

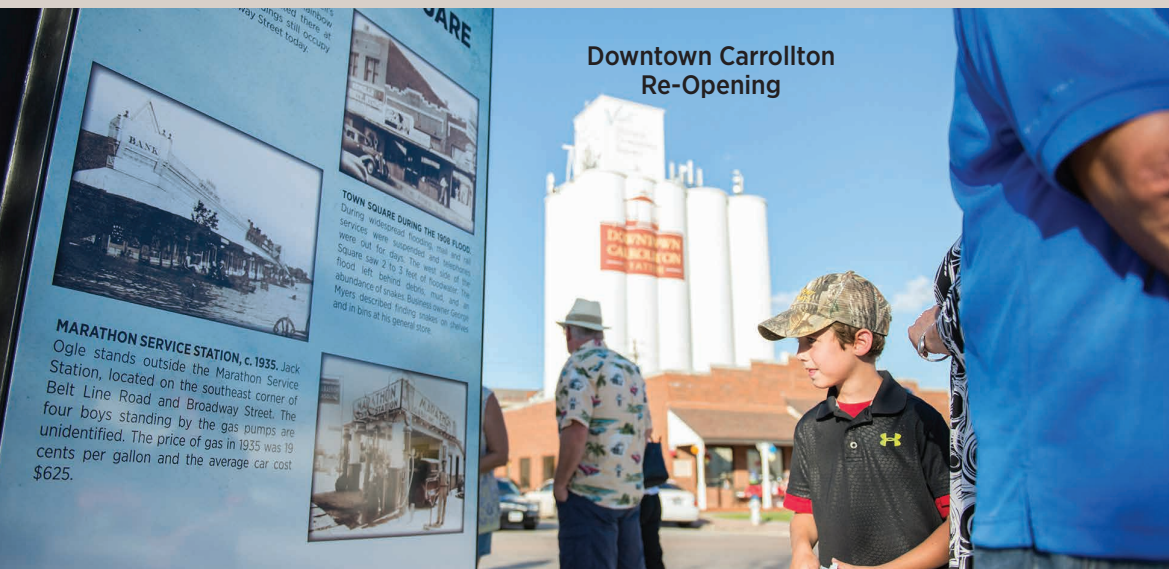


CARROLLTON
TEXAS

Where Connections Happen

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2015



**Downtown Carrollton
Re-Opening**



**Crown Community
Award-American City
& County Magazine**



**10th Best
Place to Live
in Texas-
NerdWallet**



**Hebron & Josey
Library Expansion**



**Rosemeade Dog
Park Opening**



CARROLLTON
T E X A S

CITY OF CARROLLTON, TEXAS

Comprehensive Annual Financial Report
For the Year Ended September 30, 2015



Front Row (L-R): Mayor Pro Tem Anthony Wilder, City Manager Leonard Martin, Mayor Matthew Marchant, Councilmember Bob Garza

Back Row (L-R): Councilmember Steve Babick, Councilmember James Lawrence, Councilmember Glen Blanscet, Councilmember John Sutter, Deputy Mayor Pro Tem 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

COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED SEPTEMBER 30, 2015 TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION (unaudited)	
Letter of Transmittal	i-vii
List of Principal Officials	viii
Organizational Chart	ix
GFOA Certificate of Achievement	x
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Management's Discussion and Analysis (unaudited)	3-16
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	19
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual- General Fund	23
Proprietary Funds:	
Statement of Net Position	24
Statement of Revenues, Expenses and Changes in Net Position	25
Statement of Cash Flows	26-27
Notes to Basic Financial Statements	29-64
Required Supplementary Information (unaudited):	
Texas Municipal Retirement System Schedule of Changes in Net Pension Liability and Related Ratios	65
Texas Municipal Retirement System Schedule of Contributions	66-67
Retiree Health Plan Schedule of Funding Progress	68
Combining and Individual Non-Major Fund Statements and Schedules:	
Combining Financial Statements – Non-Major Governmental Funds:	
Combining Balance Sheet	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	71

CITY OF CARROLLTON, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED SEPTEMBER 30, 2015 TABLE OF CONTENTS

	<u>Page</u>
Schedules of Revenues, Expenditures and Changes in	
Fund Balances - Budget and Actual:	
Hotel/Motel Special Revenue Fund	75
Public Safety Special Revenue Fund	76
Cultural and Recreational Revenue Fund	77
Debt Service Fund	78
Supplementary Individual Fund Financial Statements	
and Schedules – General Fund:	
Comparative Balance Sheets	80
Schedule of Revenues, Expenditures and	
Changes in Fund Balances - Budget and Actual	81
Schedule of Revenues - Budget and Actual	82
Schedule of Expenditures - Budget and Actual	83-88
Combining Financial Statements – Internal Service Funds:	
Combining Statement of Net Position	90
Combining Statement of Revenues, Expenses and	
Changes in Fund Net Position	91
Combining Statement of Cash Flows	92
Supplementary Individual Fund Financial Statements – Proprietary Funds:	
Enterprise Funds:	
Water and Sewer Fund:	
Comparative Statements of Net Position	95
Comparative Statements of Revenues, Expenses and	
Changes in Fund Net Position	96
Comparative Statements of Cash Flows	97
Golf Course Fund:	
Comparative Statements of Net Position	98
Comparative Statements of Revenues, Expenses and	
Changes in Fund Net Position	99
Comparative Statements of Cash Flows	100
Sanitation Fund:	
Comparative Statements of Net Position	101
Comparative Statements of Revenues, Expenses and	
Changes in Fund Net Position	102
Comparative Statements of Cash Flows	103
Internal Service Funds:	
Fleet Services Fund:	
Comparative Statements of Net Position	104
Comparative Statements of Revenues, Expenses and	
Changes in Fund Net Position	105
Comparative Statements of Cash Flows	106

CITY OF CARROLLTON, TEXAS

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2015
TABLE OF CONTENTS**

	<u>Page</u>	
Risk Management Fund		
Comparative Statements of Net Position		107
Comparative Statements of Revenues, Expenses and Changes in Fund Net Position		108
Comparative Statements of Cash Flows		109
Employee Health and Disability Fund:		
Comparative Statements of Net Position		110
Comparative Statements of Revenues, Expenses and Changes in Fund Net Position		111
Comparative Statements of Cash Flows		112
 STATISTICAL SECTION (Unaudited)		
	<u>Tables</u>	
Financial Trends		
Net Position by Component	1	115
Changes in Net Position	2	116-117
Fund Balances, Governmental Funds	3	118
Changes in Fund Balances, Governmental Funds	4	119
Revenue Capacity		
Assessed Value and Estimated Actual Value of Taxable Property	5	120
Estimated Net Taxable Value at Budget Adoption	6	121
Direct and Overlapping Property Tax Rates	7	122
Principal Property Tax Payers	8	123
Property Tax Levies and Collections	9	124
Debt Capacity		
Ratio of Outstanding Debt by Type	10	125
Ratio of General Bonded Debt Outstanding	11	126
Direct and Overlapping Governmental Activities Debt	12	127
Pledged-Revenue Coverage	13	128
Direct and Contractually Obligated – Property Tax and Revenue Debt	14	129
Demographic and Economic Information		
Demographic and Economic Statistics	15	130
Principal Employers	16	131
Operating Information		
Full-time Equivalent City Government		
Employees by Function/Program	17	132
Operating Indicators by Function/Program	18	133
Capital Asset Statistics by Function/Program	19	134
Other Information		
Texas Municipal Retirement System – Analysis of Funding		
Progress and Contribution Rates	20	135
Active and Retiree Health Insurance Costs	21	136
 CONTINUING FINANCIAL DISCLOSURE TABLES (Unaudited)		
	CD-1 to CD-26	138-154



January 26, 2016

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, 2015.

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, 2015. 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 98% 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 December 2015 D-FW Economic Indicators update:

“The Dallas–Fort Worth economy continued to expand at a rapid clip in November. This year through November, the metroplex created jobs at a 3 percent annual rate, outpacing both the state at 1.3 percent and the nation at 1.8 percent. Home prices rose further in the third quarter, and residential construction remained strong. Unemployment in November held steady in Dallas but edged up in Fort Worth. Dallas Fed business-cycle indexes point to continued growth for the metroplex”

In November 2015, Texas CEO Magazine reported:

“There may be headwinds in other parts of the economy...but for commercial construction, Texas is the hottest market there is in the country and it's going to stay that way for a while.”

“Dallas in particular is aided by a number of factors, he said, including the state's business friendly attitude, the availability of land, cheap cost of living, an abundance of educated skilled labor, and access to other cities in the U.S.”

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 2014 American Community Survey, Carrollton's median household income of \$69,282 compares favorably to \$59,175 for DFW and \$52,576 for Texas. Also according to the survey, the workforce is educated with 36.5% of the population having a bachelor's degree or more, compared to 32% for DFW and 27.1% 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.

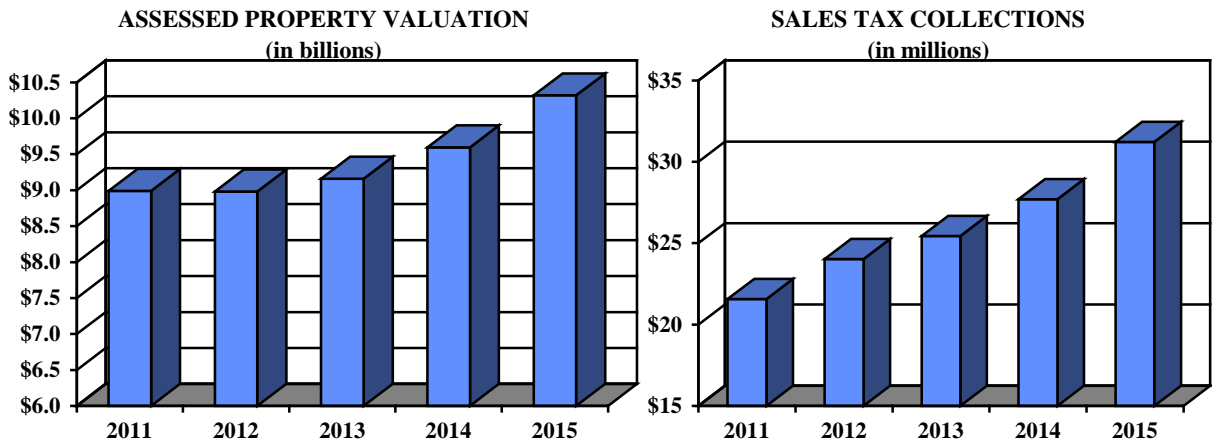
Carrollton ranks high in the state for a quality of work environment. As of September 2015, with unemployment at 4.9% nationally, 4.4% statewide and 4.0% in Dallas-Fort Worth, Carrollton's unemployment was 3.4%.

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 \$10.3 billion for fiscal year 2015, a 7.5% increase from the previous year.

Sales tax collections totaled \$31,238,022 in fiscal year 2015, a 12.7% increase from the previous year.



Future Economic Outlook

Through December, fiscal year 2016 sales taxes have increased by 16.7% compared to the same period in fiscal year 2015. 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 2016, property valuations increased 7.9%, with a 9.7% increase in residential property and 6.5% increase in commercial and industrial properties. New construction continues to be primarily in the commercial and industrial sector.

Carrollton has approximately 507 acres of vacant land ready for future development with 407 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 827 for fiscal year 2015 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.

Fiscal year 2015 was most significantly impacted by a financial policy that limits the amount of sales tax that can be used in a given year for operating purposes. Sales tax is the City's second largest General Fund revenue and also one of its most volatile. It has been the City's experience that rapid increases in sales tax revenues are often followed by rapid declines. Creating a "cap" for the amount of sales tax that can be used in a given year for operating purposes allows the City to

manage this volatility, promotes a healthy pay as you go infrastructure re-investment program and protects the city from rapid revenue declines during times of economic downturns. For fiscal year 2015, sales tax exceeded the “cap” for operating purposes by approximately \$7 million. This excess will be used for one-time non-recurring purposes.

Annually a Multi-Year Budget 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.

Major budget initiatives in fiscal year 2015 included:

- Capital funding of over \$54 million for new capital projects funded from debt issuance, non-recurring sources and tax revenue.
- Reduction in the property tax rate by 1.6% due to strong growth in the tax base.

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, 2014. 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 26 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,



Léonard Martin
City Manager



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



Pamela M. Hodges, CPA
Controller

CITY OF CARROLLTON, TEXAS

City Council

Matthew Marchant, Mayor

Anthony Wilder, Mayor Pro Tem, Place 2

Doug Hrbacek, Deputy Mayor Pro Tem, Place 3

James Lawrence
- Place 1

Bob Garza
- Place 4

Glen Blanscet
- Place 5

Steve Babick
- Place 6

John Sutter
- Place 7

City Manager

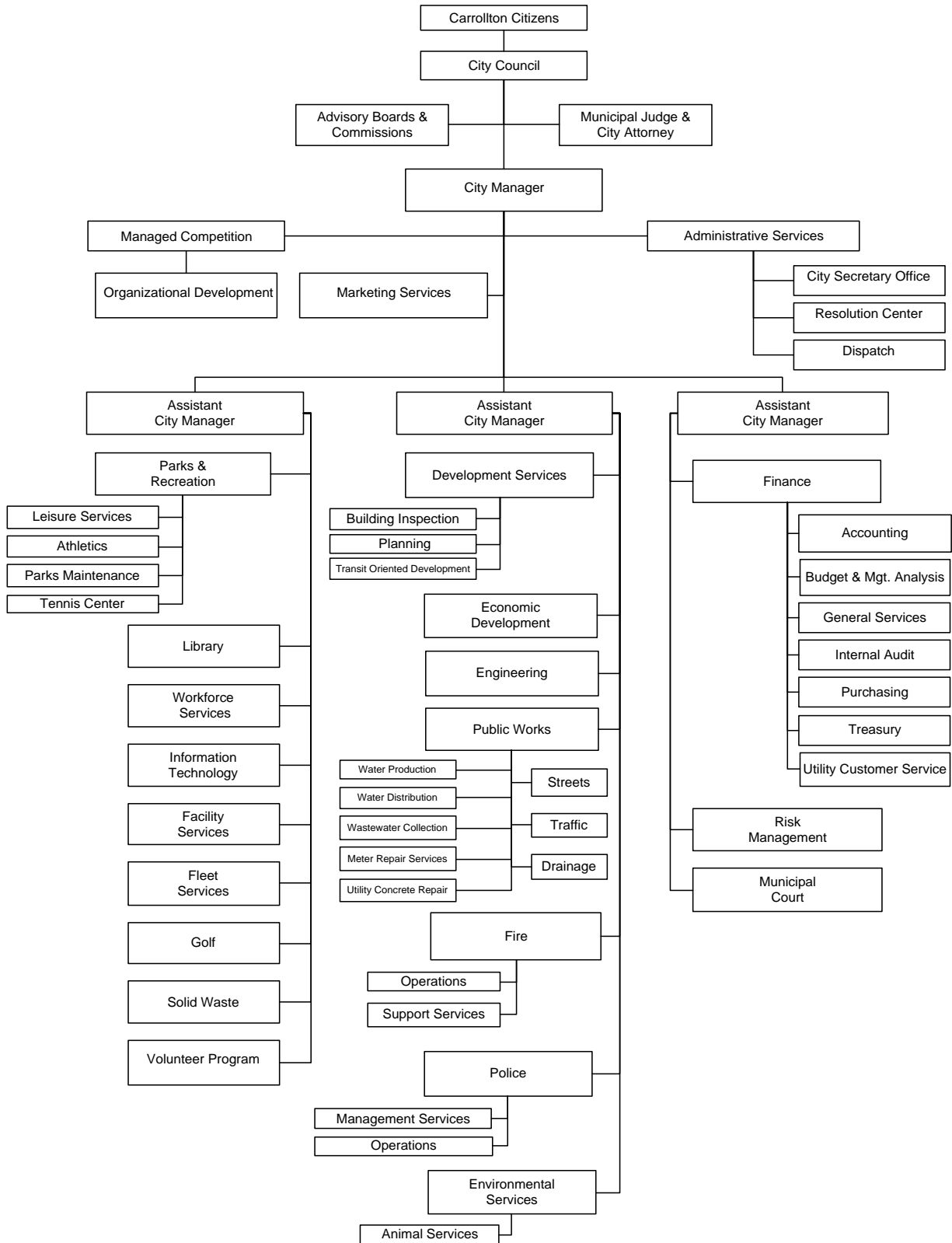
Leonard Martin

Assistant City Manager/Chief Financial Officer

Robert B. Scott, CPA

CITY OF CARROLLTON, TEXAS

Organizational Chart September 30, 2015





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, 2014

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

Emphasis of a matter

As discussed in Note 15 to the financial statements, the City adopted new accounting guidance in 2015 related to the accounting for pensions. Our opinion is not modified with respect to this matter.

Other matters*Required supplementary information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 16, the Texas Municipal Retirement System Schedule of Changes in Net Pension Liability and Related Ratios on page 65, the Texas Municipal Retirement System Schedule of Contributions on pages 66 through 67, and the Retiree Health Plan Schedule of Funding Progress on page 68, 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 is 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 26, 2016, 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 Entity's internal control over financial reporting and compliance.

GRANT THORNTON LLP

Dallas, Texas
January 26, 2016

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2015

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

January 26, 2016

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, 2015. 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 113-136 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. 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 \$486,000. This number must be viewed in the context that the vast majority of the City's net position of \$347,314 (71.5%) 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 \$6,999 (1.4%). The remaining \$131,687 (27.1%) is the unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. Unrestricted net position increased by \$16,256 in fiscal year 2015.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$136,615. Within this total \$4,238 is non-spendable for prepaid and land held for resale, \$27,632 is restricted by specific legal requirements, such as by debt covenants and \$86,136 has been committed and assigned to specific types of expenditures. The remaining \$18,609 is unassigned fund balance in the general fund and can be used for any lawful purpose.
- The City's long-term liabilities increased by \$2,101 due primarily to the issuance of bonds for capital improvements partially offset by existing debt retirements.

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2015

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

- After several years of recessionary impacts to its financial operations, the City has experienced a fifth 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 17-18 of this report.

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

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2015

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

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 19-23.

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.

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

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2015

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

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 24-27 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 29-64.

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 \$486,000 as of September 30, 2015.

The largest portion of the City's net position \$347,314 (71.5%) 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.

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2015

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

An additional portion of the City's net position of \$6,999 (1.4%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$131,687 (27.1%) may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF CARROLLTON'S NET POSITION

(Amounts in Thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
Current and other assets	\$ 153,115	\$ 166,548	\$ 32,112	\$ 31,076	\$ 185,227	\$ 197,624
Capital assets, net	369,333	379,661	134,871	131,970	504,204	511,631
Total Assets	<u>522,448</u>	<u>546,209</u>	<u>166,983</u>	<u>163,046</u>	<u>689,431</u>	<u>709,255</u>
Deferred outflows of resources	<u>7,118</u>	<u>9,723</u>	<u>414</u>	<u>537</u>	<u>7,532</u>	<u>10,260</u>
Long term liabilities	193,909	197,315	17,232	15,927	211,141	213,242
Other liabilities	14,282	13,367	6,531	5,346	20,813	18,713
Total Liabilities	<u>208,191</u>	<u>210,682</u>	<u>23,763</u>	<u>21,273</u>	<u>231,954</u>	<u>231,955</u>
Deferred inflows of resources	<u>-</u>	<u>1,496</u>	<u>-</u>	<u>64</u>	<u>-</u>	<u>1,560</u>
Net Position:						
Net investment in capital assets	224,429	229,579	118,172	117,735	342,601	347,314
Restricted	5,488	5,539	1,489	1,460	6,977	6,999
Unrestricted	<u>91,458</u>	<u>108,636</u>	<u>23,973</u>	<u>23,051</u>	<u>115,431</u>	<u>131,687</u>
Total Net Position	<u>\$ 321,375</u>	<u>\$ 343,754</u>	<u>\$ 143,634</u>	<u>\$ 142,246</u>	<u>\$ 465,009</u>	<u>\$ 486,000</u>

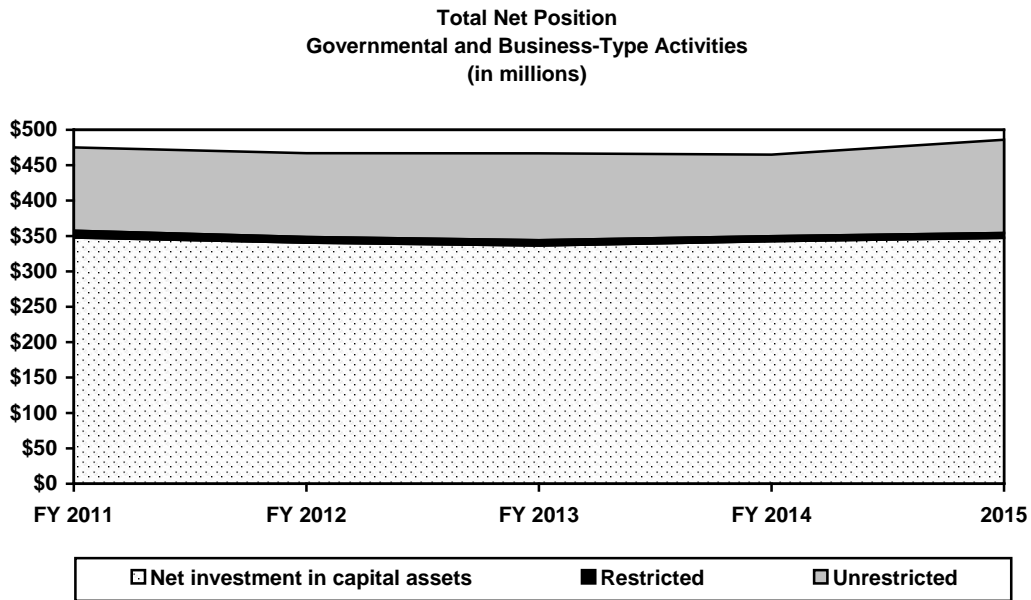
Note: Fiscal Year 2014 amounts have been restated for the impact of GASB Statement No. 68.

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2015

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

As of September 30, 2015, 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.



The current and other assets increased in the Governmental activities by \$13,433 and decreased in the Business-type activities by \$1,036. 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 Golf Course Fund.

The City's long-term liabilities increased by \$2,101 due primarily to the issuance of bonds for capital improvements partially offset by existing debt retirements.

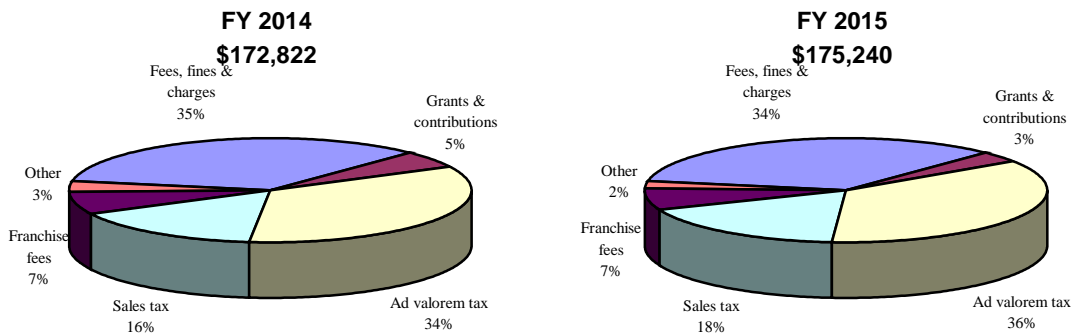
CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2015

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

Analysis of the City's Operations – Overall the City had an increase in net position of \$20,991 or 4.5%.

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



Governmental Activities: Governmental activities net position increased by \$22,379. Net investment in capital assets increased by \$5,150 or 2.3%. Restricted net position increased \$51 or 0.9%. Unrestricted net position increased by \$17,178 or 18.8%.

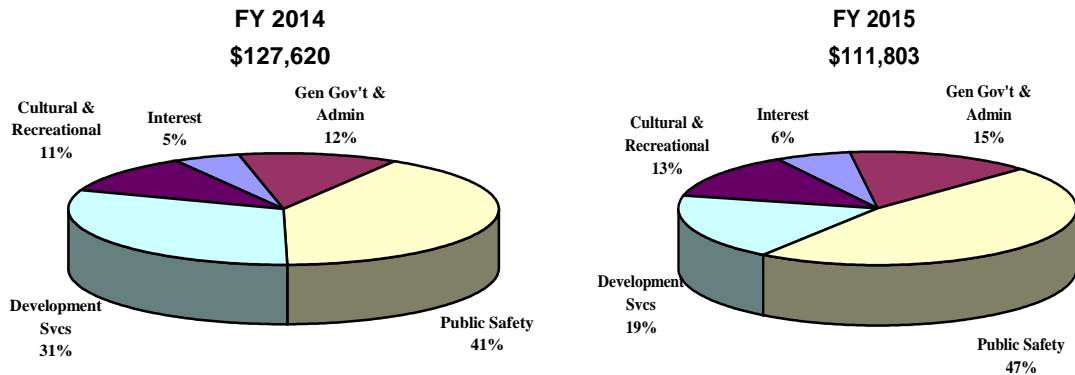
Excluding transfers from business-type activities, total revenues for governmental activities increased from the previous year by \$1,193. General revenue (excluding transfers) had a net increase of \$4,882 or 4.7%. In General Revenues, ad valorem tax experienced an increase of \$3,246 due to an increase in assessed valuations. Additionally, an increase was seen in sales taxes of \$3,530. Other general revenues decreased by \$1,894, primarily due to a public-private partnership recovery in the prior year of \$3,014 offset by net increase in other categories of \$1,120. Program revenues had a \$3,689, or 15.4%, net decrease primarily due to decreases in developer capital contributions and intergovernmental revenues. Net transfers from the business type activities to governmental activities decreased by \$690 from the previous year.

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2015

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

Expenses by Type Governmental Activities



Total expenses for governmental activities decreased \$15,817 or 12.4% primarily due to decrease in Development Services activities. Decrease in the Development Service activities is due to a combination of decrease in depreciation on capital assets due to an increase in the estimated useful lives on infrastructure assets and decrease in the capital projects funds' capital outlays which were not eligible for capitalization. The City adjusted its estimated useful lives during the year following the issuance of the 2014 Infrastructure Report Card which showed stable to improving infrastructure conditions compared to the 2011 Infrastructure Report Card. The nature of infrastructure can make accurately estimating average useful lives difficult and the City uses this comprehensive condition assessment as a tool for improving the accuracy of its estimated depreciable lives.

Business-type Activities: Net position from business-type activities decreased by \$1,388 or 1.0% from \$143,634 to \$142,246. Net investment in capital assets decreased by \$437 or 0.4% due to capital asset depreciation and an asset impairment partially offset by capital additions and retirement of related debt. Unrestricted net position decreased by \$922 or 3.8% primarily due to a net loss in the Golf Course fund. Restricted net position decreased by \$29 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, 2015

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

The following table provides a summary of the City's operations for year ended September 30, 2015 with comparative totals for year ended September 30, 2014.

CITY OF CARROLLTON'S CHANGES IN NET POSITION

(Amounts in Thousands)

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
Revenues:						
Program Revenues:						
Fees, fines and charges for services	\$ 16,816	\$ 16,220	\$ 42,773	\$ 44,090	\$ 59,589	\$ 60,310
Operating grants and contributions	30	60	-	-	30	60
Capital grants and contributions	7,039	3,916	2,104	2,028	9,143	5,944
General revenues:						
Ad valorem taxes	58,745	61,991	-	-	58,745	61,991
Sales tax	27,708	31,238	-	-	27,708	31,238
Occupancy tax	181	211	-	-	181	211
Franchise fees	12,024	11,769	-	-	12,024	11,769
Investment earnings net of change in fair value of investments	718	1,202	163	206	881	1,408
Gain on sale of capital assets	231	1,307	108	35	339	1,342
Public-private partnership recovery	3,014	-	-	-	3,014	-
Miscellaneous	1,008	793	160	174	1,168	967
Total revenues	<u>127,514</u>	<u>128,707</u>	<u>45,308</u>	<u>46,533</u>	<u>172,822</u>	<u>175,240</u>
Expenses:						
General government and administration	15,613	16,607	-	-	15,613	16,607
Public safety	52,092	52,733	-	-	52,092	52,733
Development services	39,285	21,534	-	-	39,285	21,534
Cultural and recreational	14,319	14,678	-	-	14,319	14,678
Interest on long term debt	6,311	6,251	-	-	6,311	6,251
Water and Sewer	-	-	36,269	35,091	36,269	35,091
Golf	-	-	406	1,354	406	1,354
Sanitation	-	-	5,813	6,001	5,813	6,001
Total expenses	<u>127,620</u>	<u>111,803</u>	<u>42,488</u>	<u>42,446</u>	<u>170,108</u>	<u>154,249</u>
Increase (decrease) in net position before transfers	(106)	16,904	2,820	4,087	2,714	20,991
Transfers	<u>6,165</u>	<u>5,475</u>	<u>(6,165)</u>	<u>(5,475)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>6,059</u>	<u>22,379</u>	<u>(3,345)</u>	<u>(1,388)</u>	<u>2,714</u>	<u>20,991</u>
Net position October 1	319,603	321,375	147,154	143,634	466,757	465,009
Impact of change in accounting principle	(4,287)	-	(175)	-	(4,462)	-
Net position September 30	<u>\$ 321,375</u>	<u>\$ 343,754</u>	<u>\$ 143,634</u>	<u>\$ 142,246</u>	<u>\$ 465,009</u>	<u>\$ 486,000</u>

CITY OF CARROLLTON, TEXAS

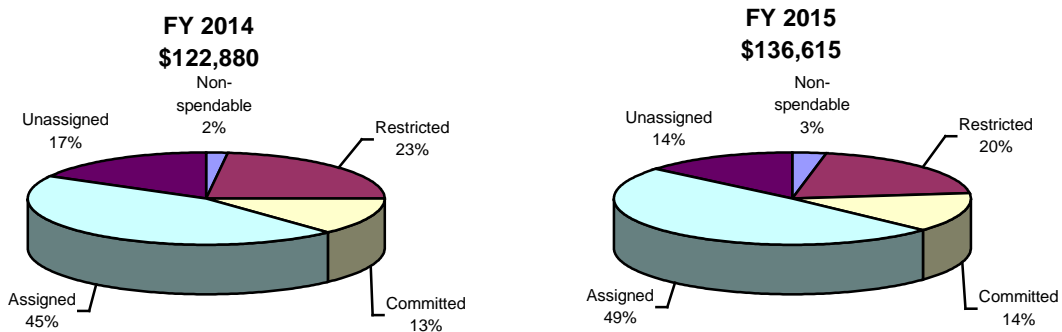
Management's Discussion and Analysis
For the Year Ended September 30, 2015

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 \$136,615. Within this total \$4,238 is non-spendable for prepaid items and land held for resale, \$27,632 is restricted by specific legal requirements, such as by debt covenants, and \$86,136 has been committed and assigned to specific types of expenditures. The remaining \$18,609 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 \$364. 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 2015 of \$924. 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 48-49 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 expenditures. Strong sales tax growth combined with the City's continued emphasis on

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2015

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

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 2017 budget deliberations.

