

CITY OF HASLET, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2014

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CITY OF HASLET
ANNUAL FINANCIAL STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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RUTLEDGE CRAIN & COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS

2401 Garden Park Court, Suite B
Arlington, Texas 76013

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Haslet, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Haslet, Texas as of and for the year ended September 30, 2014, which collectively comprise the City's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Haslet, Texas as of September 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements which collectively comprise the City of Haslet, Texas' financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Rutledge Crain & Company, P.C.

December 4, 2014

CITY OF HASLET, TEXAS

Management's Discussion and Analysis

September 30, 2014

The City of Haslet, Texas (the "City") Management's Discussion and Analysis (MD&A) is a narrative overview and analysis designed to provide the reader a means to identify and understand the financial activity of the City and changes in the City's financial position during the fiscal year ended September 30, 2014.

The Management's Discussion and Analysis is supplemental to, and should be considered along with the City's financial statements.

Financial Highlights

1. The assets and deferred outflows of resources of the City of Haslet exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$23,646,535.
2. The City's net position decreased by (\$584).
3. As of September 30, 2014 the City of Haslet's governmental funds reported combined ending fund balances of \$5,693,169, an increase of \$244,413 in comparison with the prior fiscal year. Of this amount, \$1,945 is nonspendable, \$2,582,798 or 46% of the total amount is unassigned, an increase of \$165,033; \$1,272,164 or 22% of the total amount is committed, a decrease of \$173,769; and \$1,836,262 or 32% is restricted, an increase of \$253,974.
4. As of September 30, 2014, the fund balance for the General Fund increased by \$165,829. Unassigned General Fund balance is \$2,584,706, or 84% of the total expenditures for the General Fund for 2014.
5. The City's long-term debt decreased by \$87,458 after scheduled payments were made to creditors. The City incurred a new note payable during the 2013/14 fiscal year.

Overview of the Financial Statements

The MD&A is intended to introduce the reader to the City's basic financial statements, which are comprised of three components: 1. Government Wide Financial Statements, 2. Fund Financial Statements, and 3. Notes to those Financial Statements. The report also contains other required supplementary information in addition to the basic financial statements.

Government Wide Financial Statements – the government wide financial statements are designed to provide the reader with a general overview of the City's finances in a way that is comparable with financial statements from the private sector. The government wide financial statements consist of two statements:

1. The Statement of Net position – (Exhibit A-1) this statement presents information on all of the City's assets deferred outflows of resources, liabilities; and deferred inflows of resources; the difference between these is reported as net position. Over an extended period, the increase or decrease in net position will serve as a good indicator of whether the financial position of the City is improving or deteriorating.
2. The Statement of Activities – (Exhibit A-2) gives information showing how the City's net position has changed during the fiscal year. All revenues and expenses are reported on the full accrual basis so certain revenue and expense items will result in cash flows in future fiscal periods (such as uncollected taxes or unused vacation leave).

In the above statements, the City's operations are separated into two different types of activities:

1. Governmental Activities – where most of the City's basic activities are reported. These include general government, fire, streets, parks, municipal court, library, public safety, finance, fire marshal, economic development, and public works. Normally, these operations are financed by property taxes, sales taxes, franchise fees, licenses and permits and fines.

CITY OF HASLET, TEXAS

Management's Discussion and Analysis
September 30, 2014

2. Business-Type Activity – in this activity, the City charges fees to finance its operations. Examples of this are the City's water and sewer services.

Note: the government-wide financial statements are found on pages 13 thru 15 of this report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been set aside for specific activities or objectives. Fund financial statements provide detailed information about the most important funds and not about the city as a whole as in the government-wide financial statements.

The City uses fund accounting to demonstrate compliance with finance related legal requirements which can be categorized into two activities – government funds and proprietary funds.

Governmental Funds – Most of the City's activities are reported in governmental funds. They are used to account for those functions known as government activities. But unlike government-wide financial statements, governmental fund financial statements focus on how monies flow into and out of those funds and their resulting balances at the end of the fiscal year. Statements of governmental funds provide a detailed short-term view of the City's general government operations and the basic services it provides. Such information can be useful in evaluating a government's short-term financing requirements.

The City maintains eleven governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, Haslet Community and Economic Development Fund, and COs Capital Projects Fund which are considered to be major funds. Data from the other eight funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts annual appropriated budgets for the general fund, special revenue funds and the debt service fund. The budgets for the capital projects funds are adopted on a project length basis. A budgetary comparison statement is provided for each annually budgeted fund to demonstrate compliance with its budget.

Proprietary Funds – These funds are generally used when the City charges a fee for services and the relationship between the City and citizen is more like a customer and supplier. The fees are usually in amounts sufficient to cover the costs associated with providing the service. Proprietary funds provide the same type of information as the government-wide financial statements but in more detail, such as cash flows.

The proprietary fund financial statements provide information for the City's Utility (Water and Sewer) system, which is considered to be a major fund of the City. The basic proprietary fund financial statements can be found on pages 24-26 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-44.

Government-wide Financial Analysis

This statement highlights the information provided in both the Statement of Net position and Statement of Activities in the government-wide financial statements. It may serve over an extended period of time, as a useful indicator of the City's financial position. At the end of the fiscal year, the City's assets exceeded liabilities by \$23,646,535. Of this amount, \$16,263,087 (69%) reflects the City's investment in capital assets (e.g., land, buildings, machinery and equipment, net of accumulated depreciation); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide service to the community; therefore these assets are not available for future spending.

Government Activities Comparison

Capital assets increased (\$57,346 overall) due to depreciation and acquisitions of construction in progress \$364,239; buildings and improvements had additions of \$23,926; other improvements decreased \$468,539; vehicles had additions \$119,833 while tools and equipment had additions of \$17,887. Long-term liabilities increased \$7,908 with payments made to reduce bonded debt, capital leases and other obligations. Other liabilities decreased \$167,442, due to decreases in accounts payable and accrued liabilities.

CITY OF HASLET, TEXAS
Management's Discussion and Analysis
 September 30, 2014

Business-type Activities Comparison

Current and other assets decreased (\$21,324) due to the acquisition of capital assets and a decrease of water sales. Long-term liabilities decreased \$95,366 due to payments made to reduce capital leases and other obligations. Other liabilities increased \$134,363 due to increases in accounts payable and accrued liabilities.

Statement of Net Position

	Government Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 6,162,860	\$ 6,162,104	\$ 2,105,992	\$ 2,127,316	\$ 8,268,852	\$ 8,289,420
Capital assets	12,063,259	12,005,913	8,916,037	8,945,998	20,979,296	20,951,911
Total Assets	18,226,119	18,168,017	11,022,029	11,073,314	29,246,148	29,241,331
Deferred Outflows of Resources	15,535	16,618	47,530	55,543	63,065	72,161
Liabilities						
Long-term Liabilities	2,879,881	2,871,973	2,043,196	2,138,562	4,923,077	5,010,535
Other Liabilities	355,403	522,845	343,229	208,866	698,632	731,711
Total Liabilities	3,235,284	3,394,818	2,386,425	2,347,428	5,621,709	5,742,246
Deferred Inflows of Resources	42,969	91,125	-	-	42,969	91,125
Net Position						
Net investment in capital assets	9,381,761	10,321,601	6,881,326	6,773,053	16,263,087	17,094,654
Restricted	933,094	1,383,841	-	-	933,094	1,383,841
Unrestricted	4,648,546	2,993,250	1,801,808	2,008,376	6,450,354	5,001,626
Total net position	\$ 14,963,401	\$ 14,698,692	\$ 8,683,134	\$ 8,781,429	\$ 23,646,535	\$ 23,480,121

City operational analysis – The following table provides a summary analysis of the City's operations for the fiscal year ended September 30, 2014. Governmental activities have increased the City's net position by \$264,709 which amounts to a 2% increase in total net position for the year. The City's business-type activity (i.e. water and sewer fund) has decreased the City's assets by \$265,293 which amounts to a 3% decrease in net position for that activity.

Government Activities Comparison

Revenues

Charges for services decreased (\$515,939) due to a decrease of building permits. Operating grants and contributions decreased (\$13,860) due to a decrease in grants received by the City. Capital grants and contributions decreased \$112,193. Property tax increased \$53,838 due to the addition of property to the appraisal role. Sales tax increased \$278,459 due to equipment purchases made by new business locating to the City. Gas royalties decreased \$22,289. Unrestricted investment earnings decreased (\$2,285) due to a decrease in interest rates.

Expenses

General Government increased \$124,310 due to having the City Administrator position filled for a complete year; Public Safety increased \$10,248 based on the contract with Tarrant County; Non-departmental increased \$21,566 due to the acquisition of a generator.

CITY OF HASLET, TEXAS
Management's Discussion and Analysis
 September 30, 2014

Business-type Comparison

Revenues

Charges for services decreased (\$129,960) due to a decrease in water revenue from gas well activity. Capital grants and contributions decreased (\$127,093); and miscellaneous revenue increased \$19,813 due to a change in the "settle-up" payment received from Trinity River Authority of Texas.

Expenses

Water and sewer operations decreased (\$125,642) due to the decrease in water purchases.

