (decrease) in accounts payable	2,197	55,827	(62,487)	(4,463)
Increase in estimated health claims payable	-	-	44,000	44,000
Increase in liability for compensated absences	-	4,541	-	4,541
Decrease in long-term risk liability	-	(1,024,231)	-	(1,024,231)
Increase in other post employment benefits obligation	-	-	162,372	162,372
Net cash provided (used) by operating activities	<u>\$ 2,034,268</u>	<u>\$ (271,062)</u>	<u>\$ (343,951)</u>	<u>\$ 1,419,255</u>

**SUPPLEMENTARY INDIVIDUAL FUND  
FINANCIAL STATEMENTS**

**Proprietary Funds**

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



**CARROLLTON**  
**T E X A S**

**CITY OF CARROLLTON, TEXAS**

Water and Sewer Fund  
 Comparative Statements of Net Position  
 September 30, 2013 and 2012

Assets	2013	2012
Current assets:		
Cash and cash equivalents	\$ 26,645,510	\$ 26,824,077
Receivables (net, where applicable, of allowance for doubtful accounts of \$161,959 in 2013 and \$176,750 in 2012):		
Accounts	4,293,741	4,243,437
Accrued interest	32,146	21,048
Restricted assets:		
Cash and cash equivalents	3,423,911	3,351,705
Total current assets	34,395,308	34,440,267
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	1,552,989	1,610,108
Deferred charges	174,832	193,289
Net pension asset	46,580	42,272
Capital assets:		
Land	1,372,868	1,372,868
Buildings	18,038,700	18,038,700
Equipment	3,503,019	3,205,766
Intangibles	770,112	729,892
Infrastructure	225,954,605	221,930,292
Construction in progress	46,514	-
Accumulated depreciation	(117,562,240)	(109,814,668)
Total capital assets, net of accumulated depreciation	132,123,578	135,462,850
Total noncurrent assets	133,897,979	137,308,519
Total assets	168,293,287	171,748,786
Liabilities		
Current liabilities:		
Accounts payable	2,188,098	1,775,979
Customer deposits payable	2,428,576	2,349,756
Revenue bonds payable	1,778,671	1,744,801
Compensated absences	64,932	48,550
Accrued interest	280,752	301,949
Total current liabilities	6,741,029	6,221,035
Noncurrent liabilities:		
Revenue bonds payable	15,947,328	17,725,999
Compensated absences	588,319	644,186
Total noncurrent liabilities	16,535,647	18,370,185
Total liabilities	23,276,676	24,591,220
Net Position		
Net investment in capital assets	115,112,162	116,316,883
Restricted for:		
Revenue bond retirement	1,552,989	1,610,108
Unrestricted	28,351,460	29,230,575
Total net position	\$ 145,016,611	\$ 147,157,566

**CITY OF CARROLLTON, TEXAS**

Water and Sewer Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Charges for services	\$ 35,171,954	\$ 34,785,038
Miscellaneous	99,716	87,849
Total operating revenues	<u>35,271,670</u>	<u>34,872,887</u>
Operating expenses:		
Personal services	3,483,877	3,431,921
Supplies and services	21,518,288	20,715,152
Utilities	909,152	898,975
Allocations	1,074,436	1,111,285
Depreciation	7,876,715	7,780,673
Total operating expenses	<u>34,862,468</u>	<u>33,938,006</u>
Income from operations	<u>409,202</u>	<u>934,881</u>
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	(15,286)	139,037
Gain on sale/retirement of capital assets	53,619	13,037
Interest expense	(657,136)	(802,630)
Total nonoperating revenues (expenses)	<u>(618,803)</u>	<u>(650,556)</u>
Income (loss) before contributions and transfers	(209,601)	284,325
Capital contributions	1,522,804	648,083
Transfers out	<u>(3,454,158)</u>	<u>(3,466,178)</u>
Change in net position	(2,140,955)	(2,533,770)
Net position at beginning of year	<u>147,157,566</u>	<u>149,691,336</u>
Net position at end of year	<u>\$ 145,016,611</u>	<u>\$ 147,157,566</u>



**CITY OF CARROLLTON, TEXAS**

Water and Sewer Fund  
 Comparative Statements of Cash Flows  
 For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 35,159,999	\$ 35,464,332
Other operating cash receipts	99,716	87,849
Cash payments to suppliers for goods and services	(22,503,101)	(21,905,466)
Cash payments to employees for services	(3,003,806)	(3,078,361)
Cash payments to other funds for services	(1,280,795)	(1,178,835)
Net cash provided by operating activities	<u>8,472,013</u>	<u>9,389,519</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(3,454,158)</u>	<u>(3,466,178)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(3,424,881)	(2,565,800)
Proceeds from sale of capital assets	53,619	14,666
Proceeds from capital debt	-	11,644,592
Escrow payment for bond refunding	-	(11,847,896)
Issuance costs paid for capital debt	-	(155,073)
Interest paid on bonds	(724,679)	(928,903)
Retirement of bonds	(1,680,000)	(1,620,000)
Capital contributions	620,990	356,295
Net cash used by capital and related financing activities	<u>(5,154,951)</u>	<u>(5,102,119)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>(26,384)</u>	<u>129,409</u>
Net increase (decrease) in cash and cash equivalents	(163,480)	950,631
Cash and cash equivalents, October 1	31,785,890	30,835,259
Cash and cash equivalents, September 30	<u>\$ 31,622,410</u>	<u>\$ 31,785,890</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 409,202	\$ 934,881
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	7,876,715	7,780,673
Provision for doubtful accounts	40,471	63,100
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(90,775)	511,885
(Increase) decrease in net pension asset	(4,308)	648
Increase (decrease) in accounts payable	201,373	(91,823)
Increase in deposits	78,820	167,409
Increase (decrease) in liability for compensated absences	(39,485)	22,746
Net cash provided by operating activities	<u>\$ 8,472,013</u>	<u>\$ 9,389,519</u>
Noncash investing, capital, and financing activities:		
During this past year, the Water and Sewer Fund received \$901,814 noncash capital contributions from developers consisting of water and sewer infrastructure.		
Reconciliation of total cash and cash equivalents:		
Current assets:		
Cash and cash equivalents	\$ 26,645,510	\$ 26,824,077
Restricted assets - cash and cash equivalents	3,423,911	3,351,705
Noncurrent assets:		
Restricted assets - cash and cash equivalents	<u>1,552,989</u>	<u>1,610,108</u>
Total cash and cash equivalents	<u>\$ 31,622,410</u>	<u>\$ 31,785,890</u>

**CITY OF CARROLLTON, TEXAS**

Golf Course Fund  
 Comparative Statements of Net Position  
 September 30, 2013 and 2012

	2013	2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 496,079	\$ 586,918
Receivables:		
Accrued interest	714	418
Other	165,507	128,775
Total current assets	662,300	716,111
Noncurrent assets:		
Deferred charges	7,089	8,918
Capital assets:		
Land	995,000	995,000
Buildings	1,536,956	1,524,956
Equipment	844,569	820,233
Improvements	11,700,068	11,294,344
Accumulated depreciation	(12,746,525)	(12,173,033)
Total capital assets, net of accumulated depreciation	2,330,068	2,461,500
Total noncurrent assets	2,337,157	2,470,418
Total assets	2,999,457	3,186,529
Liabilities		
Current liabilities:		
Accounts payable	86,954	105,625
Certificates of obligation payable	325,000	310,000
Accrued interest	11,250	13,672
Total current liabilities	423,204	429,297
Noncurrent liabilities:		
Certificates of obligation payable	1,115,000	1,440,000
Total liabilities	1,538,204	1,869,297
Net Position		
Net investment in capital assets	890,068	711,500
Unrestricted	571,185	605,732
Total net position	\$ 1,461,253	\$ 1,317,232

**CITY OF CARROLLTON, TEXAS**

Golf Course Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Charges for services	\$ 1,040,473	\$ 1,007,137
Operating expenses:		
Supplies and services	64,324	322,431
Allocations	9,429	9,429
Depreciation	648,763	633,742
Total operating expenses	<u>722,516</u>	<u>965,602</u>
Income from operations	<u>317,957</u>	<u>41,535</u>
Nonoperating revenues (expenses):		
Investment earnings		
net of change in fair value		
of investments	287	3,376
Gain on sale/retirement of capital assets	8,774	6,162
Interest expense	(108,783)	(126,430)
Total nonoperating revenues (expenses)	<u>(99,722)</u>	<u>(116,892)</u>
Income (loss) before contributions		
and transfers	218,235	(75,357)
Capital contributions	218,672	-
Transfers out	(292,886)	(286,298)
Change in net position	144,021	(361,655)
Net position at beginning of year	<u>1,317,232</u>	<u>1,678,887</u>
Net position at end of year	<u>\$ 1,461,253</u>	<u>\$ 1,317,232</u>

**CITY OF CARROLLTON, TEXAS**

Golf Course Fund  
 Comparative Statements of Cash Flows  
 For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 1,003,741	\$ 960,693
Cash payments to suppliers for goods and services	(38,051)	(335,531)
Cash payments to other funds for services	<u>(11,296)</u>	<u>(9,914)</u>
Net cash provided by operating activities	<u>954,394</u>	<u>615,248</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(292,886)</u>	<u>(286,298)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(560,408)	(8,631)
Proceeds from sale of capital assets	8,774	6,162
Interest paid on bonds	(109,376)	(126,775)
Retirement of bonds	(310,000)	(290,000)
Capital contributions	218,672	-
Net cash used by capital and related financing activities	<u>(752,338)</u>	<u>(419,244)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>(9)</u>	<u>3,220</u>
Net decrease in cash and cash equivalents	(90,839)	(87,074)
Cash and cash equivalents, October 1	<u>586,918</u>	<u>673,992</u>
Cash and cash equivalents, September 30	<u><u>\$ 496,079</u></u>	<u><u>\$ 586,918</u></u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 317,957	\$ 41,535
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	648,763	633,742
Change in assets and liabilities:		
Increase in other receivables	(36,732)	(46,444)
Increase (decrease) in accounts payable	24,406	(13,585)
Net cash provided by operating activities	<u><u>\$ 954,394</u></u>	<u><u>\$ 615,248</u></u>

**CITY OF CARROLLTON, TEXAS**

Sanitation Fund  
 Comparative Statements of Net Position  
 September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 434,273	\$ 389,331
Receivables (net of applicable of allowance for doubtful accounts of \$35,515 in 2013 and \$40,492 in 2012)		
Accounts	824,761	837,601
Accrued interest	<u>2,163</u>	<u>1,442</u>
Total current assets	<u>1,261,197</u>	<u>1,228,374</u>
Noncurrent assets:		
Capital assets:		
Equipment	1,460,303	1,460,303
Accumulated depreciation	<u>(953,571)</u>	<u>(807,541)</u>
Total capital assets, net of accumulated depreciation	<u>506,732</u>	<u>652,762</u>
Total assets	<u>1,767,929</u>	<u>1,881,136</u>
Liabilities		
Current liabilities:		
Accounts payable	<u>853,301</u>	<u>796,361</u>
Net Position		
Investment in capital assets	506,732	652,762
Unrestricted	<u>407,896</u>	<u>432,013</u>
Total net position	<u>\$ 914,628</u>	<u>\$ 1,084,775</u>

**CITY OF CARROLLTON, TEXAS**

Sanitation Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Charges for services	\$ 7,629,080	\$ 7,436,531
Operating expenses:		
Supplies and services	5,363,538	5,186,259
Allocations	76,470	79,852
Depreciation	146,030	146,030
Total operating expenses	<u>5,586,038</u>	<u>5,412,141</u>
Income from operations	<u>2,043,042</u>	<u>2,024,390</u>
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	<u>3,496</u>	<u>5,764</u>
Income before transfers	2,046,538	2,030,154
Transfers out	<u>(2,216,685)</u>	<u>(2,137,776)</u>
Change in net position	(170,147)	(107,622)
Net position at beginning of year	<u>1,084,775</u>	<u>1,192,397</u>
Net position at end of year	<u>\$ 914,628</u>	<u>\$ 1,084,775</u>

**CITY OF CARROLLTON, TEXAS**

Sanitation Fund

Comparative Statements of Cash Flows

For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 7,632,692	\$ 7,360,938
Cash payments to suppliers for goods and services	(5,306,598)	(5,138,084)
Cash payments to other funds for services	<u>(67,242)</u>	<u>(67,242)</u>
Net cash provided by operating activities	<u>2,258,852</u>	<u>2,155,612</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(2,216,685)</u>	<u>(2,137,776)</u>
Cash flows from investing activities:		
Interest on cash and cash equivalents	<u>2,775</u>	<u>5,036</u>
Net increase in cash and cash equivalents	44,942	22,872
Cash and cash equivalents, October 1	<u>389,331</u>	<u>366,459</u>
Cash and cash equivalents, September 30	<u>\$ 434,273</u>	<u>\$ 389,331</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 2,043,042	\$ 2,024,390
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	146,030	146,030
Provisions for doubtful accounts	9,228	12,610
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	3,612	(75,593)
Increase in accounts payable	<u>56,940</u>	<u>48,175</u>
Net cash provided by operating activities	<u>\$ 2,258,852</u>	<u>\$ 2,155,612</u>

**CITY OF CARROLLTON, TEXAS**

Fleet Services Fund  
 Comparative Statements of Net Position  
 September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,431,183	\$ 4,428,877
Accrued interest receivable	4,478	3,275
Inventories	<u>86,629</u>	<u>81,249</u>
Total current assets	<u>4,522,290</u>	<u>4,513,401</u>
Noncurrent assets:		
Net pension asset	209	92
Capital assets:		
Buildings	176,409	176,409
Equipment	16,917,193	16,620,286
Intangibles	34,314	34,314
Accumulated depreciation	<u>(10,556,967)</u>	<u>(10,462,966)</u>
Total capital assets, net of accumulated depreciation	<u>6,570,949</u>	<u>6,368,043</u>
Total noncurrent assets	<u>6,571,158</u>	<u>6,368,135</u>
Total assets	<u>11,093,448</u>	<u>10,881,536</u>
Liabilities		
Current liabilities:		
Accounts payable	<u>287,423</u>	<u>394,967</u>
Net Position		
Investment in capital assets	6,570,949	6,368,043
Unrestricted	<u>4,235,076</u>	<u>4,118,526</u>
Total net position	<u>\$ 10,806,025</u>	<u>\$ 10,486,569</u>