Debt service fund balance decreased in 2015 by \$487. Streets and Drainage Capital Projects and General and Public Facilities Capital Projects fund balances increased in 2015 by \$2,297 and \$11,390, respectively 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.

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 \$22,598 for Water and Sewer, \$99 for Golf Course and \$457 for Sanitation. The total of all enterprise funds' unrestricted net position of \$23,154 is reduced by \$103 for the consolidation of the internal service fund activities related to enterprise funds to equal the total unrestricted net position for business-type activities in the entity-wide statements of \$23,051. Change in net position for enterprise funds in 2015 were (\$1,000) in the Water and Sewer Fund, (\$348) in the Golf Course Fund and (\$132) 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 4.0% or \$3,672. Management's estimate of the General Fund's budgeted revenues increased \$3,898 or 4.3% 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.

Effective for fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" created specific reporting requirements for pensions that are different than that used for funding purposes. Both valuations are important as the reporting valuation provides a rigorous standard measure that can be used to compare the City's pension liabilities to other governments from around the nation. The funding valuation is important as the actuarial methods used including strategies for repaying any unfunded actuarial accrued liabilities combined with the City's history of making those contributions provides insights regarding the City's commitment to and the effectiveness of its funding strategy. Information contained in the financial statements themselves including the first schedule of Required Supplementary Information (RSI), Schedule of Changes in Net Pension Liability and Related Ratios, is based on the reporting valuation. The second schedule in the RSI, Schedule of Contributions, is based on the funding valuation. On a reporting basis,

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2015

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

the City's financial statements reflect a Net Pension Liability as of September 30, 2015 of \$7,349 which is 15% of the City's annual covered payroll of \$48,904.

Retiree health care's actuarially accrued liability has been calculated in accordance with GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", to be \$4,800 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, 2015, amounts to \$511,631 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, equipment, intangibles, improvements, and infrastructure and construction in progress. The total increase in the City's investment in capital assets, net of accumulated depreciation, for the current fiscal year was 1.5% (2.8% increase for governmental activities and 2.2% 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>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
Land	\$ 102,701	\$ 102,448	\$ 2,368	\$ 2,368	\$ 105,069	\$ 104,816
Buildings	28,677	26,493	3,745	3,468	32,422	29,961
Equipment	13,045	13,154	2,652	2,384	15,697	15,538
Intangibles	519	285	27	19	546	304
Improvements	28,342	28,342	836	135	29,178	28,477
Infrastructure	191,184	201,197	125,113	123,264	316,297	324,461
Construction in Progress	4,865	7,742	130	332	4,995	8,074
Total	\$ 369,333	\$ 379,661	\$ 134,871	\$ 131,970	\$ 504,204	\$ 511,631

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 used the update in fiscal year 2015 to evaluate the effectiveness of its infrastructure replacement program and the appropriateness of the estimated useful lives used to report depreciation in the financial statements. Based on this assessment, the estimated useful lives of infrastructure assets were increased.

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

CITY OF CARROLLTON, TEXAS

Management’s Discussion and Analysis
For the Year Ended September 30, 2015

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

- Acquisition of vehicles and equipment totaling \$3.47 million, including \$1.41 million of public safety equipment and vehicles and \$1.33 million of public works equipment.
- Parks and recreation improvements totaling \$1.84 million, including \$862 thousand for the renovation of the Carrollton Square.
- Water and sewer system infrastructure improvements totaling \$4.83 million, including \$1.13 million in developer contributions.
- Street and Alley Improvements of \$17.09 million, including \$2.02 million in developer contributions.
- Drainage Improvements of \$864 thousand including \$465 thousand in developer contributions.
- Golf Course improvements were damaged due to significant flooding causing an asset impairment of \$724.

Additional information on the City’s capital assets can be found in note 4 on pages 42-43 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City had a total bonded debt of \$187,596. Of this amount, \$172,659 comprises bonded debt backed by the full faith and credit of the government and \$14,937 represents bonds secured solely by water and sewer revenues.

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

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
General Obligation						
Bonds	\$ 168,728	\$ 172,659	\$ -	\$ -	\$ 168,728	\$ 172,659
Revenue Bonds	-	-	16,252	14,937	16,252	14,937
Total	<u>\$ 168,728</u>	<u>\$ 172,659</u>	<u>\$ 16,252</u>	<u>\$ 14,937</u>	<u>\$ 184,980</u>	<u>\$ 187,596</u>

During the fiscal year, the City’s total debt increased by \$2,616 or 1.4% due to issuance of \$48,990 (including premium) of a new General Obligation Bond new money and refunding issue offset by existing debt retirements, defeasance of debt and amortization of premiums of \$46,374.

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 Contractually Obligated - Property Tax and Revenue Debt” found on page 129 lists the City’s pro-rata share of debt that is contractually obligated.

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2015

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

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

	<u>Standard & Poor's</u>	<u>Fitch</u>
General Obligation Bonds	AAA	AAA
Revenue Bonds	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 44-47 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In the fiscal year 2016 Budget, General Fund revenues are budgeted to increase by 2.7% from the fiscal year 2015 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 7.9% for the fiscal year 2016 budget compared to a 7.5% 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% of the fiscal year 2015 final budget.

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 2015 with a 12.7% increase.

The Water and Sewer Operating Fund is budgeted in fiscal year 2016 to operate at a net deficit of \$3,083 based on available fund balance exceeding financial standards. Rates increases averaging 7.5% on water rates sewer rates were adopted effective March 1, 2016.

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 controller@cityofcarrollton.com or call (972) 466-3110.

CITY OF CARROLLTON, TEXAS

Government-wide Statement of Net Position
September 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash, cash equivalents and investments	\$ 120,077,919	\$ 20,273,612	\$ 140,351,531
Receivables (net of allowance for doubtful accounts):			
Ad valorem taxes	-	-	-
Sales taxes	2,835,696	-	2,835,696
Franchise fees	3,155,655	-	3,155,655
Accounts	-	6,004,768	6,004,768
Accrued interest	178,088	26,562	204,650
Other	1,841,031	-	1,841,031
Due from other governments	718,439	-	718,439
Internal balances	102,969	(102,969)	-
Inventories	55,098	-	55,098
Prepaid items	1,033,706	-	1,033,706
Equity interest in joint venture	1,443,590	-	1,443,590
Land held for redevelopment	3,352,558	-	3,352,558
Restricted assets:			
Cash, cash equivalents and investments	31,753,395	4,873,532	36,626,927
Capital assets:			
Land	102,447,729	2,367,868	104,815,597
Buildings	65,906,163	19,575,656	85,481,819
Equipment	32,217,787	6,227,632	38,445,419
Intangibles	6,156,150	770,112	6,926,262
Improvements	45,487,808	11,198,776	56,686,584
Infrastructure	275,137,823	237,949,632	513,087,455
Construction in progress	7,742,097	332,146	8,074,243
Accumulated depreciation	(155,434,171)	(146,451,527)	(301,885,698)
Total assets	546,209,530	163,045,800	709,255,330
Deferred outflows of resources			
Deferred charges on refundings	1,299,082	177,104	1,476,186
Pension contributions after measurement date	5,149,326	220,148	5,369,474
Difference in projected and actual earnings on pension assets	3,274,277	139,985	3,414,262
Total deferred outflows of resources	9,722,685	537,237	10,259,922
Liabilities			
Accounts payable	11,833,330	2,457,958	14,291,288
Pollution remediation obligation	105,416	-	105,416
Customer deposits payable	-	2,648,962	2,648,962
Accrued interest	815,985	239,252	1,055,237
Unearned revenue	612,117	-	612,117
Noncurrent liabilities:			
Due within one year	16,533,146	1,405,893	17,939,039
Due in more than one year	180,781,671	14,520,655	195,302,326
Total liabilities	210,681,665	21,272,720	231,954,385
Deferred inflows of resources			
Difference in expected and actual pension experience	1,496,473	63,979	1,560,452
Net position			
Net investment in capital assets	229,578,674	117,734,922	347,313,596
Restricted for:			
Debt service	3,481,833	1,460,318	4,942,151
Capital projects	542,115	-	542,115
Special revenue	1,515,400	-	1,515,400
Unrestricted	108,636,055	23,051,098	131,687,153
Total net position	\$ 343,754,077	\$ 142,246,338	\$ 486,000,415

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Government-wide Statement of Activities
For the Year Ended September 30, 2015

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	\$ 16,606,809	\$ 223,621	\$ -	\$ -	\$ (16,383,188)	\$ -	\$ (16,383,188)
Public safety	52,732,524	11,344,328	46,317	87,263	(41,254,616)	-	(41,254,616)
Development services	21,534,165	2,147,052	-	3,828,936	(15,558,177)	-	(15,558,177)
Cultural and recreational	14,677,561	2,505,008	13,436	-	(12,159,117)	-	(12,159,117)
Interest on long-term debt	6,251,466	-	-	-	(6,251,466)	-	(6,251,466)
Total governmental activities	111,802,525	16,220,009	59,753	3,916,199	(91,606,564)	-	(91,606,564)
Business-type activities:							
Water and sewer	35,091,342	35,301,330	-	2,027,734	-	2,237,722	2,237,722
Golf	1,354,149	556,913	-	-	-	(797,236)	(797,236)
Sanitation	6,000,423	8,231,572	-	-	-	2,231,149	2,231,149
Total business-type activities	42,445,914	44,089,815	-	2,027,734	-	3,671,635	3,671,635
Total government	\$ 154,248,439	\$ 60,309,824	\$ 59,753	\$ 5,943,933	(91,606,564)	3,671,635	(87,934,929)
General revenues:							
Taxes:							
Ad valorem					61,990,961	-	61,990,961
Sales					31,238,022	-	31,238,022
Occupancy					210,835	-	210,835
Franchise fees based upon gross receipts					11,768,644	-	11,768,644
Investment earnings net of change in fair value of investments					1,202,294	206,134	1,408,428
Gain on sale of capital assets					1,306,445	35,012	1,341,457
Miscellaneous					793,144	174,697	967,841
Transfers					5,475,266	(5,475,266)	-
					113,985,611	(5,059,423)	108,926,188
Total general revenues and transfers					22,379,047	(1,387,788)	20,991,259
Change in net position					321,375,030	143,634,126	465,009,156
Net position at beginning of year, as restated (See Note 15)					\$ 343,754,077	\$ 142,246,338	\$ 486,000,415
Net position at end of year							

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Balance Sheet
 Governmental Funds
 September 30, 2015

	General	Debt Service	Streets and Drainage	General and Public Facilities	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 18,522,119	\$ 4,313,852	\$ 52,012,709	\$ 42,532,252	\$ 18,452,130	\$ 135,833,062
Receivables (net, where applicable, of allowance for doubtful accounts):						
Ad valorem taxes	-	-	-	-	-	-
Sales taxes	2,835,696	-	-	-	-	2,835,696
Franchise fees	3,062,089	-	-	93,566	-	3,155,655
Accrued interest	62,793	-	50,823	33,517	14,844	161,977
Other	683,509	-	-	973,466	-	1,656,975
Due from other governments	2,089	-	-	225,237	491,113	718,439
Prepaid items	145,345	-	-	739,994	-	885,339
Land held for redevelopment	-	-	-	3,352,558	-	3,352,558
Total assets	\$ 25,313,640	\$ 4,313,852	\$ 52,063,532	\$ 47,950,590	\$ 18,958,087	\$ 148,599,701
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 6,217,450	\$ 16,034	\$ 1,849,612	\$ 1,785,672	\$ 1,504,184	\$ 11,372,952
Unearned revenue	10,182	-	576,260	-	25,675	612,117
Total liabilities	6,227,632	16,034	2,425,872	1,785,672	1,529,859	11,985,069
Fund balances:						
Nonspendable for:						
Prepaid items	145,345	-	-	739,994	-	885,339
Land held for resale	-	-	-	3,352,558	-	3,352,558
Restricted for:						
Debt service	-	4,297,818	-	-	-	4,297,818
Streets and drainage	-	-	11,224,037	-	-	11,224,037
Public facilities	-	-	-	8,903,016	-	8,903,016
Other capital projects	-	-	-	65,182	1,626,810	1,691,992
Other purposes	-	-	-	-	1,515,400	1,515,400
Committed to:						
Street rehabilitation	-	-	17,497,861	-	-	17,497,861
Other capital projects	-	-	-	-	2,169,019	2,169,019
Assigned to:						
Streets and drainage	-	-	20,915,762	-	-	20,915,762
Public facilities	-	-	-	33,104,168	-	33,104,168
Other capital projects	-	-	-	-	11,734,537	11,734,537
Other purposes	331,730	-	-	-	382,462	714,192
Unassigned	18,608,933	-	-	-	-	18,608,933
Total fund balances	19,086,008	4,297,818	49,637,660	46,164,918	17,428,228	136,614,632
Total liabilities, deferred inflows and fund balances	\$ 25,313,640	\$ 4,313,852	\$ 52,063,532	\$ 47,950,590	\$ 18,958,087	\$ 148,599,701

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, 2015

Total fund balance - total governmental funds \$ 136,614,632

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. 1,443,590

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. 379,661,386

Deferred inflows of resources are not reported in the governmental funds:

Deferred charges on debt refundings	1,299,082	
Pension contributions after measurement date	5,149,326	
Difference in projected and actual earnings on pension assets	3,274,277	9,722,685

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	\$ 16,401,884	
Accounts payable	(460,378)	
Net amount allocated to business-type activities	102,969	16,044,475

Pollution remediation obligation on long-term debt does not require current financial resources and, therefore, is not reported as a liability in the governmental funds balance sheet. (105,416)

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. (815,985)

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	\$ 16,533,146	
Due in more than one year	180,781,671	(197,314,817)

Deferred inflows of resources are not reported in the governmental funds:

Difference in expected and actual pension experience		(1,496,473)
--	--	-------------

Net position of governmental activities \$ 343,754,077

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, 2015

	General	Debt Service	Streets and Drainage	General and Public Facilities	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Ad valorem	\$ 35,445,817	\$19,797,514	\$ 3,490,925	\$ -	\$ 2,942,639	\$ 61,676,895
Penalty and interest	217,625	96,441	-	-	-	314,066
Sales	31,238,022	-	-	-	-	31,238,022
Occupancy	-	-	-	-	210,835	210,835
Franchise fees	11,395,148	-	-	373,496	-	11,768,644
Assessments	-	-	87,232	-	177,198	264,430
Charges for services	5,485,692	-	-	-	184,562	5,670,254
Intergovernmental	17,328	-	335,172	113,776	1,026,823	1,493,099
Licenses and permits	2,797,402	-	-	-	8,325	2,805,727
Fines and forfeitures	6,833,415	-	-	168,744	477,438	7,479,597
Investment earnings net of change in fair value of investments	337,074	16,870	365,755	247,227	113,287	1,080,213
Miscellaneous	636,249	-	-	98,860	58,035	793,144
Total revenues	<u>94,403,772</u>	<u>19,910,825</u>	<u>4,279,084</u>	<u>1,002,103</u>	<u>5,199,142</u>	<u>124,794,926</u>
Expenditures:						
Current:						
General government and administration	14,249,773	-	-	-	-	14,249,773
Public safety	50,226,235	-	-	-	234,513	50,460,748
Development services	9,979,839	-	-	-	-	9,979,839
Cultural and recreational	11,013,334	-	-	-	473,904	11,487,238
Capital outlay	-	-	15,645,361	9,283,722	4,962,654	29,891,737
Debt service:						
Principal retirement	-	13,885,000	-	-	-	13,885,000
Interest and fiscal charges	-	6,839,976	-	-	-	6,839,976
Total expenditures	<u>85,469,181</u>	<u>20,724,976</u>	<u>15,645,361</u>	<u>9,283,722</u>	<u>5,671,071</u>	<u>136,794,311</u>
Excess (deficiency) of revenues over expenditures	<u>8,934,591</u>	<u>(814,151)</u>	<u>(11,366,277)</u>	<u>(8,281,619)</u>	<u>(471,929)</u>	<u>(11,999,385)</u>
Other financing sources (uses):						
Bonds issued	-	-	11,000,000	5,000,000	1,420,000	17,420,000
Refunding bonds issued	-	26,660,000	-	-	-	26,660,000
Premium on bonds issued	-	3,585,777	1,324,357	-	-	4,910,134
Payment to refunded bond escrow agent	-	(29,919,123)	-	-	-	(29,919,123)
Sale of capital assets	-	-	643,132	724,706	-	1,367,838
Transfers in	5,860,439	-	735,777	13,947,307	1,305,058	21,848,581
Transfers out	(16,513,246)	-	(40,000)	-	-	(16,553,246)
Total other financing sources (uses)	<u>(10,652,807)</u>	<u>326,654</u>	<u>13,663,266</u>	<u>19,672,013</u>	<u>2,725,058</u>	<u>25,734,184</u>
Net change in fund balances	<u>(1,718,216)</u>	<u>(487,497)</u>	<u>2,296,989</u>	<u>11,390,394</u>	<u>2,253,129</u>	<u>13,734,799</u>
Fund balances at beginning 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>
Fund balances at end of year	<u>\$ 19,086,008</u>	<u>\$ 4,297,818</u>	<u>\$ 49,637,660</u>	<u>\$ 46,164,918</u>	<u>\$ 17,428,228</u>	<u>\$ 136,614,632</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, 2015

Net change in fund balances - total governmental funds \$ 13,734,799

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

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. 22,290,888

The net effect of various transactions involving capital assets.

Capital contributions	\$ 2,482,854	
Asset retirements/disposals	(372,564)	2,110,290

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. (15,376,796)

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	\$ (44,080,000)	
Premium on bonds issued	(4,910,134)	
Payment to refunding bond escrow agent	29,919,123	
Bond principal retirement	13,885,000	
Accrued interest on Bonds Payable	156,008	
Amortization of bond premiums/discounts	652,544	
Amortization of deferred charges on refundings	(220,042)	(4,597,501)

Expenditures are recognized in the governmental funds when paid are due for items not normally paid with available financial resources. However, the Statement of Activities is presented on a accrual basis and expenses reported when incurred. This amount is the net effect of these differences.

Compensated absences expenses	(697,002)	
Pollution remediation obligation costs	(105,416)	
Pension costs, net	2,805,859	2,003,441

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	\$ 284,871	
Net of amount allocated to business activities	(91,784)	
Depreciation expense	2,020,839	2,213,926

Change in net position of governmental activities \$ 22,379,047

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, 2015

	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Taxes:						
Ad valorem	\$ 35,244,652	\$ 35,525,000	\$ 35,445,817	\$ -	\$ 35,445,817	\$ (79,183)
Penalty and interest	175,000	200,000	217,625	-	217,625	17,625
Sales	28,043,007	31,007,842	31,238,022	-	31,238,022	230,180
Franchise fees	10,589,432	11,318,279	11,395,148	-	11,395,148	76,869
Charges for services	5,379,587	5,032,542	5,485,692	-	5,485,692	453,150
Intergovernmental	-	-	17,328	-	17,328	17,328
Licenses and permits	2,721,293	2,938,044	2,797,402	-	2,797,402	(140,642)
Fines and forfeitures	6,778,191	6,737,315	6,833,415	-	6,833,415	96,100
Investment earnings net of change in fair value of investments	172,500	249,000	337,074	(84,135)	252,939	3,939
Miscellaneous	671,770	665,900	636,249	-	636,249	(29,651)
Total revenues	89,775,432	93,673,922	94,403,772	(84,135)	94,319,637	645,715
Expenditures:						
Current:						
General government and administration	17,679,355	15,029,541	14,249,773	15,268	14,265,041	764,500
Public safety	49,666,568	50,074,416	50,226,235	104,508	50,330,743	(256,327)
Development services	11,351,012	10,481,195	9,979,839	39,114	10,018,953	462,242
Cultural and recreational	11,899,427	11,338,870	11,013,334	6,247	11,019,581	319,289
Total expenditures	90,596,362	86,924,022	85,469,181	165,137	85,634,318	1,289,704
Excess (deficiency) of revenues over expenditures	(820,930)	6,749,900	8,934,591	(249,272)	8,685,319	1,935,419
Other financing sources (uses):						
Transfers in	5,993,630	6,057,506	5,860,439	407,630	6,268,069	210,563
Transfers out	(5,537,171)	(15,445,171)	(16,513,246)	765,880	(15,747,366)	(302,195)
Total other financing sources (uses)	456,459	(9,387,665)	(10,652,807)	1,173,510	(9,479,297)	(91,632)
Net change in fund balances	(364,471)	(2,637,765)	(1,718,216)	924,238	(793,978)	1,843,787
Fund balances at beginning of year	19,535,638	19,535,638	20,804,224	(1,268,586)	19,535,638	-
Fund balances at end of year	\$ 19,171,167	\$ 16,897,873	\$ 19,086,008	\$ (344,348)	\$ 18,741,660	\$ 1,843,787

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Net Position
 Proprietary Funds
 September 30, 2015

	Business Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Assets					
Current Assets:					
Cash and cash equivalents	\$ 19,805,724	\$ 172,477	\$ 295,411	\$ 20,273,612	\$ 15,998,252
Receivables (net where applicable of allowance for doubtful accounts)					
Accounts	5,043,584	-	961,184	6,004,768	-
Accrued interest	24,068	443	2,051	26,562	16,111
Other	-	-	-	-	184,056
Inventories	-	-	-	-	55,098
Prepaid items	-	-	-	-	148,367
Restricted assets:					
Cash and cash equivalents	3,413,214	-	-	3,413,214	-
Total current assets	28,286,590	172,920	1,258,646	29,718,156	16,401,884
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	1,460,318	-	-	1,460,318	-
Net pension asset	-	-	-	-	-
Capital assets:					
Land	1,372,868	995,000	-	2,367,868	-
Buildings	18,038,700	1,536,956	-	19,575,656	176,409
Equipment	3,989,625	777,704	1,460,303	6,227,632	20,123,383
Intangibles	770,112	-	-	770,112	104,714
Improvements	-	11,198,776	-	11,198,776	-
Infrastructure	237,949,632	-	-	237,949,632	-
Construction in progress	273,970	58,176	-	332,146	-
Accumulated depreciation	(132,053,043)	(13,152,851)	(1,245,633)	(146,451,527)	(11,304,526)
Total capital assets, net of accumulated depreciation	130,341,864	1,413,761	214,670	131,970,295	9,099,980
Total noncurrent assets	131,802,182	1,413,761	214,670	133,430,613	9,099,980
Total assets	160,088,772	1,586,681	1,473,316	163,148,769	25,501,864
Deferred outflow of resources					
Deferred charges on refundings	177,104	-	-	177,104	-
Pension contributions after measurement date	220,148	-	-	220,148	-
Difference in projected and actual earnings on pension assets	139,985	-	-	139,985	-
Total deferred outflow of resources	537,237	-	-	537,237	-
Liabilities					
Current liabilities:					
Accounts payable	1,582,107	74,003	801,848	2,457,958	460,378
Estimated health claims payable	-	-	-	-	1,102,000
Customer deposits payable	2,648,962	-	-	2,648,962	-
Due to other funds	-	-	-	-	-
Revenue bonds payable	1,359,120	-	-	1,359,120	-
Certificates of obligation payable	-	-	-	-	-
Compensated absences	46,773	-	-	46,773	1,116
Accrued interest	239,252	-	-	239,252	-
Total current liabilities	5,876,214	74,003	801,848	6,752,065	1,563,494
Noncurrent liabilities:					
Due to other funds	-	-	-	-	-
Revenue bonds payable	13,578,357	-	-	13,578,357	-
Net pension liability	293,046	-	-	293,046	-
Compensated absences	649,252	-	-	649,252	25,809
Other post employment benefits obligation	-	-	-	-	881,581
Long-term risk liability	-	-	-	-	1,242,630
Total noncurrent liabilities	14,520,655	-	-	14,520,655	2,150,020
Total liabilities	20,396,869	74,003	801,848	21,272,720	3,713,514
Deferred inflow of resources					
Difference in expected and actual pension experience	63,979	-	-	63,979	-
Net Position					
Net investment in capital assets	116,106,491	1,413,761	214,670	117,734,922	9,099,980
Restricted for:					
Revenue bond retirement	1,460,318	-	-	1,460,318	-
Unrestricted	22,598,352	98,917	456,798	23,154,067	12,688,370
Total net position	\$ 140,165,161	\$ 1,512,678	\$ 671,468	142,349,307	\$ 21,788,350
Reconciliation to government-wide statement of net position:					
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				(102,969)	
Net position of business-type activities				\$ 142,246,338	

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, 2015

	Business Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Operating revenues:					
Charges for services	\$ 35,301,330	\$ 556,913	\$ 8,231,572	\$ 44,089,815	\$ 17,451,773
Miscellaneous	174,697	-	-	174,697	-
Total operating revenues	<u>35,476,027</u>	<u>556,913</u>	<u>8,231,572</u>	<u>44,264,512</u>	<u>17,451,773</u>
Operating expenses:					
Personal services	3,740,948	-	-	3,740,948	160,968
Supplies and services	21,549,538	486,724	5,802,631	27,838,893	15,517,229
Utilities	858,560	32,604	-	891,164	28,700
Allocations	1,175,733	9,900	90,888	1,276,521	52,349
Asset impairment loss	-	589,250	-	589,250	-
Depreciation	7,291,949	221,622	146,030	7,659,601	2,020,839
Total operating expenses	<u>34,616,728</u>	<u>1,340,100</u>	<u>6,039,549</u>	<u>41,996,377</u>	<u>17,780,085</u>
Income (loss) from operations	<u>859,299</u>	<u>(783,187)</u>	<u>2,192,023</u>	<u>2,268,135</u>	<u>(328,312)</u>
Nonoperating revenues (expenses):					
Investment earnings net of change in fair value of investments	192,902	4,965	8,267	206,134	122,081
Gain on sale/retirement of capital assets	29,757	5,255	-	35,012	311,171
Interest expense	(521,786)	(19,535)	-	(541,321)	-
Total nonoperating revenues (expenses)	<u>(299,127)</u>	<u>(9,315)</u>	<u>8,267</u>	<u>(300,175)</u>	<u>433,252</u>
Income (loss) before contributions and transfers	560,172	(792,502)	2,200,290	1,967,960	104,940
Capital contributions	2,027,734	-	-	2,027,734	-
Transfers in	-	765,881	-	765,881	500,000
Transfers out	<u>(3,587,841)</u>	<u>(321,037)</u>	<u>(2,332,269)</u>	<u>(6,241,147)</u>	<u>(320,069)</u>
Change in net position	(999,935)	(347,658)	(131,979)	(1,479,572)	284,871
Net position at beginning of year, as previously reported	141,339,826	1,860,336	803,447		21,507,834
Impact of change in accounting principle	<u>(174,730)</u>	<u>-</u>	<u>-</u>		<u>(4,355)</u>
Net position at beginning of year, as restated	<u>141,165,096</u>	<u>1,860,336</u>	<u>803,447</u>		<u>21,503,479</u>
Net position at end of year	<u>\$ 140,165,161</u>	<u>\$ 1,512,678</u>	<u>\$ 671,468</u>		<u>\$ 21,788,350</u>
Reconciliation to government-wide statement of activities:					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				91,784	
Change in net position of business-type activities				<u>\$ (1,387,788)</u>	