Changes In net position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenue						
Program revenue						
Charges for services	\$ 614,320	\$ 1,130,200	\$ 1,265,628	\$ 1,415,588	\$ 1,899,948	\$ 2,545,788
Operating grants and contributions	111,000	124,860	-	-	111,000	124,860
Capital grants and contributions	143,337	255,530	129,668	256,761	273,005	512,291
General Revenue						
Property tax	1,484,975	1,431,137	-	-	1,484,975	1,431,137
Sales Tax	1,247,621	969,162	-	-	1,247,621	969,162
Franchise tax	228,234	173,107	-	-	228,234	173,107
Gas royalties	69,196	91,485	-	-	69,196	91,465
Unrestricted investment earnings	4,722	7,547	1,489	3,095	6,211	10,642
Miscellaneous revenue (expense)	-	-	111,528	91,715	111,528	91,715
Total revenue	3,903,405	4,183,028	1,528,313	1,767,159	5,431,718	5,950,187
Expenses						
Code enforcement	77,648	80,731	-	-	77,648	80,731
General government	597,092	472,782	-	-	597,092	472,782
City secretary	140,066	130,781	-	-	140,066	-
Fire	432,190	373,050	-	-	432,190	373,050
Streets	629,417	505,957	-	-	629,417	505,957
Parks	243,331	252,004	-	-	243,331	252,004
Court	92,689	87,813	-	-	92,689	87,813
Library	188,712	195,156	-	-	188,712	195,156
Public safety	575,120	564,872	-	-	575,120	564,872
Finance	111,287	114,595	-	-	111,287	114,595
Fire marshal	10,364	45,851	-	-	10,364	45,851
Economic development	125,326	71,080	-	-	125,326	71,080
Public works	247,278	224,055	-	-	247,278	224,055
Nondepartmental	157,742	136,176	-	-	157,742	136,176
Interest and amortization	111,057	123,685	-	-	111,057	123,685
Water and sewer operations	-	-	1,692,983	1,818,625	1,692,983	1,818,625
Total expenses	3,739,319	3,378,588	1,692,983	1,818,625	5,432,302	5,066,432
Transfers	100,623	162,090	(100,623)	(162,090)	-	-
Increase (decrease) In net position	\$ 264,709	\$ 966,530	\$ (265,293)	\$ (213,556)	\$ (584)	\$ 883,755

CITY OF HASLET, TEXAS

*Management's Discussion and Analysis
September 30, 2014*

Financial analysis of the City's funds

Government Funds - the main focus of the City's governmental funds is to provide information on the flow of monies to and from the funds, and to note the unreserved fund balance which is a good indicator of resources available for spending in the near term. The information derived from these funds is highly useful in assessing the City's financial requirements. The unreserved fund balance may serve as a useful measure of the governments net resources available for use at the fiscal year end.

At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$5,693,169. The City has approximately \$1,024,867 of unspent capital projects bond proceeds for government activities which are restricted. As the proceeds are spent, there will be a similar increase in unrestricted net position. The City expects to complete the capital projects in Fiscal Year 2015. During the year there was a combined net increase in the fund balances of \$244,413.

Proprietary Funds – the City's proprietary fund statements have the same kind of information provided by the governmental statements but are in stated in more detail. Unrestricted net position of the water and sewer fund amounted to \$1,801,964.

The Haslet Community and Economic Development Corporation (Type B) has a total fund balance of \$2,486,622 at the end of the fiscal year, an increase of \$280,231. Revenues for the fund consistently exceed operational expenditures.

At the end of the fiscal year, the Haslet Economic Development Corporation (Type A) has a total fund balance of \$1,771,750, an increase of \$237,658. Revenues for the fund consistently exceed operational expenditures.

General fund budgetary highlights

There was an overall positive variance of 4% for revenue budgeted vs. actual revenue. The majority of the increase was in sales tax revenues (\$31,747 positive variance) due to equipment purchased by new business moving into the City of Haslet, licenses and permits (\$40,477 positive variance) due the increase number of permits being issued, and fines (\$35,087 positive variance) due to conservative estimation of expected revenue. Actual revenues came in over the final budget by \$126,762.

Actual expenditures were over final budgeted expenditures by 1% or \$43,077. The major contributing factors to this were: Fire which was over budget by \$176,649 due to acquisition of fire apparatus using a note payable; Administration Department was under budget by \$68,280 due to spending less than budgeted for the mapping system, legal, and engineering; Parks was under budget by \$35,124 due to one full time position was filled with a seasonal employee; Nondepartmental was over budget due to the acquisition of a generator (also a note payable); the Library was under budget by \$12,938 due to the vacancy of the Library Director for a short period. The two notes payable above were approved by council but unbudgeted; the accompanying proceeds of notes payable were also unbudgeted and thus offset the expenditure effect on budget variances overall.

Excess of expenditures over appropriations

Expenditures of the General Fund exceeded the final budget by (\$43,077) due to the factors discussed above.

Capital asset and debt administration

The City's investments of capital assets for its governmental and business-type activities as of September 30, 2014 amounted to \$20,979,296 net of accumulated depreciation. They represent a broad range of capital assets including, but not limited to buildings, land, fire equipment, park facilities, roads, water and sewer lines and a storm water system.

For the year ended September 30, 2014, major additions to capital assets for governmental activities include, roadway improvements completed or in progress. For business-type activities, the City completed or continued work on water and sewer infrastructure.

CITY OF HASLET, TEXAS
Management's Discussion and Analysis
 September 30, 2014

Capital assets net of depreciation at September 30, 2014 and 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 1,518,371	\$ 1,518,371	\$ 20,142	\$ 20,142	\$ 1,538,513	\$ 1,538,513
Construction in progress	785,015	400,778	151,174	51,529	916,189	452,305
Buildings	2,241,900	2,217,974	-	-	2,241,900	2,217,974
Improvements other than buildings	748,890	803,447	-	82	748,890	803,529
Infrastructure	6,207,726	6,621,708	8,633,807	8,744,813	14,841,533	15,366,321
Equipment	270,390	252,503	110,914	129,632	381,304	382,135
Vehicles	310,967	191,134	-	-	310,967	191,134
Total	\$ 12,063,259	\$ 12,005,913	\$ 8,916,037	\$ 8,945,998	\$ 20,979,296	\$ 20,951,911

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

- Completed renovations to the Community Center and Fire Station.
 - Purchased 2013 Pierce Attact Truck.
 - Made improvements to infrastructure roads.
 - Made improvements to water and sewer system infrastructure.
 - Purchased Caterpillar Diesel Stanby Generator.
- Purchased iPads for the Mayor and City Council.

Additional information about the City's capital assets may be found in Note II. C. in the notes to financial statements on pages 36-38 of this report.

Debt administration

Long-Term Debt – at the end of the current fiscal year the City had \$4,923,078 in bonded debt, notes payable, capital lease obligations, and accrued compensated absences, a decrease of 2% from the previous fiscal year. Of this amount, all is backed by the full faith and credit of the government. The City's general obligation debt maintains an "AA" rating from Standard & Poor's investor services.

General debt currently at September 30, 2014 and 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Certificates of obligation	\$ 2,204,000	\$ 2,285,200	\$ 1,598,000	\$ 1,654,800	\$ 3,800,000	\$ 3,940,000
General obligation bonds	491,400	577,200	453,800	532,800	945,000	1,110,000
Bond (premium)/discount	(27,349)	(28,552)	(14,889)	(14,854)	(42,238)	(43,208)
Note payable	180,929	-	-	-	180,929	-
Capital lease obligations	13,447	19,889	-	-	13,447	19,869
Accrued compensated absences	17,455	15,838	8,485	8,151	25,940	23,787
Total	\$ 2,879,882	\$ 2,889,353	\$ 2,043,198	\$ 2,181,097	\$ 4,923,078	\$ 5,050,450

Additional information about long-term debt may be found in Note II. E. in the notes to financial statements on pages 39-41 of this report.

CITY OF HASLET, TEXAS

Management's Discussion and Analysis

September 30, 2014

Economic factors and next year's budgets and rates

The 2014-2015 Budget reflects the positive financial condition of the City, and the ongoing mission of the Haslet City Council to provide cost-effective programs and responsive services to enhance the quality of life in Haslet. The City accomplishes this through the utilization of sound fiscal policy directives and conservation approach in revenue and expenditure forecasting.

Sales tax revenue and property tax revenue are the two largest revenue sources for the City's governmental funds. Property taxes are expected to increase by around 7% and sales taxes are budgeted to decrease by 14%. The decrease in sales tax is due to the City receiving additional sales tax revenue in fiscal year 2013-2014 for equipment purchased for new businesses that moved into Haslet (which amounted to \$129,559 for the General Operating Fund). Due to the nature of the volatility in sales tax receipts, the City has been conservative in projecting sales tax revenue and actual receipts have generally met expectations.

Each year, a major objective of the budget process is to focus on identifying cost-savings measures and to cut expenses however possible. Every line item has written justification. Every request is reviewed with the City Administrator and Finance Director. This year, non-recurring requests were transferred to a Capital Projects Fund, which is funded by General Fund excess revenues over expenditures at year-end. Overall expenditures for General Fund are expected to decrease by 5% due to the non-recurring expenses being moved.

The Enterprise (Water/Wastewater) Fund's budget decreased by \$78,196 or 5%. The City passed a policy to pass through all, or part of the additional charges originating from the City's wholesale contracts with the City of Fort Worth and the Trinity River Authority. For 2014-2015, an increase in water and sewer rates was approved for residential customers. The Enterprise Fund continues to experience extremes in weather conditions. In fiscal years 2010-2011 through 2013-2014, weather resulted in one of the most extreme droughts on record with lake levels falling and water restrictions being placed in effect.

Requests for information

Questions concerning any of the information in this report or requests for additional information should be directed to the City of Haslet, Finance Director, 101 Main Street, Haslet, Texas 76052.