**CITY OF CARROLLTON, TEXAS**

Fleet Services Fund  
 Comparative Statements of Revenues, Expenses and Changes in Net Position  
 For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Charges for services	<u>\$ 5,410,000</u>	<u>\$ 5,174,260</u>
Operating expenses:		
Personal services	67,251	63,966
Supplies and services	3,210,878	3,335,465
Utilities	33,210	33,239
Allocations	61,093	60,976
Depreciation	1,609,697	1,352,803
Total operating expenses	<u>4,982,129</u>	<u>4,846,449</u>
Income from operations	<u>427,871</u>	<u>327,811</u>
Nonoperating revenues:		
Investment earnings		
net of change in fair value		
of investments	(2,273)	21,242
Gain on sale/retirement of capital assets	<u>179,562</u>	<u>119,337</u>
Total nonoperating revenues	<u>177,289</u>	<u>140,579</u>
Income before transfers	605,160	468,390
Transfers in	-	512,500
Transfers out	<u>(285,704)</u>	<u>(279,278)</u>
Change in net position	319,456	701,612
Net position at beginning of year	<u>10,486,569</u>	<u>9,784,957</u>
Net position at end of year	<u>\$ 10,806,025</u>	<u>\$ 10,486,569</u>

**CITY OF CARROLLTON, TEXAS**

Fleet Services Fund  
 Comparative Statements of Cash Flows  
 For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from other funds for services	\$ 5,410,000	\$ 5,174,260
Cash payments to suppliers for goods and services	(3,248,071)	(3,337,004)
Cash payments to employees for services	(60,635)	(59,177)
Cash payments to other funds for services	<u>(67,026)</u>	<u>(66,165)</u>
Net cash provided by operating activities	<u>2,034,268</u>	<u>1,711,914</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	-	452,500
Transfers to other funds	<u>(285,704)</u>	<u>(279,278)</u>
Net cash provided (used) by noncapital financing activities	<u>(285,704)</u>	<u>173,222</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,982,104)	(2,034,200)
Proceeds from sale of capital assets	<u>239,322</u>	<u>171,862</u>
Net cash used by capital and related financing activities	<u>(1,742,782)</u>	<u>(1,862,338)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>(3,476)</u>	<u>19,573</u>
Net increase in cash and cash equivalents	2,306	42,371
Cash and cash equivalents, October 1	<u>4,428,877</u>	<u>4,386,506</u>
Cash and cash equivalents, September 30	<u>\$ 4,431,183</u>	<u>\$ 4,428,877</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 427,871	\$ 327,811
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	1,609,697	1,352,803
Change in assets and liabilities:		
(Increase) decrease in inventories	(5,380)	14,611
(Increase) decrease in net pension asset	(117)	16
Increase in accounts payable	<u>2,197</u>	<u>16,673</u>
Net cash provided by operating activities	<u>\$ 2,034,268</u>	<u>\$ 1,711,914</u>

**CITY OF CARROLLTON, TEXAS**

Risk Management Fund  
 Comparative Statements of Net Position  
 September 30, 2013 and 2012

	2013	2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,058,237	\$ 4,462,376
Accrued interest receivable	4,492	3,060
Prepaid items	169,000	131,000
Total current assets	4,231,729	4,596,436
Noncurrent assets:		
Net pension asset	3,466	3,324
Capital assets:		
Intangibles	70,400	70,400
Accumulated depreciation	(70,400)	(70,400)
Total capital assets, net of accumulated depreciation	-	-
Total noncurrent assets	3,466	3,324
Total assets	4,235,195	4,599,760
Liabilities		
Current liabilities:		
Accounts payable	210,377	154,550
Compensated absences	1,116	1,401
Total current liabilities	211,493	155,951
Noncurrent liabilities:		
Compensated absences	25,133	20,307
Long-term risk liability	1,371,081	2,395,312
Total noncurrent liabilities	1,396,214	2,415,619
Total liabilities	1,607,707	2,571,570
Net Position		
Unrestricted	\$ 2,627,488	\$ 2,028,190

**CITY OF CARROLLTON, TEXAS**

Risk Management Fund  
Comparative Statements of Revenues, Expenses and Changes in Net Position  
For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Charges for services	\$ 1,897,011	\$ 1,896,960
Operating expenses:		
Personal services	86,208	82,271
Supplies and services	1,076,789	1,870,278
Utilities	442	1,188
Allocations	2,629	2,629
Depreciation	-	13,155
Total operating expenses	<u>1,166,068</u>	<u>1,969,521</u>
Income (loss) from operations	<u>730,943</u>	<u>(72,561)</u>
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	<u>(1,137)</u>	<u>20,489</u>
Income (loss) before transfers	729,806	(52,072)
Transfers out	<u>(130,508)</u>	<u>(127,573)</u>
Change in net position	599,298	(179,645)
Net position at beginning of year	<u>2,028,190</u>	<u>2,207,835</u>
Net position end of year	<u>\$ 2,627,488</u>	<u>\$ 2,028,190</u>

**CITY OF CARROLLTON, TEXAS**

Risk Management Fund  
 Comparative Statements of Cash Flows  
 For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from other funds for services	\$ 1,897,011	\$ 1,896,960
Cash received from loss claim recoveries	88,740	268,316
Cash payments to suppliers for goods and services	(1,184,606)	(1,065,959)
Cash payments to employees for services	(74,237)	(74,203)
Cash payments for loss claims	(990,833)	(1,207,115)
Cash payments to other funds for services	(7,137)	(6,805)
Net cash provided (used) by operating activities	<u>(271,062)</u>	<u>(188,806)</u>
Cash flow from noncapital financing activities:		
Transfers to other funds	<u>(130,508)</u>	<u>(127,573)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>(2,569)</u>	<u>19,293</u>
Net decrease in cash and cash equivalents	(404,139)	(297,086)
Cash and cash equivalents, October 1	<u>4,462,376</u>	<u>4,759,462</u>
Cash and cash equivalents, September 30	<u>\$ 4,058,237</u>	<u>\$ 4,462,376</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:		
Income (loss) from operations	\$ 730,943	\$ (72,561)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation	-	13,155
Change in assets and liabilities:		
Increase in prepaid items	(38,000)	(131,000)
(Increase) decrease in net pension asset	(142)	20
Increase (decrease) in accounts payable	55,827	(480)
Increase in liability for compensated absences	4,541	2,060
Decrease in long-term risk liability	(1,024,231)	-
Net cash provided (used) by operating activities	<u>\$ (271,062)</u>	<u>\$ (188,806)</u>

**CITY OF CARROLLTON, TEXAS**

Employee Health and Disability Fund  
Comparative Statements of Net Position  
September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,259,276	\$ 11,611,494
Receivables:		
Accrued interest	11,977	7,646
Other	67,013	325,431
Prepaid items	<u>7,367</u>	<u>3,300</u>
Total assets	<u>11,345,633</u>	<u>11,947,871</u>
Liabilities		
Current liabilities:		
Accounts payable	4,252	66,739
Estimated health claims payable	945,000	901,000
Total current liabilities	<u>949,252</u>	<u>967,739</u>
Noncurrent liabilities:		
Other post employment benefits obligation	<u>162,372</u>	<u>-</u>
Total liabilities	<u>1,111,624</u>	<u>967,739</u>
Net Position		
Unrestricted	<u>\$ 10,234,009</u>	<u>\$ 10,980,132</u>

**CITY OF CARROLLTON, TEXAS**

Employee Health and Disability Fund  
Comparative Statements of Revenues, Expenses and Changes in Net Position  
For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Charges for services	\$ 8,543,590	\$ 7,859,560
Operating expenses:		
Supplies and services	<u>9,285,777</u>	<u>9,314,543</u>
Loss from operations	<u>(742,187)</u>	<u>(1,454,983)</u>
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	<u>(3,936)</u>	<u>54,320</u>
Change in net position	(746,123)	(1,400,663)
Net position at beginning of year	<u>10,980,132</u>	<u>12,380,795</u>
Net position at end of year	<u>\$ 10,234,009</u>	<u>\$ 10,980,132</u>

**CITY OF CARROLLTON, TEXAS**

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Employee Health and Disability Fund  
 Comparative Statements of Cash Flows  
 For the Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from employees and retirees for services	\$ 1,806,170	\$ 1,775,249
Cash received from other funds for services	6,727,208	6,086,878
Cash received from loss claim recoveries and refunds	966,942	1,226,172
Cash payments to suppliers for goods and services	(1,717,720)	(1,451,398)
Cash payments for loss claims	<u>(8,126,551)</u>	<u>(9,125,146)</u>
Net cash used by operating activities	<u>(343,951)</u>	<u>(1,488,245)</u>
Cash flows from investing activities:		
Interest on cash and cash equivalents	<u>(8,267)</u>	<u>51,750</u>
Net decrease in cash and cash equivalents	(352,218)	(1,436,495)
Cash and cash equivalents, October 1	<u>11,611,494</u>	<u>13,047,989</u>
Cash and cash equivalents, September 30	<u>\$ 11,259,276</u>	<u>\$ 11,611,494</u>
Reconciliation of loss from operations to net cash used by operating activities:		
Loss from operations	\$ (742,187)	\$ (1,454,983)
Adjustments to reconcile loss from operations to net cash used by operating activities:		
Change in assets and liabilities:		
(Increase) decrease in other receivables	258,418	(105,829)
Increase in prepaid items	(4,067)	-
Decrease in accounts payable	(62,487)	(433)
Increase in estimated health claims payable	44,000	73,000
Increase in other post employment benefits obligation	<u>162,372</u>	<u>-</u>
Net cash used by operating activities	<u>\$ (343,951)</u>	<u>\$ (1,488,245)</u>



## **STATISTICAL SECTION (Unaudited)**

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. It includes six categories of information:

Financial Trends (tables 1-4) – contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity (tables 5-8) – contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity (tables 9-13) – present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information (tables 14-15) – offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information (tables 16-18) – contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Additional Information (tables 19-20)



# CARROLLTON

TEXAS

**CITY OF CARROLLTON, TEXAS**  
**NET POSITION BY COMPONENT**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 (Unaudited)

Table 1

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Governmental activities</b>										
Net investment in capital assets	\$ 263,154,305	\$ 265,600,413	\$ 263,730,671	\$ 266,825,498	\$ 263,408,945	\$ 247,857,097	\$ 236,526,305	\$ 226,993,301	\$ 223,050,439	\$ 222,048,214
Restricted	4,889,273	6,199,408	6,873,914	4,231,682	6,310,926	7,220,362	7,596,030	7,576,079	6,226,590	5,782,452
Unrestricted	31,293,726	32,713,802	42,362,492	51,386,262	59,247,124	71,439,989	80,721,318	87,936,900	88,198,609	93,366,902
<b>Total governmental activities net position</b>	<b>\$ 299,337,304</b>	<b>\$ 304,513,623</b>	<b>\$ 312,967,077</b>	<b>\$ 322,443,442</b>	<b>\$ 328,966,995</b>	<b>\$ 326,517,448</b>	<b>\$ 324,843,653</b>	<b>\$ 322,506,280</b>	<b>\$ 317,475,638</b>	<b>\$ 321,197,568</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 95,522,140	\$ 98,408,532	\$ 100,933,118	\$ 105,133,481	\$ 119,104,013	\$ 126,415,206	\$ 123,607,558	\$ 120,971,378	\$ 117,681,145	\$ 116,508,962
Restricted	6,316,075	1,956,387	1,956,387	2,008,330	2,008,330	2,008,330	1,843,461	1,775,052	1,610,108	1,552,989
Unrestricted	17,957,013	18,368,981	25,436,630	33,069,417	27,417,189	25,643,386	26,487,259	29,942,097	30,259,557	29,389,768
<b>Total business-type activities net position</b>	<b>\$ 119,795,228</b>	<b>\$ 118,733,900</b>	<b>\$ 128,326,135</b>	<b>\$ 140,211,228</b>	<b>\$ 148,529,532</b>	<b>\$ 154,066,922</b>	<b>\$ 151,938,278</b>	<b>\$ 152,688,527</b>	<b>\$ 149,550,810</b>	<b>\$ 147,451,719</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 358,676,445	\$ 364,008,945	\$ 364,663,789	\$ 371,958,979	\$ 382,512,958	\$ 374,272,303	\$ 360,133,863	\$ 347,964,679	\$ 340,731,584	\$ 338,557,176
Restricted	11,205,348	8,155,795	8,830,301	6,240,012	8,319,256	9,228,692	9,439,491	9,351,131	7,836,698	7,335,441
Unrestricted	49,250,739	51,082,783	67,799,122	84,455,679	86,664,313	97,083,375	107,208,577	117,878,997	118,458,166	122,756,670
<b>Total primary government net position</b>	<b>\$ 419,132,532</b>	<b>\$ 423,247,523</b>	<b>\$ 441,293,212</b>	<b>\$ 462,654,670</b>	<b>\$ 477,496,527</b>	<b>\$ 480,584,370</b>	<b>\$ 476,781,931</b>	<b>\$ 475,194,807</b>	<b>\$ 467,026,448</b>	<b>\$ 468,649,287</b>