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended September 30, 2015

	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	\$ 34,254,532	\$ 684,897	\$ 8,084,774	\$ 43,024,203	\$ -
Cash received from employees for services	-	-	-	-	1,571,466
Cash received from other funds for services	-	-	-	-	15,763,102
Cash received from loss claim recoveries	-	-	-	-	747,586
Other operating cash receipts	174,697	-	-	174,697	-
Cash payments to suppliers for goods and services	(22,453,213)	(493,859)	(5,887,405)	(28,834,477)	(5,448,507)
Cash payments to employees for services	(3,164,429)	-	-	(3,164,429)	(144,414)
Cash payment for loss claims	-	-	-	-	(11,156,073)
Cash payments to other funds for services	(1,470,609)	(10,678)	(70,604)	(1,551,891)	(64,727)
Net cash provided by operating activities	<u>7,340,978</u>	<u>180,360</u>	<u>2,126,765</u>	<u>9,648,103</u>	<u>1,268,433</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	-	-	-	-	500,000
Transfers to other funds	(3,587,841)	(321,037)	(2,332,269)	(6,241,147)	(320,069)
Net cash provided (used) by noncapital and related financing activities	<u>(3,587,841)</u>	<u>(321,037)</u>	<u>(2,332,269)</u>	<u>(6,241,147)</u>	<u>179,931</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(5,669,782)	(178,210)	-	(5,847,992)	(2,753,363)
Proceeds from sale of capital assets	29,757	140,046	-	169,803	320,447
Interest paid on bonds	(614,229)	-	-	(614,229)	-
Interest paid on interfund loan	-	(19,535)	-	(19,535)	-
Retirement of bonds	(1,215,000)	-	-	(1,215,000)	-
Retirement of interfund loan	-	(388,095)	-	(388,095)	-
Capital contributions	894,440	-	-	894,440	-
Net cash used by capital and related financing activities	<u>(6,574,814)</u>	<u>(445,794)</u>	<u>-</u>	<u>(7,020,608)</u>	<u>(2,432,916)</u>
Cash flows from investing activities:					
Interest on cash and cash equivalents	<u>203,908</u>	<u>5,421</u>	<u>8,974</u>	<u>218,303</u>	<u>128,567</u>
Net decrease in cash and cash equivalents	(2,617,769)	(581,050)	(196,530)	(3,395,349)	(855,985)
Cash and cash equivalents, October 1	<u>27,297,025</u>	<u>753,527</u>	<u>491,941</u>	<u>28,542,493</u>	<u>16,854,237</u>
Cash and cash equivalents, September 30	<u>\$ 24,679,256</u>	<u>\$ 172,477</u>	<u>\$ 295,411</u>	<u>\$ 25,147,144</u>	<u>\$ 15,998,252</u>

(Continued)

CITY OF CARROLLTON, TEXAS

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended September 30, 2015

	Business -Type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Reconciliation of income (loss) from operations to net cash provided by operating activities:					
Income (loss) from operations	\$ 859,299	\$ (783,187)	\$ 2,192,023	\$ 2,268,135	\$ (328,312)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:					
Asset impairment loss	-	589,250	-	589,250	-
Depreciation	7,291,949	221,622	146,030	7,659,601	2,020,839
Provision for doubtful accounts	44,450	-	20,285	64,735	-
Change in assets and liabilities:					
Increase in accounts receivable	(1,170,484)	-	(146,798)	(1,317,282)	-
(Increase) decrease in other receivables	-	127,984	-	127,984	(118,579)
Decrease in inventories	-	-	-	-	16,177
Decrease in prepaid items	-	-	-	-	28,000
Increase in pension related deferred outflows	(146,553)	-	-	(146,553)	-
Increase (decrease) in accounts payable	266,369	24,691	(84,775)	206,285	(2,613)
Decrease in estimated health claims payable	-	-	-	-	(3,000)
Increase in deposits	123,686	-	-	123,686	-
Decrease in net pension liability	(37,384)	-	-	(37,384)	-
Increase in liability for compensated absences	45,667	-	-	45,667	1,317
Increase in long-term risk liability	-	-	-	-	(785,928)
Increase in other post employment benefits obligation	-	-	-	-	440,532
Increase in pension related deferred inflows	63,979	-	-	63,979	-
Net cash provided by operating activities	<u>\$ 7,340,978</u>	<u>\$ 180,360</u>	<u>\$ 2,126,765</u>	<u>\$ 9,648,103</u>	<u>\$ 1,268,433</u>

Noncash investing, capital and financing activities:

During the past year, the Enterprise Funds received \$1,133,294 of noncash capital contributions from developers consisting of water and sewer infrastructure and a noncash transfer from the General Fund for \$765,881 for the extinguishment of an interfund loan.

Reconciliation of total cash and cash equivalents:

Current assets:					
Cash and cash equivalents	\$ 19,805,724	\$ 172,477	\$ 295,411	\$ 20,273,612	\$ 15,998,252
Restricted assets - cash and cash equivalents	3,413,214	-	-	3,413,214	-
Noncurrent assets:					
Restricted assets - cash and cash equivalents	1,460,318	-	-	1,460,318	-
Total cash and cash equivalents	<u>\$ 24,679,256</u>	<u>\$ 172,477</u>	<u>\$ 295,411</u>	<u>\$ 25,147,144</u>	<u>\$ 15,998,252</u>

See accompanying notes to basic financial statements.

(Concluded)



CARROLLTON
T E X A S

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

(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, 2015

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, 2015

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) and all deferred inflows and outflows of resources are included on the Statement of Net Position and the operating statements present increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized when earned,

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

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, 2015

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, 2015

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 \$1,443,590 as of September 30, 2015 is recorded as Equity Interest in Joint Venture in the Governmental Activities on the Government-wide Statement of Net Position. Audit financial statements for NTECC for fiscal year 2015 are expected to be available in the spring of 2016.

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 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, 2015 of \$5,755,818 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 or historical acquisition cost, whichever is less.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

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	\$ 4,313,852
Bond construction account	24,626,356
Other Capital Project Funds	963,055
Special Revenue Funds	1,850,132
	<u>31,753,395</u>
Business-type activities	
Revenue bond accrued interest payable	239,252
Current maturities of revenue bonds	525,000
Reserve for revenue bond retirement	1,460,318
Customer deposits	2,648,962
	<u>4,873,532</u>
Total Restricted cash and investments	<u>\$ 36,626,927</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, 2015

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 – 40 Years

N. Pensions

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

O. 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.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

- 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 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.

P. 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.

Q. 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.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

R. 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.

S. Transactions Between Funds

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

The City allocates to the Proprietary funds an indirect cost percentage of administrative services for those funds but paid through the General Fund along with other indirect costs deemed necessary for their operations. During the year ended September 30, 2015, the City allocated \$2,542,081 as a transfer for such services.

T. 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 has the following items that qualify for reporting in this category.

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

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. The difference in

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

expected and actual pension experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

(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.

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	\$ (793,978)
Beginning of year adjustment for encumbrances recognized as expenditures	(166,593)
End of year adjustment for encumbrances not recognized as expenditures	331,730
Unrealized investment gain recognized for GAAP basis only	84,135
Interfund loan transactions treated as transfers for budget basis	(407,630)
Extinguishment of interfund loan balance recognized for GAAP basis only	<u>(765,880)</u>
Net change in fund balances - GAAP basis	<u><u>\$ (1,718,216)</u></u>

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

(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 Frost Bank. The market value of the collateral held at the Federal Reserve Bank in the City's name at fiscal year-end was \$10,060,808.

At September 30, 2015, the carrying amount of the City's deposits was \$2,558,841, and the respective bank balances totaled \$5,298,707. The City's cash on hand totaled \$37,525.

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 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.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
 For Year Ended September 30, 2015

The City's investments carried at fair value as of September 30, 2015, were:

Investments:	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Credit Risk</u>
Coupon Agencies	123,383,768	1.370	AAA
Discount Agencies	22,898,811	0.120	AAA
Government Pools	28,099,513	-	AAA
Total Fair Value	<u>\$ 174,382,092</u>		
Portfolio Weighted Average Maturity		1.490	

Interest Rate Risk – In compliance with the City’s Investment Policy, as of September 30, 2015, the City minimized the interest rate risk in the portfolio, related to current market events, by: limiting the weighted average maturity to a maximum of four years; 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.

Concentration of Credit Risk – In compliance with the City’s Investment Policy, as of September 30, 2015, the City minimized concentration of credit risk, by: limiting investments in a specific local governmental pools to no more than 40 percent of the investment portfolio; staggering maturities and potential call dates; and limiting investments in commercial paper and bankers’ acceptances to no more than 5% of the investment portfolio. As of September 30, 2015, 5% or more of the City’s total investment are in: Federal Home Loan Bank securities (42.2%), Federal Farm Credit Bank securities (28.1%), Texas Local Government Investment Pool (8.4%); Local Government Investment Cooperative (7.3%); and Federal Home Loan Mortgage Corporation securities (6.7%).

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

(4) CAPITAL ASSETS:

Capital asset activity for the year ended September 30, 2015, was as follows:

	Balance October 1	Additions/ Completions	Retirements/ Adjustments	Balance September 30
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 102,700,673	\$ 120,419	\$ (373,363)	\$ 102,447,729
Construction in progress	4,865,419	2,876,678	-	7,742,097
Total capital assets not being depreciated	<u>107,566,092</u>	<u>2,997,097</u>	<u>(373,363)</u>	<u>110,189,826</u>
Capital assets being depreciated:				
Buildings	65,622,079	284,084	-	65,906,163
Equipment	30,822,739	3,149,924	(1,754,876)	32,217,787
Intangibles	6,156,150	-	-	6,156,150
Improvements	43,784,292	1,703,516	-	45,487,808
Infrastructure	259,110,959	17,952,619	(1,925,755)	275,137,823
Total capital assets being depreciated	<u>405,496,219</u>	<u>23,090,143</u>	<u>(3,680,631)</u>	<u>424,905,731</u>
Less accumulated depreciation for:				
Buildings	(36,944,523)	(2,469,201)	-	(39,413,724)
Equipment	(17,777,803)	(3,031,093)	1,745,601	(19,063,295)
Intangibles	(5,637,553)	(233,968)	-	(5,871,521)
Improvements	(15,442,257)	(1,703,084)	-	(17,145,341)
Infrastructure	(67,926,595)	(7,939,450)	1,925,755	(73,940,290)
Total accumulated depreciation	<u>(143,728,731)</u>	<u>(15,376,796)</u>	<u>3,671,356</u>	<u>(155,434,171)</u>
Total capital assets being depreciated, net	<u>261,767,488</u>	<u>7,713,347</u>	<u>(9,275)</u>	<u>269,471,560</u>
Governmental activities capital assets, net	<u>\$ 369,333,580</u>	<u>\$ 10,710,444</u>	<u>\$ (382,638)</u>	<u>\$ 379,661,386</u>

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

	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	129,935	202,211	-	332,146
Total capital assets not being depreciated	<u>2,497,803</u>	<u>202,211</u>	<u>-</u>	<u>2,700,014</u>
Capital assets being depreciated:				
Buildings	19,575,656	-	-	19,575,656
Equipment	6,108,606	317,268	(198,242)	6,227,632
Intangibles	770,112	-	-	770,112
Improvements	11,788,026	134,791	(724,041)	11,198,776
Infrastructure	233,120,586	4,829,046	-	237,949,632
Total capital assets being depreciated	<u>271,362,986</u>	<u>5,281,105</u>	<u>(922,283)</u>	<u>275,721,808</u>
Less accumulated depreciation for:				
Buildings	(15,830,793)	(276,568)	-	(16,107,361)
Equipment	(3,457,119)	(584,606)	198,242	(3,843,483)
Intangibles	(742,960)	(8,044)	-	(751,004)
Improvements	(10,952,094)	(111,940)	-	(11,064,034)
Infrastructure	(108,007,202)	(6,678,443)	-	(114,685,645)
Total accumulated depreciation	<u>(138,990,168)</u>	<u>(7,659,601)</u>	<u>198,242</u>	<u>(146,451,527)</u>
Total capital assets being depreciated, net	<u>132,372,818</u>	<u>(2,378,496)</u>	<u>(724,041)</u>	<u>129,270,281</u>
Business-type activities capital assets, net	<u>\$ 134,870,621</u>	<u>\$ (2,176,285)</u>	<u>\$ (724,041)</u>	<u>\$ 131,970,295</u>

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

Governmental activities:	
General government and administration	\$ 750,189
Public safety	2,984,380
Development services	8,650,077
Cultural and recreational	2,992,150
Total depreciation expense - Governmental activities	<u>\$ 15,376,796</u>
Business-type activities:	
Water and sewer	\$ 7,291,949
Golf course	221,622
Sanitation	146,030
Total depreciation expense - Business-type activities	<u>\$ 7,659,601</u>

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

(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 property 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.

General Obligation Bonds Refunding -

Due to favorable interest rates, during fiscal year 2015, \$30,245,777, including premium, of Series 2015 General Obligation (GO) Improvement and Refunding Bonds were issued to refund \$29,375,000 of the City's previously issued and outstanding GO Bonds, plus accrued interest and issuance costs. Debt refunded included \$14,200,000 of GO Improvement Bonds, Series 2005 and \$15,175,000 of GO Improvement and Refunding Bonds, Series 2006. The proceeds were deposited with an escrow agent for redemption on the call dates of June 2, 2015 and August 15, 2015. No remaining refunded bonds were outstanding on September 30, 2015.

As a result of the refunding, the City reduced its aggregate debt services payments to maturity by \$4,522,804, and obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$3,942,904.

At September 30, 2015, general obligation bonds currently outstanding are as follows:

	Interest Rate %	Issue Date	Maturity Date	Outstanding
General Obligation Bonds:				
Improvement, Series 2007	4 - 5.25	08/01/2007	08/15/2027	\$ 14,630,000
Improvement and Refunding, Series 2009	2 - 5	04/15/2009	08/15/2029	22,155,000
Improvement and Refunding, Series 2010	2.25 - 4.125	04/15/2010	08/15/2030	23,345,000
Improvement, Series 2011	3 - 4.25	04/15/2011	08/15/2030	12,300,000
Refunding, Series 2012	2 - 4	05/01/2012	08/15/2025	17,735,000
Improvement, Series 2013	2 - 4.5	07/15/2013	08/15/2033	8,780,000
Improvement, Series 2014	3 - 4	04/15/2014	08/15/2034	19,840,000
Improvement and Refunding, Series 2015	2 - 5	05/01/2015	08/15/2035	43,815,000
				<u>\$ 162,600,000</u>

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
 For Year Ended September 30, 2015

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

<u>Year Ending</u> <u>September 30</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 13,790,000	\$ 6,527,880	\$ 20,317,880
2017	13,340,000	6,076,780	19,416,780
2018	13,275,000	5,575,755	18,850,755
2019	12,945,000	5,065,680	18,010,680
2020	11,955,000	4,523,699	16,478,699
2021-2025	50,080,000	15,727,288	65,807,288
2026-2030	34,470,000	6,339,312	40,809,312
2031-2035	12,745,000	1,360,725	14,105,725
Total	<u>\$ 162,600,000</u>	<u>\$ 51,197,119</u>	<u>\$ 213,797,119</u>

Revenue Bonds –

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

The revenue bonds are collateralized by the revenue of the water and sewer system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the revenue bond funds. Remaining revenues may then be used for any lawful purpose. For fiscal year 2015, net revenue available for debt service was 3.26 times the average annual debt service requirement. 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, 2015.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

At September 30, 2015, 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	\$ 1,885,000
Waterworks and Sewer System Revenue Improvement, Series 2007	4.375 - 5	08/01/2007	05/01/2027	4,065,000
Waterworks and Sewer System Revenue Refunding, Series 2012	2 - 4	05/01/2012	05/01/2023	8,235,000
				<u>\$ 14,185,000</u>

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

<u>Year Ending September 30</u>	<u>Business-type Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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
2021-2025	6,505,000	934,700	7,439,700
2026-2027	840,000	63,500	903,500
Total	<u>\$ 14,185,000</u>	<u>\$ 3,338,819</u>	<u>\$ 17,523,819</u>

Bonds Authorized and Unissued –

At September 30, 2015, the City had \$62,405,211 in general obligation bonds which were authorized and unissued.

Net Pension Liability –

The net pension liability represents the liability for employees' for projected pension benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service less the amount of the pension plan's fiduciary net position.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

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.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

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 \$44,080,000 of General Obligation Improvement and Refunding Bonds, Series 2015.

Transactions for the year ended September 30, 2015 are summarized as follows:

	Balance October 1	Additions	Reductions	Balance September 30	Due within one year
<u>Governmental type activities</u>					
Bonds payable:					
General obligation bonds	\$ 161,780,000	\$ 44,080,000	\$ (43,260,000)	\$ 162,600,000	\$ 13,790,000
Deferred amounts for discounts and premiums	6,948,244	4,910,134	(1,799,654)	10,058,724	682,215
Total bonds payable	168,728,244	48,990,134	(45,059,654)	172,658,724	14,472,215
Net pension liability	-	7,930,329	(874,420)	7,055,909	-
Compensated absences	13,675,654	1,727,515	(1,029,196)	14,373,973	958,931
Health claims liability	1,105,000	8,380,403	(8,383,403)	1,102,000	1,102,000
Other post employment benefits obligation	441,049	440,532		881,581	-
Long-term risk liability	2,028,558	44,660	(830,588)	1,242,630	-
Total governmental activities	<u>\$ 185,978,505</u>	<u>\$ 67,513,573</u>	<u>\$ (56,177,261)</u>	<u>\$ 197,314,817</u>	<u>\$ 16,533,146</u>
<u>Business type activities</u>					
Bonds payable:					
Revenue bonds	\$ 15,400,000	\$ -	\$ (1,215,000)	\$ 14,185,000	\$ 1,260,000
Deferred amounts for discounts and premiums	851,597	-	(99,120)	752,477	99,120
Total bonds payable	16,251,597	-	(1,314,120)	14,937,477	1,359,120
Net pension liability	-	330,430	(37,384)	293,046	-
Compensated absences	650,358	47,663	(1,996)	696,025	46,773
Total business-type activities	<u>16,901,955</u>	<u>378,093</u>	<u>(1,353,500)</u>	<u>15,926,548</u>	<u>1,405,893</u>
Total government	<u>\$ 202,880,460</u>	<u>\$ 67,891,666</u>	<u>\$ (57,530,761)</u>	<u>\$ 213,241,365</u>	<u>\$ 17,939,039</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

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2015

and July 1 to file suits on business personal property and real property, respectively. As of July 1, 20% collection costs may be added to all delinquent accounts. Current tax collections for the year ended September 30, 2015, 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, 2015, the City had a tax margin of \$1.88 for every \$100 valuation based upon a maximum ad valorem tax of \$2.50 for every \$100 valuation imposed by Texas Constitutional law.

In Texas, central appraisal districts are required under the Property Tax Code to assess all property within its respective county on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed at least every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this legislation the City continues to set tax rates on City property. However, if the effective tax rate, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the maintenance and operating tax rate to no more than 8% above the effective tax rate of the previous year.

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

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

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

(7) DEFINED BENEFIT PENSION PLAN:

Plan Description:

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

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

Benefits Provided:

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

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

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, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

Beginning in 1993, the City granted 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

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2015

purchase an annuity. Additionally, initiated in 1993, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

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

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

The City does not participate in Social Security.

Employees covered by benefit terms –

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

Retirees or beneficiaries currently receiving benefits	519
Inactive employees entitled to but not yet receiving benefits	524
Active employees	<u>781</u>
	<u>1,824</u>

Contributions:

Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Carrollton were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2015, the City made contributions of 13.95%, which provided for an additional voluntary contribution of .65 percentage points over the required contribution of 13.30% for the months in 2014 and 1.50 percentage points over the actuarially required contribution of 12.45% for the months in 2015.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

Net Pension Liability:

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

Actuarial assumptions –

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

Discount Rate –

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

Changes in the Net Pension Liability –

	Increase (Decrease)		
	<u>Total Pension</u>	<u>Plan Fiduciary</u>	<u>Net Pension</u>
	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
	(a)	(b)	(a) – (b)
Balance at 12/31/2013	\$341,764,756	\$333,503,997	\$8,260,759
Changes for the year:			
Service cost	6,592,786	-	6,592,786
Interest	23,690,265	-	23,690,265
Change in benefit terms	-	-	-
Difference between expected and actual experience	(2,087,560)	-	(2,087,560)
Changes in assumptions	-	-	-
Contributions – employer	-	6,822,121	(6,822,121)
Contributions – employee	-	3,423,287	(3,423,287)
Net investment income	-	19,077,452	(19,077,452)
Benefit payments, including refunds of employee contributions	(13,257,578)	(13,257,578)	-
Administrative expense	-	(199,188)	199,188
Other Changes	-	(16,377)	16,377
Net changes	<u>14,937,913</u>	<u>15,849,717</u>	<u>(911,804)</u>
Balance at 12/31/2014	<u>\$356,702,669</u>	<u>\$349,353,714</u>	<u>\$7,348,955</u>

Sensitivity of the net pension liability to changes in the discount rate –

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

	<u>1% Decrease in</u>	<u>Current</u>	<u>1% Increase in</u>
	<u>Discount Rate</u>	<u>Discount Rate</u>	<u>Discount Rate</u>
City’s net pension liability	\$58,242,343	\$7,348,955	(\$34,406,049)

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

Pension Plan Fiduciary Net Position –

Detailed information about the pension plan’s Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2015, the City recognized pension expense of \$4,056,507. This amount is included as part of Personal Services expenses within the functional program activities.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions subsequent to the measurement date	\$ 5,369,474	\$ -
Difference between projected and actual investment earnings	3,414,262	-
Differences between actuarial assumptions and actual experience	-	1,560,452
Changes in actuarial assumptions used	-	-
Total	<u>\$ 8,783,736</u>	<u>\$ 1,560,452</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$5,369,474 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2015 (i.e. recognized in the city’s financial statements September 30, 2016). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year ended <u>Dec 31</u>	
2015	\$ 326,458
2016	326,458
2017	347,330
2018	<u>853,564</u>
Total	<u>\$ 1,853,810</u>

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
 For Year Ended September 30, 2015

Subsequent event:

Pursuant to TMRS policy of conducting experience studies every four years, the TMRS Board at their July 31, 2015 meeting determined that they would be changing certain actuarial assumptions including reducing the long term expected rate of return from the current 7% to 6.75% and changing the inflation assumption from 3% to 2.5%. Reduction of expected investment return and related discount rate will increase projected pension liabilities. Reducing the inflation assumption reduces liabilities as future annuity levels and future cost of living adjustments are not projected to be a large as originally projected. While the actual impact on the City’s valuation for December 31, 2015 is not known, the City does expect some upward pressure on its total pension liability and upward pressure on its 2017 actuarially determined contribution (ADC) due to this change. Accordingly, the city has included in its approved fiscal year 2016 budget to continue to fund pension contributions above the required ADC which will help smooth impacts of any increases in the required ADC for fiscal year 2017.

(8) INTERFUND TRANSFERS:

Interfund transfers during the year ended September 30, 2015, 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>Internal Service</u>	<u>Golf Course</u>	<u>Non-Major Governmental</u>	
<u>Transfers Out</u>							
General Fund	\$ -	\$ 35,000	\$ 13,947,307	\$ 500,000	\$ 765,881	\$ 1,265,058	\$ 16,513,246
Streets and Drainage	-	-	-	-	-	40,000	40,000
Internal Service	320,069	-	-	-	-	-	320,069
Water and Sewer	3,587,841	-	-	-	-	-	3,587,841
Golf Course	321,037	-	-	-	-	-	321,037
Sanitation	1,631,492	700,777	-	-	-	-	2,332,269
Total	<u>\$ 5,860,439</u>	<u>\$ 735,777</u>	<u>\$ 13,947,307</u>	<u>\$ 500,000</u>	<u>\$ 765,881</u>	<u>\$ 1,305,058</u>	<u>\$ 23,114,462</u>

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.
- The General Fund to the Golf Course Fund due to the extinguishment of an interfund loan no longer considered collectible.
- One capital projects fund to another for projects accounted for in the other fund.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

(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, 2014 and 2015 were \$11,065,805 and \$11,527,775, 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 share of operating expenses and debt service of Trinity River Authority. The City's annual expense for the years ended September 30, 2014 and 2015 were \$8,234,510 and \$7,530,640, respectively.

(10) SELF-INSURANCE:

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

<u>Policy</u>	<u>Retention</u>	<u>Limits on Liability</u>
General Liability, Law Enforcement Liability, Errors and Omissions	\$50,000 per occurrence	\$2,000,000 per occurrence and \$4,000,000 policy aggregate
Workers' Compensation	\$100,000 per occurrence	Statutory
Property Loss	\$25,000 per occurrence	\$135,128,678
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 2015, the loss reserve was estimated at \$1,242,630.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
 For Year Ended September 30, 2015

Changes in this reserve amount in fiscal years 2014 and 2015 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>
2013-2014	\$ 1,371,081	\$ 1,672,875	\$ 1,015,398	\$ 2,028,558
2014-2015	\$ 2,028,558	\$ 44,660	\$ 830,588	\$1,242,630

The City maintains the Employee Health and Disability Fund to account for the City's employee health care coverage and long-term disability programs which are self-insured by the City with long-term disability claims in excess of one year covered through third-party insurance policies. In addition, excess insurance of up to \$1,000,000 has been obtained for an individual employee's health care claims exceeding \$225,000 and for health claims in the aggregate exceeding \$11,772,033.

Revenues are recognized from payroll deductions and City contributions. At September 30, 2015, a liability of \$1,102,000 has been recorded, which represents estimated claims incurred but not yet reported. Changes in this claims liability during fiscal years 2014 and 2015 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>
2013-2014	\$ 945,000	\$9,289,545	\$9,129,545	\$1,105,000
2014-2015	\$ 1,105,000	\$8,380,403	\$8,383,403	\$1,102,000

There have been no significant reductions in insurance coverage during the fiscal year 2015.

(11) POLLUTION REMEDIATION OBLIGATION:

During fiscal year 2015, the City acquired property for redevelopment. An environmental site assessment has confirmed pollution in the groundwater above the protective concentration level under the Texas Risk Reduction Program. Under the Texas Commission on Environmental Quality (TCEQ) rules, several options exist to address this pollution. The City plans to request a Municipal Setting Designation (MSD) for the property. An MSD is an official designation given by TCEQ certifying that the groundwater underneath a property is not used as potable water and is prohibited from future use as potable water because of contamination above potable-water protective concentration levels. The purpose of the MSD is to limit or eliminate the need for investigation or remediation of groundwater contamination in cases where the groundwater is not being used as a drinking water supply and where there is no exposure pathway.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

The City measured the liability by estimating a reasonable remaining cost to obtain the MSD. As of September 30, 2015, \$105,416 has been accrued in the Governmental Activities Government-wide financial statements for this pollution remediation obligation.

(12) CAPITAL ASSET IMPAIRMENT AND GOLF COURSE CLOSURE:

In fiscal year 2015, the Indian Creek Golf Club sustained significant damage due to flooding and was completely shut down from May 28, 2015 with plans for a staged reopening beginning in the spring of 2016. Based on estimated restoration costs an asset impairment loss of \$589,250 has been recorded representing the net capital asset value at impairment of \$724,041 less an insurance recovery of \$134,791.

(13) 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 \$331,730.

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.

Construction Commitments – The City has active construction projects as of September 30, 2015. Total accumulated commitments for ongoing capital projects are composed of the following:

Streets and Drainage	\$ 62,174,448
Traffic	3,470,229
Parks and Recreation	13,151,300
General Facilities	45,511,379
Community Development	9,803,161
Tax Increment Reinvestment Zone	663,773
Water and Sewer	11,534,414
Golf Course	745,392
Total	<u><u>\$ 147,054,096</u></u>

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2015

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

Development –

Union at Carrollton – In 2009 and amended in 2011, 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 included a commitment to fund the construction of a public infrastructure (parking garage, streets, sidewalks, etc.) in conjunction with the private development. 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. All commitments related to this agreement were completed in fiscal year 2014.

In 2014, the City and TCC entered into a new agreement related to Phase III of the Union at Carrollton Square. This agreement provided 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 for 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, 2015, \$3,462,256 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, 2015, \$28,113 of these funds have been expended and the remaining \$971,887 held in escrow is recorded as a receivable.

Fanidella Townhomes– In 2015, the City entered into an agreement to purchase the Fanidella Townhomes for \$1,980,000 of which \$250,000 was paid during fiscal year 2015 as an Earnest Money Deposit. And additional \$500,000 was paid subsequent to September 30, 2015 as a Good Faith Deposit. The purchase of this property is expected to be completed during fiscal year 2016. The City plans to demolish all structures on the property and will hold the land for redevelopment. As of September 30, 2015, the Earnest Money Deposit of \$250,000 is recorded as a prepaid item on the Governmental Funds Balance Sheet.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

(14) OTHER POSTEMPLOYMENT BENEFITS:

Program Description:

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

Current retirees in the health plan and at retirement, active employees with 20 years or more of service or less than 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 2015 were \$5,599 to \$16,798 per year depending on coverage levels selected. In fiscal year 2015, total member contributions were \$511,666. The City contributions to

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
 For Year Ended September 30, 2015

the plan for fiscal year 2015, which are also equal to claims paid in excess of premiums collected, were \$108,104.