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BASIC FINANCIAL STATEMENTS

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CITY OF HASLET, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
<i>Cash and investments</i>	\$ 5,773,866	\$ 1,888,353	\$ 7,662,219	\$ 1,478,033
Receivables (net of allowances):				
<i>Taxes</i>	69,847	—	69,847	—
<i>Accounts</i>	2,673	206,508	209,181	—
<i>Miscellaneous</i>	86,952	—	86,952	—
<i>Intergovernmental</i>	217,817	449	218,266	63,706
<i>Inventories</i>	—	8,576	8,576	957,820
<i>Prepaid items</i>	1,945	119	2,064	—
Restricted assets:				
<i>Cash and cash equivalents</i>	9,760	1,987	11,747	—
Capital assets (net of accumulated depreciation, where applicable)				
<i>Nondepreciable property</i>				
<i>Land</i>	1,518,371	20,142	1,538,513	—
<i>Construction in progress</i>	765,015	151,174	916,189	—
<i>Depreciable property</i>				
<i>Buildings</i>	2,241,900	—	2,241,900	—
<i>Improvements other than buildings</i>	748,890	—	748,890	—
<i>Infrastructure</i>	6,207,726	8,633,807	14,841,533	—
<i>Equipment</i>	270,390	110,914	381,304	—
<i>Vehicles</i>	310,967	—	310,967	—
Total Assets	18,226,119	11,022,029	29,248,148	2,499,559
DEFERRED OUTFLOWS OF RESOURCES				
<i>Deferred bond insurance costs</i>	15,535	12,085	27,620	—
<i>Deferred amount from refunding</i>	—	35,445	35,445	—
Total Deferred Outflows of Resources	15,535	47,530	63,065	—
LIABILITIES				
<i>Accounts payable</i>	217,592	246,366	463,958	11,187
<i>Accrued liabilities</i>	94,675	13,649	108,324	—
<i>Due to other governments</i>	43,136	—	43,136	—
<i>Customer deposits</i>	—	83,214	83,214	1,750
Noncurrent Liabilities:				
<i>Due within one year</i>	369,538	227,719	597,257	—
<i>Due in more than one year</i>	2,510,343	1,815,477	4,325,820	—
Total Liabilities	3,235,284	2,386,425	5,621,709	12,837
DEFERRED INFLOWS OF RESOURCES				
<i>Unearned revenue</i>	21,145	—	21,145	—
<i>Deferred amount from refunding</i>	21,824	—	21,824	—
Total Deferred Inflows of Resources	42,969	—	42,969	—
NET POSITION				
Net Investment in Capital Assets	9,381,761	6,881,326	16,263,087	—
Restricted For:				
Debt Service	59,554	—	59,554	—
Capital Projects	873,540	—	873,540	—
Unrestricted	4,648,546	1,801,808	6,450,354	2,486,622
Total Net Position	\$ 14,963,401	\$ 8,683,134	\$ 23,646,535	\$ 2,486,622

The accompanying notes are an integral part of this statement.

CITY OF HASLET, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
<i>Code enforcement</i>	\$ 77,648	\$ -	\$ -	\$ -
<i>General government</i>	597,092	241,369	-	-
<i>City secretary</i>	140,066	-	-	-
<i>Fire</i>	432,190	2,688	105,000	-
<i>Streets</i>	629,417	-	-	-
<i>Parks</i>	243,331	36,702	-	-
<i>Court</i>	92,689	318,727	-	-
<i>Library</i>	188,712	9,866	6,000	-
<i>Public safety</i>	575,120	4,968	-	-
<i>Finance</i>	111,287	-	-	-
<i>Fire marshall</i>	10,364	-	-	-
<i>Economic development</i>	125,326	-	-	30,517
<i>Public works</i>	247,278	-	-	112,820
<i>Nondepartmental</i>	157,742	-	-	-
<i>Interest on long-term debt</i>	109,974	-	-	-
<i>Amortization</i>	1,083	-	-	-
Total expenses	<u>3,739,319</u>	<u>614,320</u>	<u>111,000</u>	<u>143,337</u>
Business-type Activities:				
<i>Water and Sewer</i>	1,692,983	1,285,628	-	129,668
Total Business-type Activities	<u>1,692,983</u>	<u>1,285,628</u>	<u>-</u>	<u>129,668</u>
Total Primary Government	<u>\$ 5,432,302</u>	<u>\$ 1,899,948</u>	<u>\$ 111,000</u>	<u>\$ 273,005</u>
COMPONENT UNIT:				
<i>Haslet Community and Economic Development Corporation</i>	\$ 182,900	\$ 46,160	\$ -	\$ -

General Revenues and Transfers:
Property Taxes
Sales Taxes
Franchise Taxes
Gas royalties
Unrestricted investment earnings
Other revenue
Transfers
Total General Revenues and Transfers
Change in Net Assets
Net Position - Beginning
Prior Period Adjustment
Net Position - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (77,648)		\$ (77,648)	
(355,723)		(355,723)	
(140,066)		(140,066)	
(324,502)		(324,502)	
(629,417)		(629,417)	
(206,629)		(206,629)	
226,038		226,038	
(172,846)		(172,846)	
(570,152)		(570,152)	
(111,287)		(111,287)	
(10,364)		(10,364)	
(94,809)		(94,809)	
(134,458)		(134,458)	
(157,742)		(157,742)	
(109,974)		(109,974)	
(1,083)		(1,083)	
<u>(2,870,662)</u>		<u>(2,870,662)</u>	
	\$ (277,687)	(277,687)	
	<u>(277,687)</u>	<u>(277,687)</u>	
<u>(2,870,662)</u>	<u>(277,687)</u>	<u>(3,148,349)</u>	
			\$ (136,740)
1,484,975	—	1,484,975	—
1,247,621	—	1,247,621	415,874
228,234	—	228,234	—
69,196	—	69,196	—
4,722	1,489	6,211	1,097
—	111,528	111,528	—
100,623	(100,623)	—	—
<u>3,135,371</u>	<u>12,394</u>	<u>3,147,765</u>	<u>416,971</u>
264,709	(265,293)	(584)	280,231
14,698,692	8,781,427	23,480,119	2,206,391
—	167,000	167,000	—
<u>\$ 14,963,401</u>	<u>\$ 8,683,134</u>	<u>\$ 23,646,535</u>	<u>\$ 2,486,622</u>

CITY OF HASLET, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2014

	General Fund	Haslet Econ. Develop. Corp. (Type A)
ASSETS		
<i>Cash and investments</i>	\$ 2,668,720	\$ 1,760,104
Receivables:		
<i>Taxes</i>	56,945	--
<i>Accounts</i>	2,673	--
<i>Miscellaneous</i>	86,952	--
<i>Intergovernmental</i>	154,111	63,706
<i>Prepaid items</i>	1,908	--
Restricted assets:		
<i>Cash and cash equivalents</i>	9,760	--
Total Assets	<u>\$ 2,981,069</u>	<u>\$ 1,823,810</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, 'AND FUND BALANCES		
Liabilities:		
<i>Accounts payable</i>	\$ 158,418	\$ 52,060
<i>Accrued liabilities</i>	90,189	--
<i>Due to other governments</i>	43,136	--
Total Liabilities	<u>291,743</u>	<u>52,060</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue	104,620	--
Total Deferred Inflows of Resources	<u>104,620</u>	<u>--</u>
FUND BALANCES		
<i>Nonspendable</i>	1,908	--
<i>Restricted</i>	--	1,771,750
<i>Committed</i>	--	--
<i>Unassigned</i>	2,582,798	--
Total fund balances	<u>2,584,706</u>	<u>1,771,750</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,981,069</u>	<u>\$ 1,823,810</u>

The accompanying notes are an integral part of this statement.

<u>COs Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,024,867	\$ 320,176	\$ 5,773,867
--	12,902	69,847
--	--	2,673
--	--	86,952
--	--	217,817
--	37	1,945
--	--	9,760
<u>\$ 1,024,867</u>	<u>\$ 333,115</u>	<u>\$ 6,162,861</u>
\$ 5,595	\$ 1,519	\$ 217,592
--	--	90,189
--	--	43,136
<u>5,595</u>	<u>1,519</u>	<u>350,917</u>
--	14,155	118,775
--	14,155	118,775
--	37	1,945
--	64,512	1,836,262
1,019,272	252,892	1,272,164
--	--	2,582,798
<u>1,019,272</u>	<u>317,441</u>	<u>5,693,169</u>
<u>\$ 1,024,867</u>	<u>\$ 333,115</u>	<u>\$ 6,162,861</u>

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CITY OF HASLET, TEXAS
*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2014*

Total fund balances - governmental funds balance sheet	\$ 5,693,169
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	12,063,258
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	63,620
Payables for bond principal which are not due in the current period are not reported in the funds.	(2,689,875)
Payables for capital leases which are not due in the current period are not reported in the funds.	(13,447)
Payables for bond interest which are not due in the current period are not reported in the funds.	(4,486)
Payables for notes which are not due in the current period are not reported in the funds.	(180,928)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(17,455)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	15,535
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	<u>34,011</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 14,963,401</u>

The accompanying notes are an integral part of this statement.