Source: Comprehensive Annual Financial Reports

**CITY OF CARROLLTON, TEXAS**  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 (Unaudited)

Table 2

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General government and administration	\$ 12,652,094	\$ 15,644,331	\$ 14,871,728	\$ 13,939,593	\$ 15,375,056	\$ 16,135,585	\$ 15,023,107	\$ 14,538,522	\$ 14,144,028	\$ 14,683,787
Public safety	34,893,838	35,948,946	37,406,015	40,896,578	42,255,686	43,858,825	44,042,950	44,482,891	46,304,583	47,660,301
Development services	26,482,618	28,046,598	28,915,140	31,283,614	33,127,452	33,614,950	33,811,295	35,909,416	37,333,179	36,051,818
Cultural and recreational	12,316,981	11,961,237	13,644,595	13,687,354	13,867,945	14,145,686	14,068,566	13,362,124	13,967,919	14,111,727
Interest on long term debt	6,339,985	5,997,854	6,220,345	7,228,416	7,076,924	6,968,970	6,921,692	7,231,859	6,748,692	6,406,299
Total governmental activities expenses	92,685,516	97,598,966	101,057,823	107,035,555	111,703,063	114,724,016	113,867,610	115,524,812	118,498,401	118,913,932
Business-type activities:										
Water and sewer	26,986,766	27,862,561	31,194,521	30,380,584	31,408,169	33,317,418	32,866,464	33,620,735	34,872,272	35,482,178
Golf	2,732,268	2,326,233	1,383,971	1,369,843	1,062,218	1,036,202	950,736	870,260	1,086,243	827,540
Sanitation	4,059,523	3,644,049	3,981,887	4,276,378	5,010,413	6,548,312	6,669,493	5,277,104	5,414,802	5,559,233
Total business-type activities expenses	33,778,557	33,832,843	36,560,379	36,026,805	37,480,800	40,901,932	40,486,693	39,768,099	41,373,317	41,868,951
Total primary government expenses	126,464,073	131,431,809	137,618,202	143,062,360	149,183,863	155,625,948	154,354,303	155,292,911	159,871,718	160,782,883
<b>Program Revenues</b>										
Governmental activities:										
Fees, Fines, and Charges for Services:										
General government and administration	193,055	151,475	269,604	189,308	199,250	174,930	126,497	183,765	193,861	216,802
Public safety	5,354,013	5,075,055	5,589,877	6,264,188	5,728,799	5,896,060	6,630,295	7,058,605	8,335,917	9,632,597
Development services	2,976,416	2,743,082	2,239,495	1,336,503	2,091,549	1,151,686	1,159,367	1,150,299	1,450,556	1,939,146
Cultural and recreational	1,835,012	1,954,876	2,128,791	2,440,759	2,888,387	2,468,392	2,475,389	3,079,277	2,772,721	2,718,241
Operating grants and contributions	301,859	68,620	313,325	237,115	164,859	233,722	31,425	38,499	142,500	84,112
Capital grants and contributions	8,335,456	6,479,917	6,871,620	8,512,717	9,540,567	4,980,311	5,389,194	7,099,797	3,146,704	5,857,808
Total governmental activities program revenues	18,995,811	16,473,025	17,412,712	18,980,590	20,613,411	14,905,101	15,812,167	18,610,242	16,042,259	20,448,706
Business-type activities:										
Charges for services:										
Water and sewer	29,536,677	31,488,533	37,599,029	31,237,504	34,668,105	33,783,699	33,394,525	37,070,326	34,785,038	35,171,954
Golf	1,452,586	1,162,697	1,094,446	1,251,584	1,256,786	1,053,893	819,035	986,300	1,007,137	1,040,473
Sanitation	4,723,537	4,477,352	4,826,002	5,169,134	5,569,300	7,766,941	7,778,811	7,174,814	7,436,551	7,629,080
Capital grants and contributions	3,538,174	1,305,545	4,766,950	12,039,515	7,066,729	7,372,328	436,710	805,406	648,083	1,741,476
Total business-type activities program revenues	39,250,974	38,434,127	48,286,427	49,697,737	48,560,920	49,976,861	42,429,081	46,036,846	43,876,789	45,582,983
Total primary government program revenues	58,246,785	54,907,152	65,699,139	68,678,327	69,174,331	64,881,962	58,241,248	64,647,088	59,919,048	66,031,689

(continued)

**CITY OF CARROLLTON, TEXAS**  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 (Unaudited)

Table 2

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (73,689,705)	\$ (81,125,941)	\$ (83,645,111)	\$ (88,054,965)	\$ (91,089,652)	\$ (99,818,915)	\$ (98,055,443)	\$ (96,914,570)	\$ (102,456,142)	\$ (98,465,226)
Business-type Activities	5,472,417	4,601,284	11,726,048	13,670,932	11,080,120	9,074,929	1,942,388	6,268,747	2,503,472	3,714,032
Total Primary government net expense	(68,217,288)	(76,524,657)	(71,919,063)	(74,384,033)	(80,009,532)	(90,743,986)	(96,113,055)	(90,645,823)	(99,952,670)	(94,751,194)
<b>General Revenues</b>										
<b>and Other Changes in Net Assets</b>										
Governmental Activities:										
Taxes:										
Ad valorem	47,130,352	48,113,974	51,145,102	53,071,901	55,010,097	58,108,302	56,530,661	54,751,313	55,176,665	55,859,536
Sales	19,029,360	19,581,613	20,861,075	22,130,589	21,592,235	21,185,318	20,103,257	21,564,480	24,020,903	25,446,798
Occupancy	140,550	135,229	142,618	125,977	129,836	131,139	168,725	195,870	176,826	156,061
Franchise Fees	8,765,355	8,862,765	9,535,908	9,696,472	10,054,141	9,954,417	9,653,252	10,607,534	10,286,074	10,556,411
Investment earnings net of change in fair value of investments	1,238,858	2,224,587	5,225,573	7,423,423	5,549,105	3,015,900	1,002,342	627,029	649,158	41,353
Gain on sale of capital assets	169,671	122	505,900	-	76,959	-	364,151	270,089	121,337	120,011
Public-private partnership recovery	665,077	807,298	867,633	772,789	999,478	644,197	664,755	843,382	1,104,285	882,757
Miscellaneous	-	-	-	-	-	-	3,612,167	-	-	-
Special item	-	-	-	-	-	-	-	-	-	-
Transfers	4,768,861	6,576,672	3,814,756	4,310,179	4,201,354	4,330,095	4,282,338	5,717,500	5,890,252	5,963,729
Total Governmental Activities	81,908,084	86,302,260	92,098,565	97,531,330	97,613,205	97,369,368	96,381,648	94,577,197	97,425,500	102,187,156
Business-type Activities:										
Investment earnings net of change in fair value of investments	317,504	617,903	1,443,823	2,343,421	1,332,052	746,496	180,815	116,423	148,177	(11,503)
Gain on sale of capital assets	214,111	180,557	54,456	48,013	35,370	600	5,902	6,578	13,037	62,393
Miscellaneous	27,370	115,600	154,933	160,637	72,116	45,460	24,589	76,001	87,849	99,716
Special item	1,740,558	-	-	-	-	-	-	-	-	-
Transfers	(4,768,861)	(6,576,672)	(3,814,756)	(4,310,179)	(4,201,354)	(4,330,095)	(4,282,338)	(5,717,500)	(5,890,252)	(5,963,729)
Total Business-type Activities	(2,469,318)	(5,662,612)	(2,161,544)	(1,758,108)	(2,761,816)	(3,537,539)	(4,071,032)	(5,518,498)	(5,641,189)	(5,813,123)
Total Primary Government	79,438,766	80,639,648	89,937,021	95,773,222	94,851,389	93,831,829	92,310,616	89,058,699	91,784,311	96,374,033
<b>Change in Net Position</b>										
Governmental Activities	8,218,379	5,176,319	8,453,454	9,476,365	6,523,553	(2,449,547)	(1,673,795)	(2,337,373)	(5,030,642)	3,721,930
Business-type Activities	3,003,099	(1,061,328)	9,564,504	11,912,824	8,318,304	5,537,390	(2,128,644)	750,249	(3,137,717)	(2,099,091)
Total Primary Government	\$ 11,221,478	\$ 4,114,991	\$ 18,017,958	\$ 21,389,189	\$ 14,841,857	\$ 3,087,843	\$ (3,802,439)	\$ (1,587,124)	\$ (8,168,359)	\$ 1,622,839

(concluded)

Source: Comprehensive Annual Financial Reports

**CITY OF CARROLLTON, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**

Table 3

Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Fund</b>										
Reserved for other	\$ 263,115	\$ 337,458	\$ 241,732	\$ 395,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned to encumbrances	-	-	-	-	538,392	199,700	245,183	323,650	288,384	248,282
Unreserved/Unassigned	15,971,136	16,028,967	22,402,328	21,413,757	17,162,958	17,012,045	16,508,349	16,247,394	18,051,247	18,145,105
<b>Total general fund</b>	<b>\$ 16,234,251</b>	<b>\$ 16,366,425</b>	<b>\$ 22,644,060</b>	<b>\$ 21,809,245</b>	<b>\$ 17,701,350</b>	<b>\$ 17,211,745</b>	<b>\$ 16,753,532</b>	<b>\$ 16,571,044</b>	<b>\$ 18,339,631</b>	<b>\$ 18,393,387</b>
<b>All Other Governmental Funds</b>										
Reserved for:										
Debt service	\$ 5,398,048	\$ 5,151,394	\$ 5,793,303	\$ 4,803,422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Items	462,646	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	1,843,106	1,931,735	2,055,563	2,202,208	-	-	-	-	-	-
Capital projects funds	42,075,321	57,243,678	73,419,250	83,173,482	-	-	-	-	-	-
Nonspendable for:										
Prepaid items	-	-	-	-	-	-	-	-	-	421,950
Land held of resale	-	-	-	-	-	-	-	-	606,750	1,426,418
Restricted for:										
Debt service	-	-	-	-	4,542,598	5,346,863	5,864,803	5,378,826	5,256,955	4,986,970
Streets and drainage	-	-	-	-	23,949,626	16,983,609	13,907,997	13,584,454	2,339,776	7,039,695
Public facilities	-	-	-	-	2,318,945	5,300,113	3,060,169	4,636,293	3,344,490	1,797,929
Other capital projects	-	-	-	-	3,081,205	4,579,418	3,498,355	5,785,095	2,041,830	769,916
Other purposes	-	-	-	-	2,088,832	2,157,548	1,935,559	1,888,906	1,354,452	1,242,218
Committed to:										
Transit oriented development	-	-	-	-	1,436,097	7,893,486	8,966,511	8,380,396	-	3,677,459
Street rehabilitation	-	-	-	-	567,431	3,805,872	6,971,443	7,968,067	8,606,244	9,995,506
Other capital projects	-	-	-	-	7,195,910	2,852,826	3,657,818	1,137,230	777,632	748,664
Assigned to:										
Streets and drainage	-	-	-	-	9,183,068	12,372,934	12,786,911	18,807,606	19,415,710	13,745,553
Public facilities	-	-	-	-	8,728,409	12,847,706	19,149,990	19,270,179	25,889,748	31,174,609
Other capital projects	-	-	-	-	8,315,949	8,738,617	6,118,770	8,716,872	8,422,646	7,808,482
Other purposes	-	-	-	-	63,667	64,390	76,830	289,167	254,279	172,506
<b>Total all other governmental funds</b>	<b>\$ 49,779,121</b>	<b>\$ 64,326,807</b>	<b>\$ 81,268,116</b>	<b>\$ 90,179,112</b>	<b>\$ 71,471,737</b>	<b>\$ 82,943,382</b>	<b>\$ 85,995,156</b>	<b>\$ 95,843,091</b>	<b>\$ 78,310,512</b>	<b>\$ 85,007,875</b>

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2009. Fiscal year 2008 amounts restated to conform to the new statement requirements.

**CITY OF CARROLLTON, TEXAS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 (Unaudited)

Table 4

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>REVENUES:</b>										
Taxes:										
Ad valorem	\$ 46,928,617	\$ 47,446,826	\$ 50,627,525	\$ 52,704,099	\$ 55,362,329	\$ 57,668,780	\$ 56,119,101	\$ 54,363,724	\$ 54,824,842	\$ 55,615,260
Penalty and interest	375,131	413,588	519,600	435,052	432,753	439,522	411,560	387,589	351,823	244,276
Sales	19,029,360	19,581,613	20,861,075	22,130,589	21,592,235	21,185,318	20,103,257	21,564,480	24,020,903	25,446,798
Occupancy tax	140,550	135,229	142,618	125,977	129,836	131,139	168,725	195,870	176,826	156,061
Franchise fees	8,765,355	8,862,765	9,555,908	9,696,472	10,054,141	9,954,417	13,265,419	10,607,534	10,286,074	10,556,411
Assessments	1,716,546	1,581,943	332,159	93,619	1,418,241	39,948	258,708	129,960	43,290	173,671
Charges for services	3,129,785	3,263,695	4,057,772	4,135,429	4,328,669	4,039,662	3,838,328	4,406,615	4,727,224	5,185,010
Intergovernmental	419,234	6,208,525	3,561,022	1,566,070	3,989,680	6,446,118	2,539,754	6,150,732	1,456,028	3,784,017
Licenses and permits	1,543,783	1,397,709	1,751,401	1,590,778	1,981,533	1,715,378	1,688,628	1,990,338	1,975,677	2,345,502
Fines and forfeitures	3,968,383	3,681,141	4,086,434	4,410,933	3,997,542	3,896,080	4,605,883	4,945,033	6,006,864	6,802,603
Investment earnings net of change in fair value of investments	1,119,104	1,985,792	4,534,138	6,556,374	4,880,711	2,535,111	859,941	543,769	553,107	48,699
Public-private partnership recovery	-	-	-	-	999,478	644,197	664,755	843,382	-	1,896,300
Miscellaneous	665,077	884,141	867,633	772,789	999,478	644,197	664,755	843,382	1,104,285	882,757
Total Revenues	<u>87,800,925</u>	<u>95,442,967</u>	<u>100,877,285</u>	<u>104,218,181</u>	<u>109,167,148</u>	<u>108,695,670</u>	<u>104,524,059</u>	<u>106,129,026</u>	<u>105,526,943</u>	<u>113,137,365</u>
<b>EXPENDITURES:</b>										
General government and administration	11,470,464	12,196,365	12,693,038	12,816,582	14,261,687	14,498,301	13,427,628	13,234,778	12,894,095	13,818,786
Public safety	33,739,749	34,565,817	36,531,604	39,236,183	42,407,391	42,739,671	42,419,993	43,015,217	43,629,488	45,468,794
Development services	9,604,295	8,982,459	9,561,693	9,998,543	10,703,823	10,692,011	10,015,918	9,381,002	9,422,970	9,245,445
Cultural and recreational	10,374,773	10,337,597	11,105,274	11,519,215	12,022,216	11,859,216	11,033,972	10,593,872	10,606,136	11,173,466
Capital outlay	21,543,664	26,453,768	23,461,140	29,832,546	40,963,371	32,870,512	27,758,257	23,025,597	31,099,960	24,185,644
Debt Service:										
Principal retirement	10,005,000	10,360,000	8,960,000	10,385,000	9,365,000	23,360,000 (a)	10,950,000	12,110,000	12,730,000	12,250,000
Interest and fiscal charges	6,168,165	6,182,484	6,038,862	7,363,095	7,083,248	6,961,821	7,019,015	7,321,573	6,967,800	6,619,954
Total expenditures	<u>102,906,110</u>	<u>109,078,490</u>	<u>108,351,611</u>	<u>121,151,164</u>	<u>136,806,736</u>	<u>142,981,532</u>	<u>122,624,783</u>	<u>118,682,039</u>	<u>127,350,449</u>	<u>122,762,089</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(15,105,185)</u>	<u>(13,635,523)</u>	<u>(7,474,326)</u>	<u>(16,932,983)</u>	<u>(27,639,588)</u>	<u>(34,285,862)</u>	<u>(18,100,724)</u>	<u>(12,553,013)</u>	<u>(21,823,506)</u>	<u>(9,624,724)</u>
<b>OTHER FINANCING SOURCES (USES):</b>										
Bonds issued	-	19,770,000	24,825,000	20,685,000	-	26,750,000	15,600,000	15,000,000	-	9,465,000
Refunding bonds issued	-	34,340,000	-	-	-	12,105,000	11,815,000	-	20,100,000	-
Premium on bonds issued	-	3,833,482	16,323	49,496	-	1,879,670	939,055	278,534	2,432,844	530,902
Payment to refunded bond escrow agent	-	(36,602,635)	-	-	-	-	(12,465,963)	-	(22,317,933)	-
Sale of capital assets	-	-	1,619,535	13,298	32,744	22,364	29,382	809,107	-	-
Transfers in	5,642,121	12,457,123	6,048,245	12,419,808	10,830,871	13,139,525	14,733,069	11,282,205	15,699,983	20,190,224
Transfers out	(2,576,697)	(5,482,587)	(1,815,833)	(8,158,438)	(6,039,297)	(8,628,657)	(9,956,258)	(5,151,386)	(9,855,380)	(13,810,283)
Total Other Financing Sources (Uses)	<u>3,065,424</u>	<u>28,315,383</u>	<u>30,693,270</u>	<u>25,009,164</u>	<u>4,824,318</u>	<u>45,267,902</u>	<u>20,694,285</u>	<u>22,218,460</u>	<u>6,059,514</u>	<u>16,375,843</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(12,039,761)</u>	<u>14,679,860</u>	<u>23,218,944</u>	<u>8,076,181</u>	<u>(22,815,270)</u>	<u>10,982,040</u>	<u>2,593,561</u>	<u>9,665,447</u>	<u>(15,763,992)</u>	<u>6,751,119</u>
Debt service as a percentage of noncapital expenditures	19.5%	18.7%	16.8%	18.4%	16.5%	26.5% (a)	18.0%	19.0%	19.1%	18.1%