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.

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>108,104</u>
Change in OPEB obligation	440,532
Net OPEB obligation – beginning of year	<u>441,049</u>
Net OPEB obligation– end of year	<u>\$881,581</u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and 2015 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>
2014	\$548,636	49%	\$441,049
2015	\$548,636	20%	\$881,581

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 2015 was \$4,471,228, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 107.4%.

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

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

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, 2015 exceed the actuarial accrued liability of \$4,799,949.

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.

(15) NEW AND FUTURE FINANCIAL REPORTING REQUIREMENTS:

The GASB has issued the following statement which became effective for fiscal year 2015.

Statement No. 68, "Accounting and Financial Reporting for Pensions" – 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.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2015

The implementation of Statement No. 68 resulted restatement of beginning net position for the elimination of the previously reported net pension asset, the recording of the beginning net pension liability and the beginning deferred outflow for contributions made after the measurement date. Prospectively applying this change results in the adjustment below:

	Government-wide		Fund Level	
	Statement of Activities		Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund	
	Governmental Activities	Business-type Activities	Water and Sewer	Internal Service Funds
Net position at September 30, 2014, as previously reported	\$ 325,661,771	\$ 143,808,856	\$ 141,339,826	\$ 21,507,834
Elimination of net pension asset as of September 30, 2014	(1,352,103)	(57,880)	(57,880)	(4,355)
Recording of net pension liability as of September 30, 2014	(7,930,329)	(330,430)	(330,430)	-
Deferral for pension contributions made after the measurement date	<u>4,995,691</u>	<u>213,580</u>	<u>213,580</u>	<u>-</u>
Net position at September 30, 2014, as restated	<u>\$ 321,375,030</u>	<u>\$ 143,634,126</u>	<u>\$ 141,165,096</u>	<u>\$ 21,503,479</u>

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

Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions” – This statement changes the focus of accounting of postemployment benefits other than pensions from whether they are responsibility funding the benefits over time to a point-in-time liability that is reflected on the employer’s financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the City in fiscal year 2018.

Statement No. 77, “Tax Abatement Disclosures” – This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments. This statement will become effective for the City in fiscal year 2017.

CITY OF CARROLLTON, TEXAS

Required Supplementary Information

Texas Municipal Retirement System

Schedule of Changes in Net Pension Liability and Related Ratios

Last Fiscal Year (Previous years are not available)

(Unaudited)

	Measurement Year 2014
Total pension liability:	
Service cost	\$ 6,592,786
Interest	23,690,265
Changes of benefit terms	-
Difference between expected and actual experience	(2,087,560)
Change in assumptions	-
Benefit payments, including refunds of employee contributions	<u>(13,257,578)</u>
Net change in total pension liability	14,937,913
Total pension liability - beginning	341,764,756
Total pension liability - ending (a)	<u>356,702,669</u>
Plan fiduciary net position:	
Contributions - employer	6,822,121
Contributions - employee	3,423,287
Net investment income	19,077,452
Benefit payments, including refunds of employee contributions	(13,257,578)
Administrative expense	(199,188)
Other	<u>(16,377)</u>
Net change in plan fiduciary net position	15,849,717
Plan fiduciary net position - beginning	<u>333,503,997</u>
Plan fiduciary net position - ending (b)	<u>349,353,714</u>
Net pension liability - ending (a) - (b)	<u>\$ 7,348,955</u>
Plan fiduciary net position as a percentage of total pension liability	97.94%
Covered employee payroll	\$ 48,904,096
Net pension liability as a percentage of covered employee payroll	15.03%

As of December 31

CITY OF CARROLLTON, TEXAS
 Required Supplementary Information
 Texas Municipal Retirement System
 Schedule of Contributions
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	(1) Actuarially determined contribution	(2) Contribution in relation to the actuarially determined contribution	(3) Contribution excess (deficiency) (2) - (1)	(4) Covered employee payroll	(5) Actuarially determined contributions as a percentage of covered employee payroll	(6) Contributions as a percentage of covered employee payroll
					(1)/(4)	(2)/(4)
2006	\$ 5,016,572	\$ 5,016,572	\$ -	\$ 39,670,739	12.65%	12.65%
2007	5,478,548	5,478,548	-	41,951,353	13.06%	13.06%
2008	5,763,976	6,443,981	680,005	42,811,373	13.46%	15.05%
2009	7,555,564	7,510,874	(44,690)	45,747,413	16.52%	16.42%
2010	7,797,214	8,055,207	257,993	46,403,538	16.80%	17.36%
2011	7,807,248	7,960,494	153,246	45,234,987	17.26%	17.60%
2012	6,544,714	6,530,161	(14,553)	44,593,544	14.68%	14.64%
2013	6,444,731	6,547,839	103,108	45,175,371	14.27%	14.49%
2014	6,480,879	6,755,754	274,875	46,640,263	13.90%	14.48%
2015	6,329,810	6,982,334	652,524	50,052,500	12.65%	13.95%

Notes to Schedule:

Valuation Date:

Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 12 months and a day later.

Methods and Assumptions Used to Determine Contribution Rate for 2015:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	15 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.0%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 – 2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

CITY OF CARROLLTON, TEXAS

Required Supplementary Information

Texas Municipal Retirement System

Schedule of Contributions

Last Ten Fiscal Years

(Unaudited)

Assumption differences for fiscal years prior to 2015:

Actuarial Cost Method Unit Credit for fiscal years 2006 and 2007, Projected Unit Credit for fiscal years 2008 to 2013.

Mortality Prior to fiscal year 2014, Gender Distinct RP2000 Combined Healthy Mortality Table projected to the year 2003 by scale AA

Other Information:

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 2012 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.

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>
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%
2015	-	4,799,949	0.0%	4,799,949	4,471,228	107.4%

* Fiscal Year 2013 as of December 31, 2011 actuarial valuation. Fiscal Year 2014 and 2015 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, 2015

	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		
Assets									
Cash and cash equivalents	\$ 33,863	\$ 1,816,269	\$ 487,640	\$ 7,634,968	\$ 2,715,167	\$ 347,402	\$ 5,416,821	\$ 18,452,130	
Accrued interest receivable	-	1,177	55	7,263	2,903	362	3,084	14,844	
Due from other governments	-	-	-	-	-	-	491,113	491,113	
Total assets	<u>\$ 33,863</u>	<u>\$ 1,817,446</u>	<u>\$ 487,695</u>	<u>\$ 7,642,231</u>	<u>\$ 2,718,070</u>	<u>\$ 347,764</u>	<u>\$ 5,911,018</u>	<u>\$ 18,958,087</u>	
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ 8,188	\$ 302,046	\$ 105,233	\$ 508,463	\$ 130,992	\$ 1,915	\$ 447,347	\$ 1,504,184	
Unearned revenue	25,675	-	-	-	-	-	-	25,675	
Total liabilities	<u>33,863</u>	<u>302,046</u>	<u>105,233</u>	<u>508,463</u>	<u>130,992</u>	<u>1,915</u>	<u>447,347</u>	<u>1,529,859</u>	
Fund balances:									
Restricted for:									
Capital projects	-	-	-	1,280,961	-	345,849	-	1,626,810	
Other purposes	-	1,515,400	-	-	-	-	-	1,515,400	
Committed to:									
Capital projects	-	-	-	1,030,948	-	-	1,138,071	2,169,019	
Assigned to:									
Capital projects	-	-	-	4,821,859	2,587,078	-	4,325,600	11,734,537	
Other purposes	-	-	382,462	-	-	-	-	382,462	
Total fund balances	<u>-</u>	<u>1,515,400</u>	<u>382,462</u>	<u>7,133,768</u>	<u>2,587,078</u>	<u>345,849</u>	<u>5,463,671</u>	<u>17,428,228</u>	
Total liabilities, deferred inflows and fund balances	<u>\$ 33,863</u>	<u>\$ 1,817,446</u>	<u>\$ 487,695</u>	<u>\$ 7,642,231</u>	<u>\$ 2,718,070</u>	<u>\$ 347,764</u>	<u>\$ 5,911,018</u>	<u>\$ 18,958,087</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, 2015

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148,979	\$ 2,793,660	\$ 2,942,639	
Occupancy tax	210,835	-	-	-	-	-	-	210,835	
Assessments	-	-	-	107,160	70,038	-	-	177,198	
Charges for services	51,306	-	-	133,256	-	-	-	184,562	
Intergovernmental	-	18,042	13,436	-	-	56,579	938,766	1,026,823	
Licenses and permits	-	-	8,325	-	-	-	-	8,325	
Fines and forfeitures	-	477,438	-	-	-	-	-	477,438	
Investment earnings	-	-	-	-	-	-	-	-	
net of change in fair value	-	8,128	1,626	52,455	22,296	1,933	26,849	113,287	
of investments	-	-	54,840	3,195	-	-	-	58,035	
Miscellaneous	-	-	-	-	-	-	-	-	
Total revenues	262,141	503,608	78,227	296,066	92,334	207,491	3,759,275	5,199,142	
Expenditures:									
Current:									
Public safety	-	234,513	-	-	-	-	-	234,513	
Cultural and recreational	421,408	-	52,496	-	-	-	-	473,904	
Capital outlay	-	-	-	2,232,612	729,723	56,791	1,943,528	4,962,654	
Total expenditures	421,408	234,513	52,496	2,232,612	729,723	56,791	1,943,528	5,671,071	
Excess (deficiency) of revenues over expenditures	(159,267)	269,095	25,731	(1,936,546)	(637,389)	150,700	1,815,747	(471,929)	
Other financing sources:									
Bonds issued	-	-	-	1,220,000	200,000	-	-	1,420,000	
Transfers in	84,933	-	-	1,180,125	-	-	40,000	1,305,058	
	84,933	-	-	2,400,125	200,000	-	40,000	2,725,058	
Net change in fund balances	(74,334)	269,095	25,731	463,579	(437,389)	150,700	1,855,747	2,253,129	
Fund balances at beginning of year	74,334	1,246,305	356,731	6,670,189	3,024,467	195,149	3,607,924	15,175,099	
Fund balances at end of year	\$ -	\$ 1,515,400	\$ 382,462	\$ 7,133,768	\$ 2,587,078	\$ 345,849	\$ 5,463,671	\$ 17,428,228	



CARROLLTON

TEXAS

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

Special Revenue and Debt Service Funds



CARROLLTON
T E X A S

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, 2015
 With Comparative Actual Totals for 2014

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Revenues:					
Occupancy tax	\$ 168,000	\$ 205,000	\$ 210,835	\$ 5,835	\$ 181,025
Charges for services	45,000	54,207	51,306	(2,901)	50,904
Investment earnings net of change in fair value of investments	-	-	-	-	742
Total revenues	213,000	259,207	262,141	2,934	232,671
Expenditures:					
Current:					
Cultural and recreational	451,315	468,956	421,408	47,548	434,050
Deficiency of revenues over expenditures	(238,315)	(209,749)	(159,267)	50,482	(201,379)
Other financing sources:					
Transfers in	188,570	135,257	84,933	50,324	-
Net change in fund balances	(49,745)	(74,492)	(74,334)	100,806	(201,379)
Fund balances at beginning of year	74,334	74,334	74,334	-	275,713
Fund balances at end of year	\$ 24,589	\$ (158)	\$ -	\$ 100,806	\$ 74,334

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, 2015
 With Comparative Actual Totals for 2014

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Revenues:					
Intergovernmental	\$ 18,637	\$ 18,042	\$ 18,042	\$ -	\$ 18,907
Fines and forfeitures	457,000	510,000	477,438	(32,562)	540,601
Investment earnings net of change in fair value of investments	3,100	4,575	8,128	3,553	3,761
Total revenues	478,737	532,617	503,608	(29,009)	563,269
Expenditures:					
Current:					
Public Safety	587,728	292,042	234,513	57,529	355,419
Net change in fund balances	(108,991)	240,575	269,095	28,520	207,850
Fund balances at beginning of year	1,246,305	1,246,305	1,246,305	-	1,038,455
Fund balances at end of year	\$ 1,137,314	\$ 1,486,880	\$ 1,515,400	\$ 28,520	\$ 1,246,305

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, 2015
 With Comparative Actual Totals for 2014

	2015			Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
Revenues:					
Intergovernmental	\$ -		\$ 13,436	\$ 13,436	\$ 200
Licenses and permits	50,000	-	8,325	8,325	186,305
Investment earnings net of change in fair value of investments	100	200	1,626	1,426	(95)
Miscellaneous	34,000	43,500	54,840	11,340	39,963
Total revenues	84,100	43,700	78,227	34,527	226,373
Expenditures:					
Current:					
Cultural and recreational	402,811	110,000	52,496	57,504	42,148
Net change in fund balances	(318,711)	(66,300)	25,731	92,031	184,225
Fund balances at beginning of year	356,731	356,731	356,731	-	172,506
Fund balances at end of year	\$ 38,020	\$ 290,431	\$ 382,462	\$ 92,031	\$ 356,731

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, 2015
 With Comparative Actual Totals for 2014

	2015					2014	
	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	\$ 19,709,989	\$ 19,850,000	\$ 19,797,514	\$ -	\$ 19,797,514	\$ (52,486)	\$ 19,187,394
Penalty and interest	90,000	100,000	96,441	-	96,441	(3,559)	114,389
Investment earnings							
net of change in fair value							
of investments	4,200	1,500	16,870	(14,900)	1,970	470	6,180
Total revenues	<u>19,804,189</u>	<u>19,951,500</u>	<u>19,910,825</u>	<u>(14,900)</u>	<u>19,895,925</u>	<u>(55,575)</u>	<u>19,307,963</u>
Expenditures:							
Debt service:							
Principal retirement	13,620,000	13,885,000	13,885,000	-	13,885,000	-	13,020,000
Interest and fiscal charges	<u>6,780,022</u>	<u>6,513,450</u>	<u>6,839,976</u>	<u>(326,654)</u>	<u>6,513,322</u>	<u>128</u>	<u>6,489,618</u>
Total expenditures	<u>20,400,022</u>	<u>20,398,450</u>	<u>20,724,976</u>	<u>(326,654)</u>	<u>20,398,322</u>	<u>128</u>	<u>19,509,618</u>
Excess (deficiency) of revenues over expenditures	(595,833)	(446,950)	(814,151)	311,754	(502,397)	(55,447)	(201,655)
Other financing sources:							
Refunding bonds issued	-	-	26,660,000	(26,660,000)	-	-	-
Premium on bonds issued	-	-	3,585,777	(3,585,777)	-	-	-
Payment to refunded bond escrow agent	<u>-</u>	<u>-</u>	<u>(29,919,123)</u>	<u>29,919,123</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>326,654</u>	<u>(326,654)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(595,833)	(446,950)	(487,497)	(14,900)	(502,397)	(55,447)	(201,655)
Fund balances at beginning of year	<u>4,797,279</u>	<u>4,797,279</u>	<u>4,785,315</u>	<u>11,964</u>	<u>4,797,279</u>	<u>-</u>	<u>4,986,970</u>
Fund balances at end of year	<u>\$ 4,201,446</u>	<u>\$ 4,350,329</u>	<u>\$ 4,297,818</u>	<u>\$ (2,936)</u>	<u>\$ 4,294,882</u>	<u>\$ (55,447)</u>	<u>\$ 4,785,315</u>

**SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

General Fund

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

CITY OF CARROLLTON, TEXAS

General Fund
Comparative Balance Sheets
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Cash and cash equivalents	\$ 18,522,119	\$ 20,691,744
Receivables (net, where applicable, of allowance for doubtful accounts)		
Ad valorem taxes	-	104,076
Sales taxes	2,835,696	2,385,722
Franchise fees	3,062,089	2,915,749
Accrued interest	62,793	79,499
Other	683,509	119,651
Due from other funds	-	1,153,976
Due from other governments	2,089	-
Prepaid items	<u>145,345</u>	<u>-</u>
 Total assets	 <u><u>\$ 25,313,640</u></u>	 <u><u>\$ 27,450,417</u></u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	\$ 6,217,450	\$ 6,635,411
Unearned revenue	<u>10,182</u>	<u>10,782</u>
 Total liabilities	 <u><u>6,227,632</u></u>	 <u><u>6,646,193</u></u>
Fund balances:		
Nonspendable for:		
Prepaid items	145,345	-
Assigned to:		
Purchases on order	331,730	166,593
Unassigned	<u>18,608,933</u>	<u>20,637,631</u>
 Total fund balances	 <u><u>19,086,008</u></u>	 <u><u>20,804,224</u></u>
 Total liabilities and fund balances	 <u><u>\$ 25,313,640</u></u>	 <u><u>\$ 27,450,417</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, 2015
 With Comparative Actual Totals for 2014

	2015					Variance with Final Budget Positive (Negative)	2014
	Budgeted Amounts		Actual GAAP	Adjustments	Actual		Actual
	Original	Final	Basis	Budget Basis	Budget Basis		GAAP Basis
Revenues:							
Taxes:							
Ad valorem	\$ 35,244,652	\$ 35,525,000	35,445,817	\$ -	\$ 35,445,817	\$ (79,183)	\$ 33,694,269
Penalty and interest	175,000	200,000	217,625	-	217,625	17,625	282,589
Sales	28,043,007	31,007,842	31,238,022	-	31,238,022	230,180	27,708,160
Franchise fees	10,589,432	11,318,279	11,395,148	-	11,395,148	76,869	11,668,733
Charges for services	5,379,587	5,032,542	5,485,692	-	5,485,692	453,150	5,452,886
Intergovernmental	-	-	17,328	-	17,328	17,328	-
Licenses and permits	2,721,293	2,938,044	2,797,402	-	2,797,402	(140,642)	2,816,818
Fines and forfeitures	6,778,191	6,737,315	6,833,415	-	6,833,415	96,100	7,057,819
Investment earnings net of change in fair value of investments	172,500	249,000	337,074	(84,135)	252,939	3,939	260,719
Miscellaneous	671,770	665,900	636,249	-	636,249	(29,651)	539,552
Total revenues	<u>89,775,432</u>	<u>93,673,922</u>	<u>94,403,772</u>	<u>(84,135)</u>	<u>94,319,637</u>	<u>645,715</u>	<u>89,481,545</u>
Expenditures:							
Current:							
General government and administration	17,679,355	15,029,541	14,249,773	15,268	14,265,041	764,500	14,233,668
Public safety	49,666,568	50,074,416	50,226,235	104,508	50,330,743	(256,327)	48,450,210
Development services	11,351,012	10,481,195	9,979,839	39,114	10,018,953	462,242	9,357,484
Cultural and recreational	11,899,427	11,338,870	11,013,334	6,247	11,019,581	319,289	10,716,732
Total expenditures	<u>90,596,362</u>	<u>86,924,022</u>	<u>85,469,181</u>	<u>165,137</u>	<u>85,634,318</u>	<u>1,289,704</u>	<u>82,758,094</u>
Excess (deficiency) of revenues over expenditures	<u>(820,930)</u>	<u>6,749,900</u>	<u>8,934,591</u>	<u>(249,272)</u>	<u>8,685,319</u>	<u>1,935,419</u>	<u>6,723,451</u>
Other financing sources (uses):							
Transfers in	5,993,630	6,057,506	5,860,439	407,630	6,268,069	210,563	5,990,864
Transfers out	<u>(5,537,171)</u>	<u>(15,445,171)</u>	<u>(16,513,246)</u>	<u>765,880</u>	<u>(15,747,366)</u>	<u>(302,195)</u>	<u>(10,303,478)</u>
Total other financing sources (uses)	<u>456,459</u>	<u>(9,387,665)</u>	<u>(10,652,807)</u>	<u>1,173,510</u>	<u>(9,479,297)</u>	<u>(91,632)</u>	<u>(4,312,614)</u>
Net change in fund balances	<u>(364,471)</u>	<u>(2,637,765)</u>	<u>(1,718,216)</u>	<u>924,238</u>	<u>(793,978)</u>	<u>1,843,787</u>	<u>2,410,837</u>
Fund balances at beginning of year	<u>19,535,638</u>	<u>19,535,638</u>	<u>20,804,224</u>	<u>(1,268,586)</u>	<u>19,535,638</u>	<u>-</u>	<u>18,393,387</u>
Fund balances at end of year	<u>\$ 19,171,167</u>	<u>\$ 16,897,873</u>	<u>\$ 19,086,008</u>	<u>\$ (344,348)</u>	<u>\$ 18,741,660</u>	<u>\$ 1,843,787</u>	<u>\$ 20,804,224</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Revenues - Budget and Actual
 For the Year Ended September 30, 2015
 With Comparative Actual Totals for 2014

	2015					2014	
	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	\$ 35,244,652	\$ 35,525,000	\$ 35,445,817	\$ -	\$ 35,445,817	\$ (79,183)	\$ 33,694,269
Penalty and interest	175,000	200,000	217,625	-	217,625	17,625	282,589
Sales:							
City sales	27,906,905	30,843,717	31,070,691	-	31,070,691	226,974	27,563,990
Mixed drink	136,102	164,125	167,331	-	167,331	3,206	144,170
Total sales	28,043,007	31,007,842	31,238,022	-	31,238,022	230,180	27,708,160
Franchise fees:							
Electric	5,693,092	5,773,179	5,686,421	-	5,686,421	(86,758)	5,591,235
Telecommunications	1,218,059	1,419,214	1,532,723	-	1,532,723	113,509	1,458,601
Gas	1,052,660	1,356,690	1,331,550	-	1,331,550	(25,140)	1,515,879
Cable	1,825,621	1,859,196	1,867,598	-	1,867,598	8,402	1,776,416
Solid waste	800,000	910,000	976,856	-	976,856	66,856	1,326,602
Total franchise	10,589,432	11,318,279	11,395,148	-	11,395,148	76,869	11,668,733
Charges for services:							
Public safety service fees	2,138,945	2,383,808	2,845,114	-	2,845,114	461,306	2,184,015
Culture and recreation fees	2,379,013	2,163,734	2,113,076	-	2,113,076	(50,658)	2,349,091
Other service fees	861,629	485,000	527,502	-	527,502	42,502	919,780
Total charges for services	5,379,587	5,032,542	5,485,692	-	5,485,692	453,150	5,452,886
Intergovernmental	-	-	17,328	-	17,328	17,328	-
Licenses and permits:							
Building permits	1,779,808	2,016,606	1,849,518	-	1,849,518	(167,088)	1,909,067
Licenses	37,945	50,358	52,581	-	52,581	2,223	46,378
Environmental health charges	806,540	766,005	782,229	-	782,229	16,224	758,921
Other licenses and permits	97,000	105,075	113,074	-	113,074	7,999	102,452
Total licenses and permits	2,721,293	2,938,044	2,797,402	-	2,797,402	(140,642)	2,816,818
Fines and forfeitures:							
Municipal court	6,641,191	6,608,815	6,699,513	-	6,699,513	90,698	6,921,651
Other fines	137,000	128,500	133,902	-	133,902	5,402	136,168
Total fines and forfeitures	6,778,191	6,737,315	6,833,415	-	6,833,415	96,100	7,057,819
Investment earnings net of change in fair value of investments	172,500	249,000	337,074	(84,135)	252,939	3,939	260,719
Miscellaneous	671,770	665,900	636,249	-	636,249	(29,651)	539,552
Total revenues	\$ 89,775,432	\$ 93,673,922	\$ 94,403,772	\$ (84,135)	\$ 94,319,637	\$ 645,715	\$ 89,481,545

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2015
 With Comparative Actual Totals for 2014

	2015					2014	
	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	\$ 22,984	\$ 23,548	\$ -	\$ 23,548	\$ (564)	\$ 23,477
Supplies and services	158,927	152,903	138,176	(8,975)	129,201	23,702	113,124
Utilities	8,244	6,976	6,931	-	6,931	45	6,933
Allocations	750	750	750	-	750	-	750
	<u>192,321</u>	<u>183,613</u>	<u>169,405</u>	<u>(8,975)</u>	<u>160,430</u>	<u>23,183</u>	<u>144,284</u>
City management:							
Personal services	1,190,191	1,155,615	1,152,789	-	1,152,789	2,826	1,089,325
Supplies and services	129,418	125,634	99,675	-	99,675	25,959	121,418
Utilities	5,383	4,554	4,525	-	4,525	29	4,527
Allocations	9,598	9,598	9,598	-	9,598	-	9,598
	<u>1,334,590</u>	<u>1,295,401</u>	<u>1,266,587</u>	<u>-</u>	<u>1,266,587</u>	<u>28,814</u>	<u>1,224,868</u>
Marketing Services:							
Personal services	322,656	303,695	315,338	-	315,338	(11,643)	298,951
Supplies and services	103,554	127,510	91,919	1,246	93,165	34,345	75,148
Utilities	2,291	1,938	1,926	-	1,926	12	1,926
Allocations	4,687	7,079	7,084	-	7,084	(5)	3,834
	<u>433,188</u>	<u>440,222</u>	<u>416,267</u>	<u>1,246</u>	<u>417,513</u>	<u>22,709</u>	<u>379,859</u>
Accounting:							
Personal services	482,029	471,393	504,397	-	504,397	(33,004)	512,726
Supplies and services	150,047	144,047	134,901	-	134,901	9,146	141,371
Utilities	2,583	2,185	2,172	-	2,172	13	2,172
Allocations	5,046	5,046	5,046	-	5,046	-	5,046
	<u>639,705</u>	<u>622,671</u>	<u>646,516</u>	<u>-</u>	<u>646,516</u>	<u>(23,845)</u>	<u>661,315</u>
Finance administration:							
Personal services	436,404	554,839	490,325	-	490,325	64,514	440,891
Supplies and services	432,114	425,284	421,404	-	421,404	3,880	413,987
Utilities	1,916	1,621	1,610	-	1,610	11	1,611
Allocations	6,444	6,444	6,444	-	6,444	-	7,299
	<u>876,878</u>	<u>988,188</u>	<u>919,783</u>	<u>-</u>	<u>919,783</u>	<u>68,405</u>	<u>863,788</u>
Budget and management analysis:							
Personal services	289,961	231,438	242,124	-	242,124	(10,686)	225,914
Supplies and services	9,990	9,990	3,604	-	3,604	6,386	10,845
Utilities	2,110	1,785	1,774	-	1,774	11	1,774
Allocations	3,137	3,137	3,137	-	3,137	-	3,137
	<u>305,198</u>	<u>246,350</u>	<u>250,639</u>	<u>-</u>	<u>250,639</u>	<u>(4,289)</u>	<u>241,670</u>
Purchasing:							
Personal services	171,655	158,724	158,875	-	158,875	(151)	158,889
Supplies and services	6,560	6,406	3,461	-	3,461	2,945	4,049
Utilities	2,994	2,533	2,518	-	2,518	15	2,518
Allocations	1,348	1,348	1,348	-	1,348	-	1,348
	<u>182,557</u>	<u>169,011</u>	<u>166,202</u>	<u>-</u>	<u>166,202</u>	<u>2,809</u>	<u>166,804</u>
General services:							
Personal services	84,584	71,570	71,722	-	71,722	(152)	70,606
Supplies and services	54,613	47,134	37,780	(598)	37,182	9,952	40,105
Utilities	3,528	2,985	2,966	-	2,966	19	2,967
Allocations	2,497	2,366	2,497	-	2,497	(131)	2,889
	<u>145,222</u>	<u>124,055</u>	<u>114,965</u>	<u>(598)</u>	<u>114,367</u>	<u>9,688</u>	<u>116,567</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2015
 With Comparative Actual Totals for 2014

