



**CARROLLTON**  
TEXAS

*Where Connections Happen*

# Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2014



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



Mary Heads Carter  
Park Re-Opening



Over 18,000 Attended  
the 2013 Festival at  
the Switchyard



Hutton Branch Trail  
Pedestrian Bridge Opening



6<sup>th</sup> "Biggest Bang for Your  
Buck"-SaveOn Energy



12<sup>th</sup> Happiest Mid-Sized City in  
America-Movato Real Estate Blog

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## **CITY OF CARROLLTON, TEXAS**

Comprehensive Annual Financial Report  
For the Year Ended September 30, 2014



(L-R): Mayor Pro Tem Bob Garza, Councilmember Steve Babick, Deputy Mayor Pro Tem Anthony Wilder, Mayor Matthew Marchant, City Manager Leonard Martin, Councilmember Lisa Sutter, Councilmember Jeff Andonian, Councilmember Kevin Falconer, Councilmember Doug Hrbacek

**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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**CITY OF CARROLLTON, TEXAS**

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January 19, 2015

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, 2014.

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, 2014. 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 the two should be read in conjunction with each other.

## CITY PROFILE

### Location

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 97% 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 with an unemployment rate below the state average and the U.S. Rate. The Federal Reserve Bank of Dallas reported in their November 2014 D-FW Economic Indicators update:

“The Dallas-Fort-Worth economy expanded at a brisk pace in October. Year to date, DFW employment has grown 3.4 percent, slightly slower than the state's 3.7 percent rate. Job creation remains mostly broad-based across sectors. Activity in the office and industrial markets remains brisk, characterized by rising rents and low vacancy rates, despite elevated levels of construction. Unemployment rates for Dallas and Fort Worth fell again in October and remain below those of the U.S. The Dallas Fed business-cycle indexes point to continued expansion for the Dallas-Fort Worth metroplex.”

Forbes in its February 2014 *America's Fastest Growing Cities* article reported:

“Two states - Florida and Texas - each boast four cities on our Fastest-Growing Cities List this year, with three of the Texas cities ranking in the top 10: Austin (No.1), Dallas (No. 4), Houston (No.10) and San Antonio (No.20). Strong population growth in 2013 and unemployment under 6% - well under the national rate of 6.7% - helped all four cities make the top 20...”

“Considering that most of the country is seeing sluggish population growth, Dallas' projected rate of 2.08% for 2014 is pretty good, and the local economy's year-over-year growth rate of 3.57% quite healthy. A strong business climate, low taxes, and the ease of serving both the East and West Coasts are among the metro area's business attractions. Over the two years, some 51 companies moved or announced plans to move to the Dallas-Fort Worth area.”

## 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 2013 American Community Survey, Carrollton's median household income of \$64,188 compares favorably to \$57,398 for DFW and \$51,704 for Texas. Also according to the survey, the workforce is educated with 37.2% of the population having a bachelor's degree or more, compared to 32.6% for DFW and 27.5% 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.

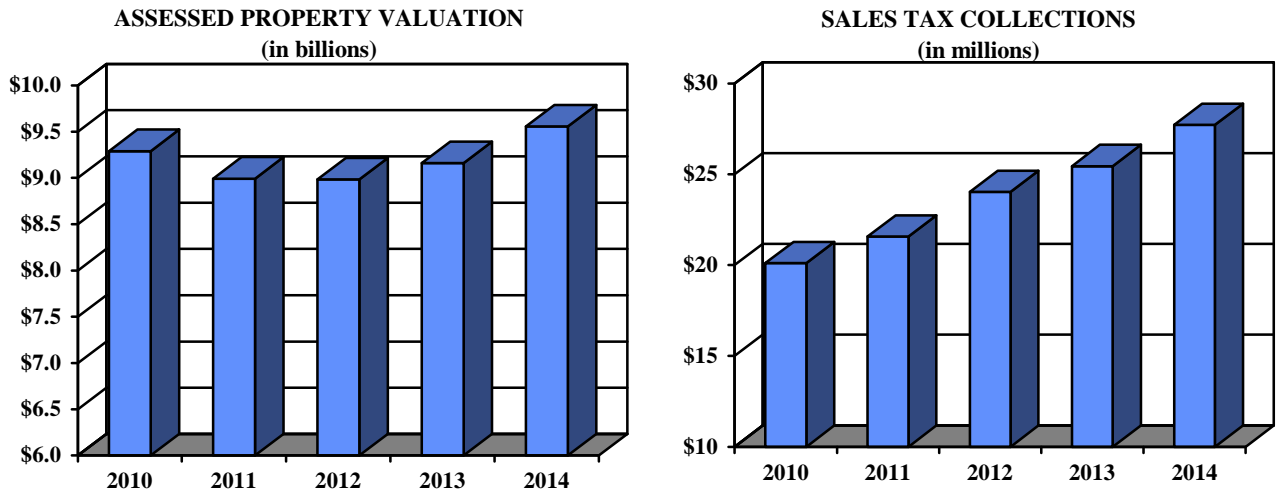
Carrollton ranks high in the state for a quality of work environment. As of September 2014, with unemployment at 5.0% statewide and in Dallas-Fort Worth, Carrollton's unemployment was 4.7%.

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 \$9.6 billion for fiscal year 2014, a 5% increase from the previous year.

Sales tax collections totaled \$27,708,160 in fiscal year 2014, a 8.9% increase from the previous year.



### Future Economic Outlook

Through December, fiscal year 2015 sales taxes have increased by 6.3% compared to the same period in fiscal year 2014. 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 2015, property valuations increased 7.5%, with a 6.7% increase in residential property and 8.2% increase in commercial and industrial properties. New construction continues to be primarily in the commercial and industrial sector.

Carrollton has approximately 545 acres of vacant land ready for future development with 483 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 818 for fiscal year 2014 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 highly competitive but 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, 2013. 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 25 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

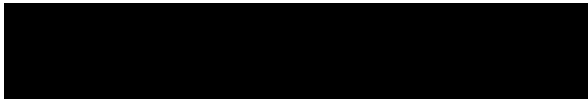
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Appreciation is expressed to City employees throughout the organization, especially those employees who were instrumental in the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



Controller

**CITY OF CARROLLTON, TEXAS**

**City Council**

Matthew Marchant, Mayor

Bob Garza, Mayor Pro Tem, Place 4

Anthony Wilder, Mayor Pro Tem, Place 2

Jeff Andonian  
- Place 1

Doug Hrbacek  
- Place 3

Kevin Falconer  
- Place 5

Steve Babick  
- Place 6

Lisa Sutter  
- Place 7

**City Manager**

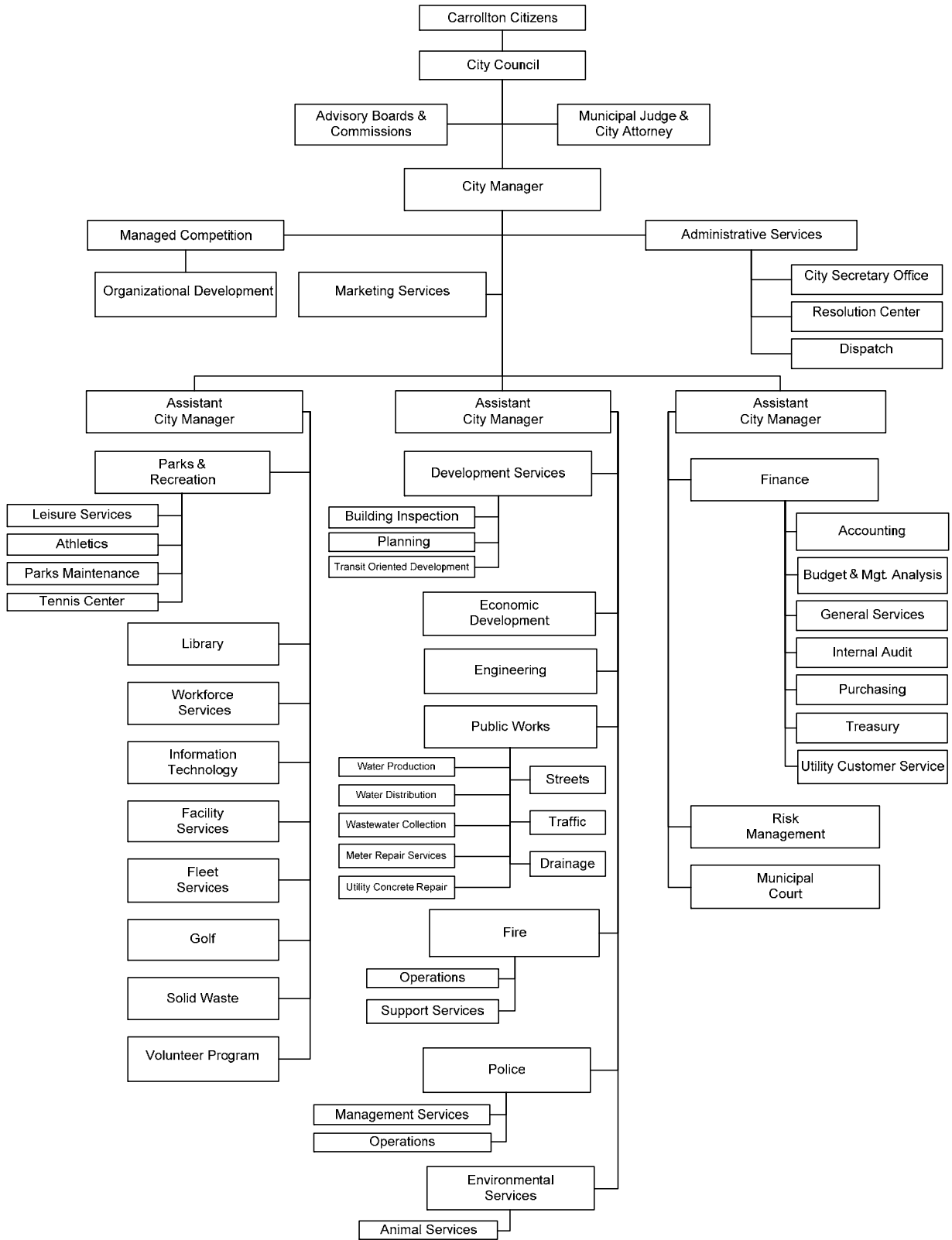
Leonard Martin

**Assistant City Manager/Chief Financial Officer**

Robert B. Scott, CPA

# CITY OF CARROLLTON, TEXAS

## Organizational Chart September 30, 2014





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, 2013**

Executive Director/CEO





## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Mayor, City Council and City Manager  
The City of Carrollton, Texas

**Grant Thornton LLP**  
1717 Main Street, Suite 1800  
Dallas, TX 75201-4667  
**T** 214.561.2300  
**F** 214.561.2370  
GrantThornton.com  
[linkd.in/GrantThorntonUS](https://www.linkedin.com/company/grantthorntonus)  
[twitter.com/GrantThorntonUS](https://twitter.com/GrantThorntonUS)

### **Report on the financial statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carrollton, Texas (the "City") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## 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.

### ***Other reporting required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated January 19, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

GRANT THORNTON LLP

Dallas, Texas

January 19, 2015

## CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis  
For the Year Ended September 30, 2014

Amounts in Thousands Unless Stated Otherwise  
(Unaudited)

January 19, 2015

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, 2014. 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 107-128 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 net position of the City at the close of the most recent fiscal year was \$469,471. This number must be viewed in the context that the vast majority of the City's net position of \$342,601 (73%) 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 \$6,977 (1%). The remaining \$119,893 (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 decreased by \$2,864 in fiscal year 2014.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$122,880. Within this total \$3,084 is non-spendable for prepaid and land held for resale, \$28,162 is restricted by specific legal requirements, such as by debt covenants and \$70,996 has been committed and assigned to specific types of expenditures. The remaining \$20,638 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, 2014

Amounts in Thousands Unless Stated Otherwise  
(Unaudited)

- The City's long-term liabilities increased by \$5,427 due primarily to the issuance of bonds for capital improvements partially offset by existing debt retirements.
- After several years of recessionary impacts to its financial operations, the City has experienced a fourth 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, 2014

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.

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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.

### GOVERNMENT-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. The City's net position was \$469,471 as of September 30, 2014.

The largest portion of the City's net position \$342,601 (73%) 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 \$6,977 (1%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$119,893 (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, 2014

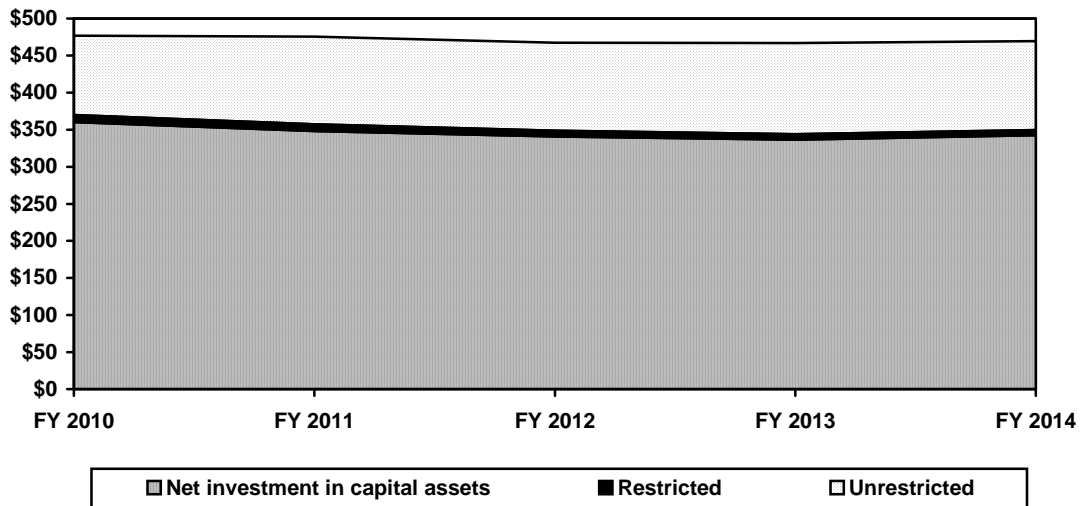
Amounts in Thousands Unless Stated Otherwise  
(Unaudited)

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
Current and other assets	\$ 135,035	\$ 154,467	\$ 37,978	\$ 32,170	\$ 173,013	\$ 186,637
Capital assets, net	370,014	369,333	134,960	134,871	504,974	504,204
Total Assets	<u>505,049</u>	<u>523,800</u>	<u>172,938</u>	<u>167,041</u>	<u>677,987</u>	<u>690,841</u>
Deferred outflows of resources	<u>2,392</u>	<u>2,122</u>	<u>224</u>	<u>201</u>	<u>2,616</u>	<u>2,323</u>
Long term liabilities	177,294	185,978	20,159	16,902	197,453	202,880
Other liabilities	10,544	14,282	5,849	6,531	16,393	20,813
Total Liabilities	<u>187,838</u>	<u>200,260</u>	<u>26,008</u>	<u>23,433</u>	<u>213,846</u>	<u>223,693</u>
Net Position:						
Net investment in capital assets	220,454	224,429	116,211	118,172	336,665	342,601
Restricted	5,782	5,488	1,553	1,489	7,335	6,977
Unrestricted	93,367	95,745	29,390	24,148	122,757	119,893
Total Net Position	<u>\$ 319,603</u>	<u>\$ 325,662</u>	<u>\$ 147,154</u>	<u>\$ 143,809</u>	<u>\$ 466,757</u>	<u>\$ 469,471</u>

As of September 30, 2014, 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 Position**  
**Governmental and Business-Type Activities**  
(in millions)



**CITY OF CARROLLTON, TEXAS**

Management’s Discussion and Analysis  
 For the Year Ended September 30, 2014

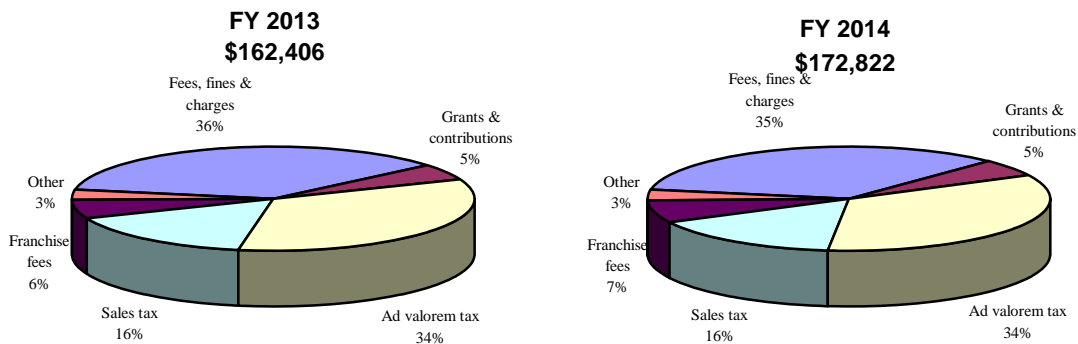
Amounts in Thousands Unless Stated Otherwise  
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The current and other assets increased in the Governmental activities by \$19,432 and decreased in the Business-type activities by \$5,808. Increase in the Governmental activities is primarily due to issuance of debt and accumulation of other funds for future capital purchases offset by acquisition and construction of capital assets. Decrease in the Business-type activities is primarily due to net loss in the water and sewer fund.

The City’s long-term liabilities increased by \$5,427 due primarily to the issuance of General Obligation bonds offset by retirements of existing debt.

**Analysis of the City’s Operations** – Overall the City had an increase in net position of \$2,714 or 0.6%.

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



**Governmental Activities:** Governmental activities net position increased by \$6,059. Net investment in capital assets increased by \$3,975 or 1.8%. Restricted net position decreased \$294 or 5.1%. Unrestricted net position increased by \$2,378 or 2.5%.



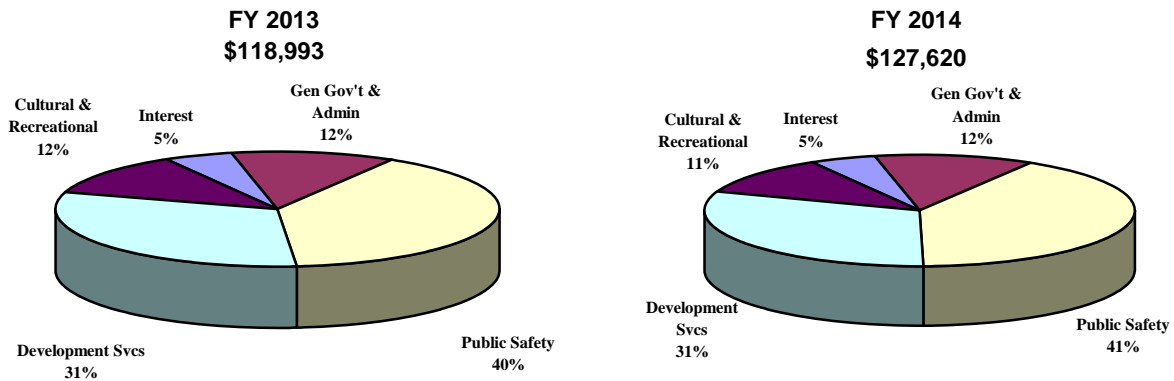
**CITY OF CARROLLTON, TEXAS**

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Excluding transfers from business-type activities, total revenues for governmental activities increased from the previous year by \$10,842. General revenue (excluding transfers) had a net increase of \$7,406 or 7.7%. In General Revenues, ad valorem tax experienced an increase of \$2,885 due to an increase in assessed valuations. Additionally, increases were seen in sales taxes of \$2,261 and franchise fees of \$1,468. Other general revenues increased by \$792, primarily due to increases in investment earnings. Program revenues had a \$3,436, or 16.8%, net increase primarily due to increases in fees, fines and charges for services, developer capital contributions and intergovernmental revenues. Net transfers from the business type activities to governmental activities increased by \$201 from the previous year.

**Expenses by Type  
 Governmental Activities**



Total expenses for governmental activities increased \$8,687 or 7.3% primarily due to increase in Public Safety and Development Services activities.

Business-type Activities: Net position from business-type activities decreased by \$3,345 or 2.3% from \$147,154 to \$143,809. Net investment in capital assets increased by \$1,961 or 1.7% primarily due to capital additions partially offset by capital asset depreciation. Unrestricted net position decreased by \$5,242 or 17.8% primarily due to a net loss in the water and sewer fund. Restricted net position decreased by \$64 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, 2014

Amounts in Thousands Unless Stated Otherwise  
(Unaudited)

The following table provides a summary of the City's operations for year ended September 30, 2014 with comparative totals for year ended September 30, 2013.

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

(Amounts in Thousands)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
Revenues:						
Program Revenues:						
Fees, fines and charges for services	\$ 14,507	\$ 16,816	\$ 43,842	\$ 42,773	\$ 58,349	\$ 59,589
Operating grants and contributions	84	30	-	-	84	30
Capital grants and contributions	5,858	7,039	1,741	2,104	7,599	9,143
General revenues:						
Ad valorem taxes	55,860	58,745	-	-	55,860	58,745
Sales tax	25,447	27,708	-	-	25,447	27,708
Occupancy tax	156	181	-	-	156	181
Franchise fees	10,556	12,024	-	-	10,556	12,024
Investment earnings net of change in fair value of investments	41	718	(11)	163	30	881
Gain on sale of capital assets	120	231	62	108	182	339
Public-private partnership recovery	3,160	3,014	-	-	3,160	3,014
Miscellaneous	883	1,008	100	160	983	1,168
Total revenues	<u>116,672</u>	<u>127,514</u>	<u>45,734</u>	<u>45,308</u>	<u>162,406</u>	<u>172,822</u>
Expenses:						
General government and administration	14,684	15,613	-	-	14,684	15,613
Public safety	47,660	52,092	-	-	47,660	52,092
Development services	36,202	39,285	-	-	36,202	39,285
Cultural and recreational	14,112	14,319	-	-	14,112	14,319
Interest on long term debt	6,275	6,311	-	-	6,275	6,311
Water and Sewer	-	-	35,452	36,269	35,452	36,269
Golf	-	-	826	406	826	406
Sanitation	-	-	5,559	5,813	5,559	5,813
Total expenses	<u>118,933</u>	<u>127,620</u>	<u>41,837</u>	<u>42,488</u>	<u>160,770</u>	<u>170,108</u>
Increase (decrease) in net position before transfers	(2,261)	(106)	3,897	2,820	1,636	2,714
Transfers	<u>5,964</u>	<u>6,165</u>	<u>(5,964)</u>	<u>(6,165)</u>	-	-
Increase (decrease) in net position	3,703	6,059	(2,067)	(3,345)	1,636	2,714
Net position October 1	315,900	319,603	149,221	147,154	465,121	466,757
Net position September 30	<u>\$ 319,603</u>	<u>\$ 325,662</u>	<u>\$ 147,154</u>	<u>\$ 143,809</u>	<u>\$ 466,757</u>	<u>\$ 469,471</u>

# CITY OF CARROLLTON, TEXAS

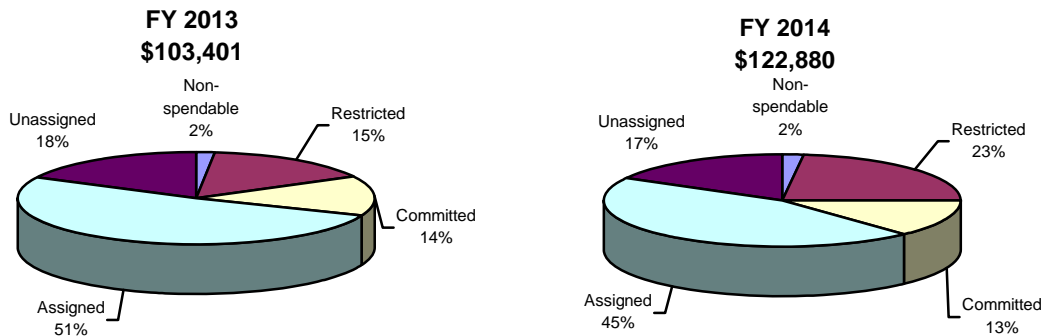
Management's Discussion and Analysis  
For the Year Ended September 30, 2014

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 \$122,880. Within this total \$3,084 is non-spendable for prepaid items and land held for resale, \$28,162 is restricted by specific legal requirements, such as by debt covenants, and \$70,996 has been committed and assigned to specific types of expenditures. The remaining \$20,638 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 \$359. 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 2014 of \$1,329. 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 2016 budget deliberations.

Debt service fund balance decreased in 2014 by \$202. Streets and Drainage Capital Projects fund balance increased in 2014 by \$16,560 primarily due to issuance of general obligation bonds and the receipt of transfers in from other funds for future capital projects partially offset by capital outlay expenditures. General and Public Facilities Capital Projects fund balance decreased in 2014 by \$3,773 primarily due to capital outlay expenditures offset by issuance of general obligation bonds, proceeds from the sale of capital assets and transfers in from other funds for future capital projects.

**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 \$23,032 for Water and Sewer, \$869 for Golf Course and \$442 for Sanitation. The total of all enterprise funds' net position of \$24,343 is reduced by \$195 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 \$24,148. Change in net position for enterprise funds in 2014 were (\$3,386) in the Water and Sewer Fund, \$406 in the Golf Course Fund and (\$111) 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 2.2% or \$1,869,806. Management's estimate of the General Fund's budgeted revenues increased \$4,493 or 5.4% 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 had increased increase of the previous five fiscal years. However, as discussed in footnote 7 on pages 46-49, the Texas Municipal Retirement system adopted significant changes to the plan during 2014. While, the overall affect should be positive in the long term, the City experienced a net reduction in funded status to 91.8% from 95.0% based on these changes for the December 31, 2013 valuation.

## CITY OF CARROLLTON, TEXAS

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The City does not currently anticipate any changes in its pension strategy due to the issuance of GASB 68, Employer Accounting for Pensions.

Retiree health care's actuarially accrued liability has been calculated in accordance with GASB 45 to be \$4.8 million as of December 31, 2013, a decrease of \$44 from the previous biennial valuation. This amount should continue to decrease as the City has converted to a defined contribution model.