**Notes:**  
 For years 1999 through 2003, municipal court expenditures were classified as general government and administration. For all other years, municipal court expenditures were classified as public safety.  
 (a) Increase in debt service as a percentage of noncapital expenditures in fiscal year 2009 was due to a current refunding of debt financed by the issuance of refunding bonds. Only advance refundings are recorded as an "other use".  
**Source:** Comprehensive Annual Financial Reports

**CITY OF CARROLLTON, TEXAS**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

Table 5

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			
2004	\$ 7,540,045,010	\$ 1,894,014,700	\$ 1,294,446,523	\$ 8,139,613,187	\$ 0.599300
2005	7,780,942,780	1,951,712,350	1,690,075,457	8,042,579,673	0.599300
2006	8,018,901,660	1,932,476,730	1,773,160,232	8,178,218,158	0.632875
2007	8,532,425,920	1,795,577,860	1,836,207,690	8,491,796,090	0.632875
2008	9,243,403,930	2,196,465,400	2,148,811,515	9,291,057,815	0.617875
2009	9,264,171,749	2,219,855,876	2,397,595,637	9,086,431,988	0.617875
2010	9,460,998,783	2,083,632,510	2,341,230,868	9,203,400,425	0.617875
2011	9,225,686,522	1,934,190,861	2,253,208,722	8,906,668,661	0.617875
2012	9,196,797,992	1,983,032,088	2,282,481,097	8,897,348,983	0.617875
2013	9,256,778,500	2,198,511,234	2,356,490,067	9,098,799,667	0.617875

**Source:** City of Carrollton Budget Document

**Note:** Total Taxable Assessed Value represents original certified taxable value. This does not include valuation of protested property at certification date.



**CITY OF CARROLLTON, 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	Carrollton- Farmers Branch Independent School District	Dallas Independent School District		Lewisville Independent School District		Coppell Independent School District		Plano Independent School District		Dallas County <sup>a</sup>		Collin County <sup>b</sup>		Denton County		Valwood Improvement Authority <sup>c</sup>
					Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	
2004	\$ 0.396600	\$ 0.202700	\$ 0.599300	\$ 1.78	\$ 1.67	\$ 1.77	\$ 1.74	\$ 1.73	\$ 0.54	\$ 0.34	\$ 0.25	\$ 0.31							
2005	0.390060	0.209240	0.599300	1.78	1.67	1.77	1.74	1.73	0.54	0.34	0.25	0.31							
2006	0.432842	0.200033	0.632875	1.83	1.69	1.77	1.73	1.73	0.55	0.34	0.25	0.35							
2007	0.434015	0.198860	0.632875	1.68	1.50	1.64	1.60	1.58	0.55	0.33	0.23	0.34							
2008	0.439146	0.178729	0.617875	1.37	1.20	1.37	1.27	1.27	0.57	0.33	0.24	0.32							
2009	0.432069	0.185806	0.617875	1.36	1.18	1.38	1.28	1.30	0.58	0.33	0.24	0.31							
2010	0.415694	0.202181	0.617875	1.34	1.27	1.41	1.28	1.33	0.60	0.33	0.25	0.31							
2011	0.406241	0.211634	0.617875	1.35	1.24	1.43	1.42	1.35	0.62	0.33	0.27	0.31							
2012	0.398528	0.219347	0.617875	1.36	1.29	1.43	1.42	1.37	0.62	0.33	0.28	0.31							
2013	0.411887	0.205988	0.617875	1.33	1.29	1.45	1.42	1.37	0.64	0.33	0.28	0.31							

**Source:** City of Carrollton Budget Office, Lewisville Independent School District, Dallas Central Appraisal District, Plano Independent School District, Denton County

**Note:**

<sup>a</sup>Dallas County includes Dallas County Hospital District and Dallas County Community College District.

<sup>b</sup>Collin County includes Collin County and Collin County Community College District.

<sup>c</sup>A typical property tax bill would consist of the City, School District and County taxes. Valwood Improvement Authority is a flood reclamation district serving commercial property only in the southwest corner of the City.

**CITY OF CARROLLTON, TEXAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Current Year and Ten Years Ago  
 (Unaudited)

Table 7

	Fiscal Year 2013			Fiscal Year 2004		
	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Halliburton Co. Inc.		\$ 72,248,349	0.79%	ST Microelectronics	\$ 218,614,680	2.69%
Oncor Electric Delivery		60,862,050	0.67%	Pratt & Whitney Services	75,361,120	0.93%
AT&T Communications		57,240,460	0.63%	Texas Utilities	69,209,310	0.85%
Realty Associates Rienzi		50,040,640	0.55%	Home Interiors	56,517,060	0.69%
JPMorgan Chase Bank NA		49,971,530	0.55%	Petula Assoc. Ltd.	54,492,950	0.67%
Hewlett Packard		49,883,850	0.55%	Ingram Micro Inc.	50,319,310	0.62%
Bella Vida Gardens Associates LLC		42,421,768	0.47%	Halliburton Co. Inc.	47,392,820	0.58%
Mansions at Sunset Ridge Partners KP		42,055,583	0.46%	AER Manufacturer	46,747,300	0.57%
Texas Dugan LTD		40,420,929	0.44%	CB Parkway Business	45,305,740	0.56%
ThinkTech Inc.		40,069,840	0.44%	First Industrial LP	43,208,500	0.53%
Total Assessed Value of Top-ten Taxpayers: 505,214,999 5.55%						
Total Assessed Value of Other Taxpayers: 8,593,584,668 94.45%						
Total Assessed Value: \$ 9,098,799,667 100.00%						
Total Assessed Value of Top-ten Taxpayers: 707,168,790 8.69%						
Total Assessed Value of Other Taxpayers: 7,432,444,397 91.31%						
Total Assessed Value: \$ 8,139,613,187 100.00%						

**Source:** Dallas County Tax Office and Denton County Tax Office (2013), City of Carrollton Tax Office (2004)

**CITY OF CARROLLTON, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 8

Fiscal Year	Taxes Budgeted Within the Fiscal Year of the Levy		Taxes Levied Within the Fiscal Year of the Levy		Adjustments to Levy in Subsequent Years		Adjusted 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	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2004	\$ 47,991,188		\$ 48,813,595	98.76%	\$ (238,336)		\$ 48,575,259	98.76%	\$ 47,972,017	98.76%	\$ 563,984		\$ 48,536,001	99.92%
2005	47,803,724		48,739,310	99.56%	(474,052)		48,265,258	99.56%	48,054,574	99.56%	152,989		48,207,563	99.88%
2006	50,650,791		52,446,165	99.65%	(534,679)		51,911,486	99.65%	51,729,495	99.65%	107,311		51,836,806	99.86%
2007	52,743,849		54,402,141	99.39%	(318,472)		54,083,669	99.39%	53,754,419	99.39%	252,484		54,006,903	99.86%
2008	55,768,584		57,024,631	99.23%	(207,945)		56,816,686	99.23%	56,377,227	99.23%	333,138		56,710,365	99.81%
2009	56,983,591		58,797,682	99.06%	(382,381)		58,415,301	99.06%	57,863,664	99.06%	409,205		58,272,869	99.76%
2010	55,564,918		57,160,657	99.39%	(244,858)		56,915,799	99.39%	56,570,727	99.39%	150,705		56,721,432	99.66%
2011	53,709,922		55,477,092	99.21%	(102,751)		55,374,341	99.21%	54,937,434	99.21%	239,413		55,176,847	99.64%
2012	53,668,670		55,502,447	99.47%	(79,735)		55,422,712	99.47%	55,128,245	99.47%	64,492		55,192,737	99.59%
2013	54,782,788		56,407,488	99.30%	-		56,407,488	99.30%	56,013,200	99.30%	-		56,013,200	99.30%

**Source:** Dallas Central Appraisal District and Dallas County Tax Office  
 Denton Central Appraisal District and Denton County Tax Office

**CITY OF CARROLLTON, TEXAS**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 9

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Obligation	Other Obligations	Water and Sewer Revenue Bonds	Obligation Refunding Bonds	Certificates of Obligation			
2004	\$ 121,215,614	\$ 305,000	\$ 673,332	\$ 19,884,808	\$ 315,000	\$ 3,650,000	\$ 146,043,754	5.22%	\$ 1,270
2005	134,732,403	155,000	336,665	27,946,118	160,000	3,460,000	166,790,186	5.82%	1,416
2006	148,469,494	2,015,279	-	25,609,593	-	3,255,000	179,349,366	5.55%	1,506
2007	158,890,680	1,657,144	-	28,917,532	-	3,040,000	192,505,356	5.47%	1,602
2008	149,625,288	1,269,010	-	27,105,778	-	2,810,000	180,810,076	5.17%	1,500
2009	167,077,251	860,876	-	25,299,024	-	2,570,000	195,807,151	5.04%	1,619
2010	172,942,298	437,742	-	23,432,272	-	2,315,000	199,127,312	5.63%	1,672
2011	176,255,438	-	-	21,485,518	-	2,040,000	199,780,956	5.41%	1,674
2012	164,049,299	-	-	19,845,967	-	1,750,000	185,645,266	5.03%	1,532
2013	161,205,494	-	-	18,065,717	-	1,440,000	180,711,211	4.63%	1,478

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

<sup>a</sup>See Table 14 for personal income and population data.

**CITY OF CARROLLTON, TEXAS**  
**RATIO OF GENERAL BONDED DEBT OUTSTANDING**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 10

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property <sup>a</sup>	Per Capita <sup>b</sup>
2004	\$ 121,530,614	\$ 3,955,000	\$ 125,485,614	\$ 5,398,048	\$ 120,087,566	1.48%	\$ 1,044
2005	134,892,403	3,615,000	138,507,403	5,151,394	133,356,009	1.66%	1,132
2006	148,469,494	5,270,279	153,739,773	5,793,303	147,946,470	1.81%	1,242
2007	158,890,680	4,697,144	163,587,824	4,803,422	158,784,402	1.87%	1,322
2008	149,625,288	4,079,010	153,704,298	4,542,598	149,161,700	1.61%	1,237
2009	167,077,251	3,430,876	170,508,127	5,346,863	165,161,264	1.82%	1,366
2010	172,942,298	2,752,742	175,695,040	5,864,803	169,830,237	1.85%	1,426
2011	176,255,438	2,040,000	178,295,438	5,378,826	172,916,612	1.94%	1,449
2012	164,049,299	1,750,000	165,799,299	5,256,955	160,542,344	1.80%	1,325
2013	161,205,494	1,440,000	162,645,494	4,986,970	157,658,524	1.73%	1,289

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

<sup>a</sup>See Table 5 for property value data.

<sup>b</sup>See Table 14 for population data.