	2015					2014	
	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	\$ 155,361	\$ 161,058	\$ 161,338	\$ -	\$ 161,338	\$ (280)	\$ 156,416
Supplies and services	5,988,853	6,078,599	5,927,297	(8,305)	5,918,992	159,607	5,679,152
Utilities	28,953	27,265	28,043	-	28,043	(778)	25,142
Allocations	42,090	42,090	42,090	-	42,090	-	42,090
	<u>6,215,257</u>	<u>6,309,012</u>	<u>6,158,768</u>	<u>(8,305)</u>	<u>6,150,463</u>	<u>158,549</u>	<u>5,902,800</u>
Workforce services:							
Personal services	583,425	546,428	522,753	-	522,753	23,675	530,179
Supplies and services	86,970	116,970	79,288	-	79,288	37,682	112,743
Utilities	4,898	4,145	4,118	-	4,118	27	4,119
Allocations	5,758	5,758	5,758	-	5,758	-	5,758
	<u>681,051</u>	<u>673,301</u>	<u>611,917</u>	<u>-</u>	<u>611,917</u>	<u>61,384</u>	<u>652,799</u>
City attorney:							
Personal services	739,622	578,066	539,557	-	539,557	38,509	929,428
Supplies and services	376,413	115,615	136,673	1,628	138,301	(22,686)	68,478
Utilities	3,043	2,574	2,558	-	2,558	16	2,559
Allocations	5,808	5,808	5,808	-	5,808	-	5,808
Capital outlay	-	-	-	-	-	-	4,221
	<u>1,124,886</u>	<u>702,063</u>	<u>684,596</u>	<u>1,628</u>	<u>686,224</u>	<u>15,839</u>	<u>1,010,494</u>
Facilities services:							
Personal services	465,585	449,123	451,447	-	451,447	(2,324)	453,372
Supplies and services	738,983	731,511	771,151	24,723	795,874	(64,363)	769,724
Utilities	89,481	83,883	94,881	-	94,881	(10,998)	87,700
Allocations	45,960	43,082	43,119	-	43,119	(37)	43,319
	<u>1,340,009</u>	<u>1,307,599</u>	<u>1,360,598</u>	<u>24,723</u>	<u>1,385,321</u>	<u>(77,722)</u>	<u>1,354,115</u>
Resolution center:							
Personal services	560,449	571,078	572,596	-	572,596	(1,518)	547,564
Supplies and services	6,326	7,534	5,323	-	5,323	2,211	5,402
Allocations	3,412	3,412	3,412	-	3,412	-	3,412
Capital outlay	405	405	380	-	380	25	794
	<u>570,592</u>	<u>582,429</u>	<u>581,711</u>	<u>-</u>	<u>581,711</u>	<u>718</u>	<u>557,172</u>
Organizational Development:							
Personal services	244,730	258,589	286,248	-	286,248	(27,659)	254,305
Supplies and services	41,199	43,028	17,237	-	17,237	25,791	21,829
Utilities	2,408	2,070	2,069	-	2,069	1	2,005
Allocations	2,094	2,094	2,094	-	2,094	-	2,094
	<u>290,431</u>	<u>305,781</u>	<u>307,648</u>	<u>-</u>	<u>307,648</u>	<u>(1,867)</u>	<u>280,233</u>
Non-departmental:							
Personal services	1,790,208	168,070	-	-	-	168,070	3,247
Supplies and services	648,084	599,534	535,192	-	535,192	64,342	661,511
Allocations	851,178	254,241	4,244	-	4,244	249,997	4,241
Capital outlay	58,000	58,000	54,735	5,549	60,284	(2,284)	7,901
	<u>3,347,470</u>	<u>1,079,845</u>	<u>594,171</u>	<u>5,549</u>	<u>599,720</u>	<u>480,125</u>	<u>676,900</u>
Total general government and administration	<u>17,679,355</u>	<u>15,029,541</u>	<u>14,249,773</u>	<u>15,268</u>	<u>14,265,041</u>	<u>764,500</u>	<u>14,233,668</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2015
 With Comparative Actual Totals for 2014

	2015					2014	
	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	\$ 8,573,794	\$ 9,117,424	\$ 9,061,960	\$ -	\$ 9,061,960	\$ 55,464	\$ 7,235,911
Supplies and services	773,407	766,630	712,540	21,883	734,423	32,207	686,672
Utilities	102,831	90,545	90,034	-	90,034	511	88,024
Allocations	137,470	137,470	137,470	-	137,470	-	137,470
Capital outlay	23,250	23,250	16,923	-	16,923	6,327	5,586
	<u>9,610,752</u>	<u>10,135,319</u>	<u>10,018,927</u>	<u>21,883</u>	<u>10,040,810</u>	<u>94,509</u>	<u>8,153,663</u>
Police operations:							
Personal services	10,760,060	10,481,503	10,592,407	-	10,592,407	(110,904)	12,120,792
Supplies and services	1,512,028	1,385,613	1,205,241	30,313	1,235,554	150,059	1,208,114
Utilities	32,370	28,214	28,289	-	28,289	(75)	27,942
Allocations	1,170,456	1,122,903	1,109,638	-	1,109,638	13,265	1,069,497
Capital outlay	4,400	101,746	112,478	(3,762)	108,716	(6,970)	169,613
	<u>13,479,314</u>	<u>13,119,979</u>	<u>13,048,053</u>	<u>26,551</u>	<u>13,074,604</u>	<u>45,375</u>	<u>14,595,958</u>
Fire operations:							
Personal services	15,153,664	15,704,786	16,186,621	-	16,186,621	(481,835)	15,330,226
Supplies and services	1,695,556	1,658,498	1,700,361	7,482	1,707,843	(49,345)	1,633,176
Utilities	119,969	114,344	114,213	-	114,213	131	111,607
Allocations	1,384,235	1,347,986	1,356,366	-	1,356,366	(8,380)	1,215,608
Capital outlay	28,000	28,000	44,644	(17,889)	26,755	1,245	66,150
	<u>18,381,424</u>	<u>18,853,614</u>	<u>19,402,205</u>	<u>(10,407)</u>	<u>19,391,798</u>	<u>(538,184)</u>	<u>18,356,767</u>
Fire support services:							
Personal services	1,542,865	1,558,812	1,567,644	-	1,567,644	(8,832)	1,454,117
Supplies and services	79,204	163,841	65,773	37,500	103,273	60,568	58,486
Utilities	6,583	5,570	5,534	-	5,534	36	5,536
Allocations	55,869	54,651	57,046	-	57,046	(2,395)	55,518
Capital outlay	-	34,000	-	28,981	28,981	5,019	-
	<u>1,684,521</u>	<u>1,816,874</u>	<u>1,695,997</u>	<u>66,481</u>	<u>1,762,478</u>	<u>54,396</u>	<u>1,573,657</u>
Emergency dispatch:							
Personal services	1,991,640	1,772,790	1,756,541	-	1,756,541	16,249	1,605,051
Supplies and services	50,258	61,395	57,600	-	57,600	3,795	58,098
Utilities	11,129	9,417	9,357	-	9,357	60	9,360
Allocations	11,242	11,242	11,241	-	11,241	1	11,242
Capital outlay	6,850	1,500	4,960	-	4,960	(3,460)	2,871
	<u>2,071,119</u>	<u>1,856,344</u>	<u>1,839,699</u>	<u>-</u>	<u>1,839,699</u>	<u>16,645</u>	<u>1,686,622</u>
Municipal court:							
Personal services	1,281,227	1,252,836	1,257,454	-	1,257,454	(4,618)	1,152,762
Supplies and services	212,503	222,271	201,011	-	201,011	21,260	174,473
Utilities	52,228	46,752	47,381	-	47,381	(629)	44,282
Allocations	48,520	62,756	62,516	-	62,516	240	39,363
Capital outlay	61,697	61,697	53,346	-	53,346	8,351	53,492
	<u>1,656,175</u>	<u>1,646,312</u>	<u>1,621,708</u>	<u>-</u>	<u>1,621,708</u>	<u>24,604</u>	<u>1,464,372</u>
Environmental services:							
Personal services	1,480,811	1,444,080	1,430,424	-	1,430,424	13,656	1,478,116
Supplies and services	391,212	378,419	318,024	-	318,024	60,395	302,025
Utilities	12,657	10,709	10,641	-	10,641	68	10,644
Allocations	63,312	63,131	63,130	-	63,130	1	63,312
	<u>1,947,992</u>	<u>1,896,339</u>	<u>1,822,219</u>	<u>-</u>	<u>1,822,219</u>	<u>74,120</u>	<u>1,854,097</u>

CITY OF CARROLLTON, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

For the Year Ended September 30, 2015

With Comparative Actual Totals for 2014

	2015					2014	
	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	\$ 644,055	\$ 579,006	\$ 606,576	\$ -	\$ 606,576	\$ (27,570)	\$ 614,186
Supplies and services	78,296	74,633	72,977	-	72,977	1,656	75,441
Utilities	60,006	41,404	42,776	-	42,776	(1,372)	49,891
Allocations	32,024	33,702	34,217	-	34,217	(515)	25,556
Capital outlay	20,890	20,890	20,881	-	20,881	9	-
	<u>835,271</u>	<u>749,635</u>	<u>777,427</u>	<u>-</u>	<u>777,427</u>	<u>(27,792)</u>	<u>765,074</u>
Total public safety	<u>49,666,568</u>	<u>50,074,416</u>	<u>50,226,235</u>	<u>104,508</u>	<u>50,330,743</u>	<u>(256,327)</u>	<u>48,450,210</u>
Development services:							
Transportation engineering:							
Personal services	781,313	721,141	763,640	-	763,640	(42,499)	722,098
Supplies and services	52,243	52,244	20,632	-	20,632	31,612	36,727
Utilities	3,322	2,811	2,793	-	2,793	18	2,794
Allocations	5,944	5,944	5,943	-	5,943	1	5,944
Capital outlay	67,150	67,104	24,597	-	24,597	42,507	2,000
	<u>909,972</u>	<u>849,244</u>	<u>817,605</u>	<u>-</u>	<u>817,605</u>	<u>31,639</u>	<u>769,563</u>
Civil engineering:							
Personal services	872,653	815,780	792,732	-	792,732	23,048	776,936
Supplies and services	65,162	56,935	47,078	-	47,078	9,857	49,830
Utilities	10,142	8,412	8,358	-	8,358	54	8,360
Allocations	24,117	20,412	19,267	-	19,267	1,145	22,941
Capital outlay	33,300	33,300	30,387	-	30,387	2,913	10,500
	<u>1,005,374</u>	<u>934,839</u>	<u>897,822</u>	<u>-</u>	<u>897,822</u>	<u>37,017</u>	<u>868,567</u>
Traffic operations:							
Personal services	757,000	683,892	671,029	-	671,029	12,863	606,605
Supplies and services	386,303	361,982	267,507	(2,125)	265,382	96,600	270,804
Utilities	1,034,153	1,001,581	996,836	-	996,836	4,745	950,200
Allocations	381,632	338,076	339,452	-	339,452	(1,376)	314,307
	<u>2,559,088</u>	<u>2,385,531</u>	<u>2,274,824</u>	<u>(2,125)</u>	<u>2,272,699</u>	<u>112,832</u>	<u>2,141,916</u>
Streets:							
Personal services	1,410,998	1,189,176	1,207,647	-	1,207,647	(18,471)	1,196,236
Supplies and services	1,211,847	1,085,185	1,047,515	10,024	1,057,539	27,646	827,264
Utilities	-	-	465	-	465	(465)	260
Allocations	612,084	573,525	572,089	-	572,089	1,436	515,024
Capital Outlay	57,000	57,000	7,924	31,960	39,884	17,116	-
	<u>3,291,929</u>	<u>2,904,886</u>	<u>2,835,640</u>	<u>41,984</u>	<u>2,877,624</u>	<u>27,262</u>	<u>2,538,784</u>
Drainage:							
Personal services	469,339	418,940	395,594	-	395,594	23,346	396,171
Supplies and services	205,205	247,300	205,115	(5,138)	199,977	47,323	170,797
Allocations	354,146	307,254	307,254	-	307,254	-	291,180
	<u>1,028,690</u>	<u>973,494</u>	<u>907,963</u>	<u>(5,138)</u>	<u>902,825</u>	<u>70,669</u>	<u>858,148</u>
Public works administration:							
Personal services	-	(68,290)	4,438	-	4,438	(72,728)	13,200
Supplies and services	-	-	(12,987)	-	(12,987)	12,987	(12,438)
Utilities	-	(6,785)	(7,103)	-	(7,103)	318	(7,441)
Allocations	(212,445)	(212,445)	(212,445)	-	(212,445)	-	(279,475)
	<u>(212,445)</u>	<u>(287,520)</u>	<u>(228,097)</u>	<u>-</u>	<u>(228,097)</u>	<u>(59,423)</u>	<u>(286,154)</u>

CITY OF CARROLLTON, TEXAS

General Fund

Schedule of Expenditures - Budget and Actual

For the Year Ended September 30, 2015

With Comparative Actual Totals for 2014

	2015					2014	
	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	\$ 217,030	\$ 224,708	\$ 225,675	\$ -	\$ 225,675	\$ (967)	\$ 232,620
Supplies and services	28,859	28,859	20,493	-	20,493	8,366	22,544
Utilities	2,024	1,713	1,702	-	1,702	11	1,703
Allocations	1,825	1,825	1,825	-	1,825	-	1,825
Capital Outlay	2,000	1,650	-	-	-	1,650	-
	<u>251,738</u>	<u>258,755</u>	<u>249,695</u>	<u>-</u>	<u>249,695</u>	<u>9,060</u>	<u>258,692</u>
Building inspection:							
Personal services	1,564,297	1,648,509	1,537,279	-	1,537,279	111,230	1,397,045
Supplies and services	102,814	96,203	84,541	-	84,541	11,662	67,748
Utilities	8,644	7,314	7,267	-	7,267	47	7,270
Allocations	38,444	32,795	33,977	-	33,977	(1,182)	31,558
Capital outlay	27,958	27,958	22,025	4,393	26,418	1,540	-
	<u>1,742,157</u>	<u>1,812,779</u>	<u>1,685,089</u>	<u>4,393</u>	<u>1,689,482</u>	<u>123,297</u>	<u>1,503,621</u>
Transit Oriented Development:							
Personal services	148,671	144,524	144,676	-	144,676	(152)	146,310
Supplies and services	33,666	32,866	24,083	-	24,083	8,783	18,132
Utilities	2,643	2,544	2,457	-	2,457	87	2,086
Allocations	1,284	1,284	1,284	-	1,284	-	1,284
	<u>186,264</u>	<u>181,218</u>	<u>172,500</u>	<u>-</u>	<u>172,500</u>	<u>8,718</u>	<u>167,812</u>
Economic development:							
Personal services	328,752	235,762	241,873	-	241,873	(6,111)	398,132
Supplies and services	253,717	226,871	119,605	-	119,605	107,266	125,214
Utilities	2,861	2,421	2,405	-	2,405	16	2,406
Allocations	2,915	2,915	2,915	-	2,915	-	2,915
Capital Outlay	-	-	-	-	-	-	7,868
	<u>588,245</u>	<u>467,969</u>	<u>366,798</u>	<u>-</u>	<u>366,798</u>	<u>101,171</u>	<u>536,535</u>
Total development services	<u>11,351,012</u>	<u>10,481,195</u>	<u>9,979,839</u>	<u>39,114</u>	<u>10,018,953</u>	<u>462,242</u>	<u>9,357,484</u>
Cultural and recreational:							
Library:							
Personal services	2,184,032	2,008,380	1,992,287	-	1,992,287	16,093	1,997,739
Supplies and services	215,891	217,214	197,518	(7,065)	190,453	26,761	176,390
Utilities	153,591	131,631	129,721	-	129,721	1,910	129,276
Allocations	26,559	26,559	26,559	-	26,559	-	26,559
Capital outlay	326,628	326,628	313,837	(9,742)	304,095	22,533	315,325
	<u>2,906,701</u>	<u>2,710,412</u>	<u>2,659,922</u>	<u>(16,807)</u>	<u>2,643,115</u>	<u>67,297</u>	<u>2,645,289</u>
Parks Non-Contract:							
Personal services	476,506	522,223	541,054	-	541,054	(18,831)	493,318
Supplies and services	226,207	135,204	127,396	-	127,396	7,808	215,790
Utilities	312,816	310,492	260,128	-	260,128	50,364	249,830
Allocations	72,356	67,136	66,696	-	66,696	440	70,104
Capital outlay	500	500	844	-	844	(344)	1,434
	<u>1,088,385</u>	<u>1,035,555</u>	<u>996,118</u>	<u>-</u>	<u>996,118</u>	<u>39,437</u>	<u>1,030,476</u>
Parks Contract:							
Personal services	1,161,497	1,084,128	1,121,414	-	1,121,414	(37,286)	1,055,847
Supplies and services	913,577	887,970	720,712	30,433	751,145	136,825	841,521
Allocations	245,070	223,633	216,309	-	216,309	7,324	160,271
Capital outlay	29,500	29,500	33,562	(4,512)	29,050	450	10,117
	<u>2,349,644</u>	<u>2,225,231</u>	<u>2,091,997</u>	<u>25,921</u>	<u>2,117,918</u>	<u>107,313</u>	<u>2,067,756</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2015
 With Comparative Actual Totals for 2014

	2015					2014	
	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	\$ -	\$ 535	\$ 387	\$ -	\$ 387	\$ 148	\$ 49,338
Supplies and services	15,540	15,040	3,649	2,900	6,549	8,491	7,454
Utilities	29,484	28,286	30,117	-	30,117	(1,831)	24,551
Allocations	7,422	7,422	7,422	-	7,422	-	7,422
	<u>52,446</u>	<u>51,283</u>	<u>41,575</u>	<u>2,900</u>	<u>44,475</u>	<u>6,808</u>	<u>88,765</u>
Leisure services:							
Personal services	486,111	515,990	530,169	-	530,169	(14,179)	493,002
Supplies and services	66,418	61,967	74,748	4,680	79,428	(17,461)	33,256
Utilities	1,055	615	818	-	818	(203)	676
Allocations	11,855	11,855	11,855	-	11,855	-	11,855
	<u>565,439</u>	<u>590,427</u>	<u>617,590</u>	<u>4,680</u>	<u>622,270</u>	<u>(31,843)</u>	<u>538,789</u>
Rosemeade Recreation Center:							
Personal services	338,245	248,160	278,804	-	278,804	(30,644)	279,893
Supplies and services	318,768	317,906	303,857	337	304,194	13,712	297,221
Utilities	72,435	60,342	59,325	-	59,325	1,017	55,740
Allocations	6,682	6,682	6,682	-	6,682	-	6,682
	<u>736,130</u>	<u>633,090</u>	<u>648,668</u>	<u>337</u>	<u>649,005</u>	<u>(15,915)</u>	<u>639,536</u>
Crosby Recreation Center:							
Personal services	248,306	241,380	235,605	-	235,605	5,775	161,197
Supplies and services	84,279	98,418	65,775	(1,514)	64,261	34,157	48,641
Utilities	45,596	42,059	41,094	-	41,094	965	42,558
Allocations	5,400	5,399	5,399	-	5,399	-	5,399
	<u>383,581</u>	<u>387,256</u>	<u>347,873</u>	<u>(1,514)</u>	<u>346,359</u>	<u>40,897</u>	<u>257,795</u>
Perry Museum:							
Personal services	71,127	74,654	74,387	-	74,387	267	68,530
Supplies and services	9,282	9,282	11,688	(2,318)	9,370	(88)	5,602
Utilities	9,580	9,134	8,778	-	8,778	356	8,458
	<u>89,989</u>	<u>93,070</u>	<u>94,853</u>	<u>(2,318)</u>	<u>92,535</u>	<u>535</u>	<u>82,590</u>
Senior Center:							
Personal services	190,155	206,993	199,918	-	199,918	7,075	207,614
Supplies and services	46,361	47,372	35,443	2,092	37,535	9,837	33,087
Utilities	42,523	39,036	37,035	-	37,035	2,001	38,802
Allocations	11,830	11,830	11,829	-	11,829	1	11,829
Capital outlay	21,043	-	-	-	-	-	-
	<u>311,912</u>	<u>305,231</u>	<u>284,225</u>	<u>2,092</u>	<u>286,317</u>	<u>18,914</u>	<u>291,332</u>
Athletics:							
Personal services	1,870,906	1,764,285	1,754,965	-	1,754,965	9,320	1,733,702
Supplies and services	912,721	941,532	873,459	(9,044)	864,415	77,117	810,990
Utilities	399,630	372,194	374,058	-	374,058	(1,864)	348,887
Allocations	231,943	216,075	214,802	-	214,802	1,273	180,825
Capital outlay	-	13,229	13,229	-	13,229	-	-
	<u>3,415,200</u>	<u>3,307,315</u>	<u>3,230,513</u>	<u>(9,044)</u>	<u>3,221,469</u>	<u>85,846</u>	<u>3,074,404</u>
Total cultural and recreational	<u>11,899,427</u>	<u>11,338,870</u>	<u>11,013,334</u>	<u>6,247</u>	<u>11,019,581</u>	<u>319,289</u>	<u>10,716,732</u>
Total expenditures	<u>\$ 90,596,362</u>	<u>\$ 86,924,022</u>	<u>\$ 85,469,181</u>	<u>\$ 165,137</u>	<u>\$ 85,634,318</u>	<u>\$ 1,289,704</u>	<u>\$ 82,758,094</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, 2015

	Fleet Services	Risk Management	Employee Health and Disability	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 3,903,450	\$ 4,235,900	\$ 7,858,902	\$ 15,998,252
Receivables:				
Accrued interest	3,566	4,422	8,123	16,111
Other	-	-	184,056	184,056
Inventories	55,098	-	-	55,098
Prepaid items	-	141,000	7,367	148,367
Total current assets	<u>3,962,114</u>	<u>4,381,322</u>	<u>8,058,448</u>	<u>16,401,884</u>
Noncurrent assets:				
Net pension asset	-	-	-	-
Capital assets:				
Buildings	176,409	-	-	176,409
Equipment	20,123,383	-	-	20,123,383
Intangibles	34,314	70,400	-	104,714
Accumulated depreciation	(11,234,126)	(70,400)	-	(11,304,526)
Total capital assets, net of accumulated depreciation	<u>9,099,980</u>	<u>-</u>	<u>-</u>	<u>9,099,980</u>
Total noncurrent assets	<u>9,099,980</u>	<u>-</u>	<u>-</u>	<u>9,099,980</u>
Total assets	<u>13,062,094</u>	<u>4,381,322</u>	<u>8,058,448</u>	<u>25,501,864</u>
Liabilities				
Current liabilities:				
Accounts payable	224,308	103,131	132,939	460,378
Estimated health claims payable	-	-	1,102,000	1,102,000
Compensated absences	-	1,116	-	1,116
Total current liabilities	<u>224,308</u>	<u>104,247</u>	<u>1,234,939</u>	<u>1,563,494</u>
Noncurrent liabilities:				
Compensated absences	-	25,809	-	25,809
Other post employment benefits obligation	-	-	881,581	881,581
Long-term risk liability	-	1,242,630	-	1,242,630
Total noncurrent liabilities	<u>-</u>	<u>1,268,439</u>	<u>881,581</u>	<u>2,150,020</u>
Total liabilities	<u>224,308</u>	<u>1,372,686</u>	<u>2,116,520</u>	<u>3,713,514</u>
Net Position				
Investment in capital assets	9,099,980	-	-	9,099,980
Unrestricted	3,737,806	3,008,636	5,941,928	12,688,370
Total net position	<u>\$ 12,837,786</u>	<u>\$ 3,008,636</u>	<u>\$ 5,941,928</u>	<u>\$ 21,788,350</u>

CITY OF CARROLLTON, TEXAS

Internal Service Funds
 Combining Statement of Revenues, Expenses and Changes in Net Position
 For the Year Ended September 30, 2015

	Fleet Services	Risk Management	Employee Health and Disability	Totals
Operating revenues:				
Charges for services	\$ 5,784,951	\$ 1,991,809	\$ 9,675,013	\$ 17,451,773
Operating expenses:				
Personal services	73,842	87,126	-	160,968
Supplies and services	2,687,721	828,487	12,001,021	15,517,229
Utilities	28,343	357	-	28,700
Allocations	52,349	-	-	52,349
Depreciation	2,020,839	-	-	2,020,839
Total operating expenses	4,863,094	915,970	12,001,021	17,780,085
Income (loss) from operations	921,857	1,075,839	(2,326,008)	(328,312)
Nonoperating revenues:				
Investment earnings net of change in fair value of investments	23,878	31,007	67,196	122,081
Gain on sale/retirement of capital assets	311,171	-	-	311,171
Total nonoperating revenues	335,049	31,007	67,196	433,252
Income (loss) before transfers	1,256,906	1,106,846	(2,258,812)	104,940
Transfers in	500,000	-	-	500,000
Transfers out	(218,810)	(101,259)	-	(320,069)
Change in net position	1,538,096	1,005,587	(2,258,812)	284,871
Net position at beginning of year, as previously reported	11,300,207	2,006,887	8,200,740	21,507,834
Impact of change in accounting principle	(517)	(3,838)	-	(4,355)
Net position at beginning of year, as restated	11,299,690	2,003,049	8,200,740	21,503,479
Net position at end of year	\$ 12,837,786	\$ 3,008,636	\$ 5,941,928	\$ 21,788,350

CITY OF CARROLLTON, TEXAS

Internal Service Funds
 Combining Statement of Cash Flows
 For the Year Ended September 30, 2015

	Fleet Services	Risk Management	Employee Health and Disability	Totals
Cash flows from operating activities:				
Cash received from employees for services	\$ -	\$ -	\$ 1,571,466	\$ 1,571,466
Cash received from other funds for services	5,784,951	1,991,809	7,986,342	15,763,102
Cash received from loss claim recoveries and refunds	-	288,686	458,900	747,586
Cash payments to suppliers for goods and services	(2,750,482)	(837,421)	(1,860,604)	(5,448,507)
Cash payments to employees for services	(65,564)	(78,850)	-	(144,414)
Cash payments for loss claims	-	(1,119,274)	(10,036,799)	(11,156,073)
Cash payments to other funds for services	(58,232)	(6,495)	-	(64,727)
Net cash provided (used) by operating activities	<u>2,910,673</u>	<u>238,455</u>	<u>(1,880,695)</u>	<u>1,268,433</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	500,000	-	-	500,000
Transfers to other funds	(218,810)	(101,259)	-	(320,069)
Net cash provided (used) by noncapital and related financing activities	<u>281,190</u>	<u>(101,259)</u>	<u>-</u>	<u>179,931</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(2,753,363)	-	-	(2,753,363)
Proceeds from sale of capital assets	320,447	-	-	320,447
Net cash used by capital and related financing activities	<u>(2,432,916)</u>	<u>-</u>	<u>-</u>	<u>(2,432,916)</u>
Cash flows from investing activities:				
Interest on cash and cash equivalents	24,594	31,989	71,984	128,567
Net increase (decrease) in cash and cash equivalents	783,541	169,185	(1,808,711)	(855,985)
Cash and cash equivalents, October 1	3,119,909	4,066,715	9,667,613	16,854,237
Cash and cash equivalents, September 30	<u>\$ 3,903,450</u>	<u>\$ 4,235,900</u>	<u>\$ 7,858,902</u>	<u>\$ 15,998,252</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:				
Income (loss) from operations	\$ 921,857	\$ 1,075,839	\$ (2,326,008)	\$ (328,312)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	2,020,839	-	-	2,020,839
Change in assets and liabilities:				
Decrease in other receivables	-	-	(118,579)	(118,579)
Decrease in inventories	16,177	-	-	16,177
Decrease in prepaid items	-	28,000	-	28,000
Increase in net pension asset	-	-	-	-
Increase (decrease) in accounts payable	(48,200)	(80,773)	126,360	(2,613)
Increase in estimated health claims payable	-	-	(3,000)	(3,000)
Decrease in liability for compensated absences	-	1,317	-	1,317
Increase in long-term risk liability	-	(785,928)	-	(785,928)
Increase in other post employment benefits obligation	-	-	440,532	440,532
Net cash provided (used) by operating activities	<u>\$ 2,910,673</u>	<u>\$ 238,455</u>	<u>\$ (1,880,695)</u>	<u>\$ 1,268,433</u>

**SUPPLEMENTARY INDIVIDUAL FUND
FINANCIAL STATEMENTS**

Proprietary Funds

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



CARROLLTON
T E X A S

CITY OF CARROLLTON, TEXAS

Water and Sewer Fund
 Comparative Statements of Net Position
 September 30, 2015 and 2014

Assets	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents	\$ 19,805,724	\$ 22,520,874
Receivables (net, where applicable, of allowance for doubtful accounts of \$141,992 in 2015 and \$151,773 in 2014):		
Accounts	5,043,584	3,917,550
Accrued interest	24,068	35,074
Restricted assets:		
Cash and cash equivalents	<u>3,413,214</u>	<u>3,287,455</u>
Total current assets	<u>28,286,590</u>	<u>29,760,953</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	1,460,318	1,488,696
Net pension asset	-	57,880
Capital assets:		
Land	1,372,868	1,372,868
Buildings	18,038,700	18,038,700
Equipment	3,989,625	3,875,592
Intangibles	770,112	770,112
Infrastructure	237,949,632	233,120,586
Construction in progress	273,970	129,935
Accumulated depreciation	<u>(132,053,043)</u>	<u>(124,943,330)</u>
Total capital assets, net of accumulated depreciation	<u>130,341,864</u>	<u>132,364,463</u>
Total noncurrent assets	<u>131,802,182</u>	<u>133,911,039</u>
Total assets	<u>160,088,772</u>	<u>163,671,992</u>
Deferred outflow of resources		
Deferred charges on refundings	177,104	200,458
Pension contributions after measurement date	220,148	-
Difference in projected and actual earnings on pension assets	<u>139,985</u>	<u>-</u>
Total deferred outflow of resources	<u>537,237</u>	<u>200,458</u>
Liabilities		
Current liabilities:		
Accounts payable	1,582,107	2,849,464
Customer deposits payable	2,648,962	2,525,276
Revenue bonds payable	1,359,120	1,314,120
Compensated absences	46,773	60,521
Accrued interest	<u>239,252</u>	<u>255,929</u>
Total current liabilities	<u>5,876,214</u>	<u>7,005,310</u>
Noncurrent liabilities:		
Revenue bonds payable	13,578,357	14,937,477
Net pension liability	293,046	-
Compensated absences	<u>649,252</u>	<u>589,837</u>
Total noncurrent liabilities	<u>14,520,655</u>	<u>15,527,314</u>
Total liabilities	<u>20,396,869</u>	<u>22,532,624</u>
Deferred inflow of resources		
Difference in expected and actual pension experience	<u>63,979</u>	<u>-</u>
Net Position		
Net investment in capital assets	116,106,491	116,819,574
Restricted for:		
Revenue bond retirement	1,460,318	1,488,696
Unrestricted	<u>22,598,352</u>	<u>23,031,556</u>
Total net position	<u>\$ 140,165,161</u>	<u>\$ 141,339,826</u>