CITY OF HASLET, TEXAS

*STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014*

	General Fund	Haslet Econ. Develop. Corp. (Type A)
REVENUES:		
<i>Property tax, penalties and interest</i>	\$ 1,199,174	\$ --
<i>Franchise tax</i>	228,234	--
<i>Sales tax</i>	831,747	415,874
<i>Licenses and permits</i>	211,077	--
<i>Intergovernmental</i>	--	--
<i>Park development fees</i>	--	--
<i>Fines</i>	326,587	--
<i>Contributions</i>	345	--
<i>Gas royalties</i>	69,196	--
<i>Interest</i>	2,186	1,303
<i>Miscellaneous</i>	137,576	--
Total revenues	<u>3,006,122</u>	<u>417,177</u>
EXPENDITURES:		
Current:		
<i>Code enforcement</i>	77,648	--
<i>Administration</i>	556,755	--
<i>City secretary</i>	140,066	--
<i>Fire</i>	649,187	--
<i>Streets</i>	156,272	--
<i>Parks</i>	109,406	--
<i>Court</i>	87,595	--
<i>Library</i>	177,862	--
<i>Nondepartmental</i>	229,144	--
<i>Public safety</i>	575,120	--
<i>Finance</i>	111,287	--
<i>Fire marshal</i>	10,364	--
<i>Economic development</i>	--	132,628
<i>Public works</i>	200,569	--
<i>Capital outlay</i>	--	--
<i>Debt service</i>	--	--
Total expenditures	<u>3,081,275</u>	<u>132,628</u>
Excess (deficiency) of revenues over (under) expenditures	(75,153)	284,549
OTHER FINANCING SOURCES (USES):		
<i>Transfers in</i>	6,890	--
<i>Transfers out</i>	(44,192)	(46,891)
<i>Contributions</i>	6,891	--
<i>Proceeds of notes payable</i>	271,393	--
Total other financing sources (uses)	<u>240,982</u>	<u>(46,891)</u>
Net change in fund balances	165,829	237,658
Fund balances, October 1	<u>2,418,877</u>	<u>1,534,092</u>
Fund balances, September 30	<u><u>\$ 2,584,706</u></u>	<u><u>\$ 1,771,750</u></u>

The accompanying notes are an integral part of this statement.

COs Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 305,039	\$ 1,504,213
--	--	228,234
--	--	1,247,621
--	--	211,077
--	72,820	72,820
--	10,500	10,500
--	19,503	346,090
--	7,000	7,345
--	--	69,196
832	401	4,722
--	26,202	163,778
<u>832</u>	<u>441,465</u>	<u>3,865,596</u>
--	--	77,648
--	--	556,755
--	--	140,066
--	--	649,187
--	--	156,272
--	69,457	178,863
--	21,298	108,893
--	10,850	188,712
--	--	229,144
--	--	575,120
--	--	111,287
--	--	10,364
--	--	132,628
--	--	200,569
222,833	218,708	441,541
--	283,041	283,041
<u>222,833</u>	<u>603,354</u>	<u>4,040,090</u>
(222,001)	(161,889)	(174,494)
171,976	39,575	218,441
(26,735)	--	(117,818)
40,000	--	46,891
--	--	271,393
<u>185,241</u>	<u>39,575</u>	<u>418,907</u>
(76,760)	(122,314)	244,413
<u>1,056,032</u>	<u>439,755</u>	<u>5,448,756</u>
<u>\$ 979,272</u>	<u>\$ 317,441</u>	<u>\$ 5,693,169</u>

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CITY OF HASLET, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Net change in fund balances - total governmental funds	\$ 244,413
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	752,208
The depreciation of capital assets used in governmental activities is not reported in the funds.	(718,489)
Donations of capital assets increase net position in the SOA but not in the funds.	23,626
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(19,239)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	167,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	96,886
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(1,083)
(Increase) decrease in accrued interest from beginning of period to end of period.	6,067
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(1,820)
Revenues in the SOA for court fines not providing current financial resources are not reported in the funds.	(13,467)
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(271,393)
Change in net position of governmental activities - Statement of Activities	<u>\$ 264,709</u>

The accompanying notes are an integral part of this statement.

CITY OF HASLET, TEXAS
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
SEPTEMBER 30, 2014

	Enterprise Fund Water and Sewer Fund
ASSETS	
CURRENT ASSETS	
<i>Cash and investments</i>	\$ 1,888,353
Receivables (net of allowances for uncollectibles):	
<i>Accounts</i>	206,508
<i>Intergovernmental</i>	449
<i>Inventories</i>	8,576
<i>Prepaid items</i>	119
Total Current Assets	<u>2,104,005</u>
NONCURRENT ASSETS	
RESTRICTED ASSETS	
<i>Cash and cash equivalents</i>	1,987
Total Restricted Assets	<u>1,987</u>
PROPERTY, PLANT AND EQUIPMENT	
<i>Land</i>	20,142
<i>Construction in progress</i>	151,174
<i>Improvements other than buildings</i>	7,142
<i>Infrastructure</i>	10,875,144
<i>Equipment</i>	341,584
<i>Accumulated depreciation</i>	(2,479,149)
Net Property, Plant and Equipment	<u>8,916,037</u>
Total Assets	<u>11,022,029</u>
DEFERRED OUTFLOWS OF RESOURCES	
<i>Deferred bond insurance costs</i>	12,085
<i>Deferred amount from refunding</i>	35,445
Total Deferred Outflows of Resources	<u>47,530</u>
LIABILITIES	
CURRENT LIABILITIES	
<i>Accounts payable</i>	246,366
<i>Accrued Liabilities</i>	13,649
<i>Compensated absences payable</i>	8,485
<i>General obligation bonds payable - current</i>	156,000
<i>Certificates of obligation payable - current</i>	63,000
<i>Customer deposits</i>	83,214
Total Current Liabilities	<u>570,714</u>
NONCURRENT LIABILITIES	
<i>General obligation bonds payable</i>	282,477
<i>Certificates of obligation payable</i>	1,533,234
Total Noncurrent Liabilities	<u>1,815,711</u>
Total Liabilities	<u>2,386,425</u>
NET POSITION	
<i>Net investment in capital assets</i>	6,881,170
<i>Unrestricted</i>	1,801,964
Total Net Position	<u>\$ 8,683,134</u>

The accompanying notes are an integral part of this statement.

CITY OF HASLET, TEXAS
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN FUND NET POSITION - ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Enterprise Fund Water and Sewer Fund
OPERATING REVENUES:	
<i>Water service</i>	\$ 1,047,755
<i>Sewer service</i>	210,298
<i>Tap connection fees</i>	16,330
<i>Penalties and interest</i>	10,733
<i>Garbage franchise tax</i>	513
Total Operating Revenues	<u>1,285,629</u>
OPERATING EXPENSES:	
<i>Administration</i>	139,439
<i>Operating</i>	999,770
<i>Shared public works expense</i>	155,983
<i>Depreciation</i>	303,200
Total Operating Expenses	<u>1,598,392</u>
Operating Income (Loss)	<u>(312,763)</u>
NON-OPERATING REVENUES (EXPENSES):	
<i>Interest income</i>	1,488
<i>Miscellaneous income</i>	111,528
<i>Interest expense</i>	(94,591)
Total Non-operating Revenues (Expenses)	<u>18,425</u>
Income (Loss) before Capital Contributions and Transfers	<u>(294,338)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS	
<i>Capital Contributions</i>	129,668
<i>Transfers in</i>	193,402
<i>Transfers out</i>	(294,025)
Total Capital Contributions and Transfers	<u>29,045</u>
Net income	<u>(265,293)</u>
Net Position - Beginning	8,781,427
Prior period adjustment	<u>167,000</u>
Net Position - Ending	<u>\$ 8,683,134</u>

The accompanying notes are an integral part of this statement.

CITY OF HASLET, TEXAS
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Cash Flows from Operating Activities:	
<i>Cash Received from Customers</i>	\$ 1,438,950
<i>Cash Payments to Suppliers for Goods and Services</i>	(1,043,335)
<i>Cash Payments to Employees for Services</i>	(118,555)
Net Cash Provided (Used) by Operating Activities	<u>277,060</u>
Cash Flows from Non-capital and Related Financing Activities:	
<i>Payments to other funds</i>	(100,623)
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(100,623)</u>
Cash Flows from Capital and Related Financing Activities:	
<i>Principal and Interest Paid</i>	(182,043)
<i>Acquisition or Construction of Capital Assets</i>	23,429
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(158,614)</u>
Cash Flows from Investing Activities:	
<i>Interest on Investments</i>	1,488
Net Cash Provided (Used) for Investing Activities	<u>1,488</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>19,311</u>
Cash and Cash Equivalents at Beginning of Year	
Unrestricted cash and investments	1,869,043
Restricted cash	1,986
	<u>1,871,029</u>
Cash and Cash Equivalents at End of Year	
Unrestricted cash and investments	1,888,353
Restricted cash	1,987
	<u>\$ 1,890,340</u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating Income (Loss)	\$ (312,763)
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
<i>Depreciation and amortization</i>	303,200
<i>Miscellaneous income</i>	111,528
Change In Assets and Liabilities:	
<i>Decrease (Increase) in Receivables</i>	36,848
<i>Decrease (Increase) in Inventories</i>	3,779
<i>Decrease (Increase) in Prepaid Items</i>	7
<i>Increase (Decrease) in Accounts Payable</i>	131,752
<i>Increase (Decrease) in Accrued Liabilities</i>	(2,236)
<i>Increase (Decrease) in Customer Deposits</i>	4,945
Total Adjustments	<u>589,823</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 277,060</u>
Noncash investing, capital, and financing activities:	
Contributions of capital assets from component unit	<u>\$ 129,668</u>

The accompanying notes are an integral part of this statement.

CITY OF HASLET, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2014

I. - SIGNIFICANT ACCOUNTING POLICIES

A. Description of the government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

B. Reporting Entity

The City of Haslet (City) was incorporated as a general law municipality in 1961 under the provisions of Chapter 11 Title 28, Texas revised civil statutes of 1925. The City operates under a Mayor/Council form of government. The City provides such services as are authorized by the Texas Local Government Code to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

The accounting policies of the City of Haslet, Texas, conform to generally accepted accounting principles issued by the Governmental Accounting Standards Board which is the recognized financial accounting standard setting body for governmental entities. The notes to the financial statements are an integral part of the City's financial statements.