**CITY OF CARROLLTON, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As of September 30, 2013  
(Unaudited)

Table 11

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>a</sup></b>	<b>Estimated Share of Overlapping Debt</b>
<b>Debt repaid with property taxes</b>			
Carrollton-Farmers Branch Independent School District	\$ 297,605,000	38.18%	\$ 113,625,589
Collin County	379,701,582	0.06%	227,821
Collin County Community College	39,724,842	0.06%	23,835
Coppell Independent School District	150,299,144	0.06%	90,179
Dallas County	129,817,389	2.75%	3,569,978
Dallas County Community College District	374,265,000	2.75%	10,292,288
Dallas County Hospital District	688,018,488	2.75%	18,920,508
Dallas County Schools	26,570,000	2.75%	730,675
Dallas Independent School District	2,509,104,932	1.14%	28,603,796
Denton County	550,321,150	8.84%	48,648,390
Lewisville Independent School District	1,019,851,415	14.56%	148,490,366
Plano Independent School District	998,966,946	0.15%	1,498,450
Valwood Improvement Authority	8,704,114	49.15%	4,278,072
Subtotal, overlapping debt			378,999,947
<b>City of Carrollton (direct debt)</b>	161,205,494	100.00%	161,205,494
<b>Total direct and overlapping debt</b>			<b>\$ 540,205,441</b>

<sup>a</sup>The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entities' taxable assessed value that is with the City's boundaries and dividing by the entities' total taxable assessed value.

**Source:** City of Carrollton Treasury Office

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

**CITY OF CARROLLTON, TEXAS**  
**PLEDGED-REVENUE COVERAGE**

Table 12

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Total Revenues <sup>a</sup>	Waterworks and Sewer System Revenue Bonds				Times Coverage
		Operating Expenses <sup>b</sup>	Net Available Revenue		Average Annual Requirement	
			Operating Expenses <sup>b</sup>	Revenue		
2004	\$ 29,832,183	\$ 24,173,216	\$ 5,658,967	\$ 1,388,341	4.08	
2005	32,113,455	24,610,840	7,502,615	1,913,929	3.92	
2006	39,162,205	27,681,103	11,481,102	1,827,605	6.28	
2007	33,689,946	26,774,927	6,915,019	2,008,330	3.44	
2008	36,108,584	26,944,583	9,164,001	1,958,624	4.68	
2009	34,546,031	28,247,702	6,298,329	1,903,950	3.31	
2010	33,585,356	27,261,441	6,323,915	1,843,461	3.43	
2011	37,264,408	28,195,996	9,068,412	1,775,052	5.11	
2012	35,011,924	29,623,511	5,388,413	1,609,769	3.35	
2013	35,256,384	30,439,911	4,816,473	1,552,989	3.10	

Bond covenants require a revenue coverage of 1.25 times the average annual debt service.

**Notes:** <sup>a</sup>Includes operating revenues (charges for services and miscellaneous income), investment income, and transfers in of the Water and Sewer Fund

<sup>b</sup>Includes operating expenses minus depreciation plus transfers out of the Water and Sewer Fund.

**Source:** Comprehensive Annual Financial Report

**CITY OF CARROLLTON, TEXAS**  
**DIRECT AND CONTRACTUALLY OBLIGATED - PROPERTY TAX AND REVENUE DEBT**  
 Last Four Fiscal Years  
 (Unaudited)

Table 13

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
City of Carrollton - direct debt:				
Paid with property taxes	\$ 161,205,494	\$ 164,049,299	\$ 176,255,438	\$ 173,380,040
Paid with dedicated revenues:				
Water and sewer revenues	18,065,717	19,845,967	21,485,518	23,432,272
Golf course revenues	1,440,000	1,750,000	2,040,000	2,315,000
Other Entities - contractually obligated to be paid with water and sewer revenues:				
Dallas Water Utilities (DWU) <sup>(1)</sup>	44,287,472	49,046,973	48,870,615	45,300,519
Trinity River Authority - Central Regional Wastewater System (CRWS) <sup>(2)</sup>	76,686,499	69,000,149	58,542,349	54,631,649
<b>Total direct and contractually obligated debt</b>	<b>301,685,182</b>	<b>303,692,388</b>	<b>307,193,920</b>	<b>299,059,480</b>
<b>Carrollton Debt %</b>	59.9%	61.1%	65.0%	66.6%
<b>Other Entities Debt %</b>	40.1%	38.9%	35.0%	33.4%

(1) Carrollton has a "take or pay" contract to purchase potable water on a wholesale basis. Overlapping debt is calculated based on Carrollton's Rate of Flow setting as a percent of all wholesale customers applied to total outstanding DWU debt multiplied by the percentage of the DWU system applicable to wholesale customer activities. Debt numbers are taken from the DWU Wholesale Rate Study.

(2) Carrollton has a contractual obligation to pay its pro rata share of all operating and debt related expenses based on its percentage of flows to the CRWS. Overlapping debt is calculated based on the City's percentage of flows to CRWS. TRA is a November 30th year end.



**CITY OF CARROLLTON, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**

Table 14

Last Ten Calendar Years  
(Unaudited)

<b>Year</b>	<b>Estimated Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2004	115,000	\$ 2,796,685	\$ 24,319	*	31,684	3.5%
2005	117,800	2,864,593	24,317	*	33,062	4.4%
2006	119,125	3,230,313	27,117	35.3	21,500	3.9%
2007	120,153	3,517,359	29,274	32.9	21,666	3.9%
2008	120,553	3,499,412	29,028	34.1	21,891	4.9%
2009	120,949	3,888,631	32,151	34.8	21,082	7.9%
2010	119,097	3,539,801	29,722	34.7	21,415	7.0%
2011	119,370	3,691,279	30,923	35.7	21,508	7.3%
2012	121,150	3,691,198	30,468	36.3	21,101	5.6%
2013	122,280	3,902,811	31,917	36.0	21,276	5.6%

**Sources:** Estimated population provided by the North Central Texas Council of Governments. US Census population used in census years. Per capita income and median age provided by US Census Bureau's American Community Survey. School enrollment (for schools located in Carrollton) provided by Carrollton/Farmers Branch ISD and Lewisville ISD. Beginning in 2006, school enrollment figures for Lewisville ISD include only students living in Carrollton zip codes. Unemployment rates provided on the Texas Workforce Commission website.

**CITY OF CARROLLTON, TEXAS**  
**PRINCIPAL EMPLOYERS,**

Table 15

Current Year and Ten Years Ago  
(Unaudited)

	2013		2004		
	<u>Employer</u>	<u>Employees</u>	<u>Employer</u>	<u>Employees</u>	
				<b>Percentage of Total City Employment</b>	
Halliburton Energy Services	1,300	1.78%	ST Microelectronics	1,400	1.85%
McKesson Corporation	999	1.37%	Halliburton Energy Services	1,125	1.49%
G E Automation Services Inc	875	1.20%	City of Carrollton	998	1.32%
G6 Hospitality	727	1.00%	McKesson Corporation	725	0.96%
Baylor Medical Center	700	0.96%	Trinity Medical Center	720	0.95%
General Aluminum	700	0.96%	Home Interiors	616	0.81%
RIA Computer Software	650	0.89%	Accor	600	0.79%
Western Extrusions Corporation	600	0.82%	General Aluminum Corporation	598	0.79%
Brandt	550	0.75%	RIA Computer Software	580	0.77%
RealPage Internet Access Support	500	0.69%	Western Extrusions	500	0.66%
Total	7,601	10.42%		7,862	10.39%

**Source:** City of Carrollton Economic Development (2013), North Central Texas Council of Governments (2004)

**Note:** For 2013, listing includes only private sector employers.

**CITY OF CARROLLTON, TEXAS**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

Table 16

Last Ten Fiscal Years  
(Unaudited)

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government and Administration	90.5	89.0	89.4	86.5	85.2	85.2	85.0	79.8	74.9	75.9
Public Safety	407.5	411.5	414.5	424.5	431.5	431.5	425.0	420.0	425.8	439.3
Development Services	130.5	120.0	118.5	117.8	120.0	120.0	116.0	111.5	109.2	108.7
Culture and Recreational	138.5	131.5	133.0	136.0	135.3	135.3	133.0	122.0	117.7	118.0
Water and Sewer	74.0	50.0	50.0	50.0	50.0	51.0	51.0	51.0	51.0	51.0
Golf Course	17.0	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-
Fleet Services	25.0	17.0	15.0	14.0	14.0	14.0	14.0	-	0.5	0.5
Risk Management	3.5	3.5	3.5	4.0	2.5	2.5	2.5	2.5	1.0	1.0
Capital Projects and Special Revenue	3.0	3.0	4.0	4.0	5.0	4.5	7.0	7.5	6.5	7.0
<b>Total</b>	<b>889.5</b>	<b>825.5</b>	<b>827.9</b>	<b>836.8</b>	<b>843.5</b>	<b>844.0</b>	<b>833.5</b>	<b>794.3</b>	<b>786.6</b>	<b>801.4</b>

**Source:** City Budget Office

**CITY OF CARROLLTON, TEXAS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 17

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Number of Employees	226	226	225	234	237	240	239	238	207	206
Number of Violations (Citations)	39,280	38,758	37,768	38,248	35,131	33,923	42,340	45,018	50,674	51,451
Fire										
Number of Employees	139	138	138	139	139	139	138	135	141	154
Number of Fire runs	3,157	3,145	2,886	3,226	2,937	2,732	3,071	3,516	3,224	3,295
Number of EMS runs	5,219	4,766	5,709	6,001	6,520	6,230	5,998	6,007	6,641	6,993
Development Services										
Street Resurfacing (miles)	1	5	0	7	2	0	3	3	2	4
Cultural and Recreational Parks and Recreation										
Participants in Leisure Service Programs <sup>(a)</sup>	9,176	10,199	11,119	10,070	9,714	16,950	25,045	42,904	46,512	65,459
Participants in Athletic Programs	106,859	171,169	142,613	141,684	74,429	76,478	90,034	87,610	88,114	77,061
Library										
Volumes in Collection	246,179	245,066	249,942	249,020	232,039	224,483	200,506	183,333	188,314	188,182
Water and Sewer										
Number of Water Consumers	33,831	34,484	34,287	34,545	34,878	34,825	33,915	35,802	34,971	35,710
Average Daily Water Consumption (gallons)	20,672,000	22,218,000	26,054,000	19,229,000	22,460,000	21,076,000	24,994,000	22,888,000	20,800,000	20,171,000
Maximum Storage Capacity (gallons)	43,000,000	43,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000
Sanitation (residential)										
Refuse Collected (tons)	29,591	29,502	31,147	28,772	28,051	26,024	25,508	38,538	34,942	36,668
Bulk/Brush Pickups (tons)	12,604	12,760	13,896	17,046	18,862	16,131	17,511	5,819	6,920	7,674
Recyclables Collected (tons)	4,489	4,837	4,825	6,133	8,010	8,655	9,070	7,490	7,702	7,166
Golf Course										
Number of Paid Rounds Played	58,818	56,016	78,807	83,592	74,605	69,719	56,862	74,019	68,862	58,394

**Source:** City Departments  
**Notes:** N/A = Data not available.  
 (a) - Starting in 2010, Leisure Services expanded the tracking of participants to include in all events held in City Leisure Services facilities. Prior to that time, participant figures only included those registered in City sponsored Leisure Services programs.

**CITY OF CARROLLTON, TEXAS**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**

Table 18

Last Ten Fiscal Years  
(Unaudited)

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	31	32	32	35	34	32	31	34	34	36
Police Motorcycle Units	7	7	7	7	6	7	7	7	7	7
Fire Stations	7	7	7	7	7	7	7	7	7	7
Development Services										
Streets- Paved (miles)	1,071	1,135	1,142	1,142	1,140	1,147	1,142	1,142	1,142	1,176
Alleys - Paved (miles)	169	178	187	180	187	179	178	178	178	190
Cultural and Recreational										
Parks (acres)	2,462	2,458	1,479	1,693	1,463	1,463	1,494	1,493	1,493	1,493
Playgrounds	23	24	24	24	26	26	26	25	25	25
Swimming Pools	3	2	2	2	2	2	2	1	1	1
Tennis Courts	29	27	27	29	27	27	29	29	29	29
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Senior Center	1	1	1	1	1	1	1	1	1	1
Water and Sewer										
Water Mains (miles)	433	512	515	515	515	515	554	551	551	554
Fire Hydrants	4,442	4,570	4,564	4,564	4,623	4,886	4,894	4,895	4,937	4,995
Sanitary Sewers (miles)	427	422	424	426	412	435	431 (a)	403 (a)	403	410

**Source:** City Departments  
**Notes:**

N/A = data not available.

(a) Decreases in Sanitary Sewer (miles) in 2010 and 2011 are due to updates made when converting the data from manual tracking to an electronic graphical information system.

**CITY OF CARROLLTON, TEXAS**  
**TEXAS MUNICIPAL RETIREMENT SYSTEM**

Table 19

**ANALYSIS OF FUNDING PROGRESS AND CONTRIBUTION RATES**

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio (1/2)	Unfunded Actuarial Accrued Liability	Annual Covered Payroll	UAAAL as a Percentage of ACP of (4/5)	Total TMRS Required Contribution Rate	Prior Service Portion of the TMRS Rate
2004	\$ 128,856,066	\$ 151,848,369	84.9%	\$ 22,992,303	\$ 39,616,484	58.0%	10.89%	2.15%
2005	132,672,341	158,303,490	83.8%	25,631,149	40,738,288	62.9%	11.72%	2.84%
2006	137,972,528	165,878,626	83.2%	27,906,098	39,670,739	70.3%	12.05%	3.08%
2007	146,875,267	178,152,761	82.4%	31,277,494	41,951,353	74.6%	12.56%	3.45%
2008	141,565,199	198,026,702	71.5%	56,461,503	42,811,373	131.9%	12.82%	3.65%
2009	150,073,733	197,379,646	76.0%	47,305,913	45,747,413	103.4%	16.74%	6.43%
2010	161,328,186	208,924,862	77.2%	47,596,676	46,403,538	102.6%	16.05%	5.53%
2011	257,904,344	281,246,707	91.7%	23,342,363	45,234,987	51.6%	16.28%	5.39%
2012	275,783,003	295,569,643	93.3%	19,786,640	44,593,544	44.4%	13.95%	2.98%
2013	294,274,104	309,695,066	95.0%	15,420,962	45,175,371	34.1%	13.66%	2.61%

Fiscal Year 2008 Actuarial Accrued Liability adjusted for plan changes adopted effective January 1, 2009.

Fiscal Year 2009 Actuarial Accrued Liability adjusted for plan changes adopted effective January 1, 2010.