CITY OF CARROLLTON, TEXAS

Water and Sewer Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 35,301,330	\$ 33,789,304
Miscellaneous	174,697	159,535
Total operating revenues	<u>35,476,027</u>	<u>33,948,839</u>
Operating expenses:		
Personal services	3,740,948	3,683,454
Supplies and services	21,549,538	21,811,902
Utilities	858,560	694,054
Allocations	1,175,733	1,195,384
Depreciation	7,291,949	8,077,819
Total operating expenses	<u>34,616,728</u>	<u>35,462,613</u>
Income (loss) from operations	<u>859,299</u>	<u>(1,513,774)</u>
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	192,902	153,235
Gain on sale/retirement of capital assets	29,757	95,377
Interest expense	(521,786)	(573,215)
Total nonoperating revenues (expenses)	<u>(299,127)</u>	<u>(324,603)</u>
Loss before contributions and transfers	560,172	(1,838,377)
Capital contributions	2,027,734	2,104,033
Transfers out	<u>(3,587,841)</u>	<u>(3,651,703)</u>
Change in net position	(999,935)	(3,386,047)
Net position at beginning of year, as previously reported	141,339,826	144,725,873
Impact of change in accounting principle	<u>(174,730)</u>	<u>-</u>
Net position at beginning of year, as restated	<u>141,165,096</u>	<u>144,725,873</u>
Net position at end of year	<u>\$ 140,165,161</u>	<u>\$ 141,339,826</u>

CITY OF CARROLLTON, TEXAS

Water and Sewer Fund
 Comparative Statements of Cash Flows
 For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 34,254,532	\$ 34,214,319
Other operating cash receipts	174,697	159,535
Cash payments to suppliers for goods and services	(22,453,213)	(23,162,023)
Cash payments to employees for services	(3,164,429)	(3,082,405)
Cash payments to other funds for services	(1,470,609)	(1,396,794)
Net cash provided by operating activities	<u>7,340,978</u>	<u>6,732,632</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(3,587,841)</u>	<u>(3,651,703)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(5,669,782)	(6,141,820)
Proceeds from sale of capital assets	29,757	95,378
Interest paid on bonds	(614,229)	(673,804)
Retirement of bonds	(1,215,000)	(1,715,000)
Capital contributions	894,440	878,625
Net cash used by capital and related financing activities	<u>(6,574,814)</u>	<u>(7,556,621)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>203,908</u>	<u>150,307</u>
Net decrease in cash and cash equivalents	(2,617,769)	(4,325,385)
Cash and cash equivalents, October 1	<u>27,297,025</u>	<u>31,622,410</u>
Cash and cash equivalents, September 30	<u>\$ 24,679,256</u>	<u>\$ 27,297,025</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:		
Income (loss) from operations	\$ 859,299	\$ (1,513,774)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:		
Depreciation	7,291,949	8,077,819
Provision for doubtful accounts	44,450	47,877
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources		
(Increase) decrease in accounts receivable	(1,170,484)	328,315
Increase in net pension asset	-	(11,300)
Increase in pension related deferred outflows	(146,553)	-
Increase (decrease) in accounts payable	266,369	(290,112)
Increase in customer deposits payable	123,686	96,700
Decrease in net pension liability	(37,384)	-
Decrease in liability for compensated absences	45,667	(2,893)
Increase in pension related deferred inflows	63,979	
Net cash provided by operating activities	<u>\$ 7,340,978</u>	<u>\$ 6,732,632</u>
Noncash investing, capital, and financing activities:		
During this past year, the Water and Sewer Fund received \$1,133,294 noncash capital contributions from developers consisting of water and sewer infrastructure.		
Reconciliation of total cash and cash equivalents:		
Current assets:		
Cash and cash equivalents	\$ 19,805,724	\$ 22,520,874
Restricted assets - cash and cash equivalents	3,413,214	3,287,455
Noncurrent assets:		
Restricted assets - cash and cash equivalents	<u>1,460,318</u>	<u>1,488,696</u>
Total cash and cash equivalents	<u>\$ 24,679,256</u>	<u>\$ 27,297,025</u>

CITY OF CARROLLTON, TEXAS

Golf Course Fund
 Comparative Statements of Net Position
 September 30, 2015 ⁽¹⁾ and 2014

	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 172,477	\$ 753,527
Receivables:		
Accrued interest	443	899
Other	-	127,984
Total current assets	172,920	882,410
Noncurrent assets:		
Capital assets:		
Land	995,000	995,000
Buildings	1,536,956	1,536,956
Equipment	777,704	772,711
Improvements	11,198,776	11,788,026
Construction in progress	58,176	-
Accumulated depreciation	(13,152,851)	(12,947,236)
Total capital assets, net of accumulated depreciation	1,413,761	2,145,457
Total noncurrent assets	1,413,761	2,145,457
Total assets	1,586,681	3,027,867
Liabilities		
Current liabilities:		
Accounts payable	74,003	13,555
Due to other funds	-	388,095
Total current liabilities	74,003	401,650
Noncurrent liabilities:		
Due to other funds	-	765,881
Total liabilities	74,003	1,167,531
Net Position		
Net investment in capital assets	1,413,761	2,145,457
Unrestricted	98,917	(285,121)
Total net position	\$ 1,512,678	\$ 1,860,336

⁽¹⁾ Due to flooding, the Golf Course has been closed since May 28, 2015.

CITY OF CARROLLTON, TEXAS

Golf Course Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended September 30, 2015 ⁽¹⁾ and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	<u>\$ 556,913</u>	<u>\$ 1,101,340</u>
Operating expenses:		
Supplies and services	486,724	56,193
Utilities	32,604	-
Allocations	9,900	9,900
Asset impairment loss	589,250	-
Depreciation	<u>221,622</u>	<u>302,430</u>
Total operating expenses	<u>1,340,100</u>	<u>368,523</u>
Income from operations	<u>(783,187)</u>	<u>732,817</u>
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	4,965	2,307
Gain on sale/retirement of capital assets	5,255	13,143
Interest expense	<u>(19,535)</u>	<u>(35,198)</u>
Total nonoperating revenues (expenses)	<u>(9,315)</u>	<u>(19,748)</u>
Income before contributions and transfers	(792,502)	713,069
Transfers in	765,881	-
Transfers out	<u>(321,037)</u>	<u>(306,897)</u>
Change in net position	(347,658)	406,172
Net position at beginning of year	<u>1,860,336</u>	<u>1,454,164</u>
Net position at end of year	<u><u>\$ 1,512,678</u></u>	<u><u>\$ 1,860,336</u></u>

⁽¹⁾ Due to flooding, the Golf Course has been closed since May 28, 2015.

CITY OF CARROLLTON, TEXAS

Golf Course Fund
 Comparative Statements of Cash Flows
 For the Years Ended September 30, 2015 ⁽¹⁾ and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 684,897	\$ 1,138,863
Cash payments to suppliers for goods and services	(493,859)	(81,797)
Cash payments to other funds for services	<u>(10,678)</u>	<u>(10,430)</u>
Net cash provided by operating activities	<u>180,360</u>	<u>1,046,636</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(321,037)</u>	<u>(306,897)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(178,210)	(165,084)
Proceeds from sale of capital assets	140,046	13,143
Proceeds from interfund loan	-	1,440,000
Interest paid on bonds	-	(26,750)
Interest paid on interfund loan	(19,535)	(19,698)
Retirement of bonds	-	(1,440,000)
Retirement of interfund loan	<u>(388,095)</u>	<u>(286,024)</u>
Net cash used by capital and related financing activities	<u>(445,794)</u>	<u>(484,413)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>5,421</u>	<u>2,122</u>
Net increase (decrease) in cash and cash equivalents	(581,050)	257,448
Cash and cash equivalents, October 1	<u>753,527</u>	<u>496,079</u>
Cash and cash equivalents, September 30	<u>\$ 172,477</u>	<u>\$ 753,527</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:		
Income (loss) from operations	\$ (783,187)	\$ 732,817
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:		
Asset impairment loss	589,250	-
Depreciation	221,622	302,430
Change in assets and liabilities:		
(Increase) decrease in other receivables	127,984	37,523
Increase (decrease) in accounts payable	<u>24,691</u>	<u>(26,134)</u>
Net cash provided by operating activities	<u>\$ 180,360</u>	<u>\$ 1,046,636</u>

Noncash investing, capital, and financing activities:
 During this past year, the Golf Fund received \$765,881 noncash transfer from the General Fund in the extinguishment of an interfund loan.

(1) Due to flooding, the Golf Course has been closed since May 28, 2015.

CITY OF CARROLLTON, TEXAS

Sanitation Fund
 Comparative Statements of Net Position
 September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 295,411	\$ 491,941
Receivables (net of applicable of allowance for doubtful accounts of \$42,611 in 2015 and \$33,570 in 2014)		
Accounts	961,184	834,670
Accrued interest	2,051	2,758
Total current assets	<u>1,258,646</u>	<u>1,329,369</u>
Noncurrent assets:		
Capital assets:		
Equipment	1,460,303	1,460,303
Accumulated depreciation	<u>(1,245,633)</u>	<u>(1,099,602)</u>
Total capital assets, net of accumulated depreciation	<u>214,670</u>	<u>360,701</u>
 Total assets	 <u>1,473,316</u>	 <u>1,690,070</u>
Liabilities		
Current liabilities:		
Accounts payable	<u>801,848</u>	<u>886,623</u>
Net Position		
Investment in capital assets	214,670	360,701
Unrestricted	<u>456,798</u>	<u>442,746</u>
 Total net position	 <u>\$ 671,468</u>	 <u>\$ 803,447</u>

CITY OF CARROLLTON, TEXAS

Sanitation Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 8,231,572	\$ 7,882,627
Operating expenses:		
Supplies and services	5,802,631	5,566,569
Allocations	90,888	82,345
Depreciation	146,030	146,031
Total operating expenses	<u>6,039,549</u>	<u>5,794,945</u>
Income from operations	<u>2,192,023</u>	<u>2,087,682</u>
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	<u>8,267</u>	<u>7,212</u>
Income before transfers	2,200,290	2,094,894
Transfers out	<u>(2,332,269)</u>	<u>(2,206,075)</u>
Change in net position	(131,979)	(111,181)
Net position at beginning of year	<u>803,447</u>	<u>914,628</u>
Net position at end of year	<u>\$ 671,468</u>	<u>\$ 803,447</u>

CITY OF CARROLLTON, TEXAS

Sanitation Fund

Comparative Statements of Cash Flows

For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 8,084,774	\$ 7,860,978
Cash payments to suppliers for goods and services	(5,887,405)	(5,533,247)
Cash payments to other funds for services	(70,604)	(70,605)
Net cash provided by operating activities	<u>2,126,765</u>	<u>2,257,126</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(2,332,269)</u>	<u>(2,206,075)</u>
Cash flows from investing activities:		
Interest on cash and cash equivalents	<u>8,974</u>	<u>6,617</u>
Net increase (decrease) in cash and cash equivalents	(196,530)	57,668
Cash and cash equivalents, October 1	491,941	434,273
Cash and cash equivalents, September 30	<u>\$ 295,411</u>	<u>\$ 491,941</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 2,192,023	\$ 2,087,682
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	146,030	146,031
Provisions for doubtful accounts	20,285	11,740
Change in assets and liabilities:		
Increase in accounts receivable	(146,798)	(21,649)
Increase (decrease) in accounts payable	(84,775)	33,322
Net cash provided by operating activities	<u>\$ 2,126,765</u>	<u>\$ 2,257,126</u>

CITY OF CARROLLTON, TEXAS

Fleet Services Fund
 Comparative Statements of Net Position
 September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,903,450	\$ 3,119,909
Accrued interest receivable	3,566	4,282
Inventories	<u>55,098</u>	<u>71,275</u>
Total current assets	<u>3,962,114</u>	<u>3,195,466</u>
Noncurrent assets:		
Net pension asset	-	517
Capital assets:		
Buildings	176,409	176,409
Equipment	20,123,383	19,519,732
Intangibles	34,314	34,314
Accumulated depreciation	<u>(11,234,126)</u>	<u>(10,773,450)</u>
Total capital assets, net of accumulated depreciation	<u>9,099,980</u>	<u>8,957,005</u>
Total noncurrent assets	<u>9,099,980</u>	<u>8,957,522</u>
Total assets	<u>13,062,094</u>	<u>12,152,988</u>
Liabilities		
Current liabilities:		
Accounts payable	<u>224,308</u>	<u>852,781</u>
Net Position		
Investment in capital assets	9,099,980	8,957,005
Unrestricted	<u>3,737,806</u>	<u>2,343,202</u>
Total net position	<u>\$ 12,837,786</u>	<u>\$ 11,300,207</u>

CITY OF CARROLLTON, TEXAS

Fleet Services Fund
 Comparative Statements of Revenues, Expenses and Changes in Net Position
 For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 5,784,951	\$ 5,337,530
Operating expenses:		
Personal services	73,842	70,778
Supplies and services	2,687,721	2,908,371
Utilities	28,343	25,625
Allocations	52,349	50,443
Depreciation	2,020,839	1,741,611
Total operating expenses	<u>4,863,094</u>	<u>4,796,828</u>
Income from operations	<u>921,857</u>	<u>540,702</u>
Nonoperating revenues (expenses):		
Investment earnings		
net of change in fair value		
of investments	23,878	21,890
Gain on sale/retirement of capital assets	311,171	230,961
Total nonoperating revenues (expenses)	<u>335,049</u>	<u>252,851</u>
Income before transfers	1,256,906	793,553
Transfers in	500,000	-
Transfers out	<u>(218,810)</u>	<u>(299,371)</u>
Change in net position	1,538,096	494,182
Net position at beginning of year,		
as previously reported	11,300,207	10,806,025
Impact of change in accounting principle	(517)	-
Net position at beginning of year,		
as restated	<u>11,299,690</u>	<u>10,806,025</u>
Net position at end of year	<u>\$ 12,837,786</u>	<u>\$ 11,300,207</u>

CITY OF CARROLLTON, TEXAS

Fleet Services Fund
 Comparative Statements of Cash Flows
 For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from other funds for services	\$ 5,784,951	\$ 5,337,530
Cash payments to suppliers for goods and services	(2,750,482)	(2,896,054)
Cash payments to employees for services	(65,564)	(63,783)
Cash payments to other funds for services	(58,232)	(57,401)
Net cash provided by operating activities	<u>2,910,673</u>	<u>2,320,292</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	500,000	-
Transfers to other funds	(218,810)	(299,371)
Net cash provided (used) by noncapital and related financing activities	<u>281,190</u>	<u>(299,371)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,753,363)	(3,596,523)
Proceeds from sale of capital assets	320,447	242,242
Net cash used by capital and related financing activities	<u>(2,432,916)</u>	<u>(3,354,281)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>24,594</u>	<u>22,086</u>
Net increase (decrease) in cash and cash equivalents	783,541	(1,311,274)
Cash and cash equivalents, October 1	3,119,909	4,431,183
Cash and cash equivalents, September 30	<u>\$ 3,903,450</u>	<u>\$ 3,119,909</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 921,857	\$ 540,702
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	2,020,839	1,741,611
Change in assets and liabilities:		
Decrease in inventories	16,177	15,354
Increase in net pension asset	-	(308)
Increase (decrease) in accounts payable	(48,200)	22,933
Net cash provided by operating activities	<u>\$ 2,910,673</u>	<u>\$ 2,320,292</u>

CITY OF CARROLLTON, TEXAS

Risk Management Fund
 Comparative Statements of Net Position
 September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,235,900	\$ 4,066,715
Accrued interest receivable	4,422	5,404
Prepaid items	141,000	169,000
Total current assets	<u>4,381,322</u>	<u>4,241,119</u>
Noncurrent assets:		
Net pension asset	-	3,838
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>-</u>	<u>3,838</u>
Total assets	<u>4,381,322</u>	<u>4,244,957</u>
Liabilities		
Current liabilities:		
Accounts payable	103,131	183,904
Compensated absences	1,116	1,116
Total current liabilities	<u>104,247</u>	<u>185,020</u>
Noncurrent liabilities:		
Compensated absences	25,809	24,492
Long-term risk liability	1,242,630	2,028,558
Total noncurrent liabilities	<u>1,268,439</u>	<u>2,053,050</u>
Total liabilities	<u>1,372,686</u>	<u>2,238,070</u>
Net Position		
Unrestricted	<u>\$ 3,008,636</u>	<u>\$ 2,006,887</u>

CITY OF CARROLLTON, TEXAS

Risk Management Fund
 Comparative Statements of Revenues, Expenses and Changes in Net Position
 For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 1,991,809	\$ 1,991,814
Operating expenses:		
Personal services	87,126	83,759
Supplies and services	828,487	2,411,484
Utilities	<u>357</u>	<u>357</u>
Total operating expenses	<u>915,970</u>	<u>2,495,600</u>
Income (loss) from operations	<u>1,075,839</u>	<u>(503,786)</u>
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	<u>31,007</u>	<u>19,936</u>
Income (loss) before transfers	1,106,846	(483,850)
Transfers out	<u>(101,259)</u>	<u>(136,751)</u>
Change in net position	1,005,587	(620,601)
Net position at beginning of year, as previously reported	2,006,887	2,627,488
Impact of change in accounting principle	<u>(3,838)</u>	<u>-</u>
Net position at beginning of year, as restated	<u>2,003,049</u>	<u>2,627,488</u>
Net position end of year	<u>\$ 3,008,636</u>	<u>\$ 2,006,887</u>

CITY OF CARROLLTON, TEXAS

Risk Management Fund
 Comparative Statements of Cash Flows
 For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from other funds for services	\$ 1,991,809	\$ 1,991,814
Cash received from loss claim recoveries	288,686	144,657
Cash payments to suppliers for goods and services	(837,421)	(765,806)
Cash payments to employees for services	(78,850)	(76,705)
Cash payments for loss claims	(1,119,274)	(1,160,054)
Cash payments to other funds for services	(6,495)	(7,701)
Net cash provided by operating activities	<u>238,455</u>	<u>126,205</u>
Cash flow from noncapital financing activities:		
Transfers to other funds	<u>(101,259)</u>	<u>(136,751)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>31,989</u>	<u>19,024</u>
Net increase in cash and cash equivalents	169,185	8,478
Cash and cash equivalents, October 1	4,066,715	4,058,237
Cash and cash equivalents, September 30	<u>\$ 4,235,900</u>	<u>\$ 4,066,715</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:		
Income (loss) from operations	\$ 1,075,839	\$ (503,786)
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:		
Change in assets and liabilities:		
Decrease in prepaid items	28,000	-
Increase in net pension asset	-	(372)
Decrease in accounts payable	(80,773)	(26,473)
Increase (decrease) in liability for compensated absences	1,317	(641)
Increase (decrease) in long-term risk liability	(785,928)	657,477
Net cash provided by operating activities	<u>\$ 238,455</u>	<u>\$ 126,205</u>

CITY OF CARROLLTON, TEXAS

Employee Health and Disability Fund
Comparative Statements of Net Position
September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,858,902	\$ 9,667,613
Receivables:		
Accrued interest	8,123	12,911
Other	184,056	65,477
Prepaid items	<u>7,367</u>	<u>7,367</u>
Total assets	<u>8,058,448</u>	<u>9,753,368</u>
Liabilities		
Current liabilities:		
Accounts payable	132,939	6,579
Estimated health claims payable	1,102,000	1,105,000
Total current liabilities	<u>1,234,939</u>	<u>1,111,579</u>
Noncurrent liabilities:		
Other post employment benefits obligation	<u>881,581</u>	<u>441,049</u>
Total liabilities	<u>2,116,520</u>	<u>1,552,628</u>
Net Position		
Unrestricted	<u>\$ 5,941,928</u>	<u>\$ 8,200,740</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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	<u>\$ 9,675,013</u>	<u>\$ 9,574,860</u>
Operating expenses:		
Supplies and services	<u>12,001,021</u>	<u>11,662,754</u>
Loss from operations	<u>(2,326,008)</u>	<u>(2,087,894)</u>
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	<u>67,196</u>	<u>54,625</u>
Change in net position	<u>(2,258,812)</u>	<u>(2,033,269)</u>
Net position at beginning of year	<u>8,200,740</u>	<u>10,234,009</u>
Net position at end of year	<u><u>\$ 5,941,928</u></u>	<u><u>\$ 8,200,740</u></u>

CITY OF CARROLLTON, TEXAS

]

Employee Health and Disability Fund
 Comparative Statements of Cash Flows
 For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from employees and retirees for services	\$ 1,571,466	\$ 1,883,027
Cash received from other funds for services	7,986,342	7,690,390
Cash received from loss claim recoveries and refunds	458,900	761,875
Cash payments to suppliers for goods and services	(1,860,604)	(1,718,865)
Cash payments for loss claims	(10,036,799)	(10,261,781)
Net cash used by operating activities	<u>(1,880,695)</u>	<u>(1,645,354)</u>
Cash flows from investing activities:		
Interest on cash and cash equivalents	<u>71,984</u>	<u>53,691</u>
Net decrease in cash and cash equivalents	(1,808,711)	(1,591,663)
Cash and cash equivalents, October 1	<u>9,667,613</u>	<u>11,259,276</u>
Cash and cash equivalents, September 30	<u>\$ 7,858,902</u>	<u>\$ 9,667,613</u>
Reconciliation of loss from operations to net cash used by operating activities:		
Loss from operations	\$ (2,326,008)	\$ (2,087,894)
Adjustments to reconcile loss from operations to net cash used by operating activities:		
Change in assets and liabilities:		
Decrease in other receivables	(118,579)	1,536
Increase in prepaid items	-	-
Increase (decrease) in accounts payable	126,360	2,327
Increase in estimated health claims payable	(3,000)	160,000
Increase in other post employment benefits obligation	440,532	278,677
Net cash used by operating activities	<u>\$ (1,880,695)</u>	<u>\$ (1,645,354)</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.



CARROLLTON
T E X A S

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

Table 1

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 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	\$ 229,578,674
Restricted	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	5,539,348
Unrestricted	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	108,636,055
Total governmental activities net position	\$ 312,018,303	\$ 321,510,281	\$ 328,098,699	\$ 325,358,878	\$ 323,494,116	\$ 321,019,943	\$ 315,900,524	\$ 319,603,443	\$ 325,661,771	\$ 343,754,077
Business-type activities										
Net investment in capital assets	\$ 100,670,149	\$ 104,864,091	\$ 118,852,171	\$ 126,180,912	\$ 123,390,813	\$ 120,772,181	\$ 117,350,938	\$ 116,211,135	\$ 119,325,732	\$ 117,734,922
Restricted	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	1,460,318
Unrestricted	25,408,899	33,069,417	27,417,189	25,643,386	26,487,259	29,942,097	30,259,557	29,389,768	22,994,428	23,051,098
Total business-type activities net position	\$ 128,035,435	\$ 139,941,838	\$ 148,277,690	\$ 153,832,628	\$ 151,721,533	\$ 152,489,330	\$ 149,220,603	\$ 147,153,892	\$ 143,808,856	\$ 142,246,338
Primary government										
Net investment in capital assets	\$ 363,452,046	\$ 370,756,428	\$ 381,392,820	\$ 372,879,439	\$ 358,567,581	\$ 346,279,145	\$ 338,826,263	\$ 336,665,224	\$ 343,754,317	\$ 347,313,596
Restricted	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	6,999,666
Unrestricted	67,771,391	84,455,679	86,664,313	97,083,375	107,208,577	117,878,997	118,458,166	122,756,670	118,739,172	131,687,153
Total primary government net position	\$ 440,053,738	\$ 461,452,119	\$ 476,376,389	\$ 479,191,506	\$ 475,215,649	\$ 473,509,273	\$ 465,121,127	\$ 466,757,335	\$ 469,470,627	\$ 486,000,415

Source: Comprehensive Annual Financial Reports

Notes: 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. The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government and administration	\$ 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	\$ 16,606,809
Public safety	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	52,732,524
Development services	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	21,534,165
Cultural and recreational	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	14,677,561
Interest on long term debt	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	6,251,466
Total governmental activities expenses	101,076,901	107,019,942	111,638,198	115,014,290	114,058,577	115,661,612	118,587,178	118,932,943	127,620,131	111,802,525
Business-type activities:										
Water and sewer	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	35,091,342
Golf	1,372,242	1,368,013	1,060,389	1,034,373	948,906	868,431	1,084,413	825,711	406,286	1,354,149
Sanitation	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	6,000,423
Total business-type activities expenses	36,534,095	36,033,226	37,463,252	40,884,384	40,469,144	39,750,551	41,504,327	41,836,571	42,488,474	42,445,914
Total primary government expenses	137,610,996	143,053,168	149,101,450	155,898,674	154,527,721	155,412,163	160,091,505	160,769,514	170,108,605	154,248,439
Program Revenues										
Governmental activities:										
Fees, Fines, and Charges for Services:										
General government and administration	269,604	189,308	199,250	174,930	126,497	183,765	193,861	216,802	196,574	223,621
Public safety	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	11,344,328
Development services	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	2,147,052
Cultural and recreational	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	2,505,008
Operating grants and contributions	313,325	237,115	164,859	233,722	31,425	38,499	142,500	84,112	30,116	59,753
Capital grants and contributions	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	3,916,199
Total governmental activities program revenues	17,412,712	18,980,590	20,613,411	14,905,101	15,812,167	18,610,242	16,042,259	20,448,706	23,884,670	20,195,961
Business-type activities:										
Charges for services:										
Water and sewer	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	35,301,330
Golf	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	556,913
Sanitation	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	8,231,572
Capital grants and contributions	4,766,950	12,039,515	7,066,729	7,372,328	436,710	805,406	648,083	1,741,476	2,104,033	2,027,734
Total business-type activities program revenues	48,286,427	49,697,737	48,560,920	49,976,861	42,429,081	46,036,846	43,876,789	45,582,983	44,877,304	46,117,549
Total primary government program revenues	65,699,139	68,678,327	69,174,331	64,881,962	58,241,248	64,647,088	59,919,048	66,031,689	68,761,974	66,313,510

(continued)

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

Table 2

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense) Revenue										
Governmental Activities	\$ (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)	\$ (91,606,564)
Business-type Activities	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	3,671,635
Total Primary government net expense	(71,911,857)	(74,374,841)	(79,927,119)	(91,016,712)	(96,286,473)	(90,765,075)	(100,172,457)	(94,737,825)	(101,346,631)	(87,934,929)
General Revenues										
and Other Changes in Net Assets										
Governmental Activities:										
Taxes:										
Ad valorem	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	61,990,961
Sales	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	31,238,022
Occupancy	142,618	125,977	129,836	131,139	168,725	195,870	176,826	156,061	181,025	210,835
Franchise Fees	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	11,768,644
Investment earnings net of change in fair value of investments	5,225,573	7,423,423	5,549,105	3,015,900	1,002,342	627,029	649,158	41,353	718,161	1,202,294
Gain on sale of capital assets	505,900	-	76,959	-	364,151	270,089	121,337	120,011	230,961	1,306,445
Public-private partnership recovery	-	-	-	-	-	-	-	3,160,500	3,013,646	-
Miscellaneous	867,633	772,789	999,478	644,197	664,755	843,382	1,104,285	882,757	1,008,224	793,144
Special item	-	-	-	-	3,612,167	-	-	-	-	-
Transfers	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	5,475,266
Total Governmental Activities	92,098,565	97,531,330	97,613,205	97,369,368	96,381,648	94,577,197	97,423,500	102,187,156	109,793,789	113,985,611
Business-type Activities:										
Investment earnings net of change in fair value of investments	1,443,823	2,343,421	1,332,052	746,496	180,815	116,423	148,177	(11,503)	162,754	206,134
Gain on sale of capital assets	54,456	48,013	35,370	600	5,902	6,578	13,037	62,393	108,520	35,012
Miscellaneous	154,933	160,637	72,116	45,460	24,589	76,001	87,849	99,716	159,535	174,697
Transfers	(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)	(5,475,266)
Total Business-type Activities	(2,161,544)	(1,758,108)	(2,761,816)	(3,537,539)	(4,071,032)	(5,518,498)	(5,641,189)	(5,813,123)	(5,733,866)	(5,059,423)
Total Primary Government	89,937,021	95,773,222	94,851,389	93,831,829	92,310,616	89,058,699	91,784,311	96,374,033	104,059,923	108,926,188
Change in Net Position										
Governmental Activities	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	22,379,047
Business-type Activities	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)	(1,387,788)
Total Primary Government	\$ 18,025,164	\$ 21,398,381	\$ 14,924,270	\$ 2,815,117	\$ (3,975,857)	\$ (1,706,376)	\$ (8,388,146)	\$ 1,636,208	\$ 2,713,292	\$ 20,991,259