The City's (primary government) financial statements include its component units. The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, "The Financial Reporting Entity," in that the financial statements include all organizations, activities, functions and component units for which the City (the "primary government") is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the City's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the City. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board. Accordingly the City has included the following:

Blended Component Unit

The Haslet Economic Development Corporation (Type A) was created under the law known as the Development Corporation Act of 1979. Type A is governed by a board of directors comprised of members appointed by the City Council. Capital improvement projects undertaken by Type A are for the benefit of the City. Type A may not issue debt without approval of the City Council. The City must approve changes to Type A's articles of incorporation, may unilaterally terminate Type A, and has residual interest in the net position of Type A. Type A reports its activities using a special revenue fund and it does not issue separate financial statements.

Discretely Presented Component Unit

The Haslet Community and Economic Development Corp. Fund (Type B) was created under the law known as the Development Corporation Act of 1979. Type B is governed by a board of directors comprised of members appointed by the City Council. Capital improvement projects undertaken by Type B benefit parties external to the City. Type B may not issue debt without approval of the City Council. The City must approve changes to Type B's articles of incorporation, may unilaterally terminate Type B, and has residual interest in the net position of Type B. Type B does not issue separate financial statements.

C. Basis of presentation – government-wide

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

CITY OF HASLET, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Haslet Community and Economic Development Corp. Fund (Type B) – accounts for use of sales tax revenue for business incentives.

COs Capital Projects Fund – accounts for use of debt used for related construction projects.

The City reports the following major enterprise fund:

The Water and Sewer Fund operates the water distribution system and the wastewater collection system.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. Measurement focus, basis of accounting, and basis of presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, sales taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, miscellaneous revenue, and interest income.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer enterprise fund are charges to customers for sales and services. This fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

F. Budgetary information, budget procedures

The City Council adheres to the following procedures in establishing the budgets reflected in the accompanying basic financial statements:

1. Annual budgets are adopted on the modified accrual basis of accounting for all governmental funds except the capital projects funds. The Capital Projects and CO Capital Projects funds adopt project length budgets.
2. Between sixty and ninety days prior to the beginning of the fiscal year, the Mayor submits to the City Council a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
3. Public hearings are conducted, at which time all interested persons comments concerning the budget are heard.
4. Fifteen days prior to the beginning of the fiscal year, the budget is legally adopted by the City Council enacted through the passage of an ordinance.

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5. The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, any revision that increases the total expenditures of any fund must be approved by the City Council. Therefore, the legal level of budgetary control is the fund level.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

H. Assets, liabilities, deferred outflows/inflows of resources and net position/fund balance

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities, excluding mortgage-backed securities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, excluding mortgage-backed securities; (4) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or the National Credit Union Share Insurance fund, or its successor, (B) secured by obligations that are described by Section 2256.009(a) of the Texas Public Funds Investment Act, including mortgage-backed securities directly issued by a federal agency or instrumentality, but excluding those mortgage-backed securities of the nature described in Section 2256.009(b) of the Act, (C) secured in any other manner and amount provided by law for deposits of the City; or, (5) eligible local government investment pools which invest in instruments and follow practices allowed by current law as defined in Section 2256.016 of the Texas Public Funds Investment Act; (6) regulated no-load money market mutual funds that are (A) registered with and regulated by the Securities and Exchange Commission; (B) having a dollar-weighted average portfolio of ninety (90) days or less; (C) the investment objectives include the maintenance of a stable net asset value of one dollar (\$1.00) per share; and (D) the fund is continuously rated no lower than "AAA" or its equivalent rating by at least one nationally recognized rating service; and (7) repurchase agreements, reverse repurchase agreements, bankers' acceptances and commercial paper, to the extent they are contained in the portfolios of approved public funds investment pools in which the City invests.

Investments maturing within one year of date of purchase are stated at cost or amortized cost; all other investments are stated at fair value which is based on quoted market prices.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter fund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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All trade receivables are shown net of an allowance for uncollectibles. Water and sewer accounts receivable in excess of 60 days and available customer deposits comprise the allowance for uncollectibles. Ambulance receivables greater than 120 days represent the allowance for uncollectible accounts.

Property taxes are levied on October 1 by the City based on the January 1 property values as assessed by the Tarrant Appraisal District. Taxes are due without penalty until January 31, of the next calendar year. After January 31 the City has an enforceable lien with respect to both real and personal property. Under state law, property taxes levied on real property constitute a perpetual lien on the real property which cannot be forgiven without specific approval of the State Legislature. Taxes applicable to personal property can be deemed uncollectible by the City.

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, sidewalks, bridges, underground structures and piping, roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Generally, capital assets are defined by the City as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Buildings	15 – 30 years
Water and sewer system infrastructure	20 – 50 years
Street and storm drainage system infrastructure	10 – 30 years
Furniture and equipment	5 – 10 years

5. Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources,

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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 government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation pay benefits. No liability is reported for unpaid accumulated sick leave. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements.

7. Long-term obligations

In the government-wide financial statements, and proprietary fund type fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method which approximate the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

9. Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund balance policies

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Non spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts in the general fund represent intended uses established by the Mayor.

Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

11. Proprietary funds operating and non-operating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

I. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property taxes

The appraisal of property within the County is the responsibility of the Colorado County Appraisal District as required by legislation passed by the Texas Legislature. The Appraisal District is required under such legislation to assess all property within the Appraisal District on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the county may, at its own expense, require annual reviews of appraised values. The County may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

The County's property tax is levied and recorded as a receivable each October 1, on the assessed value listed as of the prior January 1, for all real and business property located in the County. Taxes are delinquent on February 1 following the October 1 levy date. A statutory lien becomes effective on all property with unpaid taxes as of January 1 of the year following the assessment. The County is prohibited from using taxes collected between October 1 and December 31 until the first day of the budget year for which the taxes are levied. As a result, taxes collected between these dates are shown as restricted cash and deferred revenue on the balance sheets of the General and Debt Service Funds.

3. Compensated absences

Vacation

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave

Accumulated sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists.

Liabilities for compensated absences are liquidated by the General fund and the Water and Sewer Fund.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and investments

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. At year end, the carrying amount of the City's cash on hand and deposits was \$3,557,810 for both the primary government and discrete component unit (\$11,747 restricted) and the bank balance was \$3,607,218. All of the bank balance was secured by federal deposit insurance and collateral (fair value of \$4,234,077) pledged by the depository in the City's name and held by the depository's agent.

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Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the City's investments were held by the counterparty's agent at of September 30, 2014.

	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Rating Standard & & Pools</u>	<u>Weighted Average Maturity</u>
Primary Government				
Cash	\$ 1,084,291			
Restricted cash	11,747			
Investments not subject to categorization:				
Government sponsored investment pool (TexPool)	<u>4,689,575</u>	\$ 4,889,575	AAAm	60 days
	<u>\$ 5,785,613</u>			
Discrete Component Unit				
Cash	\$ 573,419			
Investments not subject to categorization:				
Government sponsored investment pool (TexPool)	<u>904,814</u>	\$ 904,614	AAAm	60 days
	<u>\$ 1,478,033</u>			

TexPool is an external investment pool operated by the Texas Comptroller of Public Accounts and is not SEC registered. The Texas Interlocal Cooperation Act and the Texas Public Funds Investments Act provide for creation of public funds investment pools and permit eligible governmental entities to jointly invest their funds in authorized investments. The State Comptroller has established an advisory board composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

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B. Receivables

Receivables as of year-end for the City's individual major funds, and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities			Business-Type Activities	Total
	General	Nonmajor	Total		
Taxes receivable	\$ 56,945	\$ 12,902	\$ 69,847	\$ -	\$ 69,847
Allowance for uncollectible taxes	-	-	-	-	-
	<u>\$ 56,945</u>	<u>\$ 12,902</u>	<u>\$ 69,847</u>	<u>\$ -</u>	<u>\$ 69,847</u>
Accounts receivable	\$ 2,673	\$ -	\$ 2,673	\$ 225,496	\$ 228,169
Allowance for uncollectible accounts	-	-	-	(18,988)	(18,988)
	<u>\$ 2,673</u>	<u>\$ -</u>	<u>\$ 2,673</u>	<u>\$ 206,508</u>	<u>\$ 209,181</u>
Miscellaneous receivable	\$ 109,625	\$ -	\$ 109,625	\$ -	\$ 109,625
Allowance for uncollectible	(22,673)	-	(22,673)	-	(22,673)
	<u>\$ 86,952</u>	<u>\$ -</u>	<u>\$ 86,952</u>	<u>\$ -</u>	<u>\$ 86,952</u>

Deferred Revenue/Unearned Revenue: Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental activities report unearned revenue. At the end of the current fiscal year, the various components of deferred revenue reported in governmental funds and unearned revenue reported in government-wide activities were as follows:

	Deferred	Unearned
Major Funds		
Delinquent property taxes receivable (General Fund)	\$ 51,223	\$ -
Deferred fine revenue (General Fund)	34,010	-
Health Care Initiative (General Fund)	19,387	19,387
Nonmajor Funds		
Refundable deposits (Park Fund)	1,758	1,758
Delinquent property taxes receivable (1999 Interest & Sinking Fund)	12,397	-
Total deferred revenue for governmental funds / activities	<u>\$ 118,775</u>	<u>\$ 21,145</u>

C. Capital assets

Capital assets are recorded at cost or, if donated, at fair market value at the date of receipt. In accordance with GASB-34, depreciation policies were adopted to include useful lives and classification by function. Infrastructure assets are listed at estimated or actual historical costs. General capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in governmental-type activities. Donated capital assets are valued at their estimated fair market value on the date of donation.