Fiscal Years 2011 and forward includes the impact of Senate Bill 350 enacted by the Texas Legislature in June 2011. This legislation provided a restructuring of the Texas Municipal Retirement System funds effective December 31, 2010.

Note: Funded status determined using Projected Unit Credit actuarial method beginning in fiscal year 2008. Contribution rates are determined using Projected Unit Credit actuarial method beginning in fiscal year 2009. All prior years are based on Unit Credit actuarial method.

Source: Texas Municipal Retirement System

**CITY OF CARROLLTON**  
**ACTIVE AND RETIREE HEALTH INSURANCE COSTS**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 20

Fiscal Year	Total Health Plan Expenses	Retiree Expense	Percentage Retiree Costs to Total	Active Members	Retirees			Total TMRS Retirees	Percentage Retirees Using Plan to Total Members	Retiree Contributions	Net Subsidy of Retirees	Subsidy as Percentage of Total Expense	Cost per Active Member	Cost per Retiree
					Using City Health Plan	City Health Plan	Retirees Using Plan to Total Members							
2004	\$ 6,954,303	\$ 368,665	5.3%	778	39	170	4.8%	\$ 293,665	\$ (75,000)	1.1%	\$ 8,465	\$ 9,453		
2005	6,954,938	1,320,959	19.0%	728	36	204	4.7%	374,796	(946,163)	13.6%	7,739	36,693		
2006	6,215,527	602,482	9.7%	707	43	231	5.7%	359,750	(242,732)	3.9%	7,939	14,011		
2007	7,207,066	697,514	9.7%	704	47	246	6.3%	388,066	(309,448)	4.3%	9,247	14,841		
2008	6,853,484	1,139,347	16.6%	728	46	291	5.9%	496,351	(642,996)	9.4%	7,849	24,768		
2009	8,174,384	1,279,338	15.7%	762	49	309	6.0%	403,911	(875,427)	10.7%	9,049	26,109		
2010	7,869,148	1,334,925	17.0%	694	39	329	5.3%	380,189	(954,736)	12.1%	9,415	34,229		
2011	7,726,721	621,888	8.0%	705	44	360	5.9%	420,546	(201,342)	2.6%	10,078	14,134		
2012	9,314,543	474,223	5.1%	674	48	395	6.6%	455,107	(19,116)	0.2%	13,116	9,880		
2013	9,285,777	725,499	7.8%	688	47	437	6.4%	512,762	(212,737)	2.3%	12,442	15,436		
Total	\$ 76,555,891	\$ 8,564,840	11.19%	717	44	297	6.1%	\$ 4,085,143	\$ (4,479,697)	5.9%	\$ 9,534	\$ 19,955		
Average	\$ 7,655,589	\$ 856,484						\$ 408,514	\$ (447,970)					

Source: City Records, Third Party Administrator Records, Texas Municipal Retirement System (TMRS)

Note: Retiree expenses prior to Fiscal year 2005, did not include claims costs for prescription drugs as the amount could not be segregated.



**CARROLLTON**  
**T E X A S**



**CONTINUING FINANCIAL DISCLOSURE TABLES**  
**(Unaudited)**

The Continuing Financial Disclosure Tables present various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. This financial information provided to the Municipal Securities Rulemaking Board (MSRB) annually via the Electronic Municipal Market Access (EMMA) system.

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
Year ended September 30, 2013

**TABLE CD-1**  
**TAX AND DEBT FINANCIAL INFORMATION**  
(Unaudited)

<b>2013 Appraised Value of Taxable Property</b> <sup>(1)</sup>	\$ 11,948,089,924
Less Exemptions:	
Agricultural Land Use	\$ 69,454,359
Homestead	859,193,410
Disabled Veterans	3,918,658
Over 65	335,049,335
Disabled Persons	22,630,375
Totally Exempt	668,418,081
Freeport	421,183,988
Capped Value	2,602,588
Low Income Housing	8,517,319
Other Exemptions	<u>478,866</u>
Total Exemptions	<u>2,391,446,979</u>
 <b>2013 Taxable Valuation</b> <sup>(1)</sup>	 <u><u>\$ 9,556,642,945</u></u>
 <b>Gross General Obligation Bonded Debt:</b>	
General Purpose Bonds and Certificates	\$ 162,645,494
Less: General Obligation Interest & Sinking Fund Balances as of 09/30/2013	<u>4,986,970</u>
 <b>Net General Obligation Bonded Debt</b>	 <u><u>\$ 157,658,524</u></u>
Ratio of Gross General Obligation Bonded Debt to 2013 Taxable Valuation	1.70%
Ratio of Net General Obligation Bonded Debt to 2013 Taxable Valuation	1.65%

2010 Census Population - 119,097  
2013 Estimated Population - 122,280  
Per Capita Taxable Valuation - \$78,154  
Per Capita Gross General Obligation Bonds Bonded Debt - \$1,330  
Per Capita Net General Obligation Bonds Bonded Debt - \$1,289

<sup>(1)</sup> As of certified tax roll provided to the City by Dallas, Denton and Collin County Appraisal Districts in July 2013 (Fiscal year 2014).

Source: City of Carrollton

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
 Year ended September 30, 2013

**TABLE CD-2**  
**VALUATION AND FUNDED DEBT HISTORY**  
 (Unaudited)

<b>Fiscal Period</b>	<b>Taxable Valuation<sup>(1)</sup></b>	<b>% Valuation Increase/Decrease Over Prior Year (100% of Market Value Basis)</b>	<b>Funded Debt Outstanding at Year End</b>	<b>Ratio Funded Debt to Taxable Valuation %</b>
2004/05	\$8,042,579,673	(1.19) %	\$138,347,403	1.72 %
2005/06	8,178,218,158	1.69	153,739,773	1.88
2006/07	8,491,796,090	3.83	163,587,824	1.93
2007/08	9,291,057,815	9.41	153,704,298	1.65
2008/09	9,086,431,988	(2.20)	170,508,127	1.88
2009/10	9,203,400,425	1.29	175,695,040	1.91
2010/11	8,906,668,661	(3.22)	178,295,438	2.00
2011/12	8,897,348,983	(0.10)	165,799,299	1.86
2012/13	9,098,799,667	2.26	162,645,494	1.79
2013/14	9,556,642,945	5.03	158,691,475	1.66

<sup>(1)</sup> Taxable Valuation based on initial Certified Tax Values. Amounts do not include disputed property values at time of tax roll certification.

**TABLE CD-3**  
**TOTAL TAXABLE VALUATION BY CATEGORY<sup>(1)</sup>**  
 (Unaudited)

<b>Fiscal Year</b>	<b>Real Property</b>		<b>Personal &amp; Other Property</b>		<b>Total Taxable Valuation</b>
	<b>Taxable Valuation</b>	<b>% of Total</b>	<b>Taxable Valuation</b>	<b>% of Total</b>	
2004/05	\$6,393,776,850	79 %	\$ 1,648,802,823	21 %	\$ 8,042,579,673
2005/06	6,592,683,475	81	1,585,534,683	19	8,178,218,158
2006/07	7,011,757,750	83	1,480,038,340	17	8,491,796,090
2007/08	7,559,613,508	81	1,731,444,307	19	9,291,057,815
2008/09	7,426,041,202	82	1,660,390,786	18	9,086,431,988
2009/10	7,561,599,599	82	1,641,800,826	18	9,203,400,425
2010/11	7,280,575,560	82	1,626,093,101	18	8,906,668,661
2011/12	7,246,439,535	81	1,650,909,448	19	8,897,348,983
2012/13	7,301,613,573	80	1,797,186,094	20	9,098,799,667
2013/14	7,617,660,597	80	1,938,982,348	20	9,556,642,945

<sup>(1)</sup>Source: Dallas Central Appraisal District for fiscal years prior to 2007/08 and from Dallas, Denton and Collin County Appraisal Districts in fiscal year 2008/09 and later.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
 Year ended September 30, 2013

**TABLE CD-4**  
**TOTAL APPRAISED VALUATION BY CATEGORY<sup>(1)</sup>**  
 (Unaudited)

<u>Property Use Category</u>	<u>Tax Year 2013</u>	<u>Tax Year 2012</u>	<u>Tax Year 2011</u>	<u>Tax Year 2010</u>	<u>Tax Year 2009</u>
Real, Residential, Single Family, and Mobile Homes Real	\$ 5,338,349,776	\$ 5,254,431,497	\$ 5,337,838,766	\$ 5,366,997,688	\$ 5,395,664,382
Residential, Multiple Family	827,684,090	746,753,407	639,858,987	625,968,359	673,466,793
Real, Vacant Lots/Tracts	108,113,113	105,613,486	117,620,011	120,935,813	147,133,360
Real, Acreage (Land Only)	69,844,568	88,673,040	86,764,500	91,472,306	81,171,271
Real, Commercial, Industrial and Utilities	2,577,426,212	2,414,256,568	2,356,283,306	2,348,887,251	2,493,320,174
Tangible Personal, Commercial Industrial and Utilities	2,355,111,781	2,213,250,756	2,067,196,490	1,971,160,531	2,178,058,656
Tangible Personal, Special Inventory Other	<u>40,776,009</u>	<u>37,355,798</u>	<u>29,500,952</u>	<u>23,988,320</u>	<u>26,660,410</u>
Total Appraised Valuation <sup>(2)</sup>	<u>\$ 11,317,305,549</u>	<u>\$ 10,860,334,552</u>	<u>\$10,635,063,012</u>	<u>\$ 10,549,410,268</u>	<u>\$10,995,475,046</u>

<sup>(1)</sup> The Total Appraised Valuation consists of the market valuation of all property within the City, before exemptions, and is determined by the Appraisal Districts each July for the preparation of the "City Report of Property Value" which is submitted to the Texas State Comptroller. Certain items of classification have been combined in order to provide a consistent basis of comparison with the presentation from prior years. Amounts do not include values for totally exempt properties.

<sup>(2)</sup> Represents gross values, prior to exemptions.

Source: Dallas, Denton, and Collin County Appraisal Districts.

**TABLE CD-5**  
**PERCENTAGE TOTAL APPRAISED VALUATION BY USE CATEGORY**  
 (Unaudited)

<u>Property Use Category</u>	<u>Percent of Total Appraised Valuation for Tax Years</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Real Property					
Single-Family Residential	47.2%	48.4%	50.2%	50.9%	49.1%
Multi-Family Residential	7.3%	6.9%	6.0%	5.9%	6.1%
Vacant Lots/Tracts	0.9%	1.0%	1.1%	1.1%	1.3%
Acreage-Land Only	0.6%	0.8%	0.8%	0.9%	0.7%
Commercial, Industrial, and Utilities	22.8%	22.2%	22.2%	22.3%	22.7%
Tangible Personal Property					
Commercial, Industrial, and Utilities	20.8%	20.4%	19.4%	18.7%	19.8%
Other	<u>0.4%</u>	<u>0.3%</u>	<u>0.3%</u>	<u>0.2%</u>	<u>0.3%</u>
Total	<u>100.0%</u>	<u>100.00%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
Year ended September 30, 2013

**TABLE CD-6**  
**PROPERTY TAX RATES, LEVIES AND COLLECTIONS**  
**(Year Ended 9-30)**  
(Unaudited)

<u>Fiscal Year Ended</u>	<u>Tax Rate Distribution</u>			<u>Tax Levy for Fiscal Year<sup>(1)</sup></u>	<u>Percent of Current Collections</u>	<u>Percent of Total Collections</u>
	<u>Total Tax Rate</u>	<u>Operating/ General Fund</u>	<u>Interest and Sinking Fund</u>			
2004/05	0.5993	\$ 0.3901	\$ 0.2092	\$ 48,054,574	99.56 %	99.88 %
2005/06	0.6329	0.4329	0.2000	51,729,495	99.65 %	99.86 %
2006/07	0.6329	0.4340	0.1989	53,754,419	99.39 %	99.86 %
2007/08	0.6179	0.4392	0.1787	56,377,227	99.23 %	99.81 %
2008/09	0.6179	0.4321	0.1858	57,863,664	99.06 %	99.76 %
2009/10	0.6179	0.4157	0.2022	56,570,727	99.39 %	99.66 %
2010/11	0.6179	0.4063	0.2116	54,937,434	99.21 %	99.64 %
2011/12	0.6179	0.3985	0.2194	55,128,245	99.47 %	99.59 %
2012/13	0.6179	0.4119	0.2060	56,013,200	99.30 %	99.30 %
2013/14	0.6179	0.4145	0.2034	59,286,187	- (2)	- (2)

Source: City of Carrollton.

<sup>(1)</sup> Adjusted Tax Levy at Fiscal Year End.

<sup>(2)</sup> In process of collection.

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
Year ended September 30, 2013

**TABLE CD-7**  
**TOP TEN TAXPAYERS**  
**Fiscal Year 2014**  
(Unaudited)

<u>Name</u>	<u>Nature of Property</u>	<u>Total Taxable Value</u> <sup>(1)</sup>	<u>% of Total Taxable Value</u>
1. Halliburton Co. Inc.	Manufacturing	\$ 76,152,016	0.80%
2. Western Extrusions Corp.	Manufacturing	74,303,061	0.78%
3. Verizon	Communications	65,147,210	0.68%
4. Hewlett Packard Co.	Technology	50,516,370	0.53%
5. JP Morgan Chase	Banking	45,772,180	0.48%
6. Bella Vida Gardens Associates LLC	Apartments	45,385,535	0.47%
7. Texas Dugan LP	Real Estate	41,800,778	0.44%
8. Ari-International Business Park	Real Estate	40,106,812	0.42%
9. Cyrus One LLC	Technology	39,868,548	0.42%
10. Oncor Electric Delivery	Public Utility	<u>39,327,360</u>	<u>0.41%</u>
Total		<u>\$ 518,379,870</u>	<u>5.43%</u>

<sup>(1)</sup>Total taxable value including real and personal property is \$9,556,642,945  
Source: Dallas & Denton County Tax Office, City Report of Property Value, 2013. (Fiscal Year 2014)

**TABLE CD-8**  
**DEBT SERVICE FUND MANAGEMENT INDEX**  
(Unaudited)

General Obligation Debt Service Requirements, Fiscal Year Ending 9/30/14 <sup>(1)</sup>		\$ 20,844,836
Debt Service Fund, All General Obligation Issues 9/30/13	\$ 4,986,970	
Budget for Fiscal Year 2013/14 Debt Service Fund Tax Levy @ 98% Collection	18,810,307	<u>23,797,277</u>
Estimated Surplus, Year Ending 9/30/14		<u>\$ 2,952,441</u>

**TABLE CD-9**  
**TAX ADEQUACY WITH RESPECT**  
**TO THE CITY'S OUTSTANDING TAX SUPPORTED GENERAL OBLIGATION BONDS**  
(Unaudited)

Principal and Interest Requirements, Fiscal Year Ending September 30, 2014	\$ 20,844,836
\$0.203428 Tax Rate @ 98% Collection Procedures <sup>(1)</sup>	18,810,307

<sup>(1)</sup>Total estimated net taxable value computed and adjusted for estimated valuation under protest, rebatable property, and TIRZ incremental value from 2012/13 budgeted tax year certified taxable valuation of \$9,556,642,945.