### CAPITAL ASSETS

The City's net investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$504,204 (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 0.2% (0.2% decrease for governmental activities and 0.1% 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>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
Land	\$ 105,318	\$ 102,701	\$ 2,368	\$ 2,368	\$ 107,686	\$ 105,069
Buildings	28,615	28,677	4,021	3,745	32,636	32,422
Equipment	10,222	13,045	2,102	2,652	12,324	15,697
Intangibles	745	519	35	27	780	546
Improvements	28,073	28,342	944	836	29,017	29,178
Infrastructure	194,208	191,184	125,443	125,113	319,651	316,297
Construction in Progress	2,833	4,865	47	130	2,880	4,995
<b>Total</b>	<b>\$ 370,014</b>	<b>\$ 369,333</b>	<b>\$ 134,960</b>	<b>\$ 134,871</b>	<b>\$ 504,974</b>	<b>\$ 504,204</b>

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 2015 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**

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

- Acquisition of vehicles and equipment totaling \$6.76 million, including \$3.0 million of public safety equipment and vehicles, \$2.93 million of parks, library, golf course and public works equipment, and \$834 thousand of information technology and facilities equipment.
- Parks and recreation center improvements totaling \$1.91 million, including \$1.02 million in trails construction and \$890 thousand in parks building improvements.
- Fire Station 8 construction totaling \$2.42 million.
- Water and sewer system infrastructure improvements totaling \$7.17 million, including \$1.22 million in developer contributions.
- Street and Alley Improvements of \$12.09 million, including \$2.67 in developer contributions.
- Drainage Improvements of \$1.27 million, including \$1.17 in developer contributions.

Additional information on the City’s capital assets can be found in note 4 on pages 39-40 of this report.

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the City had a total bonded debt of \$184,980. Of this amount, \$168,728 comprises bonded debt backed by the full faith and credit of the government and \$16,252 represents bonds secured solely by water and sewer revenues.

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
General Obligation						
Bonds	\$ 161,205	\$ 168,728	\$ -	\$ -	\$ 161,205	\$ 168,728
Revenue Bonds	-	-	18,066	16,252	18,066	16,252
Certificates of						
Obligation	-	-	1,440	-	1,440	-
Total	<u>\$ 161,205</u>	<u>\$ 168,728</u>	<u>\$ 19,506</u>	<u>\$ 16,252</u>	<u>\$ 180,711</u>	<u>\$ 184,980</u>

During the fiscal year, the City’s total debt increased by \$4,269 or 2.4% due to issuance of \$21,163 (including premium) of a new General Obligation Bond issue offset by existing debt retirements and amortization of premiums of \$16,894.

As a water distribution and sewer collection utility, the City does not have any debt outstanding related to water and sewer treatment. However, it does have long-term contracts with its regional suppliers that have outstanding debt related to the provision of these services. Table 14 “Direct and

## CITY OF CARROLLTON, TEXAS

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Contractually Obligated - Property Tax and Revenue Debt" found on page 121 lists the City's pro-rata share of debt that is contractually obligated.

The City's General Obligation and Waterworks and Sewer System Revenue Bond ratings are listed below.

	Moody's <u>Investors Service</u>	Standard & Poor's	<u>Fitch</u>
General Obligation Bonds	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 41-44 of this report.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In the fiscal year 2015 Budget, General Fund revenues are budgeted to increase by 2.8% from the fiscal year 2014 final budget with ad valorem taxes making up 39% of General Fund budgeted revenues. Certified assessed valuations, including estimated values on properties under protest, increased 7.5% for the fiscal year 2015 budget compared to a 4.8% increase in the previous year's budget. In response to this growth, the City Council reduced the portion of the tax rate allocated to the General Fund by 0.7%. Sales taxes are budgeted to increase by 2%.

In this coming fiscal year, the City's budget continues to be impacted by 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 continued to see growth in fiscal year 2014 with a 8.9% increase.

The Water and Sewer Operating Fund is budgeted in fiscal year 2015 to operate at a net deficit of \$2,232 based on available fund balance exceeding financial standards, however, this fund balance is projected to be depleted in fiscal year 2015 and rate increases of 3% on water rates and 5% on sewer rates were adopted effective January 1, 2015.

### 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, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash, cash equivalents and investments	\$ 109,337,303	\$ 23,766,342	\$ 133,103,645
Receivables (net of allowance for doubtful accounts):			
Ad valorem taxes	149,350	-	149,350
Sales taxes	2,385,722	-	2,385,722
Franchise fees	3,006,119	-	3,006,119
Accounts	-	4,752,220	4,752,220
Accrued interest	213,995	38,731	252,726
Other	1,247,788	127,984	1,375,772
Due from other governments	1,067,617	-	1,067,617
Internal balances	1,348,729	(1,348,729)	-
Inventories	71,275	-	71,275
Prepaid items	227,951	-	227,951
Equity interest in joint venture	583,200	-	583,200
Land held for redevelopment	3,032,558	-	3,032,558
Restricted assets:			
Cash, cash equivalents and investments	30,442,879	4,776,151	35,219,030
Net pension asset	1,352,103	57,880	1,409,983
Capital assets:			
Land	102,700,673	2,367,868	105,068,541
Buildings	65,622,079	19,575,656	85,197,735
Equipment	30,822,739	6,108,606	36,931,345
Intangibles	6,156,150	770,112	6,926,262
Improvements	43,784,292	11,788,026	55,572,318
Infrastructure	259,110,959	233,120,586	492,231,545
Construction in progress	4,865,419	129,935	4,995,354
Accumulated depreciation	(143,728,731)	(138,990,168)	(282,718,899)
<b>Total assets</b>	<b>523,800,169</b>	<b>167,041,200</b>	<b>690,841,369</b>
Deferred outflows of resources			
Deferred charges on refundings	2,122,111	200,458	2,322,569
Liabilities			
Accounts payable	12,586,718	3,749,642	16,336,360
Customer deposits payable	-	2,525,276	2,525,276
Accrued interest	971,993	255,929	1,227,922
Unearned revenue	723,293	-	723,293
Noncurrent liabilities:			
Due within one year	16,246,981	1,374,641	17,621,622
Due in more than one year	169,731,524	15,527,314	185,258,838
<b>Total liabilities</b>	<b>200,260,509</b>	<b>23,432,802</b>	<b>223,693,311</b>
Net position			
Net investment in capital assets	224,428,585	118,171,756	342,600,341
Restricted for:			
Debt service	3,813,322	1,488,696	5,302,018
Capital projects	406,065	-	406,065
Special revenue	1,269,055	-	1,269,055
Unrestricted	95,744,744	24,148,404	119,893,148
<b>Total net position</b>	<b>\$ 325,661,771</b>	<b>\$ 143,808,856</b>	<b>\$ 469,470,627</b>

See accompanying notes to basic financial statements.



**CITY OF CARROLLTON, TEXAS**

Government-wide Statement of Activities  
For the Year Ended September 30, 2014

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government and administration	\$ 15,613,314	\$ 196,574	\$ -	\$ -	\$ (15,416,740)	\$ -	\$ (15,416,740)
Public safety	52,091,965	10,818,681	29,916	80,000	(41,163,368)	-	(41,163,368)
Development services	39,284,802	2,856,299	-	6,059,516	(30,368,987)	-	(30,368,987)
Cultural and recreational	14,319,443	2,943,837	200	899,647	(10,475,759)	-	(10,475,759)
Interest on long-term debt	6,310,607	-	-	-	(6,310,607)	-	(6,310,607)
Total governmental activities	<u>127,620,131</u>	<u>16,815,391</u>	<u>30,116</u>	<u>7,039,163</u>	<u>(103,735,461)</u>	<u>-</u>	<u>(103,735,461)</u>
Business-type activities:							
Water and sewer	36,268,921	33,789,304	-	2,104,033	-	(375,584)	(375,584)
Golf	406,286	1,101,340	-	-	-	695,054	695,054
Sanitation	5,813,267	7,882,627	-	-	-	2,069,360	2,069,360
Total business-type activities	<u>42,488,474</u>	<u>42,773,271</u>	<u>-</u>	<u>2,104,033</u>	<u>-</u>	<u>2,388,830</u>	<u>2,388,830</u>
Total government	<u>\$ 170,108,605</u>	<u>\$ 59,588,662</u>	<u>\$ 30,116</u>	<u>\$ 9,143,196</u>	<u>(103,735,461)</u>	<u>2,388,830</u>	<u>(101,346,631)</u>
General revenues:							
Taxes:							
Ad valorem					58,744,957	-	58,744,957
Sales					27,708,160	-	27,708,160
Occupancy					181,025	-	181,025
Franchise fees based upon gross receipts					12,023,980	-	12,023,980
Investment earnings net of change in fair value of investments					718,161	162,754	880,915
Gain on sale of capital assets					230,961	108,520	339,481
Public-private partnership recovery					3,000,000	-	3,000,000
Miscellaneous					1,021,870	159,535	1,181,405
Transfers					6,164,675	(6,164,675)	-
					<u>109,793,789</u>	<u>(5,733,866)</u>	<u>104,059,923</u>
					6,058,328	(3,345,036)	2,713,292
Net position at beginning of year, as restated (See Note 14)					319,603,443	147,153,892	466,757,335
Net position at end of year					<u>\$ 325,661,771</u>	<u>\$ 143,808,856</u>	<u>\$ 469,470,627</u>

See accompanying notes to basic financial statements.

**CITY OF CARROLLTON, TEXAS**

Balance Sheet  
 Governmental Funds  
 September 30, 2014

	General	Debt Service	Streets and Drainage	General and Public Facilities	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 20,691,744	\$ 4,757,851	\$ 49,311,653	\$ 32,837,730	\$ 15,326,967	\$ 122,925,945
Receivables (net, where applicable, of allowance for doubtful accounts):						
Ad valorem taxes	104,076	45,274	-	-	-	149,350
Sales taxes	2,385,722	-	-	-	-	2,385,722
Franchise fees	2,915,749	-	-	90,370	-	3,006,119
Accrued interest	79,499	-	51,713	44,006	16,180	191,398
Other	119,651	-	-	1,062,660	-	1,182,311
Due from other funds	1,153,976	-	-	-	-	1,153,976
Due from other governments	-	-	-	738,246	329,371	1,067,617
Prepaid items	-	-	-	-	51,584	51,584
Land held for redevelopment	-	-	-	3,032,558	-	3,032,558
<b>Total assets</b>	<b>\$ 27,450,417</b>	<b>\$ 4,803,125</b>	<b>\$ 49,363,366</b>	<b>\$ 37,805,570</b>	<b>\$ 15,724,102</b>	<b>\$ 135,146,580</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 6,635,411	\$ 17,810	\$ 1,340,134	\$ 3,031,046	\$ 519,053	\$ 11,543,454
Unearned revenue	10,782	-	682,561	-	29,950	723,293
<b>Total liabilities</b>	<b>6,646,193</b>	<b>17,810</b>	<b>2,022,695</b>	<b>3,031,046</b>	<b>549,003</b>	<b>12,266,747</b>
<b>Fund balances:</b>						
<b>Nonspendable for:</b>						
Prepaid items	-	-	-	-	51,584	51,584
Land held for resale	-	-	-	3,032,558	-	3,032,558
<b>Restricted for:</b>						
Debt service	-	4,785,315	-	-	-	4,785,315
Streets and drainage	-	-	14,147,187	-	-	14,147,187
Public facilities	-	-	-	5,261,597	-	5,261,597
Other capital projects	-	-	-	79,835	2,618,584	2,698,419
Other purposes	-	-	-	-	1,269,055	1,269,055
<b>Committed to:</b>						
Street rehabilitation	-	-	14,546,936	-	-	14,546,936
Other capital projects	-	-	-	-	1,030,872	1,030,872
<b>Assigned to:</b>						
Encumbrances	166,593	-	-	-	-	166,593
Streets and drainage	-	-	18,646,548	-	-	18,646,548
Public facilities	-	-	-	26,400,534	-	26,400,534
Other capital projects	-	-	-	-	9,848,273	9,848,273
Other purposes	-	-	-	-	356,731	356,731
Unassigned	20,637,631	-	-	-	-	20,637,631
<b>Total fund balances</b>	<b>20,804,224</b>	<b>4,785,315</b>	<b>47,340,671</b>	<b>34,774,524</b>	<b>15,175,099</b>	<b>122,879,833</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 27,450,417</b>	<b>\$ 4,803,125</b>	<b>\$ 49,363,366</b>	<b>\$ 37,805,570</b>	<b>\$ 15,724,102</b>	<b>\$ 135,146,580</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, 2014

Total fund balance - total governmental funds		\$ 122,879,833
Amounts reported for governmental activities in the statement of net position are different because:		
Equity investment in Joint Venture is not a current financial resource and therefore are not reported in the governmental funds balance sheet.		583,200
Net pension asset in governmental activities is not a current financial resource and therefore are not reported in the governmental funds balance sheet. Includes net pension assets of Internal Service Funds.		1,352,103
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.		369,333,580
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.		(971,993)
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	\$ 17,189,953	
Accounts payable	(1,043,264)	
Net amount allocated to business-type activities	<u>194,753</u>	16,341,442
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	\$ 16,246,981	
Due in more than one year	169,731,524	
Deferred charges	<u>(2,122,111)</u>	<u>(183,856,394)</u>
Net position of governmental activities		<u><u>\$ 325,661,771</u></u>

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, 2014

	General	Debt Service	Streets and Drainage	General and Public Facilities	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
<b>Taxes:</b>						
Ad valorem	\$ 33,694,269	\$19,187,394	\$ 3,273,629	\$ -	\$ 2,192,687	\$ 58,347,979
Penalty and interest	282,589	114,389	-	-	-	396,978
Sales	27,708,160	-	-	-	-	27,708,160
Occupancy	-	-	-	-	181,025	181,025
Franchise fees	11,668,733	-	-	355,247	-	12,023,980
Assessments	-	-	5,250	-	381,560	386,810
Charges for services	5,452,886	-	-	-	186,230	5,639,116
Intergovernmental	-	-	633,135	407,260	2,187,131	3,227,526
Licenses and permits	2,816,818	-	-	-	186,305	3,003,123
Fines and forfeitures	7,057,819	-	-	187,923	540,601	7,786,343
Investment earnings net of change in fair value of investments	260,719	6,180	128,841	180,468	45,502	621,710
Public-private partnership recovery	-	-	-	4,264,200	-	4,264,200
Miscellaneous	539,552	-	29,113	357,934	95,271	1,021,870
Total revenues	<u>89,481,545</u>	<u>19,307,963</u>	<u>4,069,968</u>	<u>5,753,032</u>	<u>5,996,312</u>	<u>124,608,820</u>
<b>Expenditures:</b>						
<b>Current:</b>						
General government and administration	14,233,668	-	-	-	-	14,233,668
Public safety	48,450,210	-	-	-	355,419	48,805,629
Development services	9,357,484	-	-	-	-	9,357,484
Cultural and recreational	10,716,732	-	-	-	476,198	11,192,930
Capital outlay	-	-	8,195,690	19,201,599	4,716,157	32,113,446
<b>Debt service:</b>						
Principal retirement	-	13,020,000	-	-	-	13,020,000
Interest and fiscal charges	-	6,489,618	-	-	-	6,489,618
Total expenditures	<u>82,758,094</u>	<u>19,509,618</u>	<u>8,195,690</u>	<u>19,201,599</u>	<u>5,547,774</u>	<u>135,212,775</u>
Excess (deficiency) of revenues over expenditures	<u>6,723,451</u>	<u>(201,655)</u>	<u>(4,125,722)</u>	<u>(13,448,567)</u>	<u>448,538</u>	<u>(10,603,955)</u>
<b>Other financing sources (uses):</b>						
Bonds issued	-	-	13,570,000	3,850,000	3,065,000	20,485,000
Premium on bonds issued	-	-	677,905	-	-	677,905
Sale of capital assets	-	-	-	2,318,824	-	2,318,824
Transfers in	5,990,864	-	6,492,734	5,453,478	968,960	18,906,036
Transfers out	(10,303,478)	-	(55,000)	(1,946,761)	-	(12,305,239)
Total other financing sources (uses)	<u>(4,312,614)</u>	<u>-</u>	<u>20,685,639</u>	<u>9,675,541</u>	<u>4,033,960</u>	<u>30,082,526</u>
Net change in fund balances	<u>2,410,837</u>	<u>(201,655)</u>	<u>16,559,917</u>	<u>(3,773,026)</u>	<u>4,482,498</u>	<u>19,478,571</u>
Fund balances at beginning 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>
Fund balances at end of year	<u>\$ 20,804,224</u>	<u>\$ 4,785,315</u>	<u>\$ 47,340,671</u>	<u>\$ 34,774,524</u>	<u>\$ 15,175,099</u>	<u>\$ 122,879,833</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, 2014

Net change in fund balances - total governmental funds \$ 19,478,571

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 as an asset. Change in net pension asset. 262,894

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. 18,044,920

The net effect of various transactions involving capital assets.

Capital contributions	\$ 3,841,752	
Asset retirements/disposals	<u>(2,737,996)</u>	1,103,756

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. (23,373,608)

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	\$ (20,485,000)	
Premium on bonds issued	(677,905)	
Bond principal retirement	13,020,000	
Amortization of bond premiums/discounts	620,155	
Amortization of deferred charges on refundings	<u>(270,160)</u>	(7,792,910)

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. (66,014)

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. (1,264,200)

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. (170,984)

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	\$ (2,159,688)	
Net of amount allocated to business activities	253,980	
Depreciation expense	<u>1,741,611</u>	<u>(164,097)</u>

Change in net position of governmental activities \$ 6,058,328

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, 2014

	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	\$ 33,099,038	\$ 33,199,411	\$ 33,694,269	\$ -	\$ 33,694,269	\$ 494,858
Penalty and interest	175,000	175,000	282,589	-	282,589	107,589
Sales	25,286,079	27,493,144	27,708,160	-	27,708,160	215,016
Franchise fees	10,212,200	10,971,508	11,668,733	-	11,668,733	697,225
Charges for services	5,053,760	5,237,059	5,452,886	-	5,452,886	215,827
Licenses and permits	2,258,900	2,721,078	2,816,818	-	2,816,818	95,740
Fines and forfeitures	6,053,805	6,668,180	7,057,819	-	7,057,819	389,639
Investment earnings						
net of change in fair value of investments	171,500	172,500	260,719	(29,288)	231,431	58,931
Miscellaneous	497,503	662,870	539,552	-	539,552	(123,318)
<b>Total revenues</b>	<b>82,807,785</b>	<b>87,300,750</b>	<b>89,481,545</b>	<b>(29,288)</b>	<b>89,452,257</b>	<b>2,151,507</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government and administration	16,703,970	14,794,158	14,233,668	(35,273)	14,198,395	595,763
Public safety	47,654,720	48,101,512	48,450,210	(88,431)	48,361,779	(260,267)
Development services	10,278,147	9,941,449	9,357,484	14,302	9,371,786	569,663
Cultural and recreational	11,035,377	10,965,289	10,716,732	27,713	10,744,445	220,844
<b>Total expenditures</b>	<b>85,672,214</b>	<b>83,802,408</b>	<b>82,758,094</b>	<b>(81,689)</b>	<b>82,676,405</b>	<b>1,126,003</b>
Excess (deficiency) of revenues over expenditures	(2,864,429)	3,498,342	6,723,451	52,401	6,775,852	3,277,510
<b>Other financing sources (uses):</b>						
Transfers in	6,141,675	6,093,572	5,990,864	305,723	6,296,587	203,015
Transfers out	(3,635,824)	(11,539,199)	(10,303,478)	(1,440,000)	(11,743,478)	(204,279)
<b>Total other financing sources (uses)</b>	<b>2,505,851</b>	<b>(5,445,627)</b>	<b>(4,312,614)</b>	<b>(1,134,277)</b>	<b>(5,446,891)</b>	<b>(1,264)</b>
<b>Net change in fund balances</b>	<b>(358,578)</b>	<b>(1,947,285)</b>	<b>2,410,837</b>	<b>(1,081,876)</b>	<b>1,328,961</b>	<b>3,276,246</b>
Fund balances at beginning of year	18,206,677	18,206,677	18,393,387	(186,710)	18,206,677	-
Fund balances at end of year	\$ 17,848,099	\$ 16,259,392	\$ 20,804,224	\$ (1,268,586)	\$ 19,535,638	\$ 3,276,246

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Net Position  
 Proprietary Funds  
 September 30, 2014

	Business Type Activities - Enterprise Funds				Governmental
	Water and Sewer	Golf Course	Sanitation	Total	Activities- Internal Service Funds
Assets					
Current Assets:					
Cash and cash equivalents	\$ 22,520,874	\$ 753,527	\$ 491,941	\$ 23,766,342	\$ 16,854,237
Receivables (net where applicable of allowance for doubtful accounts)					
Accounts	3,917,550	-	834,670	4,752,220	-
Accrued interest	35,074	899	2,758	38,731	22,597
Other	-	127,984	-	127,984	65,477
Inventories	-	-	-	-	71,275
Prepaid items	-	-	-	-	176,367
Restricted assets:					
Cash and cash equivalents	3,287,455	-	-	3,287,455	-
Total current assets	<u>29,760,953</u>	<u>882,410</u>	<u>1,329,369</u>	<u>31,972,732</u>	<u>17,189,953</u>
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	1,488,696	-	-	1,488,696	-
Net pension asset	57,880	-	-	57,880	4,355
Capital assets:					
Land	1,372,868	995,000	-	2,367,868	-
Buildings	18,038,700	1,536,956	-	19,575,656	176,409
Equipment	3,875,592	772,711	1,460,303	6,108,606	19,519,732
Intangibles	770,112	-	-	770,112	104,714
Improvements	-	11,788,026	-	11,788,026	-
Infrastructure	233,120,586	-	-	233,120,586	-
Construction in progress	129,935	-	-	129,935	-
Accumulated depreciation	(124,943,330)	(12,947,236)	(1,099,602)	(138,990,168)	(10,843,850)
Total capital assets, net of accumulated depreciation	<u>132,364,463</u>	<u>2,145,457</u>	<u>360,701</u>	<u>134,870,621</u>	<u>8,957,005</u>
Total noncurrent assets	<u>133,911,039</u>	<u>2,145,457</u>	<u>360,701</u>	<u>136,417,197</u>	<u>8,961,360</u>
Total assets	<u>163,671,992</u>	<u>3,027,867</u>	<u>1,690,070</u>	<u>168,389,929</u>	<u>26,151,313</u>
Deferred outflow of resources					
Deferred charges on refundings	200,458	-	-	200,458	-
Liabilities					
Current liabilities:					
Accounts payable	2,849,464	13,555	886,623	3,749,642	1,043,264
Estimated health claims payable	-	-	-	-	1,105,000
Customer deposits payable	2,525,276	-	-	2,525,276	-
Due to other funds	-	388,095	-	388,095	-
Revenue bonds payable	1,314,120	-	-	1,314,120	-
Certificates of obligation payable	-	-	-	-	-
Compensated absences	60,521	-	-	60,521	1,116
Accrued interest	255,929	-	-	255,929	-
Total current liabilities	<u>7,005,310</u>	<u>401,650</u>	<u>886,623</u>	<u>8,293,583</u>	<u>2,149,380</u>
Noncurrent liabilities:					
Due to other funds	-	765,881	-	765,881	-
Revenue bonds payable	14,937,477	-	-	14,937,477	-
Compensated absences	589,837	-	-	589,837	24,492
Other post employment benefits obligation	-	-	-	-	441,049
Long-term risk liability	-	-	-	-	2,028,558
Total noncurrent liabilities	<u>15,527,314</u>	<u>765,881</u>	<u>-</u>	<u>16,293,195</u>	<u>2,494,099</u>
Total liabilities	<u>22,532,624</u>	<u>1,167,531</u>	<u>886,623</u>	<u>24,586,778</u>	<u>4,643,479</u>
Net Position					
Net investment in capital assets	116,819,574	991,481	360,701	118,171,756	8,957,005
Restricted for:					
Revenue bond retirement	1,488,696	-	-	1,488,696	-
Unrestricted	23,031,556	868,855	442,746	24,343,157	12,550,829
Total net position	<u>\$ 141,339,826</u>	<u>\$ 1,860,336</u>	<u>\$ 803,447</u>	<u>144,003,609</u>	<u>\$ 21,507,834</u>

Reconciliation to government-wide statement of net position:  
 Adjustment to reflect the consolidation of internal service  
 funds activities related to enterprise funds (194,753)  
 Net position of business-type activities \$ 143,808,856

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, 2014

	Business Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Operating revenues:					
Charges for services	\$ 33,789,304	\$ 1,101,340	\$ 7,882,627	\$ 42,773,271	\$ 16,904,204
Miscellaneous	159,535	-	-	159,535	-
Total operating revenues	<u>33,948,839</u>	<u>1,101,340</u>	<u>7,882,627</u>	<u>42,932,806</u>	<u>16,904,204</u>
Operating expenses:					
Personal services	3,683,454	-	-	3,683,454	154,537
Supplies and services	21,811,902	56,193	5,566,569	27,434,664	16,982,609
Utilities	694,054	-	-	694,054	25,982
Allocations	1,195,384	9,900	82,345	1,287,629	50,443
Depreciation	8,077,819	302,430	146,031	8,526,280	1,741,611
Total operating expenses	<u>35,462,613</u>	<u>368,523</u>	<u>5,794,945</u>	<u>41,626,081</u>	<u>18,955,182</u>
Income (loss) from operations	<u>(1,513,774)</u>	<u>732,817</u>	<u>2,087,682</u>	<u>1,306,725</u>	<u>(2,050,978)</u>
Nonoperating revenues (expenses):					
Investment earnings net of change in fair value of investments	153,235	2,307	7,212	162,754	96,451
Gain on sale/retirement of capital assets	95,377	13,143	-	108,520	230,961
Interest expense	(573,215)	(35,198)	-	(608,413)	-
Total nonoperating revenues (expenses)	<u>(324,603)</u>	<u>(19,748)</u>	<u>7,212</u>	<u>(337,139)</u>	<u>327,412</u>
Income (loss) before contributions and transfers	<u>(1,838,377)</u>	<u>713,069</u>	<u>2,094,894</u>	<u>969,586</u>	<u>(1,723,566)</u>
Capital contributions	2,104,033	-	-	2,104,033	-
Transfers out	<u>(3,651,703)</u>	<u>(306,897)</u>	<u>(2,206,075)</u>	<u>(6,164,675)</u>	<u>(436,122)</u>
Change in net position	<u>(3,386,047)</u>	<u>406,172</u>	<u>(111,181)</u>	<u>(3,091,056)</u>	<u>(2,159,688)</u>
Net position at beginning of year as restated (see note 14)	<u>144,725,873</u>	<u>1,454,164</u>	<u>914,628</u>		<u>23,667,522</u>
Net position at end of year	<u>\$ 141,339,826</u>	<u>\$ 1,860,336</u>	<u>\$ 803,447</u>		<u>\$ 21,507,834</u>
Reconciliation to government-wide statement of activities:					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(253,980)	
Change in net position of business-type activities				<u>\$ (3,345,036)</u>	

See accompanying notes to basic financial statements.