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The City uses the following criteria to classify capital assets:

Useful life exceeds one year, and cost equals \$5,000 or more for assets acquired by governmental funds.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation and amortization of capital assets are estimated using the straight line method over estimated useful lives and are charged as an expense against operations. Accumulated depreciation and amortization are reported for governmental activities.

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

Primary Government

	Balance 9/30/2013	Additions	Retirements	Transfers and Completed Construction	Balance 9/30/2014
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$ 1,518,371	\$ -	\$ -	\$ -	\$ 1,518,371
Construction in progress	400,778	364,239	-	-	765,015
Total capital assets not being depreciated	<u>1,919,147</u>	<u>364,239</u>	<u>-</u>	<u>-</u>	<u>2,283,366</u>
Capital assets, being depreciated					
Buildings and improvements	3,122,183	130,788	-	-	3,252,971
Furniture, fixtures, tools and equipment	541,954	71,401	-	-	613,355
Vehicles	1,417,351	199,991	-	-	1,817,342
Improvements other than buildings	1,355,158	9,415	-	-	1,364,573
Street and drainage improvements	11,851,390	-	-	-	11,851,380
Total capital assets being depreciated	<u>18,088,036</u>	<u>411,595</u>	<u>-</u>	<u>-</u>	<u>18,499,631</u>
Less accumulated depreciation for:					
Buildings and Improvements	(904,209)	(106,862)	-	-	(1,011,071)
Furniture, fixtures, tools and equipment	(289,451)	(53,514)	-	-	(342,965)
Vehicles	(1,228,218)	(80,157)	-	-	(1,308,375)
Improvements other than buildings	(551,741)	(63,942)	-	-	(615,683)
Street and drainage Improvements	(5,029,652)	(414,012)	-	-	(5,443,664)
Total accumulated depreciation	<u>(8,001,271)</u>	<u>(718,487)</u>	<u>-</u>	<u>-</u>	<u>(8,719,758)</u>
Total capital assets being depreciated, net	<u>10,086,765</u>	<u>(308,892)</u>	<u>-</u>	<u>-</u>	<u>9,779,873</u>
Governmental activities capital assets, net	<u>\$ 12,005,912</u>	<u>\$ 57,347</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,083,259</u>

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

General administration	\$ 67,300
Fire	108,197
Streets	422,399
Parks and recreation	73,883
Public works	46,708
	<u>\$ 718,487</u>

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	Balance 9/30/2013	Additions	Retirements	Transfers and Completed Construction	Balance 9/30/2014
BUSINESS-TYPE ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$ 20,142	\$ -	\$ -	\$ -	\$ 20,142
Construction in progress	51,528	99,646	-	-	151,174
Total capital assets not being depreciated	71,670	99,648	-	-	171,316
Capital assets, being depreciated					
Buildings and improvements	7,142	-	-	-	7,142
Equipment	334,990	6,595	-	-	341,585
Water and sewer system infrastructure	10,875,144	-	-	-	10,875,144
Total capital assets being depreciated	11,217,276	6,595	-	-	11,223,871
Less accumulated depreciation for:					
Buildings and improvements	(7,080)	(82)	-	-	(7,142)
Equipment	(205,359)	(25,312)	-	-	(230,671)
Water and sewer system infrastructure	(1,963,531)	(277,806)	-	-	(2,241,337)
Total accumulated depreciation	(2,175,950)	(303,200)	-	-	(2,479,150)
Total capital assets being depreciated, net	9,041,328	(296,605)	-	-	8,744,721
Business-type activities capital assets, net	\$ 8,112,996	\$ (198,959)	\$ -	\$ -	\$ 8,916,037

Construction and other significant commitments

D. Interfund transfers

Interfund receivables occur due to reassignment of expenditures/expenses and pooled cash overdrafts.

	Transfers To Other Funds	Transfers From Other Funds
Major Funds		
General Fund	\$ 6,890	\$ (44,192)
Haslet Econ Dev Corp - Type A	-	(46,891)
COs Capital Projects	171,976	(26,735)
Nonmajor Governmental Funds	39,575	-
Business-type Funds	193,402	(294,025)
	\$ 411,843	\$ (411,843)

Interfund transfers are used to pay an allocation of general and administrative services, provide funds for debt service, contribute toward the cost of capital projects, and for other operational purposes.

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E. Long-term debt

The City of Haslet issues general obligation bonds, certificates of obligation bonds, contractual obligation bonds and notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. These issues are direct obligations and pledge the full faith and credit of the City.

General Debt Currently Outstanding:

GOVERNMENTAL ACTIVITIES DEBT

<u>Purpose</u>	<u>Original Amount</u>	<u>Year of Issue</u>	<u>Final Maturity</u>	<u>Average Annual Payment</u>	<u>Interest Rate</u>	<u>Balance 9/30/2014</u>
Certificates of Obligation Improvements	\$ 2,714,400	2007	2032	\$ 173,300	4.00% - 4.25%	\$ 1,596,000
General Obligation Bonds Improvements	902,400	2007	2019	110,125	4.00%	453,600
						<u>2,049,600</u>
Bond premium						11,021
Bond discount						<u>(25,910)</u>
Total Governmental Activities Debt						<u>\$ 2,034,711</u>

BUSINESS-TYPE ACTIVITIES DEBT

<u>Purpose</u>	<u>Original Amount</u>	<u>Year of Issue</u>	<u>Final Maturity</u>	<u>Average Annual Payment</u>	<u>Interest Rate</u>	<u>Balance 9/30/2014</u>
Certificates of Obligation Improvements	\$ 2,714,400	2007	2032	\$ 125,500	4.00% - 4.25%	\$ 2,204,000
General Obligation Bonds Improvements	902,400	2007	2019	101,650	4.00%	491,400
						<u>2,695,400</u>
Bond premium						5,579
Bond discount						<u>(32,929)</u>
Total Business-Type Activities Debt						<u>\$ 2,668,050</u>

The series 2007 Certificates of Obligation are allocated 52% and 48% to governmental activities and business-type activities, respectively; the series 2007 GO Bonds are allocated 58% and 42%, respectively. The Debt Service Fund makes required payments of governmental activities debt.

CITY OF HASLET, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

Annual debt service requirements to maturity for general debt:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 147,000	\$ 82,304	\$ 229,304
2016	151,500	76,267	227,767
2017	158,400	70,044	228,444
2018	162,900	63,708	226,608
2019	167,700		224,892
2020-2024	415,800	239,976	635,964
2025-2029	497,700	150,024	628,572
2030-2032	348,600	46,536	376,908
	<u>\$ 2,049,600</u>	<u>\$ 728,859</u>	<u>\$ 2,778,459</u>

Annual debt service requirements to maturity for business-type activities debt:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 178,000	\$ 108,259	\$ 286,259
2016	183,500	100,921	284,421
2017	191,600	93,356	284,956
2018	197,100	85,692	282,792
2019	202,300	77,808	280,108
2020-2024	574,200	304,036	878,236
2025-2029	687,300	180,728	868,028
2030-2032	481,400	39,092	520,492
	<u>\$ 2,695,400</u>	<u>\$ 989,892</u>	<u>\$ 3,685,292</u>

Capital Lease Obligation

Capitalized lease obligations are comprised of leases which terms provide for a bargain purchase options at the end of the lease period or provide the rights of ownership during the economic useful life of the assets. The general fund is used to make payments as due.

\$32,066 due in monthly instalments of \$621 including interest accruing at 5.85%, maturing in August, 2016 and secured by equipment with an original cost of \$32,066 a net book value of \$20,614

\$ 13,477

CITY OF HASLET, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

Future minimum payments for leases, contracts and loans are as follows:

Governmental Activities

Year Ending September 30,	Capital Lease Obligation
2015	\$ 7,452
2016	6,831
	14,283
Less: interest	(836)
Present Value	<u>\$ 13,447</u>

Capital leases obligations are paid by the General Fund and Municipal Court Technology funds.