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
 Year ended September 30, 2013

**TABLE CD-10**  
**MUNICIPAL SALES TAX**  
 (Unaudited)

The City has adopted the provision of V.T.C.A., Tax Code, Chapter 321, as amended, which grants the City the power to impose and levy at 1% Local Sales and Use Tax within the City. The proceeds are credited to the General Fund and may not be pledged to debt service and are not pledged to the payment of the Bonds. Collections and enforcement are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly.

<u>Fiscal Year</u> <u>Ended 9/30</u>	<u>Total</u> <u>Collected</u>	<u>Percentage of</u> <u>Ad Valorem</u> <u>Tax Levy</u>	<u>Equivalent of</u> <u>Ad Valorem</u> <u>Tax Rate</u>	<u>Per Capita</u>
2004	\$ 18,945,727	38.81 % <sup>(1)</sup>	\$ 0.24 <sup>(1)</sup>	\$ 168.95
2005	19,480,222	39.97 <sup>(3)</sup>	0.25 <sup>(3)</sup>	167.21
2006	20,758,445	40.13 <sup>(1)</sup>	0.25 <sup>(1)</sup>	174.88
2007	22,021,647	41.75 <sup>(2)</sup>	0.26 <sup>(2)</sup>	183.28
2008	21,474,564	38.51 <sup>(3)</sup>	0.24 <sup>(3)</sup>	178.13
2009	21,041,211	39.17 <sup>(3)</sup>	0.24 <sup>(3)</sup>	173.97
2010	19,947,850	35.90 <sup>(3)</sup>	0.22 <sup>(3)</sup>	163.37
2011	21,460,288	39.99 <sup>(3)</sup>	0.25 <sup>(3)</sup>	179.78
2012	24,100,500	43.99 <sup>(3)</sup>	0.27 <sup>(3)</sup>	198.93
2013	25,480,560	44.60 <sup>(3)</sup>	0.28 <sup>(3)</sup>	208.38 <sup>(4)</sup>

- <sup>(1)</sup> Based on 99.0% collection rate of the total tax levy.
- <sup>(2)</sup> Based on 98.5% collection rate of the total tax levy.
- <sup>(3)</sup> Based on 98% collection rate of the total tax levy.
- <sup>(4)</sup> Based on estimated population of 122,280 as of September 30, 2013.

Note: The total sales tax and use tax rate in the City is 8 1/4%, of which 1% is imposed by the City, as described above 1% is imposed by the Dallas Area Rapid Transit authority, of which the City is a member city, and 6 1/4% is imposed by the State of Texas. These amounts do not include City sales tax collected on City services and mixed beverage taxes.

**TABLE CD-11**  
**COMPARATIVE MONTHLY SALES TAX COLLECTIONS<sup>(5)</sup>**  
 (Unaudited)

<u>Month</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
October	\$ 2,248,560	\$ 2,186,836	\$ 1,933,331
November	2,282,461	1,875,919	1,446,404
December	1,778,852	1,679,211	1,631,912
January	2,362,349	2,140,326	2,048,512
February	1,953,040	1,636,485	1,472,167
March	1,721,386	1,747,566	1,394,815
April	2,081,704	1,947,526	2,089,706
May	1,920,550	1,949,541	1,897,105
June	2,334,450	2,006,124	1,651,896
July	2,535,243	2,551,091	2,149,947
August	2,156,889	2,445,028	1,723,041
September	2,105,076	1,934,847	2,021,452
	<u>\$ 25,480,560</u>	<u>\$ 24,100,500</u>	<u>\$ 21,460,288</u>

Source: Comptroller of Public Accounts; City of Carrollton  
<sup>(5)</sup> Amount does not include mixed beverage and sales taxes retained.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
 Year ended September 30, 2013

**TABLE CD-12**  
**OUTSTANDING DEBT SERVICE REQUIREMENTS**  
**GENERAL OBLIGATION DEBT**  
 (Unaudited)

Fiscal Year <u>Ended</u> <u>30-Sep</u>	\$10,000,000 <sup>(1)</sup>					Total Debt Service <u>Requirements</u>
	Existing Debt <u>Service</u>	General Obligation Improvement Bonds Series 2014			<u>Total Debt Service</u>	
		<u>Principal</u>	<u>Interest</u>			
2014	\$ 19,960,783	\$ 500,000	\$ 384,053	\$ 884,053	\$ 20,844,836	
2015	19,345,382	500,000	285,000	785,000	20,130,382	
2016	18,416,257	500,000	270,000	770,000	19,186,257	
2017	17,537,331	500,000	255,000	755,000	18,292,331	
2018	16,556,881	500,000	240,000	740,000	17,296,881	
2019	15,713,206	500,000	225,000	725,000	16,438,206	
2020	14,190,000	500,000	210,000	710,000	14,900,000	
2021	12,807,188	500,000	195,000	695,000	13,502,188	
2022	11,387,394	500,000	180,000	680,000	12,067,394	
2023	10,438,950	500,000	165,000	665,000	11,103,950	
2024	9,867,175	500,000	150,000	650,000	10,517,175	
2025	9,855,262	500,000	135,000	635,000	10,490,262	
2026	8,341,050	500,000	120,000	620,000	8,961,050	
2027	6,551,700	500,000	105,000	605,000	7,156,700	
2028	4,922,575	500,000	90,000	590,000	5,512,575	
2029	4,925,350	500,000	75,000	575,000	5,500,350	
2030	2,942,037	500,000	60,000	560,000	3,502,037	
2031	690,500	500,000	45,000	545,000	1,235,500	
2032	693,275	500,000	30,000	530,000	1,223,275	
2033	689,700	500,000	15,000	515,000	1,204,700	
	<u>\$ 205,831,996</u>	<u>\$ 10,000,000</u>	<u>\$ 3,234,053</u>	<u>\$ 13,234,053</u>	<u>\$ 219,066,049</u>	

<sup>(1)</sup> Estimated 2014 debt issuance.



CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
Year ended September 30, 2013

**TABLE CD-13**  
**AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS<sup>(1)</sup>**  
(Unaudited)

<u>Authorization Purpose</u>	<u>Authorization Date</u>	<u>Amount Authorized</u>	<u>Prior Issuance</u>	<u>2014 Issuance</u>	<u>Balance Unissued</u>
Traffic Improvements	01/16/98	\$ 5,100,000	\$ 4,650,000	\$ 300,000	\$ 150,000
Traffic Improvements	05/15/04	450,000	-	-	450,000
Drainage Improvements	05/15/04	15,400,000	11,209,567	4,190,433	-
Street Improvements & Traffic Flow	11/06/07	27,550,000	17,010,222	3,250,000	7,289,778
Drainage Improvements	11/06/07	9,200,000	-	9,567	9,190,433
Central Service Center Improvements	11/06/07	2,050,000	200,000	1,850,000	-
Economic Development Incentives	11/06/07	2,000,000	1,600,000	400,000	-
		<u>\$ 61,750,000</u>	<u>\$ 34,669,789</u>	<u>\$ 10,000,000</u>	<u>\$ 17,080,211</u>

<sup>(1)</sup> This schedule reflects authorizations which have remaining balances outstanding. Prior authorizations have been completely utilized and are reflected in the total debt outstanding.

**TABLE CD-14**  
**GENERAL FUND<sup>(2)</sup> COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES**  
(Unaudited)

	<u>Fiscal Year Ended 9-30</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Fund Balance -					
Beginning of Year	\$ 18,339,631	\$ 16,571,044	\$ 16,753,532	\$ 17,211,745	\$ 17,701,350
Revenues:					
Taxes & Franchise Fees	67,972,223	65,912,159	63,527,909	65,785,552	64,513,316
Charges for Services	5,039,219	4,581,900	4,192,998	3,834,428	4,036,512
Fines and Forfeitures	6,235,333	5,471,923	4,392,475	4,040,011	3,502,058
Investment Income	129,958	185,007	218,182	352,073	836,443
Licenses and Permits	2,298,049	1,951,889	1,740,590	1,688,628	1,715,378
Intergovernmental	2,958	-	4,542	4,598	105,514
Miscellaneous	438,753	397,074	317,509	282,325	397,732
Total Revenues	<u>82,116,493</u>	<u>78,499,952</u>	<u>74,394,205</u>	<u>75,987,615</u>	<u>75,106,953</u>
Expenditures:					
General Government and Administration	13,818,786	12,894,095	13,234,778	13,427,628	14,498,301
Development Services	9,245,445	9,398,097	9,381,002	10,013,402	10,689,495
Public Safety	45,201,315	42,863,356	42,566,309	42,096,694	42,283,157
Cultural and Recreation	10,561,622	10,071,746	10,205,195	10,527,915	11,778,291
Net Transfers	3,235,569	1,504,071	(810,591)	380,189	(3,652,686)
Total Expenditures	<u>82,062,737</u>	<u>76,731,365</u>	<u>74,576,693</u>	<u>76,445,828</u>	<u>75,596,558</u>
Excess/Deficiency of Revenues over Expenditures	<u>53,756</u>	<u>1,768,587</u>	<u>(182,488)</u>	<u>(458,213)</u>	<u>(489,605)</u>
Fund Balance -					
End of Year	<u>\$ 18,393,387</u>	<u>\$ 18,339,631</u>	<u>\$ 16,571,044</u>	<u>\$ 16,753,532</u>	<u>\$ 17,211,745</u>

<sup>(2)</sup>The General Fund is the main operating fund of the City, used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in the General Fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund. The General Fund includes most of the basic operating services such as fire and police protection, environmental services, parks and recreation, libraries and street maintenance.

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
 Year ended September 30, 2013

**TABLE CD-15  
 GENERAL FUND  
 CURRENT OPERATIONS  
 (Unaudited)**

On September 17, 2013, the 2013-14 budget was adopted by the City Council. The following General Fund Operating Budget is presented on a budget basis presentation.

<b><u>Revenues</u></b>	<b>2012-13 <u>Actual</u><sup>(2)</sup></b>	<b>2013-14 <u>Adopted Budget</u></b>	<b>2013-14 <u>Current Estimate</u><sup>(1)</sup></b>
Property Taxes	\$ 32,311,445	\$ 33,274,038	\$ 33,274,038
Sales Taxes	25,446,798	25,286,079	25,286,079
Franchise Fees	10,213,980	10,212,200	10,212,200
Licenses and Permits	2,298,049	2,258,900	2,258,900
Charges for Services	4,822,416	4,808,760	4,808,760
Fines and Forfeiture	6,152,277	5,978,605	5,978,605
Other Revenues	406,273	409,500	409,500
Investment Income	187,262	162,000	162,000
Transfers In	<u>3,269,306</u>	<u>3,668,602</u>	<u>3,668,602</u>
<b>Total Revenues</b>	<b><u>\$ 85,107,806</u></b>	<b><u>\$ 86,058,684</u></b>	<b><u>\$ 86,058,684</u></b>
<b><u>Expenditures</u></b>			
Personal Services	\$ 50,464,125	\$ 54,156,396	\$ 54,156,396
Supplies and Services	8,903,226	9,874,461	9,874,461
Utilities	2,565,941	2,353,932	2,353,932
Allocations	14,014,675	15,743,211	15,743,211
Capital Outlay	279,420	419,860	419,860
Transfers Out	<u>8,511,179</u>	<u>3,510,824</u>	<u>4,950,824</u>
<b>Total Expenditures</b>	<b><u>\$ 84,738,566</u></b>	<b><u>\$ 86,058,684</u></b>	<b><u>\$ 87,498,684</u></b>

<sup>(1)</sup>As of November 30, 2013. City Staff monitors actual revenues and expenditures monthly and revisions are made to forecasted budget numbers as necessary to reflect changes in the economy and changes in laws or regulations that might affect operations.

<sup>(2)</sup>For annual budget purposes, the City utilizes an Administrative Services Fund for internal allocation of overall costs. For year-end financial reporting purposes, this fund is consolidated with the General Fund in the Comprehensive Annual Financial Report. The above figures represent only the General Fund as presented in the annual budget and do not include consolidation of the Administrative Services Fund.

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
Year ended September 30, 2013

**TABLE CD-16**  
**CURRENT INVESTMENTS**  
(Unaudited)

As of September 30, 2013 the following percentages of the City's investable funds were invested in the following investment categories and the effective duration of the total City portfolio was .102 years.

<b><u>Type of Investment</u></b>	<b><u>Amortized Value</u></b>	<b><u>Percentage</u></b>
Coupon Treasuries	\$ 14,003,377	9.00%
Coupon Agencies	108,987,553	70.00%
Discount Agencies	1,998,810	1.28%
Government Pools <sup>(1)</sup>	<u>30,699,115</u>	<u>19.72%</u>
Total Securities	<u>\$ 155,688,855</u>	<u>100.00%</u>

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<sup>(1)</sup>The City's government pool investments are in the Texas Local Government Investment Pool ("TexPool") over which the Texas State Comptroller of Public Accounts exercises oversight responsibility. TexPool is rated AAAM by S&P and operates in a manner consistent with Chapter 2256, Texas Government Code referred to as the Public Funds Investment Act.