**CITY OF CARROLLTON, TEXAS**

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended September 30, 2014

	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	\$ 34,214,319	\$ 1,138,863	\$ 7,860,978	\$ 43,214,160	\$ -
Cash received from employees for services	-	-	-	-	1,883,027
Cash received from other funds for services	-	-	-	-	15,019,734
Cash received from loss claim recoveries	-	-	-	-	906,532
Other operating cash receipts	159,535	-	-	159,535	-
Cash payments to suppliers for goods and services	(23,162,023)	(81,797)	(5,533,247)	(28,777,067)	(5,380,725)
Cash payments to employees for services	(3,082,405)	-	-	(3,082,405)	(140,488)
Cash payment for loss claims	-	-	-	-	(11,421,835)
Cash payments to other funds for services	(1,396,794)	(10,430)	(70,605)	(1,477,829)	(65,102)
Net cash provided by operating activities	<u>6,732,632</u>	<u>1,046,636</u>	<u>2,257,126</u>	<u>10,036,394</u>	<u>801,143</u>
Cash flows from noncapital financing activities:					
Transfers to other funds	<u>(3,651,703)</u>	<u>(306,897)</u>	<u>(2,206,075)</u>	<u>(6,164,675)</u>	<u>(436,122)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(6,141,820)	(165,084)	-	(6,306,904)	(3,596,523)
Proceeds from sale of capital assets	95,378	13,143	-	108,521	242,242
Proceeds from interfund loan	-	1,440,000	-	1,440,000	-
Interest paid on bonds	(673,804)	(26,750)	-	(700,554)	-
Interest paid on interfund loan	-	(19,698)	-	(19,698)	-
Retirement of bonds	(1,715,000)	(1,440,000)	-	(3,155,000)	-
Retirement of interfund loan	-	(286,024)	-	(286,024)	-
Capital contributions	878,625	-	-	878,625	-
Net cash used by capital and related financing activities	<u>(7,556,621)</u>	<u>(484,413)</u>	<u>-</u>	<u>(8,041,034)</u>	<u>(3,354,281)</u>
Cash flows from investing activities:					
Interest on cash and cash equivalents	<u>150,307</u>	<u>2,122</u>	<u>6,617</u>	<u>159,046</u>	<u>94,801</u>
Net increase (decrease) in cash and cash equivalents	(4,325,385)	257,448	57,668	(4,010,269)	(2,894,459)
Cash and cash equivalents, October 1	<u>31,622,410</u>	<u>496,079</u>	<u>434,273</u>	<u>32,552,762</u>	<u>19,748,696</u>
Cash and cash equivalents, September 30	<u>\$ 27,297,025</u>	<u>\$ 753,527</u>	<u>\$ 491,941</u>	<u>\$ 28,542,493</u>	<u>\$ 16,854,237</u>

(Continued)

**CITY OF CARROLLTON, TEXAS**

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended September 30, 2014

	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	\$ (1,513,774)	\$ 732,817	\$ 2,087,682	\$ 1,306,725	\$ (2,050,978)
Adjustments to reconcile income from operations to net cash provided by operating activities:					
Depreciation	8,077,819	302,430	146,031	8,526,280	1,741,611
Provision for doubtful accounts	47,877	-	11,740	59,617	-
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	328,315	-	(21,649)	306,666	-
Decrease in other receivables	-	37,523	-	37,523	1,536
Decrease in inventories	-	-	-	-	15,354
Increase in net pension asset	(11,300)	-	-	(11,300)	(680)
Increase (decrease) in accounts payable	(290,112)	(26,134)	33,322	(282,924)	(1,213)
Increase in estimated health claims payable	-	-	-	-	160,000
Increase in deposits	96,700	-	-	96,700	-
Decrease in liability for compensated absences	(2,893)	-	-	(2,893)	(641)
Increase in long-term risk liability	-	-	-	-	657,477
Increase in other post employment benefits obligation	-	-	-	-	278,677
Net cash provided by operating activities	<u>\$ 6,732,632</u>	<u>\$ 1,046,636</u>	<u>\$ 2,257,126</u>	<u>\$ 10,036,394</u>	<u>\$ 801,143</u>

Noncash investing, capital and financing activities:

During the past year, the Enterprise Funds received \$1,225,408 of noncash capital contributions from developers consisting of water and sewer infrastructure.

Reconciliation of total cash and cash equivalents:

Current assets:					
Cash and cash equivalents	\$ 22,520,874	\$ 753,527	\$ 491,941	\$ 23,766,342	\$ 16,854,237
Restricted assets - cash and cash equivalents	3,287,455	-	-	3,287,455	-
Noncurrent assets:					
Restricted assets - cash and cash equivalents	1,488,696	-	-	1,488,696	-
Total cash and cash equivalents	<u>\$ 27,297,025</u>	<u>\$ 753,527</u>	<u>\$ 491,941</u>	<u>\$ 28,542,493</u>	<u>\$ 16,854,237</u>

See accompanying notes to basic financial statements.

(Concluded)

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

### (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. Exceptions to this general rule are charges from the City's water, sewer and sanitation functions and various other functions. 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, 2014

### 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.

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:

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

### 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.

#### 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

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2014

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 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.

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

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.

### G. Interfund Receivables and Payables

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

### 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.

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

### I. Prepaid Items

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

### J. Equity Interest in Joint Venture and Shared Radio System

During Fiscal Year 2014, the Town of Addison, City of Carrollton, City of Coppel and City of Farmers Branch (the “Cities”) formed a joint venture, the North Texas Emergency Communications Center, Inc. (NTECC), to establish and operate a joint public safety dispatch center. The Cities are responsible for funding capital and operating costs of NTECC. The City of Carrollton’s equity interest in NTECC of \$583,200 as of September 30, 2014 is recorded as Equity Interest in Joint Venture in the Governmental Activities on the Government-wide Statement of Net Position.

Additionally, the Cities have also entered into an interlocal agreement to jointly procure a public safety radio system. While this agreement did not include the formation of a separate legal joint venture entity, it is possible that this system may be consolidated into the NTECC in the future. The Cities are each responsible for funding a portion of the radio system. The City of Carrollton’s portion of the system costs as of September 30, 2014 of \$4,733,122 is capitalized as Construction in Progress in the Governmental Activities on the Government-wide Statement of Net Position.

### K. Land Held for Redevelopment

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.



## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

### L. 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	\$ 4,757,851
Bond construction account	22,782,851
Other Capital Project Funds	1,203,979
Special Revenue Funds	1,698,198
	<u>30,442,879</u>
Business-type activities	
Revenue bond accrued interest payable	255,929
Current maturities of revenue bonds	506,250
Reserve for revenue bond retirement	1,488,696
Customer deposits	2,525,276
	<u>4,776,151</u>
Total Restricted cash and investments	<u>\$ 35,219,030</u>

### M. 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.

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.

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

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

### 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.

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

### 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. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. 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.

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.

### R. 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

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

necessary for their operations. During the year ended September 30, 2014, the City allocated \$2,697,154 as a transfer for such services.

### S. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charges on refundings reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item that qualifies for reporting in this category. At the governmental fund level, revenues that have been billed but not yet collected are reported as unavailable revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

### (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, 2014

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	\$ 1,328,961
Beginning of year adjustment for encumbrances recognized as expenditures	(248,282)
End of year adjustment for encumbrances not recognized as expenditures	166,593
Unrealized investment gain recognized for GAAP basis only	9,589
Interfund loan transactions treated as transfers for budget basis	<u>1,153,976</u>
Net change in fund balances - GAAP basis	<u><u>\$ 2,410,837</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. All deposits of the City that exceeded the federal depository insurance coverage level of \$250,000 per account were 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 market value of the collateral held at the Federal Reserve Bank in the City's name at fiscal year-end was \$8,569,722.

At September 30, 2014, the carrying amount of the City's deposits was a credit balance of \$608,519, and the respective bank balances totaled \$362,650. The City's cash on hand totaled \$37,450.

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 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

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

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, 2014, were:

Investments:	Fair Value	Effective Duration (in years)	Credit Risk
Coupon Treasuries	\$ 2,000,312	0.082	AA+
Coupon Agencies	146,571,212	0.188	AAA
Discount Agencies	3,996,148	0.863	AAA
Government Pools	16,326,072	-	AAA
Total Fair Value	<u>\$ 168,893,744</u>		
Portfolio Duration:		0.185	

**Interest Rate Risk** – In compliance with the City's Investment Policy, as of September 30, 2014, 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, 2014, 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, 2014

**(4) CAPITAL ASSETS:**

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

	Balance October 1	Additions/ Completions	Retirements/ Adjustments	Balance September 30
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 105,318,314	\$ 120,355	\$ (2,737,996)	\$ 102,700,673
Construction in progress	2,833,420	2,031,999	-	4,865,419
Total capital assets not being depreciated	<u>108,151,734</u>	<u>2,152,354</u>	<u>(2,737,996)</u>	<u>107,566,092</u>
Capital assets being depreciated:				
Buildings	63,144,253	2,477,826	-	65,622,079
Equipment	27,550,872	5,498,048	(2,226,181)	30,822,739
Intangibles	5,996,030	160,120	-	6,156,150
Improvements	41,875,011	1,909,281	-	43,784,292
Infrastructure	260,326,090	13,244,792	(14,459,923)	259,110,959
Total capital assets being depreciated	<u>398,892,256</u>	<u>23,290,067</u>	<u>(16,686,104)</u>	<u>405,496,219</u>
Less accumulated depreciation for:				
Buildings	(34,529,552)	(2,414,971)	-	(36,944,523)
Equipment	(17,329,028)	(2,663,675)	2,214,900	(17,777,803)
Intangibles	(5,250,691)	(386,862)	-	(5,637,553)
Improvements	(13,802,464)	(1,639,793)	-	(15,442,257)
Infrastructure	(66,118,210)	(16,268,307)	14,459,922	(67,926,595)
Total accumulated depreciation	<u>(137,029,945)</u>	<u>(23,373,608)</u>	<u>16,674,822</u>	<u>(143,728,731)</u>
Total capital assets being depreciated, net	<u>261,862,311</u>	<u>(83,541)</u>	<u>(11,282)</u>	<u>261,767,488</u>
Governmental activities capital assets, net	<u>\$ 370,014,045</u>	<u>\$ 2,068,813</u>	<u>\$ (2,749,278)</u>	<u>\$ 369,333,580</u>

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

	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	83,421	-	129,935
Total capital assets not being depreciated	<u>2,414,382</u>	<u>83,421</u>	<u>-</u>	<u>2,497,803</u>
Capital assets being depreciated:				
Buildings	19,575,656	-	-	19,575,656
Equipment	5,807,891	1,099,163	(798,448)	6,108,606
Intangibles	770,112	-	-	770,112
Improvements	11,700,068	87,958	-	11,788,026
Infrastructure	225,954,605	7,165,981	-	233,120,586
Total capital assets being depreciated	<u>263,808,332</u>	<u>8,353,102</u>	<u>(798,448)</u>	<u>271,362,986</u>
Less accumulated depreciation for:				
Buildings	(15,554,225)	(276,568)	-	(15,830,793)
Equipment	(3,705,920)	(549,647)	798,448	(3,457,119)
Intangibles	(734,916)	(8,044)	-	(742,960)
Improvements	(10,755,764)	(196,330)	-	(10,952,094)
Infrastructure	(100,511,511)	(7,495,691)	-	(108,007,202)
Total accumulated depreciation	<u>(131,262,336)</u>	<u>(8,526,280)</u>	<u>798,448</u>	<u>(138,990,168)</u>
Total capital assets being depreciated, net	<u>132,545,996</u>	<u>(173,178)</u>	<u>-</u>	<u>132,372,818</u>
Business-type activities capital assets, net	<u>\$ 134,960,378</u>	<u>\$ (89,757)</u>	<u>\$ -</u>	<u>\$ 134,870,621</u>

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

Governmental activities:	
General government and administration	\$ 752,613
Public safety	2,748,194
Development services	17,015,438
Cultural and recreational	2,857,363
Total depreciation expense - Governmental activities	<u>\$ 23,373,608</u>
Business-type activities:	
Water and sewer	\$ 8,077,819
Golf course	302,430
Sanitation	146,031
Total depreciation expense - Business-type activities	<u>\$ 8,526,280</u>



**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

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

General Obligation Bonds –

General obligation bonds 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 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.

At September 30, 2014, general obligation bonds currently outstanding are as follows:

	<u>Interest Rate %</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Outstanding</u>
General Obligation Bonds:				
Improvement and Refunding, Series 2005	3 - 5.25	02/15/2005	08/15/2025	\$ 19,645,000
Improvement, Series 2006	4 - 6	06/01/2006	08/15/2026	16,230,000
Improvement, Series 2007	4 - 5.25	08/01/2007	08/15/2027	15,520,000
Improvement and Refunding, Series 2009	2 - 5	04/15/2009	08/15/2029	24,615,000
Improvement and Refunding, Series 2010	2.25 - 4.125	04/15/2010	08/15/2030	24,245,000
Improvement, Series 2011	3 - 4.25	04/15/2011	08/15/2030	12,920,000
Refunding, Series 2012	2 - 4	05/01/2012	08/15/2025	18,980,000
Improvement, Series 2013	2 - 4.5	07/15/2013	08/15/2033	9,140,000
Improvement, Series 2014	3 - 4	04/15/2014	08/15/2034	20,485,000
				<u>\$ 161,780,000</u>

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

<u>Year Ending September 30</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 13,620,000	\$ 6,776,422	\$ 20,396,422
2016	13,350,000	6,099,438	19,449,438
2017	12,950,000	5,601,837	18,551,837
2018	12,895,000	5,091,775	17,986,775
2019	12,570,000	4,573,200	17,143,200
2020-2024	49,870,000	15,932,275	65,802,275
2025-2029	35,415,000	6,360,550	41,775,550
2030-2034	11,110,000	1,120,262	12,230,262
Total	<u>\$ 161,780,000</u>	<u>\$ 51,555,759</u>	<u>\$ 213,335,759</u>

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

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 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, 2014.

At September 30, 2014, 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	\$ 2,365,000
Waterworks and Sewer System Revenue Improvement, Series 2007	4.375 - 5	08/01/2007	05/01/2027	4,310,000
Waterworks and Sewer System Revenue Refunding, Series 2012	2 - 4	05/01/2012	05/01/2023	8,725,000
				<u>\$ 15,400,000</u>

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

Year Ending <u>September 30</u>	<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2015	\$ 1,215,000	\$ 614,229	\$ 1,829,229
2016	1,260,000	574,204	1,834,204
2017	1,310,000	524,379	1,834,379
2018	1,360,000	470,604	1,830,604
2019	1,425,000	414,778	1,839,778
2020-2024	6,890,000	1,199,994	8,089,994
2025-2027	1,940,000	154,860	2,094,860
Total	<u>\$ 15,400,000</u>	<u>\$ 3,953,048</u>	<u>\$ 19,353,048</u>

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

### Bonds Authorized and Unissued –

At September 30, 2014, the City had \$81,080,211 in general obligation bonds which were authorized and unissued.

### 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 \$20,485,000 of General Obligation Refunding Bonds, Series 2014.

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2014

Transactions for the year ended September 30, 2014 are summarized as follows:

	Balance October 1	Additions	Reductions	Balance September 30	Due within one year
<b><u>Governmental type activities</u></b>					
Bonds payable:					
General obligation bonds	\$ 154,315,000	\$ 20,485,000	\$ (13,020,000)	\$ 161,780,000	\$ 13,620,000
Deferred amounts:					
For discounts and premiums	6,890,494	677,905	(620,155)	6,948,244	631,241
Total bonds payable	161,205,494	21,162,905	(13,640,155)	168,728,244	14,251,241
Compensated absences	13,610,281	1,124,999	(1,059,626)	13,675,654	890,740
Health claims liability	945,000	9,289,545	(9,129,545)	1,105,000	1,105,000
Other post employment benefits obligation	162,372	278,677	-	441,049	-
Long-term risk liability	1,371,081	1,672,875	(1,015,398)	2,028,558	-
Total governmental activities	<u>\$ 177,294,228</u>	<u>\$ 33,529,001</u>	<u>\$ (24,844,724)</u>	<u>\$ 185,978,505</u>	<u>\$ 16,246,981</u>
<b><u>Business type activities</u></b>					
Bonds payable:					
Revenue bonds	\$ 17,115,000	\$ -	\$ (1,715,000)	\$ 15,400,000	\$ 1,215,000
Certificates of obligation	1,440,000	-	(1,440,000)	-	-
Deferred amounts:					
For discounts and premiums	950,717	-	(99,120)	851,597	99,120
Total bonds payable	19,505,717	-	(3,254,120)	16,251,597	1,314,120
Compensated absences	653,251	56,753	(59,646)	650,358	60,521
Total business-type activities	<u>20,158,968</u>	<u>56,753</u>	<u>(3,313,766)</u>	<u>16,901,955</u>	<u>1,374,641</u>
Total government	<u>\$ 197,453,196</u>	<u>\$ 33,585,754</u>	<u>\$ (28,158,490)</u>	<u>\$ 202,880,460</u>	<u>\$ 17,621,622</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 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,

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2014

20% collection costs may be added to all delinquent accounts. Current tax collections for the year ended September 30, 2014, were 99.5% 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, 2014, 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 payors is strictly confidential under state law.

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

### (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).

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

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

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 13.66% of covered payroll for the months in calendar year 2013, and 13.30% for the months in calendar year 2014. 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, 2012 valuation is effective for rates beginning January 1, 2014). If a change in plan provisions is elected by the City, this rate can change. For fiscal year 2014, the City made 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% for the months in 2013 and .65 percentage points over the actuarially required contribution for the months in 2014.

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

Annual Pension Cost and Net Pension Asset:

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

Annual Required Contribution (ARC)	\$6,480,879
Contributions Made – statutorily required monthly	6,480,879
Contributions Made – voluntary monthly	<u>274,874</u>
Increase in net pension asset	274,874
Net Pension Asset, beginning of the year	<u>1,135,109</u>
Net Pension Asset, end of the year	<u>\$ 1,409,983</u>

Three-Year Trend Information

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2012	\$6,544,714	100%	\$1,032,001
2013	6,444,731	102	1,135,109
2014	6,480,879	104	1,409,983

Funding Status and Funding Progress:

On October 9, 2013, the TMRS Board adopted two significant changes that affected 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 actuarial method 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 are 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 the EAN actuarial method will produce higher accrued actuarial liabilities. While the combined impact of these two



## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2014

changes partially offset, the City experienced an overall reduction in funded status for the December 2013 actuarial valuation.

As of December 31, 2013, the most recent actuarial valuation date, the plan was 91.8% funded. The actuarial accrued liability for benefits was \$341,764,756, and the actuarial value of assets was \$313,861,407, resulting in an unfunded actuarial accrued liability (UAAL) of \$27,903,349. The covered payroll (annual payroll of active employees covered by the plan) was \$46,640,263, and the ratio of the UAAL to the covered payroll was 59.8%.

#### Actuarial Methods and Assumptions:

A summary of actuarial assumptions is as follows:

Actuarial Valuation Date	December 31, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	16 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.

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.

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

**(8) INTERFUND TRANSFERS:**

Interfund transfers during the year ended September 30, 2014, 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 Govern-mental</u>	
<u>Transfers Out</u>					
General Fund	\$ -	\$ 4,550,000	\$ 5,453,478	\$ 300,000	\$ 10,303,478
Streets and Drainage	-	-	-	55,000	55,000
General and Public Facilities	-	1,332,801	-	613,960	1,946,761
Internal Service	436,122	-	-	-	436,122
Water and Sewer	3,651,703	-	-	-	3,651,703
Golf Course	306,897	-	-	-	306,897
Sanitation	1,596,142	609,933	-	-	2,206,075
<b>Total</b>	<b><u>\$ 5,990,864</u></b>	<b><u>\$ 6,492,734</u></b>	<b><u>\$ 5,453,478</u></b>	<b><u>\$ 968,960</u></b>	<b><u>\$ 18,906,036</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 and between capital projects funds accounted for in other funds in accordance with budgetary authorizations.
- One capital projects fund to another for projects accounted for in the other fund.

**(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, 2013 and 2014 were \$11,407,185 and \$11,065,805, respectively.

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

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

share of operating expenses and debt service of Trinity River Authority. The City's annual expense for the years ended September 30, 2013 and 2014 were \$7,813,235 and \$8,234,510, 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	\$137,906,774
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 2014, the loss reserve was estimated at \$2,028,558.

Changes in this reserve amount in fiscal years 2013 and 2014 were as follows:

	<u>Balance at Beginning of Fiscal Year</u>	<u>Current-year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Fiscal Year</u>
2012-2013	\$ 2,395,312	(\$ 122,137)	\$ 902,094	\$ 1,371,081
2013-2014	\$ 1,371,081	\$ 1,672,875	\$ 1,015,398	\$ 2,028,558

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

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
 For Year Ended September 30, 2014

care claims exceeding \$225,000 and for health claims in the aggregate exceeding \$10,284,816. Revenues are recognized from payroll deductions and City contributions. At September 30, 2014, a liability of \$1,105,000 has been recorded, which represents estimated claims incurred but not yet reported. Changes in this claims liability during fiscal years 2013 and 2014 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>
2012-2013	\$ 901,000	\$7,128,294	\$ 7,084,294	\$ 945,000
2013-2014	\$ 945,000	\$9,289,545	\$9,129,545	\$1,105,000

There have been no significant reductions in insurance coverage during the fiscal year 2014.

**(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 \$166,593.

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.

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.

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

Construction Commitments – The City has active construction projects as of September 30, 2014. Total accumulated commitments for ongoing capital projects are composed of the following:

Streets and Drainage	\$ 54,022,527
Traffic	3,442,952
Parks and Recreation	12,046,201
General Facilities	36,574,167
Community Development	7,479,134
Tax Increment Reinvestment Zone	401,249
Water and Sewer	12,485,186
Golf Course	418,059
Total	<u>\$ 126,869,475</u>

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

### Development –

Union at Carrollton – 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 public infrastructure (parking garage, streets, sidewalks, etc.) 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, 2014, the total incurred costs were \$9,745,029.

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 called 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.

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

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.

In 2014, the City and TCC entered into a new agreement related to Phase III of the Union at Carrollton Square. This agreement provides for a \$3,000,000 termination fee payment from TCC to the City for the termination of the City's right under the 2011 agreement to 50% of the profit when the original property is sold. Additionally, this agreement requires the City to acquire real property Phase III and pay TCC a fee of \$500,000 for their efforts in assembling the real property. The agreement also calls for the future negotiation of a Phase III Development Agreement which will include a ground lease on the properties acquired by the City. As of September 30, 2014, \$3,468,794 has been expended for property purchases and related demolition of structures. Land held of resale has been capitalized at \$567,440 based on the estimated value of the raw land.

Arcadia Development – In 2014, the City completed the sale of real property to Arcadia Realty Corporation (Arcadia). The purchase and sale agreement required a Development Agreement for the Cemetery Hill Road Extension and the Furneaux Creek North-South Tributary Rehabilitation project. This agreement required the City to provide \$1,000,000 in escrow for Arcadia to pay for the costs for certain drainage improvements, parkway improvements, hike and bike trail improvements and road extensions. As of September 30, 2014, \$28,113 of these funds have been expended and the remaining \$971,887 held in escrow is recorded as a receivable.

### (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.

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

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.

Under the provisions of GASB Statement No. 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 contribution rates for fiscal year 2014 were \$7,193 to \$16,975 per year depending on coverage levels selected. In fiscal year 2014, total member contributions were \$514,282. The City contributions to the plan for fiscal year 2014, which are also equal to claims paid in excess of premiums collected, were \$269,959.

### 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 No. 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.

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
 For Year Ended September 30, 2014

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	\$548,636
Contributions made	<u>269,959</u>
Change in OPEB obligation	278,677
Net OPEB obligation – beginning of year	<u>162,372</u>
Net OPEB obligation– end of year	<u>\$441,049</u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and 2014 were as follows:

Fiscal <u>Year</u>	Annual <u>OPEB Costs</u>	Percentage of Annual OPEB <u>Cost Contributed</u>	Net OPEB <u>Obligation</u>
2013	\$529,623	69%	\$162,372
2014	\$548,636	49%	\$441,049

**Funded Status and Funding Progress:**

As of December 31, 2013, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$4,799,949, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) for fiscal year 2014 was \$5,738,397, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 83.6%.

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, 2014 exceed the actuarial accrued liability of \$4,799,949



## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

### 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.

In December 31, 2013, 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 7.5% initially, reduced by decrements to an ultimate rate of 4.5% after 12 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, 2013 was 13 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 improvement costs related to the golf course. The City reports the golf course and related equipment as a capital asset with a carrying amount of \$2,145,457 at September 30, 2014.

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

The GASB has issued the following statement which became effective for fiscal year 2014.

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 certain items that were previously reported as assets and liabilities as outflows of resources or inflows of resources.

The implementation of Statement No. 65 resulted in the reclassification of the beginning net position of the governmental activities and the business-type activities in the government-wide financial statements and the beginning net position of the Statement of Revenues Expenses and Changes in Fund Net Position – Proprietary Funds. Issuance costs, previously amortized over the

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2014

life of the debt issuance, are now expensed at the time of issue. Retroactively applying this change results in the adjustment below:

	Government-wide Statement of Activities		Fund Level Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund	
	Governmental Activities	Business-type Activities	Water and Sewer	Golf Course
	Net position at September 30, 2013, as previously reported	\$ 321,197,568	\$ 147,451,719	\$ 145,016,611
Change in reporting for debt issuance costs	<u>(1,594,125)</u>	<u>(297,827)</u>	<u>(290,738)</u>	<u>(7,089)</u>
Net position at September 30, 2013, as restated	<u>\$ 319,603,443</u>	<u>\$ 147,153,892</u>	<u>\$ 144,725,873</u>	<u>\$ 1,454,164</u>

Statement No. 65 implementation also resulted in deferred charges on refunding being reclassified to Deferred Outflow of Resources instead of a reduction to the debt liability. The deferred charges continue to be amortized as interest expense over the life of the bonds.

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

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 this statement on the financial statements; however, the impact 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)

Fiscal Year	(1)	(2)	Funded Ratio (1)/(2)	Unfunded Actuarial Accrued Liability	Annual Covered Payroll	Unfunded
	Actuarial Value of Assets**	Actuarial Accrued Liability*				Actuarial Accrued Liability As a Percentage of Covered Payroll
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%
2014	313,861,407	341,764,756	91.8%	27,903,349	46,640,263	59.8%

\* 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 2005-2008. Beginning in 2009, actuarial value of assets is calculated using 10-year smoothing.

Notes:

The actuarial accrued liability was calculated using the Unit Credit actuarial funding method for fiscal years 2005 to 2007, Projected Unit Credit actuarial funding method for fiscal years 2008 to 2013 and Entry Age Normal actuarial funding method for fiscal year 2014

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

Fiscal year 2009 and forward 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. Previously reported amounts included only Employee Savings Fund and Municipal Accumulation Fund but excluded the City's portion of the Current Service Annuity Fund (CSARF) in which costs for all retirees were shared. The legislation eliminated the CSARF returning both liabilities and assets for retirees to the respective employer accounts.

Fiscal year 2014 includes an update to the mortality table used to determine the annuity purchase rate.