During the year ended September 30, 2014, the following changes occurred in liabilities reported as governmental debt:

Description	September 30, 2013	Additions	Retirements	September 30, 2014	Due Within One Year
Governmental activities:					
Certificates of obligation	\$ 2,285,200	\$ -	\$ (81,200)	\$ 2,204,000	\$ 87,000
General obligation bonds	577,200	-	(85,800)	491,400	169,000
Total bonds payable	2,862,400	-	(167,000)	2,695,400	256,000
Bond premium	6,696	-	(1,116)	5,580	1,116
Bond discount	(35,248)	-	2,319	(32,929)	(2,319)
Note payable	-	271,393	(90,464)	180,929	90,464
Capital lease obligations	19,869	-	(6,422)	13,447	6,822
Accrued compensated absences	15,635	1,820	-	17,455	17,455
	<u>\$ 2,869,352</u>	<u>\$ 273,213</u>	<u>\$ (262,683)</u>	<u>\$ 2,879,882</u>	<u>\$ 369,538</u>

During the year ended September 30, 2014, the following changes occurred in liabilities reported as business-type debt:

Description	September 30, 2013	Additions	Additions	September 30, 2014	Additions
Business-type activities					
Certificates of obligation	\$ 1,654,800	\$ -	\$ (58,800)	\$ 1,596,000	\$ 63,000
General obligation bonds	532,800	-	(79,200)	453,600	156,000
Total bonds payable	2,187,600	-	(138,000)	2,049,600	219,000
Bond premium	13,225	-	(2,205)	11,020	2,204
Bond discount	(27,879)	-	1,970	(25,909)	(1,970)
Capital lease obligations	-	-	-	-	-
Accrued compensated absences	8,152	333	-	8,485	8,485
	<u>\$ 2,181,098</u>	<u>\$ 333</u>	<u>\$ (138,235)</u>	<u>\$ 2,043,196</u>	<u>\$ 227,719</u>

CITY OF HASLET, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

F. Fund Balance Classification

	Unspendable	Restricted	Committed	Unassigned	Total
Major Funds					
General Fund	\$ 1,908	\$ -	\$ -	\$ 2,582,798	\$ 2,584,706
Haslet Community and Economic Development	-	1,771,750	-	-	1,771,750
COs Capital Projects	-	-	1,019,272	-	1,019,272
Nonmajor Governmental Funds	37	64,512	252,892	-	317,441
	<u>\$ 1,945</u>	<u>\$ 1,836,262</u>	<u>\$ 1,272,164</u>	<u>\$ 2,582,798</u>	<u>\$ 5,693,169</u>

III. OTHER INFORMATION

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various nature. The City participates in the Texas Municipal League Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the City's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the City's general purpose financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

B. Employee retirement systems and pension plans

The City participates in the Texas Municipal Retirement System

Plan Description

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, Texas, 78714-9153, or by calling 800-924-8677; in addition, the report is available on the TMRS website at www.tmrs.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2012	Plan Year 2013	Plan Year 2014
Employee deposit rate:	7%	7%	7%
Matching ratio (employer to employee):	2 to 1	2 to 1	2 to 1
Years required for vesting	5	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/25	60/5, 0/25	60/5, 0/25
Updated service credit	100%, Repeating, Transfers	100%, Repeating, Transfers	100%, Repeating, Transfers
Annually Increase to retirees	0% of CPI	0% of CPI	0% of CPI

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and

CITY OF HASLET, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

the prior service contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually, the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeated benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. The annual pension cost and net pension obligation (asset) are as follows:

Annual Required Contribution (ARC)	\$	86,427
Interest on Net Pension Obligation		-
Adjustment to the ARC		-
Annual Pension Cost		<u>86,427</u>
Contributions Made		<u>68,427</u>
Increase (Decrease) in Net Pension Obligation		-
Net Pension Obligation (Asset), Beginning of Year		-
Net Pension Obligation (Asset), End of Year	<u>\$</u>	<u>-</u>

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost/(APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation/ (Asset)
2012	\$ 60,849	\$ 60,849	100%	\$ -
2013	\$ 51,166	\$ 51,168	100%	\$ -
2014	\$ 66,427	\$ 66,427	100%	\$ -

CITY OF HASLET, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
September 30, 2014

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2013 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

Valuation Date	12/31/2011	12/31/2012	12/31/2013
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	20.4 years; closed period	16.9 years; closed period	30.0 years; closed period
Amortization Period for new Gains/Losses	22 Years 10-year Smoothed Market	20 Years 10-year Smoothed Market	22 Years 10-year Smoothed Market
Asset Valuation Method			
Actuarial Assumptions			
Investment Rate of Return	7.0%	7.0%	7.0%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
Actuarial Assumptions:			
Includes Inflation at	3.00%	3.00%	3.00%
Cost-of-Living Assumptions	0.0%	0.0%	0.0%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

C. Restatement of prior year amounts

Water and Sewer Fund infrastructure and net investment in capital assets at September 30, 2013 have been increased by \$167,000 for previously unrecorded improvements.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures required by the Government Accounting Standards Board but not considered a part of the basic financial statements.

CITY OF HASLET, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
<i>Property tax, penalties and interest</i>	\$ 1,092,500	\$ 1,196,500	\$ 1,199,174	\$ 2,674
<i>Franchise tax</i>	224,500	206,050	228,234	22,184
<i>Sales tax</i>	475,000	800,000	831,747	31,747
<i>Licenses and permits</i>	86,700	170,600	211,077	40,477
<i>Fines</i>	207,000	291,500	326,587	35,087
<i>Contributions</i>	120	120	345	225
<i>Gas royalties</i>	45,000	75,000	69,196	(5,804)
<i>Interest</i>	3,000	3,000	2,186	(814)
<i>Miscellaneous</i>	159,890	136,590	137,576	986
Total revenues	<u>2,293,710</u>	<u>2,879,360</u>	<u>3,006,122</u>	<u>126,762</u>
EXPENDITURES:				
Current:				
<i>Code enforcement</i>	89,125	89,125	77,648	11,477
<i>Administration</i>	382,535	625,035	556,755	68,280
<i>City secretary</i>	142,720	142,720	140,066	2,654
<i>Fire</i>	460,928	472,538	649,187	(176,649)
<i>Streets</i>	173,800	173,800	156,272	17,528
<i>Parks</i>	144,530	144,530	109,406	35,124
<i>Court</i>	78,935	91,445	87,595	3,850
<i>Library</i>	186,155	190,800	177,862	12,938
<i>Nondepartmental</i>	228,075	201,435	229,144	(27,709)
<i>Public safety</i>	575,120	575,120	575,120	—
<i>Finance</i>	116,895	116,895	111,287	5,608
<i>Fire marshall</i>	12,650	12,650	10,364	2,286
<i>Public works</i>	182,105	202,105	200,569	1,536
Total expenditures	<u>2,773,573</u>	<u>3,038,198</u>	<u>3,081,275</u>	<u>(43,077)</u>
Excess (deficiency) of revenues over (under) expenditures	(479,863)	(158,838)	(75,153)	83,685
OTHER FINANCING SOURCES (USES):				
<i>Transfers in</i>	6,890	6,890	6,890	—
<i>Transfers out</i>	(39,036)	(39,036)	(44,192)	(5,156)
<i>Contributions</i>	6,890	6,890	6,891	1
<i>Proceeds of notes payable</i>	—	—	271,393	271,393
Total other financing sources (uses)	<u>(25,256)</u>	<u>(32,146)</u>	<u>234,091</u>	<u>266,237</u>
Net change in fund balances	(505,119)	(190,984)	158,938	349,922
Fund balances, October 1	<u>2,418,877</u>	<u>2,418,877</u>	<u>2,418,877</u>	<u>—</u>
Fund balances, September 30	<u>\$ 1,913,758</u>	<u>\$ 2,227,893</u>	<u>\$ 2,577,815</u>	<u>\$ 349,922</u>

CITY OF HASLET, TEXAS

HASLET ECONOMIC DEVELOPMENT CORPORATION (TYPE A)

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
<i>Sales tax</i>	\$ 237,500	\$ 400,000	\$ 415,874	\$ 15,874
<i>Interest</i>	1,500	1,500	1,303	(197)
Total revenues	<u>239,000</u>	<u>401,500</u>	<u>417,177</u>	<u>15,677</u>
EXPENDITURES:				
Current:				
<i>Economic development</i>	1,526,500	173,898	131,776	42,122
Total expenditures	<u>1,526,500</u>	<u>173,898</u>	<u>131,776</u>	<u>42,122</u>
Excess (deficiency) of revenues over (under) expenditures	(1,287,500)	227,602	285,401	57,799
OTHER FINANCING SOURCES (USES):				
<i>Transfers out</i>	(6,891)	(46,891)	(46,891)	--
Total other financing sources (uses)	<u>(6,891)</u>	<u>(46,891)</u>	<u>(46,891)</u>	<u>--</u>
Net change in fund balances	(1,294,391)	180,711	238,510	57,799
Fund balances, October 1	<u>1,534,092</u>	<u>1,534,092</u>	<u>1,534,092</u>	<u>--</u>
Fund balances, September 30	<u>\$ 239,701</u>	<u>\$ 1,714,803</u>	<u>\$ 1,772,602</u>	<u>\$ 57,799</u>

CITY OF HASLET, TEXAS
SCHEDULE OF FUNDING PROGRESS
 September 30, 2014

EXHIBIT B-3

Employee Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2011	\$ 1,164,252	\$ 1,339,828	88.8%	\$ 175,578	\$ 675,614	28.0%
12/31/2012	\$ 1,353,130	\$ 1,444,248	83.7%	\$ 81,118	\$ 754,789	12.1%
12/31/2013	\$ 1,536,482	\$ 1,699,870	80.4%	\$ 163,388	\$ 779,075	21.0%

Combining Statements and Individual
Nonmajor Funds as Supplementary Information

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes.

- Park Fund – to account for contributions used for park improvements.
- Municipal Court Building Security Fund – to account for use of municipal court fees assessed for providing security for municipal court.
- Municipal Court Technology Fund – to account for use of municipal court fees assessed for municipal court technology improvements.
- Park Board Improvement Fund – to account for development and impact fees used for park improvements.
- Library Board fund – to account for contributions used for Library operations and improvements.
- Library Grant Fund – to account for contributions and grants used for library improvement.

Debt Service Fund

- The Debt Service Fund is used to account for the payment of principal and interest on general long-term bonded debt of the City. Payments of principal and interest on equipment, financing used in general activities of the City and other financing are serviced by the General Fund.

Capital Projects Fund

- Capital Projects Fund – accounts for use of transfers from other funds used for various construction projects.

Discrete Component Unit

- Haslet Economic Development Corp. (Type A) – to account for use of sales tax for capital improvement projects to benefit parties external to the City.