Source: Comprehensive Annual Financial Reports

Notes: 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. The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not 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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved for other	\$ 241,732	\$ 395,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable for prepaid item	-	-	-	-	-	-	-	-	-	145,345
Assigned to purchases on order	-	-	538,392	199,700	245,183	323,650	288,384	248,282	166,593	331,730
Unreserved/Unassigned	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	18,608,933
Total general fund	\$ 22,644,060	\$ 21,809,245	\$ 17,701,350	\$ 17,211,745	\$ 16,753,532	\$ 16,571,044	\$ 18,339,631	\$ 18,393,387	\$ 20,804,224	\$ 19,086,008
All Other Governmental Funds										
Reserved for:										
Debt service	\$ 5,793,303	\$ 4,803,422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid items	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	2,055,563	2,202,208	-	-	-	-	-	-	-	-
Capital projects funds	73,419,250	83,173,482	-	-	-	-	-	-	-	-
Nonspendable for:										
Prepaid items	-	-	-	-	-	-	-	421,950	51,584	739,994
Land held of resale	-	-	-	-	-	-	606,750	1,426,418	3,032,558	3,352,558
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	4,297,818
Streets and drainage	-	-	23,949,626	16,983,609	13,907,997	13,584,454	2,339,776	7,039,695	14,147,187	11,224,037
Public facilities	-	-	2,318,945	5,300,113	3,060,169	4,636,293	3,344,490	1,797,929	5,261,597	8,903,016
Other capital projects	-	-	3,081,205	4,579,418	3,498,355	5,785,095	2,041,830	769,916	2,698,419	1,691,992
Other purposes	-	-	2,088,832	2,157,548	1,935,559	1,888,906	1,354,452	1,242,218	1,269,055	1,515,400
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	17,497,861
Other capital projects	-	-	7,195,910	2,852,826	3,657,818	1,137,230	777,632	748,664	1,030,872	2,169,019
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	20,915,762
Public facilities	-	-	8,728,409	12,847,706	19,149,990	19,270,179	25,889,748	31,174,609	26,400,534	33,104,168
Other capital projects	-	-	8,315,949	8,738,617	6,118,770	8,716,872	8,422,646	7,808,482	9,848,273	11,734,537
Other purposes	-	-	63,667	64,390	76,830	289,167	254,279	172,506	356,731	382,462
Total all other governmental funds	\$ 81,268,116	\$ 90,179,112	\$ 71,471,737	\$ 82,943,382	\$ 85,993,156	\$ 95,843,091	\$ 78,310,512	\$ 85,007,875	\$ 102,075,609	\$ 117,528,624

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

Table 4

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES:										
Taxes:										
Ad valorem	\$ 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	\$ 61,676,895
Penalty and interest	519,600	435,052	432,753	439,522	411,560	387,589	351,823	244,276	396,978	314,066
Sales	20,861,075	22,130,589	21,592,235	21,185,318	20,103,318	21,564,480	24,020,923	25,446,798	27,708,160	31,238,022
Occupancy tax	142,618	125,977	129,836	131,139	168,725	195,870	176,826	156,061	181,025	210,835
Franchise fees	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	11,768,644
Assessments	332,159	93,619	1,418,241	39,948	258,708	129,960	43,290	173,671	386,810	264,430
Charges for services	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	5,670,254
Intergovernmental	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	1,493,099
Licenses and permits	1,751,401	1,590,778	1,981,533	1,715,378	1,688,628	1,990,338	1,975,677	2,345,502	3,003,123	2,805,727
Fines and forfeitures	4,086,434	4,410,933	3,997,542	3,896,080	4,605,883	4,945,033	6,006,864	6,802,603	7,786,343	7,479,597
Investment earnings net of change in fair value of investments	4,534,138	6,556,374	4,880,711	2,535,111	859,941	543,769	553,107	48,699	621,710	1,080,213
Public-private partnership recovery	-	-	-	-	-	-	-	1,896,300	4,264,200	-
Miscellaneous	867,633	772,789	999,478	644,197	664,755	843,382	1,104,285	882,757	1,021,870	793,144
Total Revenues	100,877,285	104,218,181	109,167,148	108,695,670	104,524,059	106,129,026	105,526,943	113,137,365	124,608,820	124,794,926
EXPENDITURES:										
General government and administration	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	14,249,773
Public safety	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	50,460,748
Development services	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	9,979,839
Cultural and recreational	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	11,487,238
Capital outlay	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	29,891,737
Debt Service:										
Principal retirement	8,960,000	10,385,000	9,365,000	23,360,000	10,950,000	12,110,000	12,730,000	12,250,000	13,020,000	13,885,000
Interest and fiscal charges	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	6,839,976
Total expenditures	108,351,611	121,151,164	136,806,736	142,981,532	122,624,783	118,682,039	127,350,449	122,762,089	135,212,775	136,794,311
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,474,326)	(16,932,983)	(27,639,588)	(34,285,862)	(18,100,724)	(12,553,013)	(21,823,506)	(9,624,724)	(10,603,955)	(11,999,385)
OTHER FINANCING SOURCES (USES):										
Bonds issued	24,825,000	20,685,000	-	26,750,000	15,600,000	15,000,000	-	9,465,000	20,485,000	17,420,000
Refunding bonds issued	-	-	-	12,105,000	11,815,000	-	20,100,000	-	-	26,660,000
Premium on bonds issued	16,323	49,496	-	1,879,670	939,055	278,534	2,432,844	530,902	677,905	4,910,134
Payment to refunded bond escrow agent	-	-	-	-	(12,465,963)	-	(22,317,933)	-	-	(29,919,123)
Sale of capital assets	1,619,535	13,298	32,744	22,364	29,382	809,107	-	-	2,318,824	1,367,838
Transfers in	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	21,848,581
Transfers out	(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)	(16,553,246)
Total Other Financing Sources (Uses)	30,693,270	25,009,164	4,824,318	45,267,902	20,694,285	22,218,460	6,059,514	16,375,843	30,082,526	25,734,184
NET CHANGE IN FUND BALANCES	\$ 23,218,944	\$ 8,076,181	\$ (22,815,270)	\$ 10,982,040	\$ 2,593,561	\$ 9,665,447	\$ (15,763,992)	\$ 6,751,119	\$ 19,478,571	\$ 13,734,799
Debt service as a percentage of noncapital expenditures	16.8%	18.4%	16.5%	26.5%	18.0%	19.0%	19.1%	18.1%	16.7%	18.1%

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

Source: Comprehensive Annual Financial Reports

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

Table 5

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
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
2015	10,379,894,481	2,423,039,399	2,522,339,809	10,280,594,071	0.615375

Source: City of Carrollton Budget Document

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

CITY OF CARROLLTON, TEXAS
ESTIMATED NET TAXABLE VALUE AT BUDGET ADOPTION
 Current Year and Ten Years Ago
 (Unaudited)

Table 6

	Fiscal Year 2015		Fiscal Year 2006		Ten Year Change
	<u>Market Value</u>	<u>Percentage of Total</u>	<u>Market Value</u>	<u>Percentage of Total</u>	<u>Market Value</u>
Market value:					
Certified Values:					
Real property:					
Land	\$ 2,992,849,019	23.31%	\$ 2,213,008,720	21.80%	35.24%
Improvements	7,387,045,462	57.53%	5,805,892,940	57.20%	27.23%
Business personal property	2,423,039,399	18.86%	1,932,476,730	19.04%	25.39%
Property Under Protest	38,508,606	0.30%	198,399,410	1.96%	-80.59%
Total Market value	12,841,442,486	100.00%	10,149,777,800	100.00%	26.52%
Less property exemptions/reductions:					
Single Family Residential:					
Homestead	908,494,008	7.07%	762,131,680	7.51%	19.20%
Over 65	355,192,003	2.77%	186,735,998	1.84%	90.21%
Disabled	21,566,326	0.17%	16,707,889	0.16%	29.08%
Disabled veterans	12,443,271	0.10%	2,438,440	0.02%	410.30%
Capped value	35,168,382	0.27%	5,130,532	0.05%	585.47%
Total Single Family Residential	1,332,863,990	10.38%	973,144,539	9.58%	36.96%
Commercial:					
Agricultural	56,206,520	0.44%	56,293,766	0.55%	-0.15%
Freepport	399,225,311	3.11%	345,216,320	3.40%	15.64%
Abatements/Tax grants	173,648,931	1.35%	210,000,000	2.07%	-17.31%
Low income housing	10,400,000	0.08%	-	0.00%	100.00%
Other exemptions	395,611	0.00%	288,237	0.00%	37.25%
TIF Incremental Value	25,696,381	0.20%	-	0.00%	
Total Commercial	665,572,754	5.18%	611,798,323	6.02%	8.79%
Totally exempt*	723,248,377	5.63%	398,217,370	3.92%	81.62%
Total property exemptions/reductions	2,721,685,121	21.19%	1,983,160,232	19.52%	37.24%
Estimated Net Taxable Value	\$ 10,119,757,365	78.81%	\$ 8,166,617,568	80.48%	23.92%

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)
 Last Ten Fiscal Years
 (Unaudited)

Table 7

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 ^a		Collin County ^b		Denton County		Valwood Improvement Authority ^c
					Independent School District	Independent School District	Independent School District	Independent School District	Independent School District	Independent School District	County ^a	County ^a	County ^b	County ^b	County	County	County	County	
2006	\$ 0.432842	\$ 0.200033	\$ 0.632875	\$ 1.83	\$ 1.69	\$ 1.77	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 1.73	\$ 0.55	\$ 0.55	\$ 0.34	\$ 0.25	\$ 0.35			
2007	0.434015	0.198860	0.632875	1.68	1.50	1.64	1.58	1.60	1.60	1.58	1.58	0.55	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	1.27	1.27	1.27	0.57	0.57	0.33	0.24	0.32			
2009	0.432069	0.185806	0.617875	1.36	1.18	1.38	1.30	1.28	1.28	1.30	1.30	0.58	0.58	0.33	0.24	0.31			
2010	0.415694	0.202181	0.617875	1.34	1.27	1.41	1.33	1.28	1.28	1.33	1.33	0.60	0.60	0.33	0.25	0.31			
2011	0.406241	0.211634	0.617875	1.35	1.24	1.43	1.35	1.42	1.42	1.35	1.35	0.62	0.62	0.33	0.27	0.31			
2012	0.398528	0.219347	0.617875	1.36	1.29	1.43	1.37	1.42	1.42	1.37	1.37	0.62	0.62	0.33	0.28	0.31			
2013	0.411887	0.205988	0.617875	1.33	1.29	1.45	1.37	1.42	1.42	1.37	1.37	0.64	0.64	0.33	0.28	0.31			
2014	0.414447	0.203428	0.617875	1.32	1.28	1.48	1.45	1.43	1.43	1.45	1.45	0.65	0.65	0.32	0.28	0.29			
2015	0.417389	0.197986	0.615375	1.30	1.28	1.48	1.44	1.45	1.45	1.44	1.44	0.66	0.66	0.32	0.27	0.27			

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

Note:

^aDallas County includes Dallas County, Dallas County Hospital District and Dallas County Community College District.

^bCollin County includes Collin County and Collin County Community College District.

^cA 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

Table 8

Current Year and Ten Years Ago
(Unaudited)

	Fiscal Year 2015			Fiscal Year 2006		
	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Halliburton Energy Services	\$ 80,419,218	0.78%	ST Microelectronics, Inc.	\$ 155,810,845	1.91%	
Bella Vida Gardens Associates LLC	70,850,000	0.69%	Amerisource Corp.	153,264,078	1.87%	
JPMorgan Chase Bank NA	69,378,180	0.67%	CB Parkway Business	108,716,030	1.33%	
Verizon	64,689,520	0.63%	Texas Utilities	66,012,600	0.81%	
Hewlett Packard	59,887,030	0.58%	Texas Dugan LTD PS	55,388,260	0.68%	
Mansions at Sunset Ridge Partners LP	54,882,733	0.53%	Verizon	42,256,520	0.52%	
BH Autumn Chase Apartments LP	47,837,319	0.47%	Home Interiors & Gifts	38,081,084	0.47%	
Cyrus One LLC	46,620,168	0.45%	First Industrial Texas LP	37,000,920	0.45%	
Ari-International Business Park	45,723,471	0.44%	Price Autummchase LP	30,000,000	0.37%	
Texas Dugan Ltd.	42,977,041	0.42%	Sara Lee Bakery	27,278,831	0.33%	
Total Assessed Value of Top-ten Taxpayers: 583,264,680			Total Assessed Value of Top-ten Taxpayers: 713,809,168			
Total Assessed Value of Other Taxpayers: 9,697,329,391			Total Assessed Value of Other Taxpayers: 7,464,408,990			
Total Assessed Value: \$ 10,280,594,071			Total Assessed Value: \$ 8,178,218,158			

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	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2006	\$ 50,650,791		\$ 52,446,165	99.68%	\$ (550,216)		\$ 51,895,949	99.68%	\$ 51,729,495	99.68%	\$ 109,141		\$ 51,838,636	99.89%
2007	52,743,849		54,402,141	99.41%	(326,519)		54,075,622	99.41%	53,754,419	99.41%	256,223		54,010,642	99.88%
2008	55,768,584		57,024,631	99.24%	(217,694)		56,806,937	99.24%	56,377,227	99.24%	340,362		56,717,589	99.84%
2009	56,983,591		58,797,682	99.14%	(432,797)		58,364,885	99.14%	57,863,664	99.14%	446,072		58,309,736	99.91%
2010	55,564,918		57,160,657	99.44%	(273,406)		56,887,251	99.44%	56,570,727	99.44%	248,428		56,819,155	99.88%
2011	53,709,922		55,477,092	99.10%	(40,317)		55,436,775	99.10%	54,937,434	99.10%	365,177		55,302,611	99.76%
2012	53,668,670		55,502,447	99.32%	1,210		55,503,657	99.32%	55,128,245	99.32%	223,869		55,352,114	99.73%
2013	54,782,788		56,407,488	99.29%	8,320		56,415,808	99.29%	56,013,200	99.29%	265,353		56,278,553	99.76%
2014	57,132,835		59,044,908	99.68%	(106,071)		58,938,837	99.68%	58,747,921	99.68%	70,345		58,818,266	99.80%
2015	61,028,968		62,839,506	99.47%	-		62,839,506	99.47%	62,505,443	99.47%	-		62,505,443	99.47%

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

Table 10

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds		Certificates of Obligation		Water and Sewer Revenue Bonds		Certificates of Obligation				
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			
2015	172,658,724	-		14,937,477	-	187,596,201	4.72%	1,498			

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

^aSee Table 15 for personal income and population data.

CITY OF CARROLLTON, TEXAS
RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years
(Unaudited)

Table 11

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Less:		Net General Bonded Debt	Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
				Amounts Available in Debt Service Fund				
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
2015	172,658,724	-	172,658,724	4,297,818		168,360,906	1.64%	1,344

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

^aSee Table 5 for property value data.

^bSee Table 14 for population data.

CITY OF CARROLLTON, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Table 12

Current Year
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Carrollton-Farmers Branch Independent School District	\$ 274,820,000	37.31%	\$ 102,535,342
Collin County	402,795,000	0.05%	201,398
Collin County Community College	31,600,000	0.05%	15,800
Coppell Independent School District	212,350,850	0.05%	106,175
Dallas County	84,725,000	2.66%	2,253,685
Dallas County Community College District	321,510,000	2.66%	8,552,166
Dallas County Hospital District	728,005,000	2.66%	19,364,933
Dallas County Schools	60,215,000	2.66%	1,601,719
Dallas Independent School District	2,552,990,000	1.21%	30,891,179
Denton County	634,275,000	8.76%	55,562,490
Lewisville Independent School District	1,177,472,053	14.07%	165,670,318
Plano Independent School District	852,635,313	0.15%	1,278,953
Valwood Improvement Authority	16,852,391	56.70%	9,555,306
Subtotal, overlapping debt			397,589,464
City of Carrollton (direct debt)	172,658,724	100.00%	172,658,724
Total direct and overlapping debt			\$ 570,248,188

^aThe percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entities' taxable assessed value that is with the City's boundaries and dividing by the entities' total taxable assessed value.

Source: City of Carrollton Treasury Office

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

CITY OF CARROLLTON, TEXAS
PLEDGED-REVENUE COVERAGE

Table 13

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Revenues ^a	Waterworks and Sewer System Revenue Bonds				Times Coverage
		Operating Expenses ^b	Net Available Revenue		Average Annual Requirement	
			Operating Expenses ^b	Revenue		
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	
2015	35,668,929	30,912,620	4,756,309	1,460,318	3.26	

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

Notes: ^aIncludes operating revenues (charges for services and miscellaneous income), investment income, and transfers in of the Water and Sewer Fund

^bIncludes 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)

	2015	2014	2013	2012	2011
City of Carrollton - direct debt:					
Paid with property taxes	\$ 172,658,724	\$ 168,728,244	\$ 161,205,494	\$ 164,049,299	\$ 176,255,438
Paid with dedicated revenues:					
Water and sewer revenues	14,937,477	16,251,597	18,065,717	19,845,967	21,485,518
Golf course revenues	-	-	1,440,000	1,750,000	2,040,000
Other Entities - contractually obligated to be paid with water and sewer revenues:					
Dallas Water Utilities (DWU) ⁽¹⁾	46,929,690	47,418,861	44,287,472	49,046,973	48,870,615
Trinity River Authority - Central Regional Wastewater System (CRWS) ⁽²⁾	74,529,252	82,934,044	76,365,739	69,000,149	58,542,349
Total direct and contractually obligated debt	\$ 309,055,143	\$ 315,332,746	\$ 301,364,422	\$ 303,692,388	\$ 307,193,920
Carrollton Debt %	60.7%	58.7%	60.0%	61.1%	65.0%
Other Entities Debt %	39.3%	41.3%	40.0%	38.9%	35.0%

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

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

CITY OF CARROLLTON, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS

Table 15

Last Ten Calendar Years
(Unaudited)

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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%
2015	125,250	3,971,552	31,709	35.9	21,158	3.4%

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

CITY OF CARROLLTON, TEXAS
PRINCIPAL EMPLOYERS,

Table 16

Current Year and Ten Years Ago
(Unaudited)

	2015			2006		
	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
	Halliburton Energy Services	1,300	1.75%	ST Microelectronics Semiconductors	1,400	1.93%
	McKesson Corporation	1,000	1.34%	Halliburton Energy Services	1,300	1.79%
	ACCOR Hospitality	727	0.98%	McKesson Corporation	1,000	1.38%
	General Aluminum Corporation	700	0.94%	Trinity Medical Center	725	1.00%
	Thomson Reuters	650	0.87%	General Aluminum Corporation	600	0.83%
	Western Extrusions Corporation	600	0.81%	Hilton Reservations Worldwide	600	0.83%
	Baylor Medical Center	565	0.76%	Western Extrusions Corporation	600	0.83%
	Brandt	550	0.74%	ACCOR North America	500	0.69%
	Rudy's Tortillas	500	0.67%	Home Interiors and Gifts	500	0.69%
	Realpage	500	0.67%	Realpage	500	0.69%
	Total	7,092	9.53%		7,725	10.66%

Source: North Central Texas Council of Governments (2015), Comprehensive Annual Financial Report (2006)

Note: 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)

<u>Function/Program</u>	<u>Fiscal Year</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>	<u>2015</u>
General Government and Administration	89.4	86.5	85.2	85.2	85.0	79.8	74.9	75.9	82.9	86.0
Public Safety	414.5	424.5	431.5	431.5	425.0	420.0	425.8	439.3	451.1	451.6
Development Services	118.5	117.8	120.0	120.0	116.0	111.5	109.2	108.7	108.0	112.0
Culture and Recreational	133.0	136.0	135.3	135.3	133.0	122.0	117.7	118.0	116.3	118.3
Water and Sewer	50.0	50.0	50.0	51.0	51.0	51.0	51.0	51.0	52.0	52.0
Fleet Services	15.0	14.0	14.0	14.0	14.0	-	0.5	0.5	0.5	0.5
Risk Management	3.5	4.0	2.5	2.5	2.5	2.5	1.0	1.0	1.0	1.0
Capital Projects and Special Revenue	4.0	4.0	5.0	4.5	7.0	7.5	6.5	7.0	6.0	6.0
Total	827.9	836.8	843.5	844.0	833.5	794.3	786.6	801.4	817.8	827.4

Source: City Budget Office

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

Table 18

Function/Program	Fiscal Year										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Public Safety											
Police											
Number of Employees	225	234	237	240	239	238	207	206	211	210	
Number of Violations (Citations)	37,768	38,248	35,131	33,923	42,340	45,018	50,674	51,451	60,793	47,594	
Fire											
Number of Employees	138	139	139	139	138	135	141	154	159	158	
Number of Fire runs	2,886	3,226	2,937	2,732	3,071	3,516	3,224	3,295	3,469	3,350	
Number of EMS runs	5,709	6,001	6,520	6,230	5,998	6,007	6,641	6,993	7,098	7,381	
Development Services											
Street Resurfacing (miles)	0	7	2	0	3	3	2	4	4	1	
Cultural and Recreational Parks and Recreation											
Participants in Leisure Service Programs ^(a)	11,119	10,070	9,714	16,950	25,045	42,904	46,512	65,459	65,187	61,656	
Participants in Athletic Programs	142,613	141,684	74,429	76,478	90,034	87,610	88,114	82,988	83,713	79,775	
Library											
Volumes in Collection	249,942	249,020	232,039	224,483	200,506	183,333	188,314	188,182	190,691	193,004	
Water and Sewer											
Number of Water Consumers	34,287	34,545	34,878	34,825	33,915	35,802	34,971	35,710	36,055	38,975	
Average Daily Water Consumption (gallons)	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	19,548,000	
Maximum Storage Capacity (gallons)	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	48,000,000	
Unaccounted for Water	4.70%	5.69%	7.73%	6.77%	6.36%	4.23%	6.77%	4.48%	3.88%	5.37%	
Sanitation (residential)											
Refuse Collected (tons)	31,147	28,772	28,051	26,024	25,508	38,538	34,942	36,668	37,405	36,112	
Bulk/Brush Pickups (tons)	13,896	17,046	18,862	16,131	17,511	5,819	6,920	7,674	7,368	7,846	
Recyclables Collected (tons)	4,825	6,133	8,010	8,655	9,070	7,490	7,702	7,166	7,651	7,796	
Golf Course											
Number of Paid Rounds Played	78,807	83,592	74,605	69,719	56,862	74,019	68,862	58,394	72,676	33,759	

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.
 In Fiscal Year 2015, the Golf Course was closed due to flooding from June to September.

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

Table 19

Last Ten Fiscal Years
(Unaudited)

<u>Function/Program</u>	<u>Fiscal Year</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>	<u>2015</u>
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	32	35	34	32	31	34	34	36	36	36
Police Motorcycle Units	7	7	6	7	7	7	7	7	8	8
Fire Stations	7	7	7	7	7	7	7	7	8	8
Development Services										
Streets- Paved (miles)	1,142	1,142	1,140	1,147	1,142	1,142	1,142	1,176	1,176	1,176
Alleys - Paved (miles)	187	180	187	179	178	178	178	190	189	189
Cultural and Recreational										
Parks (acres)	1,479	1,693	1,463	1,463	1,494	1,493	1,493	1,493	1,493	1,493
Playgrounds	24	24	26	26	26	25	25	25	25	25
Swimming Pools	2	2	2	2	2	1	1	1	1	1
Tennis Courts	27	29	27	27	29	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
Water and Sewer										
Water Mains (miles)	515	515	515	515	554	551	551	554	570	584
Fire Hydrants	4,564	4,564	4,623	4,886	4,894	4,895	4,937	4,995	5,110	5,192
Sanitary Sewers (miles)	424	426	412	435	431	403 (€	403	410	414	417

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

Table 20

ANALYSIS OF FUNDING PROGRESS AND CONTRIBUTION RATES (FUNDING BASIS)

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)	
	Actuarial Value of Assets**	Actuarial Liability*	Actuarial Accrued Liability*	Funded Ratio (1/2)	Unfunded Actuarial Accrued Liability	Annual Covered Payroll	UAAL as a Percentage of ACP (4/5)	Total TMRS Required Contribution Rate	Prior Service Portion of the TMRS Rate							
2006	\$ 137,972,528	\$ 165,878,626	\$ 165,878,626	83.2%	\$ 27,906,098	\$ 39,670,739	70.3%	12.05%	3.08%							
2007	146,875,267	178,152,761	178,152,761	82.4%	31,277,494	41,951,353	74.6%	12.56%	3.45%							
2008	141,565,199	198,026,702	198,026,702	71.5%	56,461,503	42,811,373	131.9%	12.82%	3.65%							
2009	150,073,733	197,379,646	197,379,646	76.0%	47,305,913	45,747,413	103.4%	16.74%	6.43%							
2010	161,328,186	208,924,862	208,924,862	77.2%	47,596,676	46,403,538	102.6%	16.05%	5.53%							
2011	257,904,344	281,246,707	281,246,707	91.7%	23,342,363	45,234,987	51.6%	16.28%	5.39%							
2012	275,783,003	295,569,643	295,569,643	93.3%	19,786,640	44,593,544	44.4%	13.95%	2.98%							
2013	294,274,104	309,695,066	309,695,066	95.0%	15,420,962	45,175,371	34.1%	13.66%	2.61%							
2014	313,861,407	341,764,756	341,764,756	91.8%	27,903,349	46,640,263	59.8%	13.30%	2.04%							
2015	334,260,620	356,702,669	356,702,669	93.7%	22,442,049	48,904,096	45.9%	12.45%	4.82%							

* 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 2006 to 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 2006 and 2007, Projected Unit Credit actuarial funding method for fiscal years 2008 to 2013, and Entry Age Normal actuarial funding method for fiscal year 2014 and 2015.

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 and forward includes an update to the mortality table used to determine the annuity purchase rate.

Effective in fiscal year 2015, GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" (GASB 68) created two actuarial valuations for pensions; a funding valuation and a reporting valuation. Trend information for the GASB 68 reporting valuation is included as Required Supplementary Information (RSI) immediately following the Notes to Basic Financial Statements. This table contains information on a funding basis only.

CITY OF CARROLLTON
ACTIVE AND RETIREE HEALTH INSURANCE COSTS

Table 21

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Health Plan Expenses	Retiree Expense	Percentage Retiree Costs to Total	Active Members		Retirees Using City Health Plan		Total TMRS Retirees	Percentage Retirees Using Plan to Total Members		Retiree Contributions	Net Subsidy of Retirees	Subsidy as Percentage of Total Expense	Cost per Active Member	Cost per Retiree
				Members	Members	Plan	Members		Members	Members					
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			
2015	12,001,021	619,770	5.2%	719	41	519	5.4%	511,666	(108,104)	0.9%	15,829	15,116			
Total	\$ 86,310,425	\$ 8,279,227	9.59%	709	45	360	6.3%	\$ 4,442,630	\$ (3,836,597)	4.4%	\$ 11,037	\$ 18,557			
Average	\$ 8,631,043	\$ 827,923						\$ 444,263	\$ (383,660)						

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, 2015

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

2015 Appraised Value of Taxable Property ⁽¹⁾	\$ 13,775,168,144
Less Exemptions:	
Agricultural Land Use	\$ 54,717,844
Homestead	982,703,782
Disabled Veterans	14,846,220
Over 65	369,937,476
Disabled Persons	19,945,067
Totally Exempt	762,545,232
Freeport	409,831,029
Capped Value	63,519,860
Low Income Housing	10,571,794
Other Exemptions	<u>530,776</u>
Total Exemptions	<u>2,689,149,080</u>
 2015 Taxable Valuation ⁽¹⁾	 <u><u>\$ 11,086,019,064</u></u>
 Gross General Obligation Bonded Debt:	
General Purpose Bonds and Certificates	\$ 172,658,724
Less: General Obligation Interest & Sinking Fund Balances as of 09/30/2015	<u>4,297,818</u>
 Net General Obligation Bonded Debt	 <u><u>\$ 168,360,906</u></u>
Ratio of Gross General Obligation Bonded Debt to 2015 Taxable Valuation	1.56%
Ratio of Net General Obligation Bonded Debt to 2015 Taxable Valuation	1.52%

2010 Census Population - 119,097
2015 Estimated Population - 125,250
Per Capita Taxable Valuation - \$88,511
Per Capita Gross General Obligation Bonds Bonded Debt - \$1,379
Per Capita Net General Obligation Bonds Bonded Debt - \$1,344

⁽¹⁾ As of certified tax roll provided to the City by Dallas, Denton and Collin County Appraisal Districts in July 2015 (Fiscal year 2016).