**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>
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%
2014	-	4,799,949	0.0%	4,799,949	5,738,397	83.6%

\* Fiscal Year 2012 and 2013 as of December 31, 2011 actuarial valuation. Fiscal Year 2014 as of December 31, 2013 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, 2014

	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	\$ 62,934	\$ 1,440,158	\$ 430,372	\$ 6,750,812	\$ 3,031,508	\$ 195,106	\$ 3,416,077	\$ 15,326,967
Accrued interest receivable	75	1,225	55	8,322	4,186	266	2,051	16,180
Due from other governments	-	-	-	-	-	-	329,371	329,371
Prepaid items	51,584	-	-	-	-	-	-	51,584
Total assets	<u>\$ 114,593</u>	<u>\$ 1,441,383</u>	<u>\$ 430,427</u>	<u>\$ 6,759,134</u>	<u>\$ 3,035,694</u>	<u>\$ 195,372</u>	<u>\$ 3,747,499</u>	<u>\$ 15,724,102</u>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 10,309	\$ 195,078	\$ 73,696	\$ 88,945	\$ 11,227	\$ 223	\$ 139,575	\$ 519,053
Unearned revenue	29,950	-	-	-	-	-	-	29,950
Total liabilities	<u>40,259</u>	<u>195,078</u>	<u>73,696</u>	<u>88,945</u>	<u>11,227</u>	<u>223</u>	<u>139,575</u>	<u>549,003</u>
<b>Fund balances:</b>								
<b>Nonspendable for:</b>								
Prepaid items	51,584	-	-	-	-	-	-	51,584
<b>Restricted for:</b>								
Capital projects	-	-	-	2,282,919	140,516	195,149	-	2,618,584
Other purposes	22,750	1,246,305	-	-	-	-	-	1,269,055
<b>Committed to:</b>								
Capital projects	-	-	-	1,030,872	-	-	-	1,030,872
<b>Assigned to:</b>								
Capital projects	-	-	-	3,356,398	2,883,951	-	3,607,924	9,848,273
Other purposes	-	-	356,731	-	-	-	-	356,731
Total fund balances	<u>74,334</u>	<u>1,246,305</u>	<u>356,731</u>	<u>6,670,189</u>	<u>3,024,467</u>	<u>195,149</u>	<u>3,607,924</u>	<u>15,175,099</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 114,593</u>	<u>\$ 1,441,383</u>	<u>\$ 430,427</u>	<u>\$ 6,759,134</u>	<u>\$ 3,035,694</u>	<u>\$ 195,372</u>	<u>\$ 3,747,499</u>	<u>\$ 15,724,102</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, 2014

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,477	\$ 2,111,210	\$ 2,192,687
Occupancy tax	181,025	-	-	-	-	-	-	181,025
Assessments	-	-	-	307,755	73,805	-	-	381,560
Charges for services	50,904	-	-	135,326	-	-	-	186,230
Intergovernmental	-	18,907	200	899,647	3,016	27,329	1,238,032	2,187,131
Licenses and permits	-	-	186,305	-	-	-	-	186,305
Fines and forfeitures	-	540,601	-	-	-	-	-	540,601
Investment earnings net of change in fair value of investments	742	3,761	(95)	18,842	14,612	591	7,049	45,502
Miscellaneous	-	-	39,963	20,308	35,000	-	-	95,271
<b>Total revenues</b>	<b>232,671</b>	<b>563,269</b>	<b>226,373</b>	<b>1,381,878</b>	<b>126,433</b>	<b>109,397</b>	<b>3,356,291</b>	<b>5,996,312</b>
Expenditures:								
Current:								
Public safety	-	355,419	-	-	-	-	-	355,419
Cultural and recreational	434,050	-	42,148	-	-	-	-	476,198
Capital outlay	-	-	-	2,020,261	607,997	16,304	2,071,595	4,716,157
<b>Total expenditures</b>	<b>434,050</b>	<b>355,419</b>	<b>42,148</b>	<b>2,020,261</b>	<b>607,997</b>	<b>16,304</b>	<b>2,071,595</b>	<b>5,547,774</b>
Excess (deficiency) of revenues over expenditures	(201,379)	207,850	184,225	(638,383)	(481,564)	93,093	1,284,696	448,538
Other financing sources:								
Bonds issued	-	-	-	2,865,000	200,000	-	-	3,065,000
Transfers in	-	-	-	353,960	560,000	-	55,000	968,960
	-	-	-	3,218,960	760,000	-	55,000	4,033,960
Net change in fund balances	(201,379)	207,850	184,225	2,580,577	278,436	93,093	1,339,696	4,482,498
Fund balances at beginning of year	275,713	1,038,455	172,506	4,089,612	2,746,031	102,056	2,268,228	10,692,601
Fund balances at end of year	\$ 74,334	\$ 1,246,305	\$ 356,731	\$ 6,670,189	\$ 3,024,467	\$ 195,149	\$ 3,607,924	\$ 15,175,099

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

**Special Revenue and Debt Service Funds**

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**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, 2014  
 With Comparative Actual Totals for 2013

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>Revenues:</b>					
Occupancy tax	\$ 155,000	\$ 168,000	\$ 181,025	\$ 13,025	\$ 156,061
Charges for services	30,000	45,504	50,904	5,400	33,216
Investment earnings net of change in fair value of investments	-	180	742	562	(22)
Total revenues	185,000	213,684	232,671	18,987	189,255
<b>Expenditures:</b>					
<b>Current:</b>					
Cultural and recreational	496,150	440,344	434,050	6,294	449,316
Deficiency of revenues over expenditures	(311,150)	(226,660)	(201,379)	25,281	(260,061)
<b>Other financing uses:</b>					
Transfers out	-	-	-	-	-
Net change in fund balances	(311,150)	(226,660)	(201,379)	25,281	(260,061)
Fund balances at beginning of year	275,713	275,713	275,713	-	535,774
Fund balances at end of year	\$ (35,437)	\$ 49,053	\$ 74,334	\$ 25,281	\$ 275,713

**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, 2014  
 With Comparative Actual Totals for 2013

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Revenues:					
Intergovernmental	\$ 18,552	\$ 18,891	\$ 18,907	\$ 16	\$ 71,924
Fines and forfeitures	405,000	457,000	540,601	83,601	415,569
Investment earnings net of change in fair value of investments	2,875	3,110	3,761	651	(237)
Total revenues	426,427	479,001	563,269	84,268	487,256
Expenditures:					
Current:					
Public Safety	509,491	335,762	355,419	(19,657)	267,479
Net change in fund balances	(83,064)	143,239	207,850	64,611	219,777
Fund balances at beginning of year	1,038,455	1,038,455	1,038,455	-	818,678
Fund balances at end of year	\$ 955,391	\$ 1,181,694	\$ 1,246,305	\$ 64,611	\$ 1,038,455

**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, 2014  
 With Comparative Actual Totals for 2013

	2014			Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Revenues:					
Intergovernmental	\$ -	\$ -	\$ 200	\$ 200	\$ 9,230
Licenses and permits	25,000	175,935	186,305	10,370	47,453
Investment earnings net of change in fair value of investments	100	150	(95)	(245)	(806)
Miscellaneous	30,000	33,500	39,963	6,463	24,878
Total revenues	55,100	209,585	226,373	16,788	80,755
Expenditures:					
Current:					
Cultural and recreational	201,835	64,200	42,148	22,052	162,528
Net change in fund balances	(146,735)	145,385	184,225	38,840	(81,773)
Fund balances at beginning of year	172,506	172,506	172,506	-	254,279
Fund balances at end of year	\$ 25,771	\$ 317,891	\$ 356,731	\$ 38,840	\$ 172,506

**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, 2014  
 With Comparative Actual Totals for 2013

	2014					2013	
	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	\$ 18,885,214	\$ 18,910,579	\$ 19,187,394	\$ -	\$ 19,187,394	\$ 276,815	\$ 18,537,559
Penalty and interest	90,000	90,000	114,389	-	114,389	24,389	76,491
Investment earnings							
net of change in fair value							
of investments	5,500	4,200	6,180	(8,207)	(2,027)	(6,227)	(14,081)
Total revenues	18,980,714	19,004,779	19,307,963	(8,207)	19,299,756	294,977	18,599,969
Expenditures:							
Debt service:							
Principal retirement	13,020,000	13,020,000	13,020,000	-	13,020,000	-	12,250,000
Interest and fiscal charges	6,489,545	6,490,145	6,489,618	-	6,489,618	527	6,619,954
Total expenditures	19,509,545	19,510,145	19,509,618	-	19,509,618	527	18,869,954
Excess (deficiency) of revenues over expenditures	(528,831)	(505,366)	(201,655)	(8,207)	(209,862)	295,504	(269,985)
Other financing sources:							
Refunding bonds issued	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-
Net change in fund balances	(528,831)	(505,366)	(201,655)	(8,207)	(209,862)	295,504	(269,985)
Fund balances at beginning of year	5,007,141	5,007,141	4,986,970	20,171	5,007,141	-	5,256,955
Fund balances at end of year	\$ 4,478,310	\$ 4,501,775	\$ 4,785,315	\$ 11,964	\$ 4,797,279	\$ 295,504	\$ 4,986,970

**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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and cash equivalents	\$20,691,744	\$18,497,870
Receivables (net, where applicable, of allowance for doubtful accounts)		
Ad valorem taxes	104,076	71,371
Sales taxes	2,385,722	2,105,076
Franchise fees	2,915,749	2,823,877
Accrued interest	79,499	58,769
Other	119,651	104,444
Due from other funds	1,153,976	-
Due from other governments	<u>-</u>	<u>2,958</u>
 Total assets	 <u><u>\$27,450,417</u></u>	 <u><u>\$23,664,365</u></u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 6,635,411	\$ 5,260,096
Unearned revenue	<u>10,782</u>	<u>10,882</u>
 Total liabilities	 <u><u>6,646,193</u></u>	 <u><u>5,270,978</u></u>
Fund balances:		
Assigned to:		
Encumbrances	166,593	248,282
Unassigned	<u>20,637,631</u>	<u>18,145,105</u>
 Total fund balances	 <u><u>20,804,224</u></u>	 <u><u>18,393,387</u></u>
 Total liabilities and fund balances	 <u><u>\$27,450,417</u></u>	 <u><u>\$23,664,365</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, 2014  
 With Comparative Actual Totals for 2013

	2014					Variance with Final Budget Positive (Negative)	2013
	Budgeted Amounts		Actual GAAP	Adjustments	Actual		Actual
	Original	Final	Basis	Budget Basis	Budget Basis		GAAP Basis
Revenues:							
Taxes:							
Ad valorem	\$ 33,099,038	\$ 33,199,411	33,694,269	\$ -	\$ 33,694,269	\$ 494,858	\$ 32,143,660
Penalty and interest	175,000	175,000	282,589	-	282,589	107,589	167,785
Sales	25,286,079	27,493,144	27,708,160	-	27,708,160	215,016	25,446,798
Franchise fees	10,212,200	10,971,508	11,668,733	-	11,668,733	697,225	10,213,980
Charges for services	5,053,760	5,237,059	5,452,886	-	5,452,886	215,827	5,039,219
Intergovernmental	-	-	-	-	-	-	2,958
Licenses and permits	2,258,900	2,721,078	2,816,818	-	2,816,818	95,740	2,298,049
Fines and forfeitures	6,053,805	6,668,180	7,057,819	-	7,057,819	389,639	6,235,333
Investment earnings net of change in fair value of investments	171,500	172,500	260,719	(29,288)	231,431	58,931	129,958
Miscellaneous	497,503	662,870	539,552	-	539,552	(123,318)	438,753
Total revenues	<u>82,807,785</u>	<u>87,300,750</u>	<u>89,481,545</u>	<u>(29,288)</u>	<u>89,452,257</u>	<u>2,151,507</u>	<u>82,116,493</u>
Expenditures:							
Current:							
General government and administration	16,703,970	14,794,158	14,233,668	(35,273)	14,198,395	595,763	13,818,786
Public safety	47,654,720	48,101,512	48,450,210	(88,431)	48,361,779	(260,267)	45,201,315
Development services	10,278,147	9,941,449	9,357,484	14,302	9,371,786	569,663	9,245,445
Cultural and recreational	11,035,377	10,965,289	10,716,732	27,713	10,744,445	220,844	10,561,622
Total expenditures	<u>85,672,214</u>	<u>83,802,408</u>	<u>82,758,094</u>	<u>(81,689)</u>	<u>82,676,405</u>	<u>1,126,003</u>	<u>78,827,168</u>
Excess (deficiency) of revenues over expenditures	<u>(2,864,429)</u>	<u>3,498,342</u>	<u>6,723,451</u>	<u>52,401</u>	<u>6,775,852</u>	<u>3,277,510</u>	<u>3,289,325</u>
Other financing sources (uses):							
Transfers in	6,141,675	6,093,572	5,990,864	305,723	6,296,587	203,015	5,724,370
Transfers out	<u>(3,635,824)</u>	<u>(11,539,199)</u>	<u>(10,303,478)</u>	<u>(1,440,000)</u>	<u>(11,743,478)</u>	<u>(204,279)</u>	<u>(8,959,939)</u>
Total other financing sources (uses)	<u>2,505,851</u>	<u>(5,445,627)</u>	<u>(4,312,614)</u>	<u>(1,134,277)</u>	<u>(5,446,891)</u>	<u>(1,264)</u>	<u>(3,235,569)</u>
Net change in fund balances	<u>(358,578)</u>	<u>(1,947,285)</u>	<u>2,410,837</u>	<u>(1,081,876)</u>	<u>1,328,961</u>	<u>3,276,246</u>	<u>53,756</u>
Fund balances at beginning of year	<u>18,206,677</u>	<u>18,206,677</u>	<u>18,393,387</u>	<u>(186,710)</u>	<u>18,206,677</u>	<u>-</u>	<u>18,339,631</u>
Fund balances at end of year	<u>\$ 17,848,099</u>	<u>\$ 16,259,392</u>	<u>20,804,224</u>	<u>\$ (1,268,586)</u>	<u>\$ 19,535,638</u>	<u>\$ 3,276,246</u>	<u>\$ 18,393,387</u>

**CITY OF CARROLLTON, TEXAS**

General Fund  
 Schedule of Revenues - Budget and Actual  
 For the Year Ended September 30, 2014  
 With Comparative Actual Totals for 2013

	2014				2013		
	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	\$ 33,099,038	\$ 33,199,411	\$ 33,694,269	\$ -	\$ 33,694,269	\$ 494,858	\$ 32,143,660
Penalty and interest	175,000	175,000	282,589	-	282,589	107,589	167,785
Sales:							
City sales	25,184,079	27,359,711	27,563,990	-	27,563,990	204,279	25,345,836
Mixed drink	102,000	133,433	144,170	-	144,170	10,737	100,962
Total sales	25,286,079	27,493,144	27,708,160	-	27,708,160	215,016	25,446,798
Franchise fees:							
Electric	5,588,000	5,693,092	5,591,235	-	5,591,235	(101,857)	5,370,784
Telecommunications	1,212,500	1,255,731	1,458,601	-	1,458,601	202,870	1,309,790
Gas	919,100	1,042,238	1,515,879	-	1,515,879	473,641	1,071,254
Cable	1,757,600	1,755,405	1,776,416	-	1,776,416	21,011	1,712,986
Solid waste	735,000	1,225,042	1,326,602	-	1,326,602	101,560	749,166
Total franchise	10,212,200	10,971,508	11,668,733	-	11,668,733	697,225	10,213,980
Charges for services:							
Public safety service fees	2,083,700	2,124,195	2,184,015	-	2,184,015	59,820	2,105,960
Culture and recreation fees	2,205,440	2,251,235	2,349,091	-	2,349,091	97,856	2,341,603
Other service fees	764,620	861,629	919,780	-	919,780	58,151	591,656
Total charges for services	5,053,760	5,237,059	5,452,886	-	5,452,886	215,827	5,039,219
Intergovernmental	-	-	-	-	-	-	2,958
Licenses and permits:							
Building permits	1,418,800	1,779,808	1,909,067	-	1,909,067	129,259	1,440,106
Licenses	23,000	37,945	46,378	-	46,378	8,433	29,700
Environmental health charges	720,100	806,300	758,921	-	758,921	(47,379)	728,430
Other licenses and permits	97,000	97,025	102,452	-	102,452	5,427	99,813
Total licenses and permits	2,258,900	2,721,078	2,816,818	-	2,816,818	95,740	2,298,049
Fines and forfeitures:							
Municipal court	5,917,305	6,531,180	6,921,651	-	6,921,651	390,471	5,965,107
Other fines	136,500	137,000	136,168	-	136,168	(832)	270,226
Total fines and forfeitures	6,053,805	6,668,180	7,057,819	-	7,057,819	389,639	6,235,333
Investment earnings net of change in fair value of investments	171,500	172,500	260,719	(29,288)	231,431	58,931	129,958
Miscellaneous	497,503	662,870	539,552	-	539,552	(123,318)	438,753
Total revenues	\$ 82,807,785	\$ 87,300,750	\$ 89,481,545	\$ (29,288)	\$ 89,452,257	\$ 2,151,507	\$ 82,116,493

CITY OF CARROLLTON, TEXAS

General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Year Ended September 30, 2014  
 With Comparative Actual Totals for 2013

	2014					2013	
	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	\$ 23,238	\$ 23,477	\$ -	\$ 23,477	\$ (239)	\$ 23,978
Supplies and services	133,577	169,427	113,124	12,800	125,924	43,503	22,031
Utilities	9,191	8,355	6,933	-	6,933	1,422	8,586
Allocations	750	750	750	-	750	-	598
	<u>167,918</u>	<u>201,770</u>	<u>144,284</u>	<u>12,800</u>	<u>157,084</u>	<u>44,686</u>	<u>55,193</u>
City management:							
Personal services	1,070,589	1,092,492	1,089,325	-	1,089,325	3,167	1,161,724
Supplies and services	129,759	126,946	121,418	(430)	120,988	5,958	103,262
Utilities	8,250	5,455	4,527	-	4,527	928	5,606
Allocations	9,598	9,598	9,598	-	9,598	-	8,800
	<u>1,218,196</u>	<u>1,234,491</u>	<u>1,224,868</u>	<u>(430)</u>	<u>1,224,438</u>	<u>10,053</u>	<u>1,279,392</u>
Marketing Services:							
Personal services	331,214	298,057	298,951	-	298,951	(894)	273,281
Supplies and services	90,247	89,520	75,148	1,112	76,260	13,260	63,645
Utilities	1,782	2,321	1,926	-	1,926	395	2,386
Allocations	3,834	4,687	3,834	-	3,834	853	3,834
	<u>427,077</u>	<u>394,585</u>	<u>379,859</u>	<u>1,112</u>	<u>380,971</u>	<u>13,614</u>	<u>343,146</u>
Accounting:							
Personal services	469,618	509,991	512,726	-	512,726	(2,735)	467,260
Supplies and services	146,731	146,450	141,371	-	141,371	5,079	140,534
Utilities	3,375	2,617	2,172	-	2,172	445	2,690
Allocations	5,046	5,046	5,046	-	5,046	-	5,536
	<u>624,770</u>	<u>664,104</u>	<u>661,315</u>	<u>-</u>	<u>661,315</u>	<u>2,789</u>	<u>616,020</u>
Finance administration:							
Personal services	417,845	439,968	440,891	-	440,891	(923)	395,392
Supplies and services	430,376	420,265	413,987	-	413,987	6,278	416,910
Utilities	1,549	1,941	1,611	-	1,611	330	1,995
Allocations	7,299	6,444	7,299	-	7,299	(855)	7,299
	<u>857,069</u>	<u>868,618</u>	<u>863,788</u>	<u>-</u>	<u>863,788</u>	<u>4,830</u>	<u>821,596</u>
Budget and management analysis:							
Personal services	283,859	225,202	225,914	-	225,914	(712)	278,223
Supplies and services	17,402	14,677	10,845	-	10,845	3,832	6,860
Utilities	2,790	2,138	1,774	-	1,774	364	2,197
Allocations	3,137	3,137	3,137	-	3,137	-	4,357
	<u>307,188</u>	<u>245,154</u>	<u>241,670</u>	<u>-</u>	<u>241,670</u>	<u>3,484</u>	<u>291,637</u>
Purchasing:							
Personal services	165,425	158,690	158,889	-	158,889	(199)	153,152
Supplies and services	6,560	6,520	4,049	-	4,049	2,471	3,454
Utilities	1,673	3,034	2,518	-	2,518	516	3,119
Allocations	1,348	1,348	1,348	-	1,348	-	1,410
	<u>175,006</u>	<u>169,592</u>	<u>166,804</u>	<u>-</u>	<u>166,804</u>	<u>2,788</u>	<u>161,135</u>
General services:							
Personal services	71,245	70,394	70,606	-	70,606	(212)	68,820
Supplies and services	54,736	52,775	40,105	598	40,703	12,072	37,848
Utilities	3,136	3,575	2,967	-	2,967	608	3,674
Allocations	2,889	2,889	2,889	-	2,889	-	3,354
	<u>132,006</u>	<u>129,633</u>	<u>116,567</u>	<u>598</u>	<u>117,165</u>	<u>12,468</u>	<u>113,696</u>

(continued)

CITY OF CARROLLTON, TEXAS

General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Year Ended September 30, 2014  
 With Comparative Actual Totals for 2013

	2014					2013	
	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	\$ 150,560	\$ 156,139	\$ 156,416	\$ -	\$ 156,416	\$ (277)	\$ 150,859
Supplies and services	5,730,709	5,815,427	5,679,152	8,305	5,687,457	127,970	5,471,085
Utilities	26,179	29,340	25,142	-	25,142	4,198	30,284
Allocations	42,090	42,090	42,090	-	42,090	-	36,364
	<u>5,949,538</u>	<u>6,042,996</u>	<u>5,902,800</u>	<u>8,305</u>	<u>5,911,105</u>	<u>131,891</u>	<u>5,688,592</u>
Workforce services:							
Personal services	591,267	522,130	530,179	-	530,179	(8,049)	552,844
Supplies and services	83,415	126,858	112,743	-	112,743	14,115	84,065
Utilities	4,034	4,964	4,119	-	4,119	845	5,101
Allocations	5,758	5,758	5,758	-	5,758	-	5,387
	<u>684,474</u>	<u>659,710</u>	<u>652,799</u>	<u>-</u>	<u>652,799</u>	<u>6,911</u>	<u>647,397</u>
City attorney:							
Personal services	657,979	840,565	929,428	-	929,428	(88,863)	684,505
Supplies and services	380,046	72,579	68,478	-	68,478	4,101	55,057
Utilities	3,684	3,084	2,559	-	2,559	525	3,169
Allocations	5,808	5,808	5,808	-	5,808	-	4,124
Capital outlay	-	-	4,221	-	4,221	(4,221)	4,833
	<u>1,047,517</u>	<u>922,036</u>	<u>1,010,494</u>	<u>-</u>	<u>1,010,494</u>	<u>(88,458)</u>	<u>751,688</u>
Facilities services:							
Personal services	435,233	464,775	453,372	-	453,372	11,403	391,196
Supplies and services	735,344	730,140	769,724	(52,303)	717,421	12,719	669,358
Utilities	86,916	89,278	87,700	-	87,700	1,578	84,357
Allocations	44,211	43,746	43,319	-	43,319	427	42,658
	<u>1,301,704</u>	<u>1,327,939</u>	<u>1,354,115</u>	<u>(52,303)</u>	<u>1,301,812</u>	<u>26,127</u>	<u>1,187,569</u>
Resolution center:							
Personal services	552,023	546,427	547,564	-	547,564	(1,137)	522,423
Supplies and services	6,126	6,326	5,402	-	5,402	924	7,361
Allocations	3,412	3,412	3,412	-	3,412	-	3,926
Capital outlay	405	405	794	-	794	(389)	-
	<u>561,966</u>	<u>556,570</u>	<u>557,172</u>	<u>-</u>	<u>557,172</u>	<u>(602)</u>	<u>533,710</u>
Organizational Development:							
Personal services	242,141	246,821	254,305	-	254,305	(7,484)	214,871
Supplies and services	43,499	42,809	21,829	-	21,829	20,980	37,337
Utilities	890	2,439	2,005	-	2,005	434	2,543
Allocations	2,094	2,094	2,094	-	2,094	-	2,468
	<u>288,624</u>	<u>294,163</u>	<u>280,233</u>	<u>-</u>	<u>280,233</u>	<u>13,930</u>	<u>257,219</u>
Non-departmental:							
Personal services	1,360,164	118,166	3,247	-	3,247	114,919	274,930
Supplies and services	784,613	706,940	661,511	(5,355)	656,156	50,784	783,460
Allocations	808,140	249,691	4,241	-	4,241	245,450	-
Capital outlay	8,000	8,000	7,901	-	7,901	99	12,406
	<u>2,960,917</u>	<u>1,082,797</u>	<u>676,900</u>	<u>(5,355)</u>	<u>671,545</u>	<u>411,252</u>	<u>1,070,796</u>
Total general government and administration	<u>16,703,970</u>	<u>14,794,158</u>	<u>14,233,668</u>	<u>(35,273)</u>	<u>14,198,395</u>	<u>595,763</u>	<u>13,818,786</u>

(continued)