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
 Year ended September 30, 2013

**TABLE CD-17**  
**WATER & WASTEWATER SYSTEM**  
**REVENUE BOND DEBT SERVICE REQUIREMENTS**  
 (Unaudited)

<b>Year Ending <u>9/30</u></b>	<b>Existing Debt</b>		<b>Total Debt Service Requirements</b>
	<b><u>Principal</u></b>	<b><u>Service Interest</u></b>	
2014	\$ 1,715,000	\$ 673,804	\$ 2,388,804
2015	1,215,000	614,229	1,829,229
2016	1,260,000	574,203	1,834,203
2017	1,310,000	524,379	1,834,379
2018	1,360,000	470,603	1,830,603
2019	1,425,000	414,779	1,839,779
2020	1,485,000	356,654	1,841,654
2021	1,545,000	295,704	1,840,704
2022	1,605,000	232,279	1,837,279
2023	1,200,000	178,603	1,378,603
2024	1,055,000	136,754	1,191,754
2025	1,100,000	91,360	1,191,360
2026	410,000	42,000	452,000
2027	430,000	21,500	451,500
<b>Totals</b>	<b><u>\$ 17,115,000</u></b>	<b><u>\$ 4,626,851</u></b>	<b><u>\$ 21,741,851</u></b>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
 Year ended September 30, 2013

**TABLE CD-18**  
**WATER AND WASTEWATER SYSTEM OPERATING STATEMENT AND**  
**REVENUE BONDS COVERAGE**  
 (Unaudited)

	Fiscal Year Ended 9/30			
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Revenues</b>	\$ 35,256,384	\$ 35,011,924	\$ 37,264,408	\$ 33,585,356
Expenses:				
Personal Services	3,483,877	3,431,921	3,510,275	3,573,380
Supplies and Services	21,477,817	20,652,052	19,265,802	18,359,278
Utilities	909,152	898,975	948,136	905,799
Allocations	1,074,436	1,111,285	1,062,926	1,098,674
Provision for				
Doubtful accounts	40,471	63,100	61,893	59,032
Transfers Out	3,454,158	3,466,178	3,346,964	3,265,278
<b>Total Expenses</b>	<u>30,439,911</u>	<u>29,623,511</u>	<u>28,195,996</u>	<u>27,261,441</u>
<b>Net Available for Debt Service</b>	<u>\$ 4,816,473</u>	<u>\$ 5,388,413</u>	<u>\$ 9,068,412</u>	<u>\$ 6,323,915</u>
<b>Customer Count</b>				
<b>Water/Sewer</b>	35,710	34,971	35,802	33,915
<b>Average Annual Debt Service</b>	\$ 1,552,989	\$ 1,609,769	\$ 1,775,052	\$ 1,843,461
<b>Coverage</b>	3.10 x	3.35 x	5.11 x	3.43 x
Average Annual Debt Service - 2014/2027				\$ 1,552,989
Coverage of Average Annual Debt Service at 9/30/13 Net Available				3.10 x
Maximum Annual Debt Service - 2014/2027				\$ 2,388,804
Coverage of Maximum Annual Debt Service at 9/30/13 Net Available				2.02 x

**TABLE CD-19**  
**FUND BALANCES**  
 (As of September 30, 2013)  
 (Unaudited)

Reserve Fund	\$ 1,552,989
Interest and Sinking Fund	<u>995,335</u>
<b>Total Fund Balances</b>	<u>\$ 2,548,324</u>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
 Year ended September 30, 2013

**TABLE CD-20**  
**WATER AND WASTEWATER OPERATING FUND**  
**SUMMARY OF BUDGETED REVENUES AND EXPENDITURES**  
 (Unaudited)

	<b>2012-13</b>	<b>2013-14</b>
	<b>Actual <sup>(1)</sup></b>	<b>Adopted Budget <sup>(1)</sup></b>
<b><u>Beginning Operating Funds</u></b>	\$ 15,751,406	\$ 14,640,787
<b><u>Revenues</u></b>		
Water Sales & Charges	22,634,379	23,050,000
Sewer Sales & Charges	11,722,892	11,785,000
Tag & Reconnect Fees	432,625	435,000
Industrial Surcharge	39,497	35,000
Backflow Prevention Charges	153,408	140,000
Investment Income	58,252	57,000
Miscellaneous	208,971	182,500
Total Revenues	\$ 35,250,024	\$ 35,684,500
<b><u>Total Funds Available</u></b>	\$ 51,001,430	\$ 50,325,287
<b><u>Expenditures</u></b>		
Personal Services	2,543,936	2,996,624
Supplies and Services	21,166,258	22,037,591
Utilities	899,793	833,570
Allocations	3,683,949	4,034,707
Capital Outlay	-	-
Canceled Encumbrances	-	-
Transfers Out	7,578,755	7,509,514
Total Expenditures	\$ 35,872,691	\$ 37,412,006
<b><u>Ending Operating Funds</u></b>	\$ 15,128,739	\$ 12,913,281

(1) Budget basis.

**TABLE CD-21**  
**UTILITY PLANT IN SERVICE**  
 (As of September 30, 2013)  
 (Unaudited)

Land	\$ 1,372,868
Utility Plant	244,039,819
Equipment and Intangibles	4,273,131
Total Capital Assets	249,685,818
Less Accumulated Depreciation	(117,562,240)
<b>Net Utility Plant in Service</b>	<b>\$ 132,123,578</b>

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
Year ended September 30, 2013

**TABLE CD-22**  
**WATER AND WASTEWATER FUND**  
**CITY'S EQUITY IN SYTEM**  
(Unaudited)

	Fiscal Year Ending 9/30			
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Water & Wastewater				
System in Service	\$ 249,685,818	\$ 245,277,518	\$ 242,767,414	\$ 238,841,255
Reserve for Depreciation	<u>(117,562,240)</u>	<u>(109,814,668)</u>	<u>(102,064,340)</u>	<u>(94,445,790)</u>
Net plant in Service	132,123,578	135,462,850	140,703,074	144,395,465
Construction Funds Net Assets	<u>12,147,839</u>	<u>11,891,235</u>	<u>10,867,953</u>	<u>11,523,684</u>
Net Plant in Sevice and Coming on Line	<u>144,271,417</u>	<u>147,354,085</u>	<u>151,571,027</u>	<u>155,919,149</u>
Plus Other Assets	221,412	235,561	231,369	240,723
Plus Operating Working Capital	<u>15,506,440</u>	<u>16,327,997</u>	<u>16,580,291</u>	<u>12,642,244</u>
Assets Net of Current Liabilities and Debt Reserves	<u>159,999,269</u>	<u>163,917,643</u>	<u>168,382,687</u>	<u>168,802,116</u>
Long Term Debt	15,947,328	17,725,999	19,848,764	21,485,520
Less Debt Reserves	<u>(1,552,989)</u>	<u>(1,610,108)</u>	<u>(1,775,052)</u>	<u>(1,843,461)</u>
Net Long Term Debt	14,394,339	16,115,891	18,073,712	19,642,059
Plus Other Liabilities	<u>588,319</u>	<u>644,186</u>	<u>617,639</u>	<u>656,134</u>
Total Obligations	14,982,658	16,760,077	18,691,351	20,298,193
City's Equity in System	<u>\$145,016,611</u>	<u>\$147,157,566</u>	<u>\$149,691,336</u>	<u>\$148,503,923</u>
% Equity	90.64%	89.78%	88.90%	87.98%

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
Year ended September 30, 2013

**TABLE CD-23**  
**TOP TEN WATER CUSTOMERS**  
**AS OF 9/30/2013**  
(Unaudited)

<u>Name</u>	<u>Type</u>	<u>Revenues</u>	<u>% of Total Water Revenues<sup>(1)</sup></u>
1. Carrollton-Farmers Branch ISD	School District	\$ 420,779	1.86%
2. Western Extrusions	Manufacturing	197,599	0.87%
3. BH Autumn Chase Apts. LP.	Apartments	131,475	0.58%
3. Lewisville ISD	School District	120,429	0.53%
5. Mansions at Sunset Ridge, LP	Apartments	103,906	0.46%
6. Country Square Associates	Apartments	94,890	0.42%
7. Frankel Family Trust	Apartments	94,679	0.42%
8. The Meridian, LLC	Apartments	82,025	0.36%
9. Carrollton Edentree L.P.	Apartments	79,532	0.35%
10. Duke Realty Services, LP	Industrial	78,534	0.35%
<b>TOTAL</b>		<b>\$ 1,403,848</b>	<b>6.20%</b>

**NOTES:**

<sup>(1)</sup>Total water revenues from October 1, 2012 through September 30, 2013 was \$22,634,379

Source: City of Carrollton Utility Customer Service Department.

**TABLE CD-24**  
**WATER USAGE**  
(Unaudited)

<u>Fiscal Year Ended 9/30</u>	<u>Average Daily Use In Gallons</u>	<u>Maximum Daily Use In Gallons</u>	<u>Total Gallons for Year</u>
2004	20,828,000	35,292,000	7,602,461,000
2005	21,673,000	40,525,000	7,910,685,000
2006	26,276,000	43,274,000	9,590,868,000
2007	19,255,000	38,849,000	7,028,198,000
2008	22,547,000	43,175,000	8,229,714,000
2009	21,117,000	41,162,000	7,707,993,000
2010	19,635,000	40,022,000	7,166,971,000
2011	22,311,000	41,106,000	8,143,386,000
2012	20,808,000	40,680,000	7,594,764,000
2013	20,171,000	38,388,000	7,362,343,000

Source: City of Carrollton Water Distribution Department.



**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
Year ended September 30, 2013

**TABLE CD-25**  
**WATER & WASTEWATER RATES<sup>(1)</sup>**  
(Unaudited)

**Monthly Water Rates:**

**Minimum monthly charge, including the first 2,000 gallons of use:**

Single-family residential domestic and irrigation use	\$	10.63
Commercial (including apartments and portable meters), industrial and commercial irrigation use:		
5/8" meter	\$	10.63
1" meter		16.38
1.5" meter		25.99
2" meter		37.50
3" meter		68.21
4" meter		102.75
6" meter		198.73
8" meter		313.91
10" meter		448.26
Fire Line regardless of size		57.90

**Use over the 2,000 gallons included in the minimum monthly charge:**

Single-family residential domestic use:		
Meter Readings from October through April:		
All Over 2,000 gallons (per 1,000 gallons)	\$	2.66
Meter Readings from May through September:		
Next 8,000 gallons (per 1,000 gallons)		2.66
All Over 10,000 gallons (per 1,000 gallons)		3.58
All Over 25,000 gallons (per 1,000 gallons)		4.49
Irrigation use:		
Next 23,000 gallons (per 1,000 gallons)	\$	2.63
Next 25,000 gallons (per 1,000 gallons)		3.15
Next 50,000 gallons (per 1,000 gallons)		3.55
Next 100,000 gallons (per 1,000 gallons)		4.02
All use over 200,000 gallons (per 1,000 gallons)		4.49
Commercial use (including apartments and portable meters):		
All use over 2,000 gallons (per 1,000 gallons)	\$	1.81
Industrial Use: Industrial use rates for water service will apply to customers in the business of assembly or manufacturing of goods and for which water usage equals or exceed 750,000 gallons per month for nine out of twelve months in the year:		
All use over 2,000 gallons (per 1,000 gallons)	\$	1.52

**Monthly Sewer Rates:**

Residential use:		
First 2,000 gallons, minimum	\$	9.67
All use over 2,000 gallons (per 1,000 gallons)		2.02
Commercial (including apartments), Industrial and Irrigation minimum monthly charges, including the first 2,000 gallons of use:		
5/8" meter	\$	9.67
1" meter		13.98
1.5" meter		21.15
2" meter		29.75
3" meter		52.71
4" meter		78.52
6" meter		150.22
8" meter		236.27
10" meter		336.65
Commercial and Industrial use:		
All use over 2,000 gallons (per 1,000 gallons)	\$	2.02

<sup>(1)</sup> Rates effective November 1, 2012

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
Year ended September 30, 2013

**TABLE CD-26**  
**COMPARATIVE WATER AND SEWER OPERATING STATEMENT (GAAP BASIS)**  
**Fiscal Year End 9-30**  
(Unaudited)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Operating revenues:				
Charges for services	\$ 35,171,954	\$ 34,785,038	\$ 37,070,326	\$ 33,394,525
Miscellaneous	99,716	87,849	76,001	24,589
Total operating revenues	<u>35,271,670</u>	<u>34,872,887</u>	<u>37,146,327</u>	<u>33,419,114</u>
Operating expenses:				
Personal services	3,483,877	3,431,921	3,510,275	3,573,380
Supplies and Services	21,518,288	20,715,152	19,327,695	18,418,310
Utilities	909,152	898,975	948,136	905,799
Allocations	1,074,436	1,111,285	1,062,926	1,098,674
Depreciation	7,876,715	7,780,673	7,667,043	7,650,919
Total operating expenses	<u>34,862,468</u>	<u>33,938,006</u>	<u>32,516,075</u>	<u>31,647,082</u>
Income from operations	<u>409,202</u>	<u>934,881</u>	<u>4,630,252</u>	<u>1,772,032</u>
Nonoperating revenues (expenses):				
Investment income net of change in fair value	(15,286)	139,037	105,949	166,242
Gain (loss) on sale/retirement of capital assets	53,619	13,037	6,578	5,902
Interest expense	<u>(657,136)</u>	<u>(802,630)</u>	<u>(1,025,940)</u>	<u>(1,139,304)</u>
Total nonoperating revenues (expenses)	<u>(618,803)</u>	<u>(650,556)</u>	<u>(913,413)</u>	<u>(967,160)</u>
Income (loss) before contributions and transfers	(209,601)	284,325	3,716,839	804,872
Capital contributions	1,522,804	648,083	805,406	436,710
Transfers in	-	-	12,132	-
Transfers out	<u>(3,454,158)</u>	<u>(3,466,178)</u>	<u>(3,346,964)</u>	<u>(3,265,278)</u>
Change in net assets	(2,140,955)	(2,533,770)	1,187,413	(2,023,696)
Net assets at beginning of year	<u>147,157,566</u>	<u>149,691,336</u>	<u>148,503,923</u>	<u>150,527,619</u>
Net assets at end of year	<u>\$145,016,611</u>	<u>\$147,157,566</u>	<u>\$149,691,336</u>	<u>\$ 148,503,923</u>



**CARROLLTON**  
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