Source: City of Carrollton

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2015

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

<u>Fiscal Year</u>	<u>Taxable Valuation⁽¹⁾</u>	<u>% Valuation Increase/Decrease Over Prior Year (100% of Market Value Basis)</u>	<u>Funded Debt Outstanding at Year End</u>	<u>Ratio Funded Debt to Taxable Valuation %</u>
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	172,658,724	1.68
2015/16	11,086,019,064	7.83	178,868,724	1.61

⁽¹⁾ 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⁽¹⁾
(Unaudited)

<u>Fiscal Year</u>	<u>Real Property</u>		<u>Personal & Other Property</u>		<u>Total Taxable Valuation</u>
	<u>Taxable Valuation</u>	<u>% of Total</u>	<u>Taxable Valuation</u>	<u>% of Total</u>	
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
2015/16	8,943,251,454	81	2,142,767,610	19	11,086,019,064

⁽¹⁾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, 2015

TABLE CD-4
TOTAL APPRAISED VALUATION BY CATEGORY⁽¹⁾
 (Unaudited)

<u>Property Use Category</u>	<u>Tax Year 2015</u>	<u>Tax Year 2014</u>	<u>Tax Year 2013</u>	<u>Tax Year 2012</u>	<u>Tax Year 2011</u>
Real, Residential, Single Family, and Mobile Homes Real	\$ 6,269,937,367	\$ 5,721,942,087	\$ 5,338,349,776	\$ 5,254,431,497	\$ 5,337,838,766
Residential, Multiple Family	1,084,309,737	1,015,906,272	827,684,090	746,753,407	639,858,987
Real, Vacant Lots/Tracts	189,856,391	169,407,783	108,113,113	105,613,486	117,620,011
Real, Acreage (Land Only)	59,168,392	64,516,154	69,844,568	88,673,040	86,764,500
Real, Commercial, Industrial and Utilities	2,862,103,364	2,680,156,886	2,577,426,212	2,414,256,568	2,356,283,306
Tangible Personal, Commercial Industrial and Utilities	2,571,132,212	2,427,195,971	2,355,111,781	2,213,250,756	2,067,196,490
Tangible Personal, Special Inventory Other	<u>45,021,244</u>	<u>42,505,979</u>	<u>40,776,009</u>	<u>37,355,798</u>	<u>29,500,952</u>
Total Appraised Valuation ⁽²⁾	<u>\$ 13,081,528,707</u>	<u>\$ 12,121,631,132</u>	<u>\$ 11,317,305,549</u>	<u>\$ 10,860,334,552</u>	<u>\$ 10,635,063,012</u>

⁽¹⁾ 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.

⁽²⁾ 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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2010</u>
Real Property					
Single-Family Residential	47.8%	47.2%	47.2%	48.4%	50.2%
Multi-Family Residential	8.3%	8.4%	7.3%	6.9%	6.0%
Vacant Lots/Tracts	1.5%	1.4%	0.9%	1.0%	1.1%
Acreage-Land Only	0.5%	0.5%	0.6%	0.8%	0.8%
Commercial, Industrial, and Utilities	21.9%	22.1%	22.8%	22.2%	22.2%
Tangible Personal Property					
Commercial, Industrial, and Utilities	19.7%	20.0%	20.8%	20.4%	19.4%
Other	<u>0.3%</u>	<u>0.4%</u>	<u>0.4%</u>	<u>0.3%</u>	<u>0.3%</u>
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
 Year ended September 30, 2015

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

<u>Fiscal</u> <u>Year Ended</u>	<u>Tax Rate Distribution</u>			<u>Tax</u> <u>Levy for</u> <u>Fiscal Year</u> ⁽¹⁾	<u>Percent</u> <u>of Current</u> <u>Collections</u>	<u>Percent</u> <u>of Total</u> <u>Collections</u>
	<u>Total</u> <u>Tax</u> <u>Rate</u>	<u>Operating/</u> <u>General</u> <u>Fund</u>	<u>Interest</u> <u>and Sinking</u> <u>Fund</u>			
2006/07	\$ 0.6329	\$ 0.4340	\$ 0.1989	\$ 54,075,622	99.41 %	99.88 %
2007/08	0.6179	0.4391	0.1787	56,806,937	99.24 %	99.84 %
2008/09	0.6179	0.4321	0.1858	58,364,885	99.14 %	99.91 %
2009/10	0.6179	0.4157	0.2022	56,887,251	99.44 %	99.88 %
2010/11	0.6179	0.4062	0.2116	55,436,775	99.10 %	99.76 %
2011/12	0.6179	0.3985	0.2194	55,503,657	99.32 %	99.73 %
2012/13	0.6179	0.4119	0.2060	56,415,808	99.29 %	99.76 %
2013/14	0.6179	0.4144	0.2034	58,938,837	99.68 %	99.80 %
2014/15	0.6154	0.4174	0.1980	62,839,506	99.47 %	99.47 %
2015/16	0.6129	0.4201	0.1928	65,141,963	- (2)	- (2)

Source: City of Carrollton.

⁽¹⁾ Adjusted Tax Levy at Fiscal Year End.

⁽²⁾ In process of collection.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2015

TABLE CD-7
TOP TEN TAXPAYERS
Fiscal Year 2016
(Unaudited)

<u>Name</u>	<u>Nature of Property</u>	<u>Total Taxable Value⁽¹⁾</u>	<u>% of Total Taxable Value</u>
1. Bella Vida Gardens Associates LLC	Apartments	\$ 64,745,650	0.58%
2. Mansions at Sunset Ridge Partners LP	Apartments	59,002,522	0.53%
3. JPMorgan Chase Bank NA	Finance	55,260,080	0.50%
4. Halliburton Energy Services	Manufacturing	54,900,034	0.50%
5. Cyrus One LLC	Technology	50,000,000	0.45%
6. Ari-International Business Park	Real Estate	49,354,520	0.45%
7. BH Autumn Chase Apartments LP	Apartments	44,693,297	0.40%
8. Meridian Apartments	Apartments	44,600,000	0.40%
9. Texas Dugan Ltd.	Real Estate	44,332,512	0.40%
10. Frankel, Edward B MD TR	Real Estate	<u>43,675,923</u>	<u>0.39%</u>
Total		<u>\$ 510,564,538</u>	<u>4.60%</u>

⁽¹⁾Total taxable value including real and personal property is \$11,086,019,064
Source: Dallas & Denton County Tax Office, City Report of Property Value, 2015. (Fiscal Year 2016)

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

General Obligation Debt Service Requirements, Fiscal Year Ending 9/30/16		\$ 20,667,880
Debt Service Fund, All General Obligation Issues 9/30/15	\$ 4,297,818	
Budget for Fiscal Year 2015/16 Debt Service Fund Tax Levy @ 98% Collection	20,495,949	<u>24,793,767</u>
Estimated Surplus Year Ending 9/30/16		<u>\$ 4,125,887</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, 2016	\$ 20,667,880
\$0.192832 Tax Rate @ 98% Collection Procedures ⁽¹⁾	20,495,949

⁽¹⁾Total estimated net taxable value computed and adjusted for estimated valuation under protest, tax grant property, and TIRZ incremental value from 2015/16 budgeted tax year certified taxable valuation of \$10,845,831,595.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
 Year ended September 30, 2015

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 Ended 9/30</u>	<u>Total Collected</u>	<u>Percentage of Ad Valorem Tax Levy</u>	<u>Equivalent of Ad Valorem Tax Rate</u>	<u>Per Capita</u>
2006	\$ 20,758,445	40.13 % ⁽¹⁾	0.25 ⁽¹⁾	174.88
2007	22,021,647	41.75 ⁽²⁾	0.26 ⁽²⁾	183.28
2008	21,474,564	38.51 ⁽³⁾	0.24 ⁽³⁾	178.13
2009	21,041,211	39.17 ⁽³⁾	0.24 ⁽³⁾	173.97
2010	19,947,850	35.90 ⁽³⁾	0.22 ⁽³⁾	163.37
2011	21,460,288	39.99 ⁽³⁾	0.25 ⁽³⁾	179.78
2012	24,100,500	43.99 ⁽³⁾	0.27 ⁽³⁾	198.93
2013	25,480,560	44.60 ⁽³⁾	0.28 ⁽³⁾	208.38
2014	27,491,706	45.05 ⁽³⁾	0.28 ⁽³⁾	220.99
2015	31,146,385	47.81 ⁽³⁾	0.29 ⁽³⁾	248.67 ⁽⁴⁾

- ⁽¹⁾ Based on 99.0% collection rate of the total tax levy.
- ⁽²⁾ Based on 98.5% collection rate of the total tax levy.
- ⁽³⁾ Based on 98% collection rate of the total tax levy.
- ⁽⁴⁾ Based on estimated population of 125,250 as of September 30, 2015.

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⁽⁵⁾
 (Unaudited)

<u>Month</u>	<u>2015-2016</u>	<u>2014-15</u>	<u>2013-14</u>
October	\$ 3,066,597.00	\$ 2,750,770	\$ 2,534,406
November	2,829,186.00	2,431,341	2,235,503
December	2,210,296.33 ⁽⁶⁾	2,092,184	2,072,184
January	2,879,094.91 ⁽⁶⁾	2,957,889	2,468,286
February	2,306,314.68 ⁽⁶⁾	2,430,699	1,933,335
March	2,178,407.89 ⁽⁶⁾	2,055,525	1,987,984
April	2,697,697.78 ⁽⁶⁾	2,891,641	2,382,413
May	2,511,281.45 ⁽⁶⁾	2,608,953	2,181,364
June	2,639,452.72 ⁽⁶⁾	2,398,652	2,363,194
July	3,164,864.18 ⁽⁶⁾	3,241,927	2,586,094
August	2,729,873.58 ⁽⁶⁾	2,451,108	2,361,221
September	2,685,535.22 ⁽⁶⁾	2,835,696	2,385,722
	<u>\$ 31,898,602</u>	<u>\$ 31,146,385</u>	<u>\$ 27,491,706</u>

Source: Comptroller of Public Accounts; City of Carrollton

⁽⁵⁾ Amount does not include mixed beverage and sales taxes retained.

⁽⁶⁾ Budget amount.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
 Year ended September 30, 2015

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

Fiscal Year <u>Ended</u> <u>30-Sep</u>	\$20,000,000 ⁽¹⁾				Total Debt Service <u>Requirements</u>
	Existing Debt <u>Service</u>	General Obligation Improvement Bonds Series 2016			
		<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	
2016	\$ 20,317,880	\$ -	\$ 350,000	\$ 350,000	\$ 20,667,880
2017	19,416,780	705,000	700,000	1,405,000	20,821,780
2018	18,850,755	730,000	675,325	1,405,325	20,256,080
2019	18,010,680	760,000	649,775	1,409,775	19,420,455
2020	16,478,699	785,000	623,175	1,408,175	17,886,874
2021	15,096,480	810,000	595,700	1,405,700	16,502,180
2022	13,674,655	840,000	567,350	1,407,350	15,082,005
2023	12,731,555	870,000	537,950	1,407,950	14,139,505
2024	12,156,255	900,000	507,500	1,407,500	13,563,755
2025	12,148,343	930,000	476,000	1,406,000	13,554,343
2026	10,640,375	965,000	443,450	1,408,450	12,048,825
2027	9,251,025	1,000,000	409,675	1,409,675	10,660,700
2028	7,627,200	1,030,000	374,675	1,404,675	9,031,875
2029	7,635,868	1,070,000	338,625	1,408,625	9,044,493
2030	5,654,844	1,105,000	301,175	1,406,175	7,061,019
2031	3,346,088	1,145,000	262,500	1,407,500	4,753,588
2032	3,399,487	1,185,000	222,425	1,407,425	4,806,912
2033	3,397,113	1,225,000	180,950	1,405,950	4,803,063
2034	2,697,787	1,270,000	138,075	1,408,075	4,105,862
2035	1,265,250	1,315,000	93,625	1,408,625	2,673,875
2036	-	1,360,000	47,600	1,407,600	1,407,600
	<u>\$ 213,797,119</u>	<u>\$ 20,000,000</u>	<u>\$ 8,495,550</u>	<u>\$ 28,495,550</u>	<u>\$ 242,292,669</u>

⁽¹⁾ Estimated 2016 debt issuance. Assumed interest rate of 3.5%

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2015

TABLE CD-13
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS⁽¹⁾
(Unaudited)

<u>Authorization Purpose</u>	<u>Authorization Date</u>	<u>Amount Authorized</u>	<u>Prior Issuance</u>	<u>2016 Issuance</u>	<u>Balance Unissued</u>
Traffic Improvements	01/16/98	\$ 5,100,000	\$ 5,050,000	\$ 50,000	\$ -
Traffic Improvements	05/15/04	450,000	-	200,000	250,000
Drainage Improvements	05/15/04	15,400,000	15,400,000	-	-
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	10,230,222	9,300,000	23,644,778
Drainage Improvements	11/05/13	8,780,000	-	-	8,780,000
Parks & Rec. Facilities Improvements	11/05/13	8,545,000	4,085,000	2,550,000	1,910,000
Public Safety Facilities Improvements	11/05/13	14,500,000	7,000,000	7,500,000	-
		<u>\$ 107,150,000</u>	<u>\$ 44,744,789</u>	<u>\$ 20,000,000</u>	<u>\$ 42,405,211</u>

⁽¹⁾ 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⁽²⁾ COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
(Unaudited)

	<u>Fiscal Year Ended 9-30</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Fund Balance -					
Beginning of Year	\$ 20,804,224	\$ 18,393,387	\$ 18,339,631	\$ 16,571,044	\$ 16,753,532
Revenues:					
Taxes & Franchise Fees	78,296,612	73,353,751	67,972,223	65,912,159	63,527,909
Charges for Services	5,485,692	5,452,886	5,039,219	4,581,900	4,192,998
Fines and Forfeitures	6,833,415	7,057,819	6,235,333	5,471,923	4,392,475
Investment Income	337,074	260,719	129,958	185,007	218,182
Licenses and Permits	2,797,402	2,816,818	2,298,049	1,951,889	1,740,590
Intergovernmental	17,328	-	2,958	-	4,542
Miscellaneous	636,249	539,552	438,753	397,074	317,509
Total Revenues	<u>94,403,772</u>	<u>89,481,545</u>	<u>82,116,493</u>	<u>78,499,952</u>	<u>74,394,205</u>
Expenditures:					
General Government and Administration	14,249,773	14,233,668	13,818,786	12,894,095	13,234,778
Development Services	9,979,839	9,357,484	9,245,445	9,398,097	9,381,002
Public Safety	50,226,235	48,450,210	45,201,315	42,863,356	42,566,309
Cultural and Recreation	11,013,334	10,716,732	10,561,622	10,071,746	10,205,195
Net Transfers	10,652,807	4,312,614	3,235,569	1,504,071	(810,591)
Total Expenditures	<u>96,121,988</u>	<u>87,070,708</u>	<u>82,062,737</u>	<u>76,731,365</u>	<u>74,576,693</u>
Excess/Deficiency of Revenues over Expenditures	<u>(1,718,216)</u>	<u>2,410,837</u>	<u>53,756</u>	<u>1,768,587</u>	<u>(182,488)</u>
Fund Balance - End of Year	<u>\$ 19,086,008</u>	<u>\$ 20,804,224</u>	<u>\$ 18,393,387</u>	<u>\$ 18,339,631</u>	<u>\$ 16,571,044</u>

⁽²⁾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, 2015

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

On September 15, 2015, the 2015-16 budget was adopted by the City Council. The following General Fund Operating Budget is presented on a budget basis presentation.

<u>Revenues</u>	2014-15 <u>Actual</u>	2015-16 <u>Adopted Budget</u>	2015-16 <u>Current Estimate</u>⁽¹⁾
Property Taxes	\$ 35,663,442	\$ 37,800,495	\$ 37,981,205
Sales Taxes	31,070,691	31,628,000	32,146,010
Franchise Fees	11,395,148	11,345,046	11,345,046
Licenses and Permits	2,797,402	2,937,969	2,788,267
Charges for Services	5,187,618	4,950,462	4,922,862
Fines and Forfeiture	6,766,494	6,234,450	6,182,554
Other Revenues	782,221	495,900	495,900
Investment Income	237,911	246,750	246,750
Transfers In	<u>3,725,988</u>	<u>2,921,983</u>	<u>2,921,983</u>
Total Revenues	<u>\$ 97,626,915</u>	<u>\$ 98,561,055</u>	<u>\$ 99,030,577</u>
 <u>Expenditures</u>			
Personal Services	\$ 55,196,598	\$ 57,561,182	\$ 57,561,182
Supplies and Services	9,298,998	12,323,528	12,323,528
Utilities	2,311,411	2,382,566	2,382,566
Allocations	15,934,426	17,321,726	17,321,726
Capital Outlay	691,946	555,009	555,009
Transfers Out	<u>15,403,850</u>	<u>8,417,044</u>	<u>8,417,044</u>
Total Expenditures	<u>\$ 98,837,229</u>	<u>\$ 98,561,055</u>	<u>\$ 98,561,055</u>

⁽¹⁾As of November 30, 2015. 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.

⁽²⁾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, 2015

TABLE CD-16
CURRENT INVESTMENTS
(Unaudited)

As of September 30, 2015 the following percentages of the City's investable funds were invested in the following investment categories and the weighted average maturity of the total City portfolio was 1.49 years

<u>Type of Investment</u>	<u>Amortized Value</u>	<u>Percentage</u>
Coupon Agencies	\$ 123,283,214	70.75%
Discount Agencies	22,879,360	13.13%
Government Pools ⁽¹⁾	<u>28,099,513</u>	<u>16.12%</u>
Total Securities	<u>\$ 174,262,087</u>	<u>100.00%</u>

⁽¹⁾The City's government pool investments are in the Texas Local Government Investment Pool ("TexPool") and the Local Government Investment Cooperative ("LOGIC"). TexPool and LOGIC are rated AAAM by S&P and operate 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, 2015

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

Year Ending <u>9/30</u>	Existing Debt		Total Debt Service Requirements
	<u>Principal</u>	<u>Service Interest</u>	
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	430,000	21,500	451,500
Totals	<u>\$ 14,185,000</u>	<u>\$ 3,338,819</u>	<u>\$ 17,523,819</u>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2015

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

	Fiscal Year Ended 9/30			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues	\$ 35,668,929	\$ 34,102,074	\$ 35,256,384	\$ 35,011,924
Expenses:				
Personal Services	3,740,948	3,683,454	3,483,877	3,431,921
Supplies and Services	21,505,088	21,764,025	21,477,817	20,652,052
Utilities	858,560	694,054	909,152	898,975
Allocations	1,175,733	1,195,384	1,074,436	1,111,285
Provision for				
Doubtful accounts	44,450	47,877	40,471	63,100
Transfers Out	3,587,841	3,651,703	3,454,158	3,466,178
Total Expenses	<u>30,912,620</u>	<u>31,036,497</u>	<u>30,439,911</u>	<u>29,623,511</u>
Net Available for Debt Service	<u>\$ 4,756,309</u>	<u>\$ 3,065,577</u>	<u>\$ 4,816,473</u>	<u>\$ 5,388,413</u>
Customer Count				
Water/Sewer	38,975	36,055	35,710	34,971
Average Annual Debt Service	\$ 1,460,318	\$ 1,488,696	\$ 1,552,989	\$ 1,609,769
Coverage	3.26 x	2.06 x	3.10 x	3.35 x
Average Annual Debt Service - 2015/2027				\$ 1,460,318
Coverage of Average Annual Debt Service at 9/30/15 Net Available				\$ 3.26 x
Maximum Annual Debt Service - 2016/2027				\$ 1,841,654
Coverage of Maximum Annual Debt Service at 9/30/15 Net Available				\$ 2.58 x

TABLE CD-19
FUND BALANCES
(As of September 30, 2015)
(Unaudited)

Reserve Fund	\$ 1,460,318
Interest and Sinking Fund	<u>764,252</u>
Total Fund Balances	<u>\$ 2,224,570</u>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2015

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

	2014-15	2015-16
	Actual ⁽¹⁾	Adopted Budget ^{(1) (2)}
<u>Beginning Operating Funds</u>	\$ 12,752,449	\$ 9,669,445
<u>Revenues</u>		
Water Sales & Charges	22,125,044	22,537,579
Sewer Sales & Charges	11,995,443	12,767,572
Rate Increase	-	1,997,932
Tag & Reconnect Fees	381,605	384,000
Industrial Surcharge	387,262	300,000
Backflow Prevention Charges	167,113	175,000
Investment Income	65,143	73,500
Miscellaneous	266,452	290,000
Total Revenues	\$ 35,388,062	\$ 38,525,583
<u>Total Funds Available</u>	\$ 48,140,511	\$ 48,195,028
<u>Expenditures</u>		
Personal Services	2,821,785	3,169,244
Supplies and Services	21,063,991	23,979,359
Utilities	850,954	731,918
Allocations	3,967,251	4,137,061
Capital Outlay	-	-
Canceled Encumbrances	(4,903)	-
Transfers Out	7,193,329	7,217,990
Total Expenditures	\$ 35,892,407	\$ 39,235,572
<u>Ending Operating Funds</u>	\$ 12,248,104	\$ 8,959,456

⁽¹⁾Budget basis.

⁽²⁾Includes an average 7.5% on water and sewer rates effective 1/1/2016.

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

Land	\$ 1,372,868
Utility Plant	256,262,302
Equipment and Intangibles	4,759,737
Total Capital Assets	262,394,907
Less Accumulated Depreciation	(132,053,043)
Net Utility Plant in Service	\$ 130,341,864

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2015

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

	Fiscal Year Ending September 30			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Water & Wastewater				
System in Service	\$262,394,907	\$257,307,793	\$249,685,818	\$245,277,518
Reserve for Depreciation	<u>(132,053,043)</u>	<u>(124,943,330)</u>	<u>(117,562,240)</u>	<u>(109,814,668)</u>
Net plant in Service	130,341,864	132,364,463	132,123,578	135,462,850
Construction Funds Net Assets	<u>9,882,200</u>	<u>9,975,764</u>	<u>12,147,839</u>	<u>11,891,235</u>
Net Plant in Sevice and Coming on Line	<u>140,224,064</u>	<u>142,340,227</u>	<u>144,271,417</u>	<u>147,354,085</u>
Plus Other Assets/Deferred Outflows of Resources	537,237	258,338	270,392	289,439
Plus Operating Working Capital Assets and Deferred Outflows of Resources Net of Current Liabilities and Debt Reserves	<u>12,528,176</u>	<u>12,779,879</u>	<u>15,470,991</u>	<u>16,292,548</u>
	<u>153,289,477</u>	<u>155,378,444</u>	<u>160,012,800</u>	<u>163,936,072</u>
Long Term Debt	13,578,357	14,937,477	16,251,597	18,065,717
Less Debt Reserves	<u>(1,460,318)</u>	<u>(1,488,696)</u>	<u>(1,552,989)</u>	<u>(1,610,108)</u>
Net Long Term Debt	12,118,039	13,448,781	14,698,608	16,455,609
Plus Other Liabilities/ Deferred Inflows of Resources	<u>1,006,277</u>	<u>589,837</u>	<u>588,319</u>	<u>644,186</u>
Total Obligations and Deferred Inflows of Resources	13,124,316	14,038,618	15,286,927	17,099,795
City's Equity in System	<u>\$140,165,161</u>	<u>\$141,339,826</u>	<u>\$144,725,873</u>	<u>\$146,836,277</u>
% Equity	91.44%	90.96%	90.45%	89.57%

Notes:

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.

The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years presented have not been restated for the effects of this standard.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2015

TABLE CD-23
TOP TEN WATER CUSTOMERS
AS OF 9/30/2015
(Unaudited)

<u>Name</u>	<u>Type</u>	<u>Revenues</u>	<u>% of Total Water Revenues⁽¹⁾</u>
1. Carrollton-Farmers Branch ISD	School District	\$ 451,395	2.04%
2. Western Extrusions	Manufacturing	148,135	0.67%
3. Bella Vida at Coyote Ridge	Apartments	114,313	0.52%
3. Lewisville ISD	School District	111,445	0.50%
5. Autumn Chase Apartments	Apartments	109,537	0.50%
6. Country Square Associates	Apartments	98,928	0.45%
7. Springs of Indian Creek	Apartments	91,220	0.41%
8. Dawntree	Apartments	88,932	0.40%
9. Edentree	Apartments	86,180	0.39%
10. Mansions at Sunset Ridge	Apartments	85,847	0.39%
TOTAL		\$ 1,385,932	6.27%

NOTES:

⁽¹⁾Total water revenues from October 1, 2014 through September 30, 2015 was \$22,125,044

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>
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
2015	19,548,000	41,609,000	7,151,918,000

Source: City of Carrollton Water Distribution Department.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2015

TABLE CD-25
WATER & WASTEWATER RATES⁽¹⁾
(Unaudited)

Monthly Water Rates:

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

Single-family residential domestic and irrigation use	\$	11.66
Commercial (including apartments and portable meters), industrial and commercial irrigation use:		
5/8" meter	\$	11.90
1" meter		18.34
1.5" meter		29.10
2" meter		41.99
3" meter		76.37
4" meter		115.04
6" meter		222.50
8" meter		351.46
10" meter		501.88
Fire Line regardless of size		64.83

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)	\$	2.92
Meter Readings from May through September		
Next 8,000 gallons (per 1,000 gallons)		2.92
All Over 10,000 gallons (per 1,000 gallons)		3.93
All Over 25,000 gallons (per 1,000 gallons)		4.92
Irrigation use:		
Next 23,000 gallons (per 1,000 gallons)	\$	3.00
Next 25,000 gallons (per 1,000 gallons)		3.59
Next 50,000 gallons (per 1,000 gallons)		4.06
Next 100,000 gallons (per 1,000 gallons)		4.59
All use over 200,000 gallons (per 1,000 gallons)		5.12
Commercial use (including apartments and portable meters)		
All use over 2,000 gallons (per 1,000 gallons)	\$	2.02
Industrial Use: Industrial use rates for water service will apply to customers in the business of assembly or manufacturing of goods and for which water usage equals or exceed 750,000 gallons per month for nine out of twelve months in the year:		
All use over 2,000 gallons (per 1,000 gallons)	\$	1.77

Monthly Sewer Rates:

Residential use:		
First 2,000 gallons, minimum	\$	11.03
All use over 2,000 gallons (per 1,000 gallons)		2.30
Commercial (including apartments), Industrial and Irrigation minimum monthly charges, including the first 2,000 gallons of use:		
5/8" meter	\$	11.03
1" meter		15.96
1.5" meter		24.14
2" meter		33.96
3" meter		60.17
4" meter		89.62
6" meter		171.45
8" meter		269.66
10" meter		384.23
Commercial and Industrial use:		
All use over 2,000 gallons (per 1,000 gallons)	\$	2.30

⁽¹⁾ Rates effective March 1, 2016.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2015

TABLE CD-26
COMPARATIVE WATER AND SEWER REVENUES, EXPENSES AND CHANGES IN NET POSITION
(GAAP BASIS)
Fiscal Year End 9-30
(Unaudited)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Operating revenues:				
Charges for services	\$ 35,301,330	\$ 33,789,304	\$ 35,171,954	\$ 34,785,038
Miscellaneous	174,697	159,535	99,716	87,849
Total operating revenues	<u>35,476,027</u>	<u>33,948,839</u>	<u>35,271,670</u>	<u>34,872,887</u>
Operating expenses:				
Personal services	3,740,948	3,683,454	3,483,877	3,431,921
Supplies and Services	21,549,538	21,811,902	21,518,288	20,870,226
Utilities	858,560	694,054	909,152	898,975
Allocations	1,175,733	1,195,384	1,074,436	1,111,285
Depreciation	7,291,949	8,077,819	7,876,715	7,780,673
Total operating expenses	<u>34,616,728</u>	<u>35,462,613</u>	<u>34,862,468</u>	<u>34,093,080</u>
Income (loss) from operations	<u>859,299</u>	<u>(1,513,774)</u>	<u>409,202</u>	<u>779,807</u>
Nonoperating revenues (expenses):				
Investment earnings net of change in fair v:	192,902	153,235	(15,286)	139,037
Gain on sale/retirement of capital assets	29,757	95,377	53,619	13,037
Interest expense	(521,786)	(573,215)	(626,585)	(780,396)
Total nonoperating revenues (expenses)	<u>(299,127)</u>	<u>(324,603)</u>	<u>(588,252)</u>	<u>(628,322)</u>
Income (loss) before contributions and transfers	560,172	(1,838,377)	(179,050)	151,485
Capital contributions	2,027,734	2,104,033	1,522,804	648,083
Transfers out	<u>(3,587,841)</u>	<u>(3,651,703)</u>	<u>(3,454,158)</u>	<u>(3,466,178)</u>
Change in net position	(999,935)	(3,386,047)	(2,110,404)	(2,666,610)
Net position at beginning of year, as previously reported	141,339,826	144,725,873	146,836,277	149,502,887
Impact of change in accounting principle	(174,730)	-	-	-
Net position at beginning of year, as restated	<u>141,165,096</u>	<u>144,725,873</u>	<u>146,836,277</u>	<u>149,502,887</u>
Net position at end of year	<u>\$140,165,161</u>	<u>\$141,339,826</u>	<u>\$144,725,873</u>	<u>\$146,836,277</u>

Notes:

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.

The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years presented have not been restated for the effects of this standard.



CARROLLTON
T E X A S



CARROLLTON
TEXAS

Where Connections Happen

City of Carrollton
1945 E. Jackson Road
Carrollton, Texas 75006

972-466-3000 • cityofcarrollton.com



Over 20,000 Attended the
2014 Festival at the Switchyard



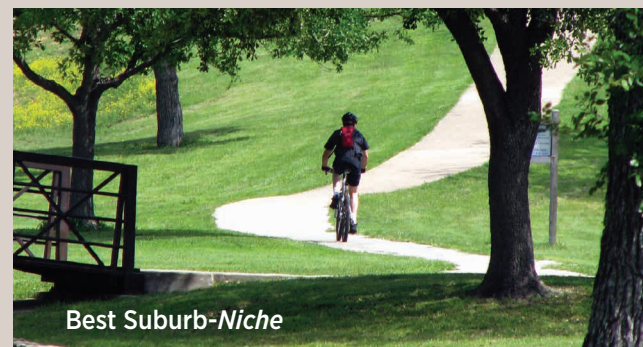
Over 10,000 Enjoyed
the July 4 Community
Fireworks Display



Del Santer Park
Opening



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



Best Suburb-Niche