CITY OF CARROLLTON, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

For the Year Ended September 30, 2014

With Comparative Actual Totals for 2013

	2014					2013	
	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	\$ 7,027,154	\$ 6,992,667	\$ 7,235,911	\$ -	\$ 7,235,911	\$ (243,244)	\$ 6,825,938
Supplies and services	639,411	688,115	686,672	(62,362)	624,310	63,805	564,225
Utilities	95,871	103,964	88,024	-	88,024	15,940	106,032
Allocations	137,470	137,470	137,470	-	137,470	-	134,760
Capital outlay	6,750	6,750	5,586	-	5,586	1,164	6,433
	<u>7,906,656</u>	<u>7,928,966</u>	<u>8,153,663</u>	<u>(62,362)</u>	<u>8,091,301</u>	<u>(162,335)</u>	<u>7,637,388</u>
Police operations:							
Personal services	11,807,364	11,913,351	12,120,792	-	12,120,792	(207,441)	11,621,441
Supplies and services	1,133,708	1,204,570	1,208,114	-	1,208,114	(3,544)	1,095,626
Utilities	27,984	32,814	27,942	-	27,942	4,872	32,061
Allocations	1,098,875	1,085,096	1,069,497	-	1,069,497	15,599	947,683
Capital outlay	182,908	159,131	169,613	(22,004)	147,609	11,522	13,356
	<u>14,250,839</u>	<u>14,394,962</u>	<u>14,595,958</u>	<u>(22,004)</u>	<u>14,573,954</u>	<u>(178,992)</u>	<u>13,710,167</u>
Fire operations:							
Personal services	14,620,185	15,180,352	15,330,226	-	15,330,226	(149,874)	14,156,574
Supplies and services	1,593,205	1,775,303	1,633,176	12,126	1,645,302	130,001	1,598,640
Utilities	114,223	121,081	111,607	-	111,607	9,474	106,961
Allocations	1,279,154	1,231,631	1,215,608	-	1,215,608	16,023	1,096,933
Capital outlay	49,960	49,960	66,150	(16,191)	49,959	1	27,108
	<u>17,656,727</u>	<u>18,358,327</u>	<u>18,356,767</u>	<u>(4,065)</u>	<u>18,352,702</u>	<u>5,625</u>	<u>16,986,216</u>
Fire support services:							
Personal services	1,555,537	1,409,065	1,454,117	-	1,454,117	(45,052)	1,312,744
Supplies and services	81,720	113,855	58,486	-	58,486	55,369	60,925
Utilities	5,910	6,671	5,536	-	5,536	1,135	6,856
Allocations	63,090	55,518	55,518	-	55,518	-	32,777
	<u>1,706,257</u>	<u>1,585,109</u>	<u>1,573,657</u>	<u>-</u>	<u>1,573,657</u>	<u>11,452</u>	<u>1,413,302</u>
Emergency dispatch:							
Personal services	1,906,587	1,567,502	1,605,051	-	1,605,051	(37,549)	1,561,473
Supplies and services	50,431	74,258	58,098	-	58,098	16,160	34,631
Utilities	8,411	11,278	9,360	-	9,360	1,918	11,591
Allocations	11,242	11,242	11,242	-	11,242	-	-
Capital outlay	6,850	6,850	2,871	-	2,871	3,979	6,777
	<u>1,983,521</u>	<u>1,671,130</u>	<u>1,686,622</u>	<u>-</u>	<u>1,686,622</u>	<u>(15,492)</u>	<u>1,614,472</u>
Municipal court:							
Personal services	1,168,970	1,151,816	1,152,762	-	1,152,762	(946)	1,060,471
Supplies and services	181,287	187,087	174,473	-	174,473	12,614	172,320
Utilities	50,743	52,015	44,282	-	44,282	7,733	57,571
Allocations	29,430	39,363	39,363	-	39,363	-	16,445
Capital outlay	49,362	49,362	53,492	-	53,492	(4,130)	-
	<u>1,479,792</u>	<u>1,479,643</u>	<u>1,464,372</u>	<u>-</u>	<u>1,464,372</u>	<u>15,271</u>	<u>1,306,807</u>
Environmental services:							
Personal services	1,432,529	1,470,138	1,478,116	-	1,478,116	(7,978)	1,418,981
Supplies and services	378,592	364,188	302,025	-	302,025	62,163	303,627
Utilities	8,244	12,827	10,644	-	10,644	2,183	13,182
Allocations	63,312	63,312	63,312	-	63,312	-	61,591
	<u>1,882,677</u>	<u>1,910,465</u>	<u>1,854,097</u>	<u>-</u>	<u>1,854,097</u>	<u>56,368</u>	<u>1,797,381</u>

(continued)

CITY OF CARROLLTON, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

For the Year Ended September 30, 2014

With Comparative Actual Totals for 2013

	2014					2013	
	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	\$ 630,266	\$ 611,836	\$ 614,186	\$ -	\$ 614,186	\$ (2,350)	\$ 576,303
Supplies and services	80,503	76,476	75,441	-	75,441	1,035	70,030
Utilities	52,669	60,700	49,891	-	49,891	10,809	64,532
Allocations	24,813	23,898	25,556	-	25,556	(1,658)	24,717
	<u>788,251</u>	<u>772,910</u>	<u>765,074</u>	<u>-</u>	<u>765,074</u>	<u>7,836</u>	<u>735,582</u>
Total public safety	<u>47,654,720</u>	<u>48,101,512</u>	<u>48,450,210</u>	<u>(88,431)</u>	<u>48,361,779</u>	<u>(260,267)</u>	<u>45,201,315</u>
Development services:							
Transportation engineering:							
Personal services	678,046	708,020	722,098	-	722,098	(14,078)	679,787
Supplies and services	48,336	49,836	36,727	-	36,727	13,109	47,237
Utilities	2,956	3,366	2,794	-	2,794	572	3,460
Allocations	5,944	5,944	5,944	-	5,944	-	6,023
Capital outlay	67,100	67,100	2,000	-	2,000	65,100	-
	<u>802,382</u>	<u>834,266</u>	<u>769,563</u>	<u>-</u>	<u>769,563</u>	<u>64,703</u>	<u>736,507</u>
Civil engineering:							
Personal services	834,396	730,767	776,936	-	776,936	(46,169)	678,749
Supplies and services	66,271	59,796	49,830	-	49,830	9,966	62,650
Utilities	9,772	10,274	8,360	-	8,360	1,914	10,354
Allocations	24,468	22,941	22,941	-	22,941	-	25,610
Capital outlay	13,000	13,000	10,500	-	10,500	2,500	7,495
	<u>947,907</u>	<u>836,778</u>	<u>868,567</u>	<u>-</u>	<u>868,567</u>	<u>(31,789)</u>	<u>784,858</u>
Traffic operations:							
Personal services	748,678	640,670	606,605	-	606,605	34,065	545,075
Supplies and services	391,671	350,453	270,804	7,199	278,003	72,450	270,254
Utilities	956,047	1,047,641	950,200	-	950,200	97,441	1,083,749
Allocations	338,830	328,871	314,307	-	314,307	14,564	313,530
	<u>2,435,226</u>	<u>2,367,635</u>	<u>2,141,916</u>	<u>7,199</u>	<u>2,149,115</u>	<u>218,520</u>	<u>2,212,608</u>
Streets:							
Personal services	1,359,409	1,227,145	1,196,236	-	1,196,236	30,909	1,116,393
Supplies and services	1,141,675	1,101,889	827,264	2,219	829,483	272,406	968,337
Utilities	-	85	260	-	260	(175)	123
Allocations	571,532	526,656	515,024	-	515,024	11,632	567,780
	<u>3,072,616</u>	<u>2,855,775</u>	<u>2,538,784</u>	<u>2,219</u>	<u>2,541,003</u>	<u>314,772</u>	<u>2,652,633</u>
Drainage:							
Personal services	470,152	403,243	396,171	-	396,171	7,072	426,702
Supplies and services	217,787	197,292	170,797	4,884	175,681	21,611	171,429
Utilities	-	-	-	-	-	-	579
Allocations	326,103	307,975	291,180	-	291,180	16,795	302,463
	<u>1,014,042</u>	<u>908,510</u>	<u>858,148</u>	<u>4,884</u>	<u>863,032</u>	<u>45,478</u>	<u>901,173</u>
Public works administration:							
Personal services	-	(54,384)	13,200	-	13,200	(67,584)	(5,398)
Supplies and services	-	-	(12,438)	-	(12,438)	12,438	(14,118)
Utilities	-	114	(7,441)	-	(7,441)	7,555	(7,180)
Allocations	(279,475)	(279,475)	(279,475)	-	(279,475)	-	(266,716)
	<u>(279,475)</u>	<u>(333,745)</u>	<u>(286,154)</u>	<u>-</u>	<u>(286,154)</u>	<u>(47,591)</u>	<u>(293,412)</u>

(continued)

CITY OF CARROLLTON, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

For the Year Ended September 30, 2014

With Comparative Actual Totals for 2013

	2014					2013	
	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	\$ 209,179	\$ 240,682	\$ 232,620	\$ -	\$ 232,620	\$ 8,062	\$ 193,486
Supplies and services	26,759	29,759	22,544	-	22,544	7,215	22,067
Utilities	4,052	2,051	1,703	-	1,703	348	2,109
Allocations	1,825	1,825	1,825	-	1,825	-	4,700
Capital Outlay	2,000	2,000	-	-	-	2,000	-
	<u>243,815</u>	<u>276,317</u>	<u>258,692</u>	<u>-</u>	<u>258,692</u>	<u>17,625</u>	<u>222,362</u>
Building inspection:							
Personal services	1,394,022	1,375,811	1,397,045	-	1,397,045	(21,234)	1,355,112
Supplies and services	92,213	88,326	67,748	-	67,748	20,578	82,440
Utilities	7,787	8,760	7,270	-	7,270	1,490	9,002
Allocations	32,632	31,749	31,558	-	31,558	191	31,858
Capital outlay	458	-	-	-	-	-	354
	<u>1,527,112</u>	<u>1,504,646</u>	<u>1,503,621</u>	<u>-</u>	<u>1,503,621</u>	<u>1,025</u>	<u>1,478,766</u>
Transit Oriented Development:							
Personal services	147,741	146,115	146,310	-	146,310	(195)	144,978
Supplies and services	31,641	31,641	18,132	-	18,132	13,509	18,652
Utilities	2,233	2,650	2,086	-	2,086	564	2,611
Allocations	1,284	1,284	1,284	-	1,284	-	2,015
	<u>182,899</u>	<u>181,690</u>	<u>167,812</u>	<u>-</u>	<u>167,812</u>	<u>13,878</u>	<u>168,256</u>
Economic development:							
Personal services	195,106	394,505	398,132	-	398,132	(3,627)	256,678
Supplies and services	131,726	101,390	125,214	-	125,214	(23,824)	119,836
Utilities	1,876	2,899	2,406	-	2,406	493	2,980
Allocations	2,915	2,915	2,915	-	2,915	-	2,200
Capital Outlay	-	7,868	7,868	-	7,868	-	-
	<u>331,623</u>	<u>509,577</u>	<u>536,535</u>	<u>-</u>	<u>536,535</u>	<u>(26,958)</u>	<u>381,694</u>
Total development services	<u>10,278,147</u>	<u>9,941,449</u>	<u>9,357,484</u>	<u>14,302</u>	<u>9,371,786</u>	<u>569,663</u>	<u>9,245,445</u>
Cultural and recreational:							
Library:							
Personal services	2,019,571	2,023,647	1,997,739	-	1,997,739	25,908	1,866,213
Supplies and services	197,048	198,621	176,390	6,705	183,095	15,526	160,691
Utilities	143,208	155,300	129,276	-	129,276	26,024	159,517
Allocations	26,559	26,559	26,559	-	26,559	-	32,638
Capital outlay	318,802	318,802	315,325	9,699	325,024	(6,222)	180,826
	<u>2,705,188</u>	<u>2,722,929</u>	<u>2,645,289</u>	<u>16,404</u>	<u>2,661,693</u>	<u>61,236</u>	<u>2,399,885</u>
Parks Non-Contract:							
Personal services	457,664	489,332	493,318	-	493,318	(3,986)	545,159
Supplies and services	305,093	200,395	215,790	-	215,790	(15,395)	330,229
Utilities	305,558	313,281	249,830	-	249,830	63,451	267,043
Allocations	101,002	71,158	70,104	-	70,104	1,054	150,363
Capital outlay	500	1,000	1,434	-	1,434	(434)	-
	<u>1,169,817</u>	<u>1,075,166</u>	<u>1,030,476</u>	<u>-</u>	<u>1,030,476</u>	<u>44,690</u>	<u>1,292,794</u>
Parks Contract:							
Personal services	1,023,111	997,636	1,055,847	-	1,055,847	(58,211)	887,603
Supplies and services	880,088	847,099	841,521	(6,449)	835,072	12,027	770,568
Allocations	157,546	182,476	160,271	-	160,271	22,205	129,852
Capital outlay	-	3,015	10,117	4,952	15,069	(12,054)	4,307
	<u>2,060,745</u>	<u>2,030,226</u>	<u>2,067,756</u>	<u>(1,497)</u>	<u>2,066,259</u>	<u>(36,033)</u>	<u>1,792,330</u>

(continued)

CITY OF CARROLLTON, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

For the Year Ended September 30, 2014

With Comparative Actual Totals for 2013

	2014						2013
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
Cultural and recreational (continued):							
Tennis Center:							
Personal services	\$ 57,625	\$ 49,709	\$ 49,338	\$ -	\$ 49,338	\$ 371	\$ 73,506
Supplies and services	17,108	21,268	7,454	-	7,454	13,814	78,975
Utilities	28,283	29,776	24,551	-	24,551	5,225	30,106
Allocations	7,422	7,422	7,422	-	7,422	-	553
	<u>110,438</u>	<u>108,175</u>	<u>88,765</u>	<u>-</u>	<u>88,765</u>	<u>19,410</u>	<u>183,140</u>
Leisure services:							
Personal services	470,695	491,534	493,002	-	493,002	(1,468)	453,569
Supplies and services	48,151	48,225	33,256	-	33,256	14,969	35,375
Utilities	1,054	1,047	676	-	676	371	1,207
Allocations	11,855	11,855	11,855	-	11,855	-	3,317
	<u>531,755</u>	<u>552,661</u>	<u>538,789</u>	<u>-</u>	<u>538,789</u>	<u>13,872</u>	<u>493,468</u>
Rosemeade Recreation Center:							
Personal services	237,912	230,662	279,893	-	279,893	(49,231)	261,151
Supplies and services	290,770	291,731	297,221	-	297,221	(5,490)	286,465
Utilities	60,794	70,873	55,740	-	55,740	15,133	70,800
Allocations	6,682	6,682	6,682	-	6,682	-	9,777
	<u>596,158</u>	<u>599,948</u>	<u>639,536</u>	<u>-</u>	<u>639,536</u>	<u>(39,588)</u>	<u>628,193</u>
Crosby Recreation Center:							
Personal services	223,297	157,498	161,197	-	161,197	(3,699)	221,466
Supplies and services	90,832	80,494	48,641	1,951	50,592	29,902	54,752
Utilities	38,787	46,035	42,558	-	42,558	3,477	43,187
Allocations	5,399	5,399	5,399	-	5,399	-	8,165
	<u>358,315</u>	<u>289,426</u>	<u>257,795</u>	<u>1,951</u>	<u>259,746</u>	<u>29,680</u>	<u>327,570</u>
Perry Museum:							
Personal services	68,127	68,656	68,530	-	68,530	126	65,617
Supplies and services	13,830	13,730	5,602	3,844	9,446	4,284	2,950
Utilities	8,955	9,766	8,458	-	8,458	1,308	9,721
Allocations	-	-	-	-	-	-	1,311
	<u>90,912</u>	<u>92,152</u>	<u>82,590</u>	<u>3,844</u>	<u>86,434</u>	<u>5,718</u>	<u>79,599</u>
Senior Center:							
Personal services	166,652	202,178	207,614	-	207,614	(5,436)	176,440
Supplies and services	47,306	45,485	33,087	(236)	32,851	12,634	45,542
Utilities	40,166	42,902	38,802	-	38,802	4,100	47,401
Allocations	11,830	11,830	11,829	-	11,829	1	13,848
	<u>265,954</u>	<u>302,395</u>	<u>291,332</u>	<u>(236)</u>	<u>291,096</u>	<u>11,299</u>	<u>283,231</u>
Athletics:							
Personal services	1,836,549	1,760,778	1,733,702	-	1,733,702	27,076	1,727,336
Supplies and services	740,174	843,873	810,990	7,247	818,237	25,636	755,145
Utilities	369,158	402,764	348,887	-	348,887	53,877	421,799
Allocations	200,214	184,796	180,825	-	180,825	3,971	177,132
	<u>3,146,095</u>	<u>3,192,211</u>	<u>3,074,404</u>	<u>7,247</u>	<u>3,081,651</u>	<u>110,560</u>	<u>3,081,412</u>
Total cultural and recreational	<u>11,035,377</u>	<u>10,965,289</u>	<u>10,716,732</u>	<u>27,713</u>	<u>10,744,445</u>	<u>220,844</u>	<u>10,561,622</u>
Total expenditures	<u>\$ 85,672,214</u>	<u>\$ 83,802,408</u>	<u>\$ 82,758,094</u>	<u>\$ (81,689)</u>	<u>\$ 82,676,405</u>	<u>\$ 1,126,003</u>	<u>\$ 78,827,168</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, 2014

	Fleet Services	Risk Management	Employee Health and Disability	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 3,119,909	\$ 4,066,715	\$ 9,667,613	\$ 16,854,237
Receivables:				
Accrued interest	4,282	5,404	12,911	22,597
Other	-	-	65,477	65,477
Inventories	71,275	-	-	71,275
Prepaid items	-	169,000	7,367	176,367
Total current assets	<u>3,195,466</u>	<u>4,241,119</u>	<u>9,753,368</u>	<u>17,189,953</u>
Noncurrent assets:				
Net pension asset	517	3,838	-	4,355
Capital assets:				
Buildings	176,409	-	-	176,409
Equipment	19,519,732	-	-	19,519,732
Intangibles	34,314	70,400	-	104,714
Accumulated depreciation	(10,773,450)	(70,400)	-	(10,843,850)
Total capital assets, net of accumulated depreciation	<u>8,957,005</u>	<u>-</u>	<u>-</u>	<u>8,957,005</u>
Total noncurrent assets	<u>8,957,522</u>	<u>3,838</u>	<u>-</u>	<u>8,961,360</u>
Total assets	<u>12,152,988</u>	<u>4,244,957</u>	<u>9,753,368</u>	<u>26,151,313</u>
Liabilities				
Current liabilities:				
Accounts payable	852,781	183,904	6,579	1,043,264
Estimated health claims payable	-	-	1,105,000	1,105,000
Compensated absences	-	1,116	-	1,116
Total current liabilities	<u>852,781</u>	<u>185,020</u>	<u>1,111,579</u>	<u>2,149,380</u>
Noncurrent liabilities:				
Compensated absences	-	24,492	-	24,492
Other post employment benefits obligation	-	-	441,049	441,049
Long-term risk liability	-	2,028,558	-	2,028,558
Total noncurrent liabilities	<u>-</u>	<u>2,053,050</u>	<u>441,049</u>	<u>2,494,099</u>
Total liabilities	<u>852,781</u>	<u>2,238,070</u>	<u>1,552,628</u>	<u>4,643,479</u>
Net Position				
Investment in capital assets	8,957,005	-	-	8,957,005
Unrestricted	2,343,202	2,006,887	8,200,740	12,550,829
Total net position	<u>\$ 11,300,207</u>	<u>\$ 2,006,887</u>	<u>\$ 8,200,740</u>	<u>\$ 21,507,834</u>

**CITY OF CARROLLTON, TEXAS**

Internal Service Funds  
 Combining Statement of Revenues, Expenses and Changes in Net Position  
 For the Year Ended September 30, 2014

	Fleet Services	Risk Management	Employee Health and Disability	Totals
Operating revenues:				
Charges for services	\$ 5,337,530	\$ 1,991,814	\$ 9,574,860	\$ 16,904,204
Operating expenses:				
Personal services	70,778	83,759	-	154,537
Supplies and services	2,908,371	2,411,484	11,662,754	16,982,609
Utilities	25,625	357	-	25,982
Allocations	50,443	-	-	50,443
Depreciation	1,741,611	-	-	1,741,611
Total operating expenses	4,796,828	2,495,600	11,662,754	18,955,182
Income (loss) from operations	540,702	(503,786)	(2,087,894)	(2,050,978)
Nonoperating revenues:				
Investment earnings net of change in fair value of investments	21,890	19,936	54,625	96,451
Gain on sale/retirement of capital assets	230,961	-	-	230,961
Total nonoperating revenues	252,851	19,936	54,625	327,412
Income (loss) before transfers	793,553	(483,850)	(2,033,269)	(1,723,566)
Transfers out	(299,371)	(136,751)	-	(436,122)
Change in net position	494,182	(620,601)	(2,033,269)	(2,159,688)
Net position at beginning of year	10,806,025	2,627,488	10,234,009	23,667,522
Net position at end of year	\$ 11,300,207	\$ 2,006,887	\$ 8,200,740	\$ 21,507,834

**CITY OF CARROLLTON, TEXAS**

Internal Service Funds  
 Combining Statement of Cash Flows  
 For the Year Ended September 30, 2014

	Fleet Services	Risk Management	Employee Health and Disability	Totals
Cash flows from operating activities:				
Cash received from employees for services	\$ -	\$ -	\$ 1,883,027	\$ 1,883,027
Cash received from other funds for services	5,337,530	1,991,814	7,690,390	15,019,734
Cash received from loss claim recoveries and refunds	-	144,657	761,875	906,532
Cash payments to suppliers for goods and services	(2,896,054)	(765,806)	(1,718,865)	(5,380,725)
Cash payments to employees for services	(63,783)	(76,705)	-	(140,488)
Cash payments for loss claims	-	(1,160,054)	(10,261,781)	(11,421,835)
Cash payments to other funds for services	(57,401)	(7,701)	-	(65,102)
Net cash provided (used) by operating activities	<u>2,320,292</u>	<u>126,205</u>	<u>(1,645,354)</u>	<u>801,143</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	(299,371)	(136,751)	-	(436,122)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(3,596,523)	-	-	(3,596,523)
Proceeds from sale of capital assets	242,242	-	-	242,242
Net cash used by capital and related financing activities	<u>(3,354,281)</u>	<u>-</u>	<u>-</u>	<u>(3,354,281)</u>
Cash flows from investing activities:				
Interest on cash and cash equivalents	22,086	19,024	53,691	94,801
Net increase (decrease) in cash and cash equivalents				
	(1,311,274)	8,478	(1,591,663)	(2,894,459)
Cash and cash equivalents, October 1	4,431,183	4,058,237	11,259,276	19,748,696
Cash and cash equivalents, September 30	<u>\$ 3,119,909</u>	<u>\$ 4,066,715</u>	<u>\$ 9,667,613</u>	<u>\$ 16,854,237</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:				
Income (loss) from operations	\$ 540,702	\$ (503,786)	\$ (2,087,894)	\$ (2,050,978)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	1,741,611	-	-	1,741,611
Change in assets and liabilities:				
Decrease in other receivables	-	-	1,536	1,536
Decrease in inventories	15,354	-	-	15,354
Increase in net pension asset	(308)	(372)	-	(680)
Increase (decrease) in accounts payable	22,933	(26,473)	2,327	(1,213)
Increase in estimated health claims payable	-	-	160,000	160,000
Decrease in liability for compensated absences	-	(641)	-	(641)
Increase in long-term risk liability	-	657,477	-	657,477
Increase in other post employment benefits obligation	-	-	278,677	278,677
Net cash provided (used) by operating activities	<u>\$ 2,320,292</u>	<u>\$ 126,205</u>	<u>\$ (1,645,354)</u>	<u>\$ 801,143</u>

**SUPPLEMENTARY INDIVIDUAL FUND  
FINANCIAL STATEMENTS**

**Proprietary Funds**

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

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**CITY OF CARROLLTON, TEXAS**

Water and Sewer Fund  
 Comparative Statements of Net Position  
 September 30, 2014 and 2013

	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,520,874	\$ 26,645,510
Receivables (net, where applicable, of allowance for doubtful accounts of \$151,773 in 2014 and \$161,959 in 2013):		
Accounts	3,917,550	4,293,741
Accrued interest	35,074	32,146
Restricted assets:		
Cash and cash equivalents	3,287,455	3,423,911
Total current assets	29,760,953	34,395,308
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	1,488,696	1,552,989
Net pension asset	57,880	46,580
Capital assets:		
Land	1,372,868	1,372,868
Buildings	18,038,700	18,038,700
Equipment	3,875,592	3,503,019
Intangibles	770,112	770,112
Infrastructure	233,120,586	225,954,605
Construction in progress	129,935	46,514
Accumulated depreciation	(124,943,330)	(117,562,240)
Total capital assets, net of accumulated depreciation	132,364,463	132,123,578
Total noncurrent assets	133,911,039	133,723,147
Total assets	163,671,992	168,118,455
Deferred outflow of resources		
Deferred charges on refundings	200,458	223,812
Liabilities		
Current liabilities:		
Accounts payable	2,849,464	2,188,098
Customer deposits payable	2,525,276	2,428,576
Revenue bonds payable	1,314,120	1,814,120
Compensated absences	60,521	64,932
Accrued interest	255,929	280,752
Total current liabilities	7,005,310	6,776,478
Noncurrent liabilities:		
Revenue bonds payable	14,937,477	16,251,597
Compensated absences	589,837	588,319
Total noncurrent liabilities	15,527,314	16,839,916
Total liabilities	22,532,624	23,616,394
Net Position		
Net investment in capital assets	116,819,574	114,996,256
Restricted for:		
Revenue bond retirement	1,488,696	1,552,989
Unrestricted	23,031,556	28,176,628
Total net position	\$ 141,339,826	\$ 144,725,873

**CITY OF CARROLLTON, TEXAS**

Water and Sewer Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 33,789,304	\$ 35,171,954
Miscellaneous	159,535	99,716
Total operating revenues	<u>33,948,839</u>	<u>35,271,670</u>
Operating expenses:		
Personal services	3,683,454	3,483,877
Supplies and services	21,811,902	21,518,288
Utilities	694,054	909,152
Allocations	1,195,384	1,074,436
Depreciation	<u>8,077,819</u>	<u>7,876,715</u>
Total operating expenses	<u>35,462,613</u>	<u>34,862,468</u>
Income (loss) from operations	<u>(1,513,774)</u>	<u>409,202</u>
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	153,235	(15,286)
Gain on sale/retirement of capital assets	95,377	53,619
Interest expense	<u>(573,215)</u>	<u>(626,585)</u>
Total nonoperating revenues (expenses)	<u>(324,603)</u>	<u>(588,252)</u>
Loss before contributions and transfers	(1,838,377)	(179,050)
Capital contributions	2,104,033	1,522,804
Transfers out	<u>(3,651,703)</u>	<u>(3,454,158)</u>
Change in net position	(3,386,047)	(2,110,404)
Net position at beginning of year as restated (see note 14)	<u>144,725,873</u>	<u>146,836,277</u>
Net position at end of year	<u>\$ 141,339,826</u>	<u>\$ 144,725,873</u>



**CITY OF CARROLLTON, TEXAS**

Water and Sewer Fund  
 Comparative Statements of Cash Flows  
 For the Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 34,214,319	\$ 35,159,999
Other operating cash receipts	159,535	99,716
Cash payments to suppliers for goods and services	(23,162,023)	(22,503,101)
Cash payments to employees for services	(3,082,405)	(3,003,806)
Cash payments to other funds for services	(1,396,794)	(1,280,795)
Net cash provided by operating activities	<u>6,732,632</u>	<u>8,472,013</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(3,651,703)</u>	<u>(3,454,158)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(6,141,820)	(3,424,881)
Proceeds from sale of capital assets	95,378	53,619
Interest paid on bonds	(673,804)	(724,679)
Retirement of bonds	(1,715,000)	(1,680,000)
Capital contributions	878,625	620,990
Net cash used by capital and related financing activities	<u>(7,556,621)</u>	<u>(5,154,951)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>150,307</u>	<u>(26,384)</u>
Net decrease in cash and cash equivalents	(4,325,385)	(163,480)
Cash and cash equivalents, October 1	<u>31,622,410</u>	<u>31,785,890</u>
Cash and cash equivalents, September 30	<u>\$ 27,297,025</u>	<u>\$ 31,622,410</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:		
Income (loss) from operations	\$ (1,513,774)	\$ 409,202
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:		
Depreciation	8,077,819	7,876,715
Provision for doubtful accounts	47,877	40,471
Change in assets and liabilities		
(Increase) decrease in accounts receivable	328,315	(90,775)
Increase in net pension asset	(11,300)	(4,308)
Increase (decrease) in accounts payable	(290,112)	201,373
Increase in customer deposits payable	96,700	78,820
Decrease in liability for compensated absences	(2,893)	(39,485)
Net cash provided by operating activities	<u>\$ 6,732,632</u>	<u>\$ 8,472,013</u>
Noncash investing, capital, and financing activities:		
During this past year, the Water and Sewer Fund received \$1,225,408 noncash capital contributions from developers consisting of water and sewer infrastructure.		
Reconciliation of total cash and cash equivalents:		
Current assets:		
Cash and cash equivalents	\$ 22,520,874	\$ 26,645,510
Restricted assets - cash and cash equivalents	3,287,455	3,423,911
Noncurrent assets:		
Restricted assets - cash and cash equivalents	<u>1,488,696</u>	<u>1,552,989</u>
Total cash and cash equivalents	<u>\$ 27,297,025</u>	<u>\$ 31,622,410</u>

**CITY OF CARROLLTON, TEXAS**

Golf Course Fund  
 Comparative Statements of Net Position  
 September 30, 2014 and 2013

Assets	2014	2013
Current assets:		
Cash and cash equivalents	\$ 753,527	\$ 496,079
Receivables:		
Accrued interest	899	714
Other	127,984	165,507
Total current assets	882,410	662,300
Noncurrent assets:		
Capital assets:		
Land	995,000	995,000
Buildings	1,536,956	1,536,956
Equipment	772,711	844,569
Improvements	11,788,026	11,700,068
Accumulated depreciation	(12,947,236)	(12,746,525)
Total capital assets, net of accumulated depreciation	2,145,457	2,330,068
Total noncurrent assets	2,145,457	2,330,068
Total assets	3,027,867	2,992,368
Liabilities		
Current liabilities:		
Accounts payable	13,555	86,954
Due to other funds	388,095	-
Certificates of obligation payable	-	325,000
Accrued interest	-	11,250
Total current liabilities	401,650	423,204
Noncurrent liabilities:		
Due to other funds	765,881	-
Certificates of obligation payable	-	1,115,000
Total noncurrent liabilities	765,881	1,115,000
Total liabilities	1,167,531	1,538,204
Net Position		
Net investment in capital assets	991,481	890,068
Unrestricted	868,855	564,096
Total net position	\$ 1,860,336	\$ 1,454,164

**CITY OF CARROLLTON, TEXAS**

Golf Course Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position  
For the Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 1,101,340	\$ 1,040,473
Operating expenses:		
Supplies and services	56,193	64,324
Allocations	9,900	9,429
Depreciation	<u>302,430</u>	<u>648,763</u>
Total operating expenses	<u>368,523</u>	<u>722,516</u>
Income from operations	<u>732,817</u>	<u>317,957</u>
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	2,307	287
Gain on sale/retirement of capital assets	13,143	8,774
Interest expense	<u>(35,198)</u>	<u>(106,954)</u>
Total nonoperating revenues (expenses)	<u>(19,748)</u>	<u>(97,893)</u>
Income before contributions and transfers	713,069	220,064
Capital contributions	-	218,672
Transfers out	<u>(306,897)</u>	<u>(292,886)</u>
Change in net position	406,172	145,850
Net position at beginning of year as restated (see note 14)	<u>1,454,164</u>	<u>1,308,314</u>
Net position at end of year	<u>\$ 1,860,336</u>	<u>\$ 1,454,164</u>

**CITY OF CARROLLTON, TEXAS**

Golf Course Fund  
 Comparative Statements of Cash Flows  
 For the Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 1,138,863	\$ 1,003,741
Cash payments to suppliers for goods and services	(81,797)	(38,051)
Cash payments to other funds for services	(10,430)	(11,296)
Net cash provided by operating activities	<u>1,046,636</u>	<u>954,394</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(306,897)</u>	<u>(292,886)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(165,084)	(560,408)
Proceeds from sale of capital assets	13,143	8,774
Proceeds from interfund loan	1,440,000	-
Interest paid on bonds	(26,750)	(109,376)
Interest paid on interfund loan	(19,698)	-
Retirement of bonds	(1,440,000)	(310,000)
Retirement of interfund loan	(286,024)	-
Capital contributions	-	218,672
Net cash used by capital and related financing activities	<u>(484,413)</u>	<u>(752,338)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>2,122</u>	<u>(9)</u>
Net increase (decrease) in cash and cash equivalents	257,448	(90,839)
Cash and cash equivalents, October 1	496,079	586,918
Cash and cash equivalents, September 30	<u>\$ 753,527</u>	<u>\$ 496,079</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 732,817	\$ 317,957
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	302,430	648,763
Change in assets and liabilities:		
(Increase) decrease in other receivables	37,523	(36,732)
Increase (decrease) in accounts payable	(26,134)	24,406
Net cash provided by operating activities	<u>\$ 1,046,636</u>	<u>\$ 954,394</u>

**CITY OF CARROLLTON, TEXAS**

Sanitation Fund  
 Comparative Statements of Net Position  
 September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 491,941	\$ 434,273
Receivables (net of applicable of allowance for doubtful accounts of \$33,570 in 2014 and \$35,515 in 2013)		
Accounts	834,670	824,761
Accrued interest	<u>2,758</u>	<u>2,163</u>
Total current assets	<u>1,329,369</u>	<u>1,261,197</u>
Noncurrent assets:		
Capital assets:		
Equipment	1,460,303	1,460,303
Accumulated depreciation	<u>(1,099,602)</u>	<u>(953,571)</u>
Total capital assets, net of accumulated depreciation	<u>360,701</u>	<u>506,732</u>
Total assets	<u>1,690,070</u>	<u>1,767,929</u>
Liabilities		
Current liabilities:		
Accounts payable	<u>886,623</u>	<u>853,301</u>
Net Position		
Investment in capital assets	360,701	506,732
Unrestricted	<u>442,746</u>	<u>407,896</u>
Total net position	<u>\$ 803,447</u>	<u>\$ 914,628</u>

**CITY OF CARROLLTON, TEXAS**

Sanitation Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 7,882,627	\$ 7,629,080
Operating expenses:		
Supplies and services	5,566,569	5,363,538
Allocations	82,345	76,470
Depreciation	146,031	146,030
Total operating expenses	<u>5,794,945</u>	<u>5,586,038</u>
Income from operations	<u>2,087,682</u>	<u>2,043,042</u>
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	<u>7,212</u>	<u>3,496</u>
Income before transfers	2,094,894	2,046,538
Transfers out	<u>(2,206,075)</u>	<u>(2,216,685)</u>
Change in net position	(111,181)	(170,147)
Net position at beginning of year	<u>914,628</u>	<u>1,084,775</u>
Net position at end of year	<u>\$ 803,447</u>	<u>\$ 914,628</u>

**CITY OF CARROLLTON, TEXAS**

Sanitation Fund

Comparative Statements of Cash Flows

For the Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 7,860,978	\$ 7,632,692
Cash payments to suppliers for goods and services	(5,533,247)	(5,306,598)
Cash payments to other funds for services	(70,605)	(67,242)
Net cash provided by operating activities	<u>2,257,126</u>	<u>2,258,852</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(2,206,075)</u>	<u>(2,216,685)</u>
Cash flows from investing activities:		
Interest on cash and cash equivalents	<u>6,617</u>	<u>2,775</u>
Net increase in cash and cash equivalents	57,668	44,942
Cash and cash equivalents, October 1	434,273	389,331
Cash and cash equivalents, September 30	<u>\$ 491,941</u>	<u>\$ 434,273</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 2,087,682	\$ 2,043,042
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	146,031	146,030
Provisions for doubtful accounts	11,740	9,228
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(21,649)	3,612
Increase in accounts payable	33,322	56,940
Net cash provided by operating activities	<u>\$ 2,257,126</u>	<u>\$ 2,258,852</u>

**CITY OF CARROLLTON, TEXAS**

Fleet Services Fund  
 Comparative Statements of Net Position  
 September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,119,909	\$ 4,431,183
Accrued interest receivable	4,282	4,478
Inventories	71,275	86,629
Total current assets	<u>3,195,466</u>	<u>4,522,290</u>
Noncurrent assets:		
Net pension asset	517	209
Capital assets:		
Buildings	176,409	176,409
Equipment	19,519,732	16,917,193
Intangibles	34,314	34,314
Accumulated depreciation	<u>(10,773,450)</u>	<u>(10,556,967)</u>
Total capital assets, net of accumulated depreciation	<u>8,957,005</u>	<u>6,570,949</u>
Total noncurrent assets	<u>8,957,522</u>	<u>6,571,158</u>
Total assets	<u>12,152,988</u>	<u>11,093,448</u>
Liabilities		
Current liabilities:		
Accounts payable	<u>852,781</u>	<u>287,423</u>
Net Position		
Investment in capital assets	8,957,005	6,570,949
Unrestricted	<u>2,343,202</u>	<u>4,235,076</u>
Total net position	<u>\$ 11,300,207</u>	<u>\$ 10,806,025</u>



**CITY OF CARROLLTON, TEXAS**

Fleet Services Fund  
 Comparative Statements of Revenues, Expenses and Changes in Net Position  
 For the Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 5,337,530	\$ 5,410,000
Operating expenses:		
Personal services	70,778	67,251
Supplies and services	2,908,371	3,210,878
Utilities	25,625	33,210
Allocations	50,443	61,093
Depreciation	1,741,611	1,609,697
Total operating expenses	<u>4,796,828</u>	<u>4,982,129</u>
Income from operations	<u>540,702</u>	<u>427,871</u>
Nonoperating revenues (expenses):		
Investment earnings		
net of change in fair value		
of investments	21,890	(2,273)
Gain on sale/retirement of capital assets	230,961	179,562
Total nonoperating revenues (expenses)	<u>252,851</u>	<u>177,289</u>
Income before transfers	793,553	605,160
Transfers in	-	-
Transfers out	<u>(299,371)</u>	<u>(285,704)</u>
Change in net position	494,182	319,456
Net position at beginning of year	<u>10,806,025</u>	<u>10,486,569</u>
Net position at end of year	<u>\$ 11,300,207</u>	<u>\$ 10,806,025</u>

**CITY OF CARROLLTON, TEXAS**

Fleet Services Fund  
 Comparative Statements of Cash Flows  
 For the Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from other funds for services	\$ 5,337,530	\$ 5,410,000
Cash payments to suppliers for goods and services	(2,896,054)	(3,248,071)
Cash payments to employees for services	(63,783)	(60,635)
Cash payments to other funds for services	(57,401)	(67,026)
Net cash provided by operating activities	<u>2,320,292</u>	<u>2,034,268</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(299,371)</u>	<u>(285,704)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(3,596,523)	(1,982,104)
Proceeds from sale of capital assets	242,242	239,322
Net cash used by capital and related financing activities	<u>(3,354,281)</u>	<u>(1,742,782)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>22,086</u>	<u>(3,476)</u>
Net increase (decrease) in cash and cash equivalents	(1,311,274)	2,306
Cash and cash equivalents, October 1	<u>4,431,183</u>	<u>4,428,877</u>
Cash and cash equivalents, September 30	<u>\$ 3,119,909</u>	<u>\$ 4,431,183</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 540,702	\$ 427,871
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	1,741,611	1,609,697
Change in assets and liabilities:		
(Increase) decrease in inventories	15,354	(5,380)
Increase in net pension asset	(308)	(117)
Increase in accounts payable	22,933	2,197
Net cash provided by operating activities	<u>\$ 2,320,292</u>	<u>\$ 2,034,268</u>

**CITY OF CARROLLTON, TEXAS**

Risk Management Fund  
 Comparative Statements of Net Position  
 September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,066,715	\$ 4,058,237
Accrued interest receivable	5,404	4,492
Prepaid items	169,000	169,000
Total current assets	<u>4,241,119</u>	<u>4,231,729</u>
Noncurrent assets:		
Net pension asset	3,838	3,466
Capital assets:		
Intangibles	70,400	70,400
Accumulated depreciation	(70,400)	(70,400)
Total capital assets, net of accumulated depreciation	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>3,838</u>	<u>3,466</u>
Total assets	<u>4,244,957</u>	<u>4,235,195</u>
Liabilities		
Current liabilities:		
Accounts payable	183,904	210,377
Compensated absences	1,116	1,116
Total current liabilities	<u>185,020</u>	<u>211,493</u>
Noncurrent liabilities:		
Compensated absences	24,492	25,133
Long-term risk liability	2,028,558	1,371,081
Total noncurrent liabilities	<u>2,053,050</u>	<u>1,396,214</u>
Total liabilities	<u>2,238,070</u>	<u>1,607,707</u>
Net Position		
Unrestricted	<u>\$ 2,006,887</u>	<u>\$ 2,627,488</u>

**CITY OF CARROLLTON, TEXAS**

Risk Management Fund  
Comparative Statements of Revenues, Expenses and Changes in Net Position  
For the Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	<u>\$ 1,991,814</u>	<u>\$ 1,897,011</u>
Operating expenses:		
Personal services	83,759	86,208
Supplies and services	2,411,484	1,076,789
Utilities	357	442
Allocations	<u>-</u>	<u>2,629</u>
Total operating expenses	<u>2,495,600</u>	<u>1,166,068</u>
Income (loss) from operations	<u>(503,786)</u>	<u>730,943</u>
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	<u>19,936</u>	<u>(1,137)</u>
Income (loss) before transfers	(483,850)	729,806
Transfers out	<u>(136,751)</u>	<u>(130,508)</u>
Change in net position	(620,601)	599,298
Net position at beginning of year	<u>2,627,488</u>	<u>2,028,190</u>
Net position end of year	<u><u>\$ 2,006,887</u></u>	<u><u>\$ 2,627,488</u></u>

**CITY OF CARROLLTON, TEXAS**

Risk Management Fund  
 Comparative Statements of Cash Flows  
 For the Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from other funds for services	\$ 1,991,814	\$ 1,897,011
Cash received from loss claim recoveries	144,657	88,740
Cash payments to suppliers for goods and services	(765,806)	(1,184,606)
Cash payments to employees for services	(76,705)	(74,237)
Cash payments for loss claims	(1,160,054)	(990,833)
Cash payments to other funds for services	<u>(7,701)</u>	<u>(7,137)</u>
Net cash provided (used) by operating activities	<u>126,205</u>	<u>(271,062)</u>
Cash flow from noncapital financing activities:		
Transfers to other funds	<u>(136,751)</u>	<u>(130,508)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>19,024</u>	<u>(2,569)</u>
Net increase (decrease) in cash and cash equivalents	8,478	(404,139)
Cash and cash equivalents, October 1	<u>4,058,237</u>	<u>4,462,376</u>
Cash and cash equivalents, September 30	<u>\$ 4,066,715</u>	<u>\$ 4,058,237</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:		
Income (loss) from operations	\$ (503,786)	\$ 730,943
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Change in assets and liabilities:		
Increase in prepaid items	-	(38,000)
Increase in net pension asset	(372)	(142)
Increase (decrease) in accounts payable	(26,473)	55,827
Increase (decrease) in liability for compensated absences	(641)	4,541
Increase (decrease) in long-term risk liability	<u>657,477</u>	<u>(1,024,231)</u>
Net cash provided (used) by operating activities	<u>\$ 126,205</u>	<u>\$ (271,062)</u>

**CITY OF CARROLLTON, TEXAS**

Employee Health and Disability Fund  
Comparative Statements of Net Position  
September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,667,613	\$ 11,259,276
Receivables:		
Accrued interest	12,911	11,977
Other	65,477	67,013
Prepaid items	<u>7,367</u>	<u>7,367</u>
Total assets	<u>9,753,368</u>	<u>11,345,633</u>
Liabilities		
Current liabilities:		
Accounts payable	6,579	4,252
Estimated health claims payable	1,105,000	945,000
Total current liabilities	<u>1,111,579</u>	<u>949,252</u>
Noncurrent liabilities:		
Other post employment benefits obligation	<u>441,049</u>	<u>162,372</u>
Total liabilities	<u>1,552,628</u>	<u>1,111,624</u>
Net Position		
Unrestricted	<u>\$ 8,200,740</u>	<u>\$ 10,234,009</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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 9,574,860	\$ 8,543,590
Operating expenses:		
Supplies and services	<u>11,662,754</u>	<u>9,285,777</u>
Loss from operations	<u>(2,087,894)</u>	<u>(742,187)</u>
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	<u>54,625</u>	<u>(3,936)</u>
Change in net position	(2,033,269)	(746,123)
Net position at beginning of year	<u>10,234,009</u>	<u>10,980,132</u>
Net position at end of year	<u>\$ 8,200,740</u>	<u>\$ 10,234,009</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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from employees and retirees for services	\$ 1,883,027	\$ 1,806,170
Cash received from other funds for services	7,690,390	6,727,208
Cash received from loss claim recoveries and refunds	761,875	966,942
Cash payments to suppliers for goods and services	(1,718,865)	(1,717,720)
Cash payments for loss claims	(10,261,781)	(8,126,551)
Net cash used by operating activities	<u>(1,645,354)</u>	<u>(343,951)</u>
Cash flows from investing activities:		
Interest on cash and cash equivalents	<u>53,691</u>	<u>(8,267)</u>
Net decrease in cash and cash equivalents	(1,591,663)	(352,218)
Cash and cash equivalents, October 1	11,259,276	11,611,494
Cash and cash equivalents, September 30	<u>\$ 9,667,613</u>	<u>\$ 11,259,276</u>
Reconciliation of loss from operations to net cash used by operating activities:		
Loss from operations	\$ (2,087,894)	\$ (742,187)
Adjustments to reconcile loss from operations to net cash used by operating activities:		
Change in assets and liabilities:		
Decrease in other receivables	1,536	258,418
Increase in prepaid items	-	(4,067)
Increase (decrease) in accounts payable	2,327	(62,487)
Increase in estimated health claims payable	160,000	44,000
Increase in other post employment benefits obligation	278,677	162,372
Net cash used by operating activities	<u>\$ (1,645,354)</u>	<u>\$ (343,951)</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 5-9)** – contain information to help the reader assess the government's most significant local revenue source, the property tax.

**Debt Capacity (tables 10-14)** – 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 15-16)** – offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

**Operating Information (tables 17-19)** – 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 20-21)** – offers additional analysis regarding rapidly growing expenses or areas of financial concern that are of interest to the users of the financial statements.

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**CITY OF CARROLLTON, TEXAS**

**NET POSITION BY COMPONENT**

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

Table 1

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Governmental activities</b>										
Net investment in capital assets	\$ 264,670,717	\$ 262,781,897	\$ 265,892,337	\$ 262,540,649	\$ 246,698,527	\$ 235,176,768	\$ 225,506,964	\$ 221,475,325	\$ 220,454,089	\$ 224,428,585
Restricted	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	5,488,442
Unrestricted	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	95,744,744
<b>Total governmental activities net position</b>	<u>\$ 303,583,927</u>	<u>\$ 312,018,303</u>	<u>\$ 321,510,281</u>	<u>\$ 328,098,699</u>	<u>\$ 325,358,878</u>	<u>\$ 323,494,116</u>	<u>\$ 321,019,943</u>	<u>\$ 315,900,524</u>	<u>\$ 319,603,443</u>	<u>\$ 325,661,771</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 98,119,279	\$ 100,670,149	\$ 104,864,091	\$ 118,852,171	\$ 126,180,912	\$ 123,390,813	\$ 120,772,181	\$ 117,350,938	\$ 116,211,135	\$ 118,171,756
Restricted	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	1,488,696
Unrestricted	18,368,981	25,408,899	33,069,417	27,417,189	25,643,386	26,487,259	29,942,097	30,259,557	29,389,768	24,148,404
<b>Total business-type activities net position</b>	<u>\$ 118,444,647</u>	<u>\$ 128,035,435</u>	<u>\$ 139,941,838</u>	<u>\$ 148,277,690</u>	<u>\$ 153,832,628</u>	<u>\$ 151,721,533</u>	<u>\$ 152,489,330</u>	<u>\$ 149,220,603</u>	<u>\$ 147,153,892</u>	<u>\$ 143,808,856</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 362,789,996	\$ 363,452,046	\$ 370,756,428	\$ 381,392,820	\$ 372,879,439	\$ 358,567,581	\$ 346,279,145	\$ 338,826,263	\$ 336,665,224	\$ 342,600,341
Restricted	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	6,977,138
Unrestricted	51,082,783	67,771,391	84,455,679	86,664,313	97,083,375	107,208,577	117,878,997	118,458,166	122,756,670	119,893,148
<b>Total primary government net position</b>	<u>\$ 422,028,574</u>	<u>\$ 440,053,738</u>	<u>\$ 461,452,119</u>	<u>\$ 476,376,389</u>	<u>\$ 479,191,506</u>	<u>\$ 475,215,649</u>	<u>\$ 473,509,273</u>	<u>\$ 465,121,127</u>	<u>\$ 466,757,335</u>	<u>\$ 469,470,627</u>

Source: Comprehensive Annual Financial Reports

Note: The City implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have been restated for the effects of this standard.

**CITY OF CARROLLTON, TEXAS**

**CHANGES IN NET POSITION**

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

Table 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental activities:										
General government and administration	\$ 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	\$ 15,613,314
Public safety	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	52,091,965
Development services	28,598,527	28,993,437	31,330,856	33,127,452	33,978,193	34,033,588	36,152,855	37,316,269	36,202,493	39,284,802
Cultural and recreational	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	14,319,443
Interest on long term debt	5,961,783	6,161,126	7,165,561	7,012,059	6,896,001	6,890,366	7,125,220	6,854,379	6,274,635	6,310,607
Total governmental activities expenses	<u>98,114,824</u>	<u>101,076,901</u>	<u>107,019,942</u>	<u>111,638,198</u>	<u>115,014,290</u>	<u>114,058,577</u>	<u>115,661,612</u>	<u>118,587,178</u>	<u>118,932,943</u>	<u>127,620,131</u>
Business-type activities:										
Water and sewer	27,943,250	31,179,966	30,388,835	31,392,450	33,301,699	32,850,745	33,605,016	35,005,112	35,451,627	36,268,921
Golf	2,313,090	1,372,242	1,368,013	1,060,389	1,034,373	948,906	868,431	1,084,413	825,711	406,286
Sanitation	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	5,813,267
Total business-type activities expenses	<u>33,900,389</u>	<u>36,534,095</u>	<u>36,033,226</u>	<u>37,463,252</u>	<u>40,884,384</u>	<u>40,469,144</u>	<u>39,750,551</u>	<u>41,504,327</u>	<u>41,836,571</u>	<u>42,488,474</u>
Total primary government expenses	<u>132,015,213</u>	<u>137,610,996</u>	<u>143,053,168</u>	<u>149,101,450</u>	<u>155,898,674</u>	<u>154,527,721</u>	<u>155,412,163</u>	<u>160,091,505</u>	<u>160,769,514</u>	<u>170,108,605</u>
<b>Program Revenues</b>										
Governmental activities:										
Fees, Fines, and Charges for Services:										
General government and administration	151,475	269,604	189,308	199,250	174,930	126,497	183,765	193,861	216,802	196,574
Public safety	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	10,818,681
Development services	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	2,856,299
Cultural and recreational	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	2,943,837
Operating grants and contributions	68,620	313,325	237,115	164,859	233,722	31,425	38,499	142,500	84,112	30,116
Capital grants and contributions	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	7,039,163
Total governmental activities program revenues	<u>16,473,025</u>	<u>17,412,712</u>	<u>18,980,590</u>	<u>20,613,411</u>	<u>14,905,101</u>	<u>15,812,167</u>	<u>18,610,242</u>	<u>16,042,259</u>	<u>20,448,706</u>	<u>23,884,670</u>
Business-type activities:										
Charges for services:										
Water and sewer	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	33,789,304
Golf	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	1,101,340
Sanitation	4,477,352	4,826,002	5,169,134	5,569,300	7,766,941	7,778,811	7,174,814	7,436,531	7,629,080	7,882,627
Capital grants and contributions	1,305,545	4,766,950	12,039,515	7,066,729	7,372,328	436,710	805,406	648,083	1,741,476	2,104,033
Total business-type activities program revenues	<u>38,434,127</u>	<u>48,286,427</u>	<u>49,697,737</u>	<u>48,560,920</u>	<u>49,976,861</u>	<u>42,429,081</u>	<u>46,036,846</u>	<u>43,876,789</u>	<u>45,582,983</u>	<u>44,877,304</u>
Total primary government program revenues	<u>54,907,152</u>	<u>65,699,139</u>	<u>68,678,327</u>	<u>69,174,331</u>	<u>64,881,962</u>	<u>58,241,248</u>	<u>64,647,088</u>	<u>59,919,048</u>	<u>66,031,689</u>	<u>68,761,974</u>

(continued)

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

Table 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (81,641,799)	\$ (83,664,189)	\$ (88,039,352)	\$ (91,024,787)	\$ (100,109,189)	\$ (98,246,410)	\$ (97,051,370)	\$ (102,544,919)	\$ (98,484,237)	\$ (103,735,461)
Business-type Activities	4,533,738	11,752,332	13,664,511	11,097,668	9,092,477	1,959,937	6,286,295	2,372,462	3,746,412	2,388,830
Total Primary government net expense	<u>(77,108,061)</u>	<u>(71,911,857)</u>	<u>(74,374,841)</u>	<u>(79,927,119)</u>	<u>(91,016,712)</u>	<u>(96,286,473)</u>	<u>(90,765,075)</u>	<u>(100,172,457)</u>	<u>(94,737,825)</u>	<u>(101,346,631)</u>
<b>General Revenues</b>										
<b>and Other Changes in Net Assets</b>										
Governmental Activities:										
Taxes:										
Ad valorem	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	58,744,957
Sales	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	27,708,160
Occupancy	135,229	142,618	125,977	129,836	131,139	168,725	195,870	176,826	156,061	181,025
Franchise Fees	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	12,023,980
Investment earnings net of change in fair value of investments	2,224,587	5,225,573	7,423,423	5,549,105	3,015,900	1,002,342	627,029	649,158	41,353	718,161
Gain on sale of capital assets	122	505,900	-	76,959	-	364,151	270,089	121,337	120,011	230,961
Public-private partnership recovery	-	-	-	-	-	-	-	-	3,160,500	3,013,646
Miscellaneous	807,298	867,633	772,789	999,478	644,197	664,755	843,382	1,104,285	882,757	1,008,224
Special item	-	-	-	-	-	3,612,167	-	-	-	-
Transfers	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	6,164,675
Total Governmental Activities	<u>86,302,260</u>	<u>92,098,565</u>	<u>97,531,330</u>	<u>97,613,205</u>	<u>97,369,368</u>	<u>96,381,648</u>	<u>94,577,197</u>	<u>97,425,500</u>	<u>102,187,156</u>	<u>109,793,789</u>
Business-type Activities:										
Investment earnings net of change in fair value of investments	617,903	1,443,823	2,343,421	1,332,052	746,496	180,815	116,423	148,177	(11,503)	162,754
Gain on sale of capital assets	180,557	54,456	48,013	35,370	600	5,902	6,578	13,037	62,393	108,520
Miscellaneous	115,600	154,933	160,637	72,116	45,460	24,589	76,001	87,849	99,716	159,535
Transfers	(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)	(6,164,675)
Total Business-type Activities	<u>(5,662,612)</u>	<u>(2,161,544)</u>	<u>(1,758,108)</u>	<u>(2,761,816)</u>	<u>(3,537,539)</u>	<u>(4,071,032)</u>	<u>(5,518,498)</u>	<u>(5,641,189)</u>	<u>(5,813,123)</u>	<u>(5,733,866)</u>
Total Primary Government	<u>80,639,648</u>	<u>89,937,021</u>	<u>95,773,222</u>	<u>94,851,389</u>	<u>93,831,829</u>	<u>92,310,616</u>	<u>89,058,699</u>	<u>91,784,311</u>	<u>96,374,033</u>	<u>104,059,923</u>
<b>Change in Net Position</b>										
Governmental Activities	4,660,461	8,434,376	9,491,978	6,588,418	(2,739,821)	(1,864,762)	(2,474,173)	(5,119,419)	3,702,919	6,058,328
Business-type Activities	(1,128,874)	9,590,788	11,906,403	8,335,852	5,554,938	(2,111,095)	767,797	(3,268,727)	(2,066,711)	(3,345,036)
Total Primary Government	<u>\$ 3,531,587</u>	<u>\$ 18,025,164</u>	<u>\$ 21,398,381</u>	<u>\$ 14,924,270</u>	<u>\$ 2,815,117</u>	<u>\$ (3,975,857)</u>	<u>\$ (1,706,376)</u>	<u>\$ (8,388,146)</u>	<u>\$ 1,636,208</u>	<u>\$ 2,713,292</u>

(concluded)

**Source:** Comprehensive Annual Financial Reports

**Note:** The City implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have been restated for the effects of this standard.

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

Table 3

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved for other	\$ 337,458	\$ 241,732	\$ 395,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned to encumbrances	-	-	-	538,392	199,700	245,183	323,650	288,384	248,282	166,593
Unreserved/Unassigned	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	20,637,631
Total general fund	<u>\$ 16,366,425</u>	<u>\$ 22,644,060</u>	<u>\$ 21,809,245</u>	<u>\$ 17,701,350</u>	<u>\$ 17,211,745</u>	<u>\$ 16,753,532</u>	<u>\$ 16,571,044</u>	<u>\$ 18,339,631</u>	<u>\$ 18,393,387</u>	<u>\$ 20,804,224</u>
All Other Governmental Funds										
Reserved for:										
Debt service	\$ 5,151,394	\$ 5,793,303	\$ 4,803,422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Items	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	1,931,735	2,055,563	2,202,208	-	-	-	-	-	-	-
Capital projects funds	57,243,678	73,419,250	83,173,482	-	-	-	-	-	-	-
Nonspendable for:										
Prepaid items	-	-	-	-	-	-	-	-	421,950	51,584
Land held of resale	-	-	-	-	-	-	-	606,750	1,426,418	3,032,558
Restricted for:										
Debt service	-	-	-	4,542,598	5,346,863	5,864,803	5,378,826	5,256,955	4,986,970	4,785,315
Streets and drainage	-	-	-	23,949,626	16,983,609	13,907,997	13,584,454	2,339,776	7,039,695	14,147,187
Public facilities	-	-	-	2,318,945	5,300,113	3,060,169	4,636,293	3,344,490	1,797,929	5,261,597
Other capital projects	-	-	-	3,081,205	4,579,418	3,498,355	5,785,095	2,041,830	769,916	2,698,419
Other purposes	-	-	-	2,088,832	2,157,548	1,935,559	1,888,906	1,354,452	1,242,218	1,269,055
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	14,546,936
Other capital projects	-	-	-	7,195,910	2,852,826	3,657,818	1,137,230	777,632	748,664	1,030,872
Assigned to:										
Streets and drainage	-	-	-	9,183,068	12,372,934	12,786,911	18,807,606	19,415,710	13,745,553	18,646,548
Public facilities	-	-	-	8,728,409	12,847,706	19,149,990	19,270,179	25,889,748	31,174,609	26,400,534
Other capital projects	-	-	-	8,315,949	8,738,617	6,118,770	8,716,872	8,422,646	7,808,482	9,848,273
Other purposes	-	-	-	63,667	64,390	76,830	289,167	254,279	172,506	356,731
Total all other governmental funds	<u>\$ 64,326,807</u>	<u>\$ 81,268,116</u>	<u>\$ 90,179,112</u>	<u>\$ 71,471,737</u>	<u>\$ 82,943,382</u>	<u>\$ 85,995,156</u>	<u>\$ 95,843,091</u>	<u>\$ 78,310,512</u>	<u>\$ 85,007,875</u>	<u>\$ 102,075,609</u>

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>REVENUES:</b>										
Taxes:										
Ad valorem	\$ 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	\$ 58,347,979
Penalty and interest	413,588	519,600	435,052	432,753	439,522	411,560	387,589	351,823	244,276	396,978
Sales	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	27,708,160
Occupancy tax	135,229	142,618	125,977	129,836	131,139	168,725	195,870	176,826	156,061	181,025
Franchise fees	8,862,765	9,535,908	9,696,472	10,054,141	9,954,417	13,265,419	10,607,534	10,286,074	10,556,411	12,023,980
Assessments	1,581,943	332,159	93,619	1,418,241	39,948	258,708	129,960	43,290	173,671	386,810
Charges for services	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	5,639,116
Intergovernmental	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	3,227,526
Licenses and permits	1,397,709	1,751,401	1,590,778	1,981,533	1,715,378	1,688,628	1,990,333	1,975,677	2,345,502	3,003,123
Fines and forfeitures	3,681,141	4,086,434	4,410,933	3,997,542	3,896,080	4,605,883	4,945,038	6,006,864	6,802,603	7,786,343
Investment earnings net of change in fair value of investments	1,985,792	4,534,138	6,556,374	4,880,711	2,535,111	859,941	543,769	553,107	48,699	621,710
Public-private partnership recovery	-	-	-	-	-	-	-	-	1,896,300	4,264,200
Miscellaneous	884,141	867,633	772,789	999,478	644,197	664,755	843,382	1,104,285	882,757	1,021,870
Total Revenues	<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>	<u>124,608,820</u>
<b>EXPENDITURES:</b>										
General government and administration	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	14,233,668
Public safety	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	48,805,629
Development services	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	9,357,484
Cultural and recreational	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	11,192,930
Capital outlay	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	32,113,446
Debt Service:										
Principal retirement	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	13,020,000
Interest and fiscal charges	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	6,489,618
Total expenditures	<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>	<u>135,212,775</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<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>	<u>(10,603,955)</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	20,485,000
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	677,905
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	-	-	2,318,824
Transfers in	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	18,906,036
Transfers out	(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)	(12,305,239)
Total Other Financing Sources (Uses)	<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>	<u>30,082,526</u>
<b>NET CHANGE IN FUND BALANCES</b>	<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>	<u>\$ 19,478,571</u>
Debt service as a percentage of noncapital expenditures	18.7%	16.8%	18.4%	16.5%	26.5% (a)	18.0%	19.0%	19.1%	18.1%	16.7%

**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 accrued 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)

<b>Fiscal Year</b>	<b>Estimated Market Value</b>		<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assesed Value</b>	<b>Total Direct Tax Rate</b>
	<b>Real Property</b>	<b>Personal Property</b>			
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
2014	9,587,444,722	2,360,645,202	2,391,446,979	9,556,642,945	0.617875

**Source:** City of Carrollton Budget Document

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



**CITY OF CARROLLTON, TEXAS**

ESTIMATED NET TAXABLE VALUE AT BUDGET ADOPTION

Table 6

Current Year and Ten Years Ago

(Unaudited)

	<u>Fiscal Year 2014</u>		<u>Fiscal Year 2005</u>		<u>Ten Year Change</u>
		<u>Percentage of Total Market Value</u>		<u>Percentage of Total Market Value</u>	
<b>Market value:</b>					
Certified Values:					
Real property:					
Land	\$ 2,884,171,929	24.06%	\$ 2,159,840,590	21.58%	33.54%
Improvements	6,703,272,793	55.92%	5,621,102,190	56.16%	19.25%
Business personal property	2,360,645,202	19.70%	1,951,712,350	19.50%	20.95%
Property Under Protest	38,532,022	0.32%	276,585,300	2.76%	-86.07%
<b>Total Market value</b>	<u>11,986,621,946</u>	<u>100.00%</u>	<u>10,009,240,430</u>	<u>100.00%</u>	19.76%
<b>Less property exemptions/reductions:</b>					
Single Family Residential:					
Homestead	859,193,410	7.17%	745,272,451	7.45%	15.29%
Over 65	335,049,335	2.80%	177,097,793	1.77%	89.19%
Disabled	22,630,375	0.19%	15,620,797	0.16%	44.87%
Disabled veterans	3,918,658	0.03%	2,363,229	0.02%	65.82%
Capped value	2,602,588	0.02%	10,652,341	0.11%	-75.57%
Total Single Family Residential	<u>1,223,394,366</u>	<u>10.21%</u>	<u>951,006,611</u>	<u>9.51%</u>	28.64%
Commercial:					
Agricultural	69,454,359	0.58%	64,005,564	0.64%	8.51%
Freeport	421,183,988	3.51%	301,263,885	3.01%	39.81%
Abatements/Tax grants	145,687,621	1.22%	269,376,445	2.69%	-45.92%
Low income housing	8,517,319	0.07%	-	0.00%	
Other exemptions	478,866	0.00%	576,222	0.01%	-16.90%
TIF Incremental Value	14,114,283	0.12%	-	0.00%	
Total Commercial	<u>659,436,436</u>	<u>5.50%</u>	<u>635,222,116</u>	<u>6.35%</u>	3.81%
Totally exempt*	<u>668,418,081</u>	<u>5.58%</u>	<u>365,846,730</u>	<u>3.66%</u>	82.70%
<b>Total property exemptions/reductions</b>	<u>2,551,248,883</u>	<u>21.29%</u>	<u>1,952,075,457</u>	<u>19.52%</u>	30.69%
<b>Estimated Net Taxable Value</b>	<u>\$ 9,435,373,063</u>	<u>78.71%</u>	<u>\$ 8,057,164,973</u>	<u>80.48%</u>	17.11%

**Source:** Annual Budget Document and Dallas, Denton, and Collin Central Appraisal Districts

Note: In these estimated values, the original certified value as shown on Table 5 is increased by the estimated value of properties under protest and reduced by the estimated value of tax grants and TIF incremental value.

\* Total exempt properties include properties owned by federal, state and local governmental entities and by educational, religious and not-for-profits organizations qualifying under the IRS code.

**CITY OF CARROLLTON, TEXAS**

DIRECT AND OVERLAPPING PROPERTY TAX RATES (per \$100 of assessed value)

Table 7

Last Ten Fiscal Years

(Unaudited)

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>
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
2014	0.414447	0.203428	0.617875	1.32	1.28	1.48	1.43	1.45	0.65	0.32	0.28	0.29

**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, 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 8

<b>Fiscal Year 2014</b>			<b>Fiscal Year 2005</b>		
<b><u>Taxpayer</u></b>	<b><u>Taxable Assessed Value</u></b>	<b><u>Percentage of Total City Taxable Assessed Value</u></b>	<b><u>Taxpayer</u></b>	<b><u>Taxable Assessed Value</u></b>	<b><u>Percentage of Total City Taxable Assessed Value</u></b>
Halliburton Co. Inc.	\$ 76,152,016	0.80%	Amerisource Corporation	\$ 200,169,116	2.49%
Western Extrusion Corp	74,303,061	0.78%	ST Microelectronics, Inc.	126,599,923	1.57%
Verizon	65,147,210	0.68%	CB Parkway Business	100,166,810	1.25%
Hewlett Packard	50,516,370	0.53%	Pratt & Whitney Services	81,812,230	1.02%
JPMorgan Chase Bank NA	45,772,180	0.48%	Texas Utilities	69,645,630	0.87%
Bella Vida Gardens Associates LLC	45,385,535	0.47%	Petula Assoc, Ltd.	52,636,690	0.65%
Texas Dugan LTD	41,800,778	0.44%	Verizon	42,911,230	0.53%
Ari-International Business Park	40,106,812	0.42%	Western Rim	40,750,000	0.51%
Cyrus One LLC	39,868,548	0.42%	Home Interiors & Gifts	36,209,586	0.45%
Oncor Electric Delivery Co	39,327,360	0.41%	First Industrial Texas LP	36,004,510	0.45%
Total Assessed Value of Top-ten Taxpayers:	518,379,870	5.43%	Total Assessed Value of Top-ten Taxpayers:	786,905,725	9.79%
Total Assessed Value of Other Taxpayers:	9,038,263,075	94.57%	Total Assessed Value of Other Taxpayers:	7,255,673,948	90.21%
Total Assessed Value:	<u>\$ 9,556,642,945</u>	<u>100.00%</u>	Total Assessed Value:	<u>\$ 8,042,579,673</u>	<u>100.00%</u>

**Source:** Dallas County Tax Office and Denton County Tax Office

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

Table 9

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
2005	\$ 47,803,724	\$ 48,739,310	\$ (481,593)	\$ 48,257,717	\$ 48,054,574	99.58%	\$ 154,191	\$ 48,208,765	99.90%
2006	50,650,791	52,446,165	(546,581)	51,899,584	51,729,495	99.67%	108,581	51,838,076	99.88%
2007	52,743,849	54,402,141	(326,355)	54,075,786	53,754,419	99.41%	254,808	54,009,227	99.88%
2008	55,768,584	57,024,631	(214,911)	56,809,720	56,377,227	99.24%	336,858	56,714,085	99.83%
2009	56,983,591	58,797,682	(431,400)	58,366,282	57,863,664	99.14%	442,812	58,306,476	99.90%
2010	55,564,918	57,160,657	(193,204)	56,967,453	56,570,727	99.30%	195,193	56,765,920	99.65%
2011	53,709,922	55,477,092	(52,581)	55,424,511	54,937,434	99.12%	316,781	55,254,215	99.69%
2012	53,668,670	55,502,447	(29,217)	55,473,230	55,128,245	99.38%	152,127	55,280,372	99.65%
2013	54,782,788	56,407,488	(12,458)	56,395,030	56,013,200	99.32%	156,657	56,169,857	99.60%
2014	57,132,835	59,044,908	-	59,044,908	58,747,921	99.50%	-	58,747,921	99.50%

**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 10

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	General Obligation Refunding Bonds	Certificates of Obligation			
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
2014	168,728,244	-	-	16,251,597	-	-	184,979,841	4.78%	1,487

**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 11

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Certificates of Obligation</b>	<b>Total</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Net General Bonded Debt</b>	<b>Percentage of Actual Taxable Value of Property<sup>a</sup></b>	<b>Per Capita<sup>b</sup></b>
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
2014	168,728,244	-	168,728,244	4,785,315	163,942,929	1.72%	1,318

**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**  
 Current Year  
 (Unaudited)

Table 12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Carrollton-Farmers Branch Independent School District	\$ 304,535,000	38.17%	\$ 116,241,010
Collin County	391,410,000	0.06%	234,846
Collin County Community College	34,595,000	0.06%	20,757
Coppell Independent School District	218,772,323	0.06%	131,263
Dallas County	111,350,000	2.72%	3,028,720
Dallas County Community College District	339,035,000	2.72%	9,221,752
Dallas County Hospital District	736,235,000	2.72%	20,025,592
Dallas County Schools	67,265,000	2.70%	1,816,155
Dallas Independent School District	2,557,940,000	1.21%	30,951,074
Denton County	614,975,000	8.67%	53,318,333
Lewisville Independent School District	1,128,501,009	13.61%	153,588,987
Plano Independent School District	922,505,466	0.15%	1,383,758
Valwood Improvement Authority	6,398,049	54.58%	3,492,055
Subtotal, overlapping debt			<u>393,454,302</u>
<b>City of Carrollton (direct debt)</b>	168,728,244	100.00%	<u>168,728,244</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 562,182,546</u></u>

<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**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 13

<b>Waterworks and Sewer System Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Total Revenues<sup>a</sup></b>	<b>Less: Operating Expenses<sup>b</sup></b>	<b>Net Available Revenue</b>	<b>Average Annual Requirement</b>	<b>Times Coverage</b>	
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	
2014	34,102,074	31,036,497	3,065,577	1,488,696	2.06	

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**

Table 14

Last Five Fiscal Years

(Unaudited)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
City of Carrollton - direct debt:					
Paid with property taxes	\$ 168,728,244	\$ 161,205,494	\$ 164,049,299	\$ 176,255,438	\$ 173,380,040
Paid with dedicated revenues:					
Water and sewer revenues	16,251,597	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>	47,418,861	44,287,472	49,046,973	48,870,615	45,300,519
Trinity River Authority - Central Regional Wastewater System (CRWS) <sup>(2)</sup>	<u>82,934,044</u>	<u>76,365,739</u>	<u>69,000,149</u>	<u>58,542,349</u>	<u>54,631,649</u>
<b>Total direct and contractually obligated debt</b>	<u><u>315,332,746</u></u>	<u><u>301,364,422</u></u>	<u><u>303,692,388</u></u>	<u><u>307,193,920</u></u>	<u><u>299,059,480</u></u>
<b>Carrollton Debt %</b>	58.7%	60.0%	61.1%	65.0%	66.6%
<b>Other Entities Debt %</b>	41.3%	40.0%	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**  
 Last Ten Calendar Years  
 (Unaudited)

Table 15

<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>
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%
2014	124,400	3,871,950	31,125	36.8	21,082	4.7%

**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.

\* - Data not available

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

Table 16

<b>2014</b>			<b>2005</b>		
<b><u>Employer</u></b>	<b><u>Employees</u></b>	<b><u>Percentage of Total City Employment</u></b>	<b><u>Employer</u></b>	<b><u>Employees</u></b>	<b><u>Percentage of Total City Employment</u></b>
Halliburton Energy Services	1,300	1.75%	Carrollton Farmers Branch Independent School District	3,235	4.56%
McKesson Corporation	999	1.34%	ST Microelectronics, Inc	1,375	1.94%
Accor North America	727	0.98%	Halliburton Energy Services	1,300	1.83%
General Aluminum	700	0.94%	McKesson Corporation	997	1.41%
Thomson Reuters	650	0.87%	City of Carrollton	929	1.31%
Baylor Medical Center at Carrollton	565	0.76%	Trinity Medical Center	725	1.02%
Brandt	550	0.74%	TAC Americas	650	0.92%
Rudy's Tortillas	500	0.67%	Home Interiors	608	0.86%
RealPage Internet Access Support	500	0.67%	Accor North America	600	0.85%
Hilton Reservations	450	0.60%	Western Extrusions	600	0.85%
<b>Total</b>	<b><u>6,941</u></b>	<b><u>9.32%</u></b>		<b><u>11,019</u></b>	<b><u>15.55%</u></b>

**Source:** City of Carrollton Economic Development (2013), North Central Texas Council of Governments (2005)

**Note:** For 2014, listing includes only private sector employers.

**CITY OF CARROLLTON, TEXAS**

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

Table 17

Last Ten Fiscal Years

(Unaudited)

<b><u>Function/Program</u></b>	<b>Fiscal Year</b>									
	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>
General Government and Administration	89.0	89.4	86.5	85.2	85.2	85.0	79.8	74.9	75.9	82.9
Public Safety	411.5	414.5	424.5	431.5	431.5	425.0	420.0	425.8	439.3	451.1
Development Services	120.0	118.5	117.8	120.0	120.0	116.0	111.5	109.2	108.7	108.0
Culture and Recreational	131.5	133.0	136.0	135.3	135.3	133.0	122.0	117.7	118.0	116.3
Water and Sewer	50.0	50.0	50.0	50.0	51.0	51.0	51.0	51.0	51.0	52.0
Fleet Services	17.0	15.0	14.0	14.0	14.0	14.0	-	0.5	0.5	0.5
Risk Management	3.5	3.5	4.0	2.5	2.5	2.5	2.5	1.0	1.0	1.0
Capital Projects and Special Revenue	<u>3.0</u>	<u>4.0</u>	<u>4.0</u>	<u>5.0</u>	<u>4.5</u>	<u>7.0</u>	<u>7.5</u>	<u>6.5</u>	<u>7.0</u>	<u>6.0</u>
<b>Total</b>	<b><u>825.5</u></b>	<b><u>827.9</u></b>	<b><u>836.8</u></b>	<b><u>843.5</u></b>	<b><u>844.0</u></b>	<b><u>833.5</u></b>	<b><u>794.3</u></b>	<b><u>786.6</u></b>	<b><u>801.4</u></b>	<b><u>817.8</u></b>

**Source:** City Budget Office

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

Table 18

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Public Safety										
Police										
Number of Employees	226	225	234	237	240	239	238	207	206	211
Number of Violations (Citations)	38,758	37,768	38,248	35,131	33,923	42,340	45,018	50,674	51,451	60,793
Fire										
Number of Employees	138	138	139	139	139	138	135	141	154	159
Number of Fire runs	3,145	2,886	3,226	2,937	2,732	3,071	3,516	3,224	3,295	3,469
Number of EMS runs	4,766	5,709	6,001	6,520	6,230	5,998	6,007	6,641	6,993	7,098
Development Services										
Street Resurfacing (miles)	5	0	7	2	0	3	3	2	4	4
Cultural and Recreational										
Parks and Recreation										
Participants in Leisure Service Programs <sup>(a)</sup>	10,199	11,119	10,070	9,714	16,950	25,045	42,904	46,512	65,459	65,187
Participants in Athletic Programs	171,169	142,613	141,684	74,429	76,478	90,034	87,610	88,114	82,988	83,713
Library										
Volumes in Collection	245,066	249,942	249,020	232,039	224,483	200,506	183,333	188,314	188,182	190,691
Water and Sewer										
Number of Water Consumers	34,484	34,287	34,545	34,878	34,825	33,915	35,802	34,971	35,710	36,055
Average Daily Water Consumption (gallons)	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	18,890,000
Maximum Storage Capacity (gallons)	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	48,000,000
Unaccounted for Water	7.60%	4.70%	5.69%	7.73%	6.77%	6.36%	4.23%	6.77%	4.48%	3.88%
Sanitation (residential)										
Refuse Collected (tons)	29,502	31,147	28,772	28,051	26,024	25,508	38,538	34,942	36,668	37,405
Bulk/Brush Pickups (tons)	12,760	13,896	17,046	18,862	16,131	17,511	5,819	6,920	7,674	7,368
Recyclables Collected (tons)	4,837	4,825	6,133	8,010	8,655	9,070	7,490	7,702	7,166	7,651
Golf Course										
Number of Paid Rounds Played	56,016	78,807	83,592	74,605	69,719	56,862	74,019	68,862	58,394	72,676

**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**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 19

<u>Function/Program</u>	<u>Fiscal Year</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>	<u>2014</u>
<b>Public Safety</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	32	32	35	34	32	31	34	34	36	36
Police Motorcycle Units	7	7	7	6	7	7	7	7	7	8
Fire Stations	7	7	7	7	7	7	7	7	7	8
<b>Development Services</b>										
Streets- Paved (miles)	1,135	1,142	1,142	1,140	1,147	1,142	1,142	1,142	1,176	1,176
Alleys - Paved (miles)	178	187	180	187	179	178	178	178	190	189
<b>Cultural and Recreational</b>										
Parks (acres)	2,458	1,479	1,693	1,463	1,463	1,494	1,493	1,493	1,493	1,493
Playgrounds	24	24	24	26	26	26	25	25	25	25
Swimming Pools	2	2	2	2	2	2	1	1	1	1
Tennis Courts	27	27	29	27	27	29	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
<b>Water and Sewer</b>										
Water Mains (miles)	512	515	515	515	515	554	551	551	554	570
Fire Hydrants	4,570	4,564	4,564	4,623	4,886	4,894	4,895	4,937	4,995	5,110
Sanitary Sewers (miles)	422	424	426	412	435	431	403 (a)	403	410	414

**Source:** City Departments

**Note:**

(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**  
**ANALYSIS OF FUNDING PROGRESS AND CONTRIBUTION RATES**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 20

<b>Fiscal Year</b>	<b>(1) Actuarial Value of Assets**</b>	<b>(2) Actuarial Accrued Liability*</b>	<b>(3) Funded Ratio (1/2)</b>	<b>(4) Unfunded Actuarial Accrued Liability</b>	<b>(5) Annual Covered Payroll</b>	<b>(6) UAAL as a Percentage of ACP (4/5)</b>	<b>(7) Total TMRS Required Contribution Rate</b>	<b>(8) Prior Service Portion of the TMRS Rate</b>
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%
2014	313,861,407	341,764,756	91.8%	27,903,349	46,640,263	59.8%	13.30%	2.04%

\* 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 2005-2008. Beginning in 2009, actuarial value of assets is calculated using 10-year smoothing.

Source: Texas Municipal Retirement System

Notes:

The actuarial accrued liability was calculated using the Unit Credit actuarial funding method for fiscal years 2005 to 2007, Projected Unit Credit actuarial funding method for fiscal years 2008 to 2013 and Entry Age Normal actuarial funding method for fiscal year 2014

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

Fiscal year 2009 and forward 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. Previously reported amounts included only Employee Savings Fund and Municipal Accumulation Fund but excluded the City's portion of the Current Service Annuity Fund (CSARF) in which costs for all retirees were shared. The legislation eliminated the CSARF returning both liabilities and assets for retirees to the respective employer accounts.

Fiscal year 2014 includes an update to the mortality table used to determine the annuity purchase rate.

**CITY OF CARROLLTON**

**ACTIVE AND RETIREE HEALTH INSURANCE COSTS**

Table 21

Last Ten Fiscal Years

(Unaudited)

<b>Fiscal Year</b>	<b>Total Health Plan Expenses</b>	<b>Retiree Expense</b>	<b>Percentage Retiree Costs to Total</b>	<b>Active Members</b>	<b>Retirees Using City Health Plan</b>	<b>Total TMRS Retirees</b>	<b>Percentage Retirees Using Plan to Total Members</b>	<b>Retiree Contributions</b>	<b>Net Subsidy of Retirees</b>	<b>Subsidy as Percentage of Total Expense</b>	<b>Cost per Active Member</b>	<b>Cost per Retiree</b>
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
2014	11,662,754	784,241	6.7%	706	46	478	6.1%	514,282	(269,959)	2.3%	15,409	17,049
Total	\$ 81,264,342	\$ 8,980,416	11.05%					\$ 4,305,760	\$ (4,674,656)	5.8%		
Average	\$ 8,126,434	\$ 898,042		710	45	328	6.3%	\$ 430,576	\$ (467,466)		\$ 10,228	\$ 20,715

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



**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, 2014

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

<b>2014 Appraised Value of Taxable Property</b> <sup>(1)</sup>	\$ 12,802,933,880
Less Exemptions:	
Agricultural Land Use	\$ 56,206,520
Homestead	908,494,008
Disabled Veterans	12,443,271
Over 65	355,192,003
Disabled Persons	21,566,326
Totally Exempt	723,248,377
Freeport	399,225,311
Capped Value	35,168,382
Low Income Housing	10,400,000
Other Exemptions	<u>395,611</u>
Total Exemptions	<u>2,522,339,809</u>
 <b>2014 Taxable Valuation</b> <sup>(1)</sup>	 <u><u>\$ 10,280,594,071</u></u>
 <b>Gross General Obligation Bonded Debt:</b>	
General Purpose Bonds and Certificates	\$ 168,728,244
Less: General Obligation Interest & Sinking Fund Balances as of 09/30/2014	<u>4,785,315</u>
 <b>Net General Obligation Bonded Debt</b>	 <u><u>\$ 163,942,929</u></u>
Ratio of Gross General Obligation Bonded Debt to 2014 Taxable Valuation	1.64%
Ratio of Net General Obligation Bonded Debt to 2014 Taxable Valuation	1.59%

2010 Census Population - 119,097  
2014 Estimated Population - 124,400  
Per Capita Taxable Valuation - \$82,641  
Per Capita Gross General Obligation Bonds Bonded Debt - \$1,356  
Per Capita Net General Obligation Bonds Bonded Debt - \$1,318

<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, 2014

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

<b><u>Fiscal Period</u></b>	<b><u>Taxable Valuation<sup>(1)</sup></u></b>	<b><u>% Valuation Increase/Decrease Over Prior Year (100% of Market Value Basis)</u></b>	<b><u>Funded Debt Outstanding at Year End</u></b>	<b><u>Ratio Funded Debt to Taxable Valuation %</u></b>
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	168,728,244	1.77
2014/15	10,280,594,071	7.58	169,477,003	1.65

<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><u>Fiscal Year</u></b>	<b><u>Real Property</u></b>		<b><u>Personal &amp; Other Property</u></b>		<b><u>Total Taxable Valuation</u></b>
	<b><u>Taxable Valuation</u></b>	<b><u>% of Total</u></b>	<b><u>Taxable Valuation</u></b>	<b><u>% of Total</u></b>	
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
2014/15	8,257,175,594	80	2,023,418,477	20	10,280,594,071

<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, 2014

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

<u>Property Use Category</u>	<u>Tax Year 2014</u>	<u>Tax Year 2013</u>	<u>Tax Year 2012</u>	<u>Tax Year 2011</u>	<u>Tax Year 2010</u>
Real, Residential, Single Family, and Mobile Homes Real	\$ 5,721,942,087	\$ 5,338,349,776	\$ 5,254,431,497	\$ 5,337,838,766	\$ 5,366,997,688
Residential, Multiple Family	1,015,906,272	827,684,090	746,753,407	639,858,987	625,968,359
Real, Vacant Lots/Tracts	169,407,783	108,113,113	105,613,486	117,620,011	120,935,813
Real, Acreage (Land Only)	64,516,154	69,844,568	88,673,040	86,764,500	91,472,306
Real, Commercial, Industrial and Utilities	2,680,156,886	2,577,426,212	2,414,256,568	2,356,283,306	2,348,887,251
Tangible Personal, Commercial Industrial and Utilities	2,427,195,971	2,355,111,781	2,213,250,756	2,067,196,490	1,971,160,531
Tangible Personal, Special Inventory Other	<u>42,505,979</u>	<u>40,776,009</u>	<u>37,355,798</u>	<u>29,500,952</u>	<u>23,988,320</u>
Total Appraised Valuation <sup>(2)</sup>	<u>\$ 12,121,631,132</u>	<u>\$ 11,317,305,549</u>	<u>\$ 10,860,334,552</u>	<u>\$ 10,635,063,012</u>	<u>\$ 10,549,410,268</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2010</u>	<u>2009</u>
Real Property					
Single-Family Residential	47.2%	47.2%	48.4%	50.2%	50.9%
Multi-Family Residential	8.4%	7.3%	6.9%	6.0%	5.9%
Vacant Lots/Tracts	1.4%	0.9%	1.0%	1.1%	1.1%
Acreage-Land Only	0.5%	0.6%	0.8%	0.8%	0.9%
Commercial, Industrial, and Utilities	22.1%	22.8%	22.2%	22.2%	22.3%
Tangible Personal Property					
Commercial, Industrial, and Utilities	20.0%	20.8%	20.4%	19.4%	18.7%
Other	<u>0.4%</u>	<u>0.4%</u>	<u>0.3%</u>	<u>0.3%</u>	<u>0.2%</u>
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.00%</u>	<u>100.0%</u>	<u>100.0%</u>

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
 Year ended September 30, 2014

**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>			
2005/06	\$ 0.6329	\$ 0.4329	\$ 0.2000	\$ 51,899,584	99.67 %	99.88 %
2006/07	0.6329	0.4340	0.1989	54,075,786	99.41 %	99.88 %
2007/08	0.6179	0.4391	0.1787	56,809,720	99.24 %	99.83 %
2008/09	0.6179	0.4321	0.1858	58,366,282	99.14 %	99.90 %
2009/10	0.6179	0.4157	0.2022	56,967,453	99.30 %	99.65 %
2010/11	0.6179	0.4062	0.2116	55,424,511	99.12 %	99.69 %
2011/12	0.6179	0.3985	0.2194	55,473,230	99.38 %	99.65 %
2012/13	0.6179	0.4119	0.2060	26,395,030	99.32 %	99.60 %
2013/14	0.6179	0.4144	0.2034	59,044,908	99.50 %	99.50 %
2014/15	0.6154	0.4174	0.1980	61,028,968	- <sup>(2)</sup>	- <sup>(2)</sup>

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, 2014

**TABLE CD-7**  
**TOP TEN TAXPAYERS**  
**Fiscal Year 2015**  
(Unaudited)

<u>Name</u>	<u>Nature of Property</u>	<u>Total Taxable Value<sup>(1)</sup></u>	<u>% of Total Taxable Value</u>
1. Halliburton Energy Services	Manufacturing	\$ 80,419,218	0.78%
2. Bella Vida Gardens Associates LLC	Apartments	70,850,000	0.69%
3. JPMorgan Chase Bank NA	Finance	69,378,180	0.67%
4. Verizon	Communications	64,689,520	0.63%
5. Hewlett Packard	Technology	59,887,030	0.58%
6. Mansions at Sunset Ridge Partners LP	Apartments	54,882,733	0.53%
7. BH Autumn Chase Apartments LP	Apartments	47,837,319	0.47%
8. Cyrus One LLC	Technology	46,620,168	0.45%
9. Ari-International Business Park	Real Estate	45,723,471	0.44%
10. Texas Dugan Ltd.	Real Estate	<u>42,977,041</u>	<u>0.42%</u>
Total		<u>\$ 583,264,680</u>	<u>5.66%</u>

<sup>(1)</sup>Total taxable value including real and personal property is \$10,280,594,071.  
Source: Dallas & Denton County Tax Office, City Report of Property Value, 2014. (Fiscal Year 2015)

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

General Obligation Debt Service Requirements, Fiscal Year Ending 9/30/15 <sup>(1)</sup>		\$ 20,527,672
Debt Service Fund, All General Obligation Issues 9/30/14	\$ 4,785,315	
Budget for Fiscal Year 2014/15 Debt Service Fund Tax Levy @ 98% Collection	19,634,989	<u>24,420,304</u>
Estimated Surplus Year Ending 9/30/15		<u>\$ 3,892,632</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, 2015	\$ 20,527,672
\$0.197986 Tax Rate @ 98% Collection Procedures <sup>(1)</sup>	19,634,989

<sup>(1)</sup>Total estimated net taxable value computed and adjusted for estimated valuation under protest, tax grant property, and TIRZ incremental value from 2014/15 budgeted tax year certified taxable valuation of \$10,119,757,365.

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
Year ended September 30, 2014

**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>
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
2014	27,491,706	45.05 <sup>(3)</sup>	0.28 <sup>(3)</sup>	220.99 <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 124,400 as of September 30, 2014.

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>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
October	\$ 2,750,770	\$ 2,534,406	\$ 2,248,560
November	2,431,341	2,235,503	2,282,461
December	2,038,387 <sup>(6)</sup>	2,072,184	1,778,852
January	2,566,988 <sup>(6)</sup>	2,468,286	2,362,349
February	1,990,820 <sup>(6)</sup>	1,933,335	1,953,040
March	1,950,043 <sup>(6)</sup>	1,987,984	1,721,386
April	2,419,527 <sup>(6)</sup>	2,382,413	2,081,704
May	2,262,201 <sup>(6)</sup>	2,181,364	1,920,550
June	2,378,065 <sup>(6)</sup>	2,363,194	2,334,450
July	2,795,498 <sup>(6)</sup>	2,586,094	2,535,243
August	2,472,131 <sup>(6)</sup>	2,361,221	2,156,889
September	2,404,087 <sup>(6)</sup>	2,385,722	2,105,076
	<u>\$ 28,459,858</u>	<u>\$ 27,491,706</u>	<u>\$ 25,480,560</u>

Source: Comptroller of Public Accounts; City of Carrollton

<sup>(5)</sup> Amount does not include mixed beverage and sales taxes retained.

<sup>(6)</sup> Budget amount.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
 Year ended September 30, 2014

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

Fiscal Year <u>Ended</u> <u>30-Sep</u>	\$15,000,000 <sup>(1)</sup>				Total Debt Service Requirements
	Existing Debt <u>Service</u>	General Obligation Improvement Bonds Series 2015			
		<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	
2015	\$ 20,396,422	\$ -	\$ 131,250	\$ 131,250	\$ 20,527,672
2016	19,449,438	750,000	525,000	1,275,000	20,724,438
2017	18,551,837	750,000	498,750	1,248,750	19,800,587
2018	17,986,775	750,000	472,500	1,222,500	19,209,275
2019	17,143,200	750,000	446,250	1,196,250	18,339,450
2020	15,614,344	750,000	420,000	1,170,000	16,784,344
2021	14,230,281	750,000	393,750	1,143,750	15,374,031
2022	12,808,488	750,000	367,500	1,117,500	13,925,988
2023	11,862,294	750,000	341,250	1,091,250	12,953,544
2024	11,286,868	750,000	315,000	1,065,000	12,351,868
2025	11,280,556	750,000	288,750	1,038,750	12,319,306
2026	9,770,894	750,000	262,500	1,012,500	10,783,394
2027	7,990,044	750,000	236,250	986,250	8,976,294
2028	6,363,219	750,000	210,000	960,000	7,323,219
2029	6,370,837	750,000	183,750	933,750	7,304,587
2030	4,389,663	750,000	157,500	907,500	5,297,163
2031	2,137,938	750,000	131,250	881,250	3,019,188
2032	2,133,837	750,000	105,000	855,000	2,988,837
2033	2,131,887	750,000	78,750	828,750	2,960,637
2034	1,436,937	750,000	52,500	802,500	2,239,437
2035	-	750,000	26,250	776,250	776,250
	<u>\$ 213,335,759</u>	<u>\$ 15,000,000</u>	<u>\$ 5,643,750</u>	<u>\$ 20,643,750</u>	<u>\$ 233,979,509</u>

<sup>(1)</sup> Estimated 2015 debt issuance.



CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
Year ended September 30, 2014

**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>2015 Issuance</u>	<u>Balance Unissued</u>
Traffic Improvements	01/16/98	\$ 5,100,000	\$ 4,850,000	\$ 200,000	\$ 50,000
Traffic Improvements	05/15/04	450,000	-	-	450,000
Drainage Improvements	05/15/04	15,400,000	13,109,567	2,290,433	-
Drainage Improvements	11/06/07	9,200,000	-	1,379,567	7,820,433
Economic Development Incentives	11/06/07	2,000,000	1,600,000	-	400,000
Street Improvements & Traffic Flow	11/05/13	43,175,000	1,645,222	8,130,000	33,399,778
Drainage Improvements	11/05/13	8,780,000	-	-	8,780,000
Public Safety Facilities Improvements	11/05/13	14,500,000	2,000,000	2,425,000	10,075,000
Park Improvements	11/05/13	8,545,000	2,865,000	575,000	5,105,000
		<u>\$ 107,150,000</u>	<u>\$ 26,069,789</u>	<u>\$ 15,000,000</u>	<u>\$ 66,080,211</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Fund Balance -					
Beginning of Year	\$ 18,393,387	\$ 18,339,631	\$ 16,571,044	\$ 16,753,532	\$ 17,211,745
Revenues:					
Taxes & Franchise Fees	73,353,751	67,972,223	65,912,159	63,527,909	65,785,552
Charges for Services	5,452,886	5,039,219	4,581,900	4,192,998	3,834,428
Fines and Forfeitures	7,057,819	6,235,333	5,471,923	4,392,475	4,040,011
Investment Income	260,719	129,958	185,007	218,182	352,073
Licenses and Permits	2,816,818	2,298,049	1,951,889	1,740,590	1,688,628
Intergovernmental	-	2,958	-	4,542	4,598
Miscellaneous	539,552	438,753	397,074	317,509	282,325
Total Revenues	<u>89,481,545</u>	<u>82,116,493</u>	<u>78,499,952</u>	<u>74,394,205</u>	<u>75,987,615</u>
Expenditures:					
General Government and Administration	14,233,668	13,818,786	12,894,095	13,234,778	13,427,628
Development Services	9,357,484	9,245,445	9,398,097	9,381,002	10,013,402
Public Safety	48,450,210	45,201,315	42,863,356	42,566,309	42,096,694
Cultural and Recreation	10,716,732	10,561,622	10,071,746	10,205,195	10,527,915
Net Transfers	4,312,614	3,235,569	1,504,071	(810,591)	380,189
Total Expenditures	<u>87,070,708</u>	<u>82,062,737</u>	<u>76,731,365</u>	<u>74,576,693</u>	<u>76,445,828</u>
Excess/Deficiency of Revenues over Expenditures	<u>2,410,837</u>	<u>53,756</u>	<u>1,768,587</u>	<u>(182,488)</u>	<u>(458,213)</u>
Fund Balance - End of Year	<u>\$ 20,804,224</u>	<u>\$ 18,393,387</u>	<u>\$ 18,339,631</u>	<u>\$ 16,571,044</u>	<u>\$ 16,753,532</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, 2014

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

On September 16, 2014, the 2014-15 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>2013-14 <u>Actual</u><sup>(2)</sup></b>	<b>2014-15 <u>Adopted Budget</u></b>	<b>2014-15 <u>Current Estimate</u><sup>(1)</sup></b>
Property Taxes	\$ 33,976,858	\$ 35,419,652	\$ 35,656,166
Sales Taxes	27,708,160	28,043,007	28,496,237
Franchise Fees	11,668,733	10,589,432	10,589,432
Licenses and Permits	2,816,818	2,721,293	2,931,525
Charges for Services	5,256,312	5,164,587	5,168,912
Fines and Forfeiture	6,977,301	6,688,191	6,933,163
Other Revenues	454,386	462,870	377,620
Investment Income	217,713	162,000	200,000
Transfers In	<u>3,599,433</u>	<u>3,725,988</u>	<u>3,725,988</u>
Total Revenues	<u>\$ 92,675,714</u>	<u>\$ 92,977,020</u>	<u>\$ 94,079,043</u>
 <b><u>Expenditures</u></b>			
Personal Services	\$ 53,442,954	\$ 56,809,231	\$ 56,809,231
Supplies and Services	8,971,659	10,353,305	10,353,305
Utilities	2,209,194	2,536,516	2,536,516
Allocations	14,683,373	17,084,581	17,084,581
Capital Outlay	556,679	781,216	781,216
Transfers Out	<u>11,618,478</u>	<u>5,412,171</u>	<u>5,412,171</u>
Total Expenditures	<u>\$ 91,482,337</u>	<u>\$ 92,977,020</u>	<u>\$ 92,977,020</u>

<sup>(1)</sup>As of November 30, 2014. 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, 2014

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

As of September 30, 2014 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 .185 years.

<b><u>Type of Investment</u></b>	<b><u>Amortized Value</u></b>	<b><u>Percentage</u></b>
Coupon Treasuries	\$ 2,000,065	1.18%
Coupon Agencies	146,995,056	86.82%
Discount Agencies	3,994,567	2.36%
Government Pools <sup>(1)</sup>	<u>16,326,072</u>	<u>9.64%</u>
Total Securities	<u>\$ 169,315,760</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, 2014

**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>	
2015	\$ 1,215,000	\$ 614,229	\$ 1,829,229
2016	1,260,000	574,204	1,834,204
2017	1,310,000	524,379	1,834,379
2018	1,360,000	470,604	1,830,604
2019	1,425,000	414,778	1,839,778
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	<u>430,000</u>	<u>21,500</u>	<u>451,500</u>
<b>Totals</b>	<b><u>\$ 15,400,000</u></b>	<b><u>\$ 3,953,048</u></b>	<b><u>\$ 19,353,048</u></b>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
Year ended September 30, 2014

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

	Fiscal Year Ended 9/30			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Revenues</b>	\$ 34,102,074	\$ 35,256,384	\$ 35,011,924	\$ 37,264,408
Expenses:				
Personal Services	3,683,454	3,483,877	3,431,921	3,510,275
Supplies and Services	21,764,025	21,477,817	20,652,052	19,265,802
Utilities	694,054	909,152	898,975	948,136
Allocations	1,195,384	1,074,436	1,111,285	1,062,926
Provision for				
Doubtful accounts	47,877	40,471	63,100	61,893
Transfers Out	3,651,703	3,454,158	3,466,178	3,346,964
<b>Total Expenses</b>	<u>31,036,497</u>	<u>30,439,911</u>	<u>29,623,511</u>	<u>28,195,996</u>
<b>Net Available for Debt Service</b>	<u>\$ 3,065,577</u>	<u>\$ 4,816,473</u>	<u>\$ 5,388,413</u>	<u>\$ 9,068,412</u>
 <b>Customer Count</b>				
<b>Water/Sewer</b>	36,055	35,710	34,971	35,802
 <b>Average Annual Debt Service</b>	\$ 1,488,696	\$ 1,552,989	\$ 1,609,769	\$ 1,775,052
 <b>Coverage</b>	2.06 x	3.10 x	3.35 x	5.11 x
 Average Annual Debt Service - 2015/2027				\$ 1,488,696
Coverage of Average Annual Debt Service at 9/30/13 Net Available				2.06 x
Maximum Annual Debt Service - 2015/2027				\$ 1,841,654
Coverage of Maximum Annual Debt Service at 9/30/14 Net Available				1.66 x

**TABLE CD-19**  
**FUND BALANCES**  
(As of September 30, 2014)  
(Unaudited)

Reserve Fund	\$ 1,488,696
Interest and Sinking Fund	<u>762,179</u>
<b>Total Fund Balances</b>	<b><u>\$ 2,250,875</u></b>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
Year ended September 30, 2014

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

	<u>2013-14</u> <u>Actual <sup>(1)</sup></u>	<u>2014-15</u> <u>Adopted Budget <sup>(1)</sup></u>
<b><u>Beginning Operating Funds</u></b>	\$ 15,128,739	\$ 12,673,724
<b><u>Revenues</u></b>		
Water Sales & Charges	21,054,561	22,151,951
Sewer Sales & Charges	11,835,549	12,490,670
Tag & Reconnect Fees	410,125	415,000
Industrial Surcharge	104,101	65,000
Backflow Prevention Charges	164,525	152,000
Investment Income	66,959	58,500
Miscellaneous	252,344	245,000
Total Revenues	<u>\$ 33,888,164</u>	<u>\$ 35,578,121</u>
<b><u>Total Funds Available</u></b>	<u>\$ 49,016,903</u>	<u>\$ 48,251,845</u>
<b><u>Expenditures</u></b>		
Personal Services	2,683,520	3,093,349
Supplies and Services	21,424,915	22,615,985
Utilities	686,610	849,534
Allocations	3,962,298	4,055,236
Capital Outlay	-	-
Canceled Encumbrances	-	-
Transfers Out	7,507,111	7,195,732
Total Expenditures	<u>\$ 36,264,454</u>	<u>\$ 37,809,836</u>
<b><u>Ending Operating Funds</u></b>	<u>\$ 12,752,449</u>	<u>\$ 10,442,009</u>

<sup>(1)</sup>Budget basis.

<sup>(2)</sup>Includes water rate increase of 3% and sewer rate increase of 5% effective 1/1/2015.

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

Land	\$ 1,372,868
Utility Plant	251,289,221
Equipment and Intangibles	4,645,704
Total Capital Assets	<u>257,307,793</u>
Less Accumulated Depreciation	<u>(124,943,330)</u>
<b>Net Utility Plant in Service</b>	<b><u>\$ 132,364,463</u></b>

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
Year ended September 30, 2014

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

	Fiscal Year Ending 9/30			
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Water & Wastewater				
System in Service	\$257,307,793	\$249,685,818	\$245,277,518	\$242,767,414
Reserve for Depreciation	<u>(124,943,330)</u>	<u>(117,562,240)</u>	<u>(109,814,668)</u>	<u>(102,064,340)</u>
Net plant in Service	132,364,463	132,123,578	135,462,850	140,703,074
Construction Funds Net Assets	<u>9,975,764</u>	<u>12,147,839</u>	<u>11,891,235</u>	<u>10,867,953</u>
Net Plant in Sevice and Coming on Line	<u>142,340,227</u>	<u>144,271,417</u>	<u>147,354,085</u>	<u>151,571,027</u>
Plus Other Assets/Deferred Outflows of Resources	258,338	270,392	289,439	42,920
Plus Operating Working Capital Assets and Deferred Outflows of Resources Net of Current Liabilities and Debt Reserves	<u>12,779,879</u>	<u>15,470,991</u>	<u>16,292,548</u>	<u>16,580,291</u>
	<u>155,378,444</u>	<u>160,012,800</u>	<u>163,936,072</u>	<u>168,194,238</u>
Long Term Debt	14,937,477	16,251,597	18,065,717	19,848,764
Less Debt Reserves	<u>(1,488,696)</u>	<u>(1,552,989)</u>	<u>(1,610,108)</u>	<u>(1,775,052)</u>
Net Long Term Debt	13,448,781	14,698,608	16,455,609	18,073,712
Plus Other Liabilities	<u>589,837</u>	<u>588,319</u>	<u>644,186</u>	<u>617,639</u>
Total Obligations	<u>14,038,618</u>	<u>15,286,927</u>	<u>17,099,795</u>	<u>18,691,351</u>
City's Equity in System	<u>\$141,339,826</u>	<u>\$144,725,873</u>	<u>\$146,836,277</u>	<u>\$149,502,887</u>
% Equity	90.96%	90.45%	89.57%	88.89%

**Note:** The City implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have been restated for the effects of this standard.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
Year ended September 30, 2014

**TABLE CD-23**  
**TOP TEN WATER CUSTOMERS**  
**AS OF 9/30/2014**  
(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	\$ 437,794	2.08%
2. Western Extrusions	Manufacturing	190,828	0.91%
3. BH Autumn Chase Apts. LP.	Apartments	135,335	0.64%
3. Lewisville ISD	School District	106,704	0.51%
5. Bella Vida at Coyote Ridge Apts.	Apartments	90,004	0.43%
6. Dawntree, LLC	Apartments	85,717	0.41%
7. The Meridian, LLC	Apartments	85,260	0.40%
8. Mansions at Sunset Ridge, LP	Apartments	84,188	0.40%
9. Country Square Associates	Apartments	80,693	0.38%
10. Frankel Family Trust	Apartments	80,168	0.38%
<b>TOTAL</b>		<b>\$ 1,376,691</b>	<b>6.54%</b>

**NOTES:**

<sup>(1)</sup>Total water revenues from October 1, 2012 through September 30, 2014 was \$21,054,591

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>
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
2014	18,890,000	32,262,000	6,954,726,000

Source: City of Carrollton Water Distribution Department.



**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
 Year ended September 30, 2014

**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 exceeds 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, new rates effective January 1, 2015.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
Year ended September 30, 2014

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

	2014	2013	2012	2011
Operating revenues:				
Charges for services	\$ 33,789,304	\$ 35,171,954	\$ 34,785,038	\$ 37,070,326
Miscellaneous	159,535	99,716	87,849	76,001
Total operating revenues	<u>33,948,839</u>	<u>35,271,670</u>	<u>34,872,887</u>	<u>37,146,327</u>
Operating expenses:				
Personal services	3,683,454	3,483,877	3,431,921	3,510,275
Supplies and Services	21,811,902	21,518,288	20,870,226	19,327,695
Utilities	694,054	909,152	898,975	948,136
Allocations	1,195,384	1,074,436	1,111,285	1,062,926
Depreciation	8,077,819	7,876,715	7,780,673	7,667,043
Total operating expenses	<u>35,462,613</u>	<u>34,862,468</u>	<u>34,093,080</u>	<u>32,516,075</u>
Income (loss) from operations	<u>(1,513,774)</u>	<u>409,202</u>	<u>779,807</u>	<u>4,630,252</u>
Nonoperating revenues (expenses):				
Investment earnings net of change in fair value	153,235	(15,286)	139,037	105,949
Gain on sale/retirement of capital assets	95,377	53,619	13,037	6,578
Interest expense	(573,215)	(626,585)	(780,396)	(1,010,221)
Total nonoperating revenues (expenses)	<u>(324,603)</u>	<u>(588,252)</u>	<u>(628,322)</u>	<u>(897,694)</u>
Income (loss) before contributions and transfers	(1,838,377)	(179,050)	151,485	3,732,558
Capital contributions	2,104,033	1,522,804	648,083	805,406
Transfers in	-	-	-	12,132
Transfers out	<u>(3,651,703)</u>	<u>(3,454,158)</u>	<u>(3,466,178)</u>	<u>(3,346,964)</u>
Change in net assets	(3,386,047)	(2,110,404)	(2,666,610)	1,203,132
Net assets at beginning of year	<u>144,725,873</u>	<u>146,836,277</u>	<u>149,502,887</u>	<u>148,299,755</u>
Net assets at end of year	<u>\$141,339,826</u>	<u>\$144,725,873</u>	<u>\$146,836,277</u>	<u>\$ 149,502,887</u>

**Note:** The City implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have been restated for the effects of this standard.

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