CITY OF HASLET, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	Special Revenue Funds	Debt Service Fund 1999 Interest & Sinking	Capital Projects Fund Capital Projects	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS				
<i>Cash and investments</i>	\$ 130,847	\$ 46,652	\$ 142,677	\$ 320,176
Receivables:				
<i>Taxes</i>	--	12,902	--	12,902
<i>Prepaid items</i>	37	--	--	37
Total Assets	\$ 130,884	\$ 59,554	\$ 142,677	\$ 333,115
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
<i>Accounts payable</i>	\$ 73	\$ --	\$ 1,446	\$ 1,519
Total Liabilities	73	--	1,446	1,519
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	1,758	12,397	--	14,155
Total Deferred Inflows of Resources	1,758	12,397	--	14,155
FUND BALANCES				
<i>Nonspendable</i>	37	--	--	37
<i>Restricted</i>	17,355	47,157	--	64,512
<i>Committed</i>	111,661	--	141,231	252,892
Total fund balances	129,053	47,157	141,231	317,441
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 130,884	\$ 59,554	\$ 142,677	\$ 333,115

CITY OF HASLET, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue Funds	Debt Service Fund 1999 Interest & Sinking	Capital Projects Fund Capital Projects	Total Nonmajor Governmental Funds (See Exhibit A-5)
REVENUES:				
<i>Property tax, penalties and interest</i>	\$ --	\$ 305,039	\$ --	\$ 305,039
<i>Intergovernmental</i>	--	--	72,820	72,820
<i>Park development fees</i>	10,500	--	--	10,500
<i>Fines</i>	19,503	--	--	19,503
<i>Contributions</i>	7,000	--	--	7,000
<i>Interest</i>	101	144	156	401
<i>Miscellaneous</i>	26,202	--	--	26,202
Total revenues	<u>63,306</u>	<u>305,183</u>	<u>72,976</u>	<u>441,465</u>
EXPENDITURES:				
Current:				
<i>Parks</i>	69,457	--	--	69,457
<i>Court</i>	21,298	--	--	21,298
<i>Library</i>	10,850	--	--	10,850
Capital outlay	--	--	218,708	218,708
Debt service	--	283,041	--	283,041
Total expenditures	<u>101,605</u>	<u>283,041</u>	<u>218,708</u>	<u>603,354</u>
Excess (deficiency) of revenues over (under) expenditures	(38,299)	22,142	(145,732)	(161,889)
OTHER FINANCING SOURCES (USES):				
<i>Transfers in</i>	39,575	--	--	39,575
Total other financing sources (uses)	<u>39,575</u>	<u>--</u>	<u>--</u>	<u>39,575</u>
Net change in fund balances	1,276	22,142	(145,732)	(122,314)
Fund balances, October 1	<u>127,777</u>	<u>25,015</u>	<u>286,963</u>	<u>439,755</u>
Fund balances, September 30	<u>\$ 129,053</u>	<u>\$ 47,157</u>	<u>\$ 141,231</u>	<u>\$ 317,441</u>

CITY OF HASLET, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014

	<u>Park</u>	<u>Municipal Court Bldg. Security</u>	<u>Municipal Court Technology</u>
ASSETS			
<i>Cash and investments</i>	\$ 11,441	\$ 11,655	\$ 5,527
<i>Prepaid items</i>	37	-	-
Total Assets	<u>\$ 11,478</u>	<u>\$ 11,655</u>	<u>\$ 5,527</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
<i>Accounts payable</i>	\$ 37	\$ -	\$ -
Total Liabilities	<u>37</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
<i>Deferred revenue</i>	1,758	-	-
Total Deferred Inflows of Resources	<u>1,758</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
<i>Nonspendable</i>	37	-	-
<i>Restricted</i>	-	11,655	5,527
<i>Committed</i>	9,646	-	-
Total fund balances	<u>9,683</u>	<u>11,655</u>	<u>5,527</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,478</u>	<u>\$ 11,655</u>	<u>\$ 5,527</u>

Park Board Improvement	Library Board	Library Grant	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 96,765	\$ 5,250	\$ 209	\$ 130,847
--	--	--	37
<u>\$ 96,765</u>	<u>\$ 5,250</u>	<u>\$ 209</u>	<u>\$ 130,884</u>
\$ --	\$ --	\$ 36	\$ 73
--	--	36	73
--	--	--	1,758
--	--	--	1,758
--	--	--	37
--	--	173	17,355
96,765	5,250	--	111,661
<u>96,765</u>	<u>5,250</u>	<u>173</u>	<u>129,053</u>
<u>\$ 96,765</u>	<u>\$ 5,250</u>	<u>\$ 209</u>	<u>\$ 130,884</u>

CITY OF HASLET, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Park</u>	<u>Municipal Court Bldg. Security</u>	<u>Municipal Court Technology</u>
REVENUES:			
<i>Park development fees</i>	\$ --	\$ --	\$ --
<i>Fines</i>	--	8,358	11,145
<i>Contributions</i>	--	--	--
<i>Interest</i>	10	12	3
<i>Miscellaneous</i>	26,202	--	--
Total revenues	<u>26,212</u>	<u>8,370</u>	<u>11,148</u>
EXPENDITURES:			
Current:			
<i>Parks</i>	69,457	--	--
<i>Court</i>	--	11,957	9,341
<i>Library</i>	--	--	--
Total expenditures	<u>69,457</u>	<u>11,957</u>	<u>9,341</u>
Excess (deficiency) of revenues over (under) expenditures	(43,245)	(3,587)	1,807
OTHER FINANCING SOURCES (USES):			
<i>Transfers in</i>	37,288	--	--
Total other financing sources (uses)	<u>37,288</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(5,957)	(3,587)	1,807
Fund balances, October 1	<u>15,640</u>	<u>15,242</u>	<u>3,720</u>
Fund balances, September 30	<u>\$ 9,683</u>	<u>\$ 11,655</u>	<u>\$ 5,527</u>

Park Board Improvement	Library Board	Library Grant	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ 10,500	\$ --	\$ --	\$ 10,500
--	--	--	19,503
--	1,000	6,000	7,000
73	3	--	101
--	--	--	26,202
<u>10,573</u>	<u>1,003</u>	<u>6,000</u>	<u>63,306</u>
--	--	--	69,457
--	--	--	21,298
--	805	10,045	10,850
<u>--</u>	<u>805</u>	<u>10,045</u>	<u>101,605</u>
10,573	198	(4,045)	(38,299)
--	2,287	--	39,575
<u>--</u>	<u>2,287</u>	<u>--</u>	<u>39,575</u>
10,573	2,485	(4,045)	1,276
86,192	2,765	4,218	127,777
<u>\$ 96,765</u>	<u>\$ 5,250</u>	<u>\$ 173</u>	<u>\$ 129,053</u>

CITY OF HASLET, TEXAS
PARK FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-5

	Budget	Actual	Variance Positive (Negative)
REVENUES:			
<i>Interest</i>	\$ 20	\$ 10	\$ (10)
<i>Miscellaneous</i>	21,568	26,202	4,634
Total revenues	<u>21,588</u>	<u>26,212</u>	<u>4,624</u>
EXPENDITURES:			
Current:			
<i>Parks</i>	71,700	69,457	2,243
Total expenditures	<u>71,700</u>	<u>69,457</u>	<u>2,243</u>
Excess (deficiency) of revenues over (under) expenditures	(50,112)	(43,245)	6,867
OTHER FINANCING SOURCES (USES):			
<i>Transfers in</i>	37,018	37,288	270
Total other financing sources (uses)	<u>37,018</u>	<u>37,288</u>	<u>270</u>
Net change in fund balances	(13,094)	(5,957)	7,137
Fund balances, October 1	<u>15,640</u>	<u>15,640</u>	<u>--</u>
Fund balances, September 30	<u>\$ 2,546</u>	<u>\$ 9,683</u>	<u>\$ 7,137</u>

CITY OF HASLET, TEXAS
MUNICIPAL COURT BUILDING SECURITY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-6

	Budget	Actual	Variance Positive (Negative)
REVENUES:			
<i>Fines</i>	\$ 7,500	\$ 8,358	\$ 858
<i>Interest</i>	25	12	(13)
Total revenues	<u>7,525</u>	<u>8,370</u>	<u>845</u>
EXPENDITURES:			
Current:			
<i>Court</i>	12,100	11,957	143
Total expenditures	<u>12,100</u>	<u>11,957</u>	<u>143</u>
Net change in fund balances	(4,575)	(3,587)	988
Fund balances, October 1	<u>15,242</u>	<u>15,242</u>	<u>--</u>
Fund balances, September 30	<u>\$ 10,667</u>	<u>\$ 11,655</u>	<u>\$ 988</u>

CITY OF HASLET, TEXAS
MUNICIPAL COURT TECHNOLOGY
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-7

	Budget	Actual	Variance Positive (Negative)
REVENUES:			
<i>Fines</i>	\$ 10,000	\$ 11,145	\$ 1,145
<i>Interest</i>	--	3	3
Total revenues	<u>10,000</u>	<u>11,148</u>	<u>1,148</u>
EXPENDITURES:			
Current:			
<i>Court</i>	9,350	9,341	9
Total expenditures	<u>9,350</u>	<u>9,341</u>	<u>9</u>
Net change in fund balances	650	1,807	1,157
Fund balances, October 1	<u>3,720</u>	<u>3,720</u>	<u>--</u>
Fund balances, September 30	<u>\$ 4,370</u>	<u>\$ 5,527</u>	<u>\$ 1,157</u>

CITY OF HASLET, TEXAS
PARK BOARD IMPROVEMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-8

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:			
<i>Park development fees</i>	\$ 10,000	\$ 10,500	\$ 500
<i>Interest</i>	115	73	(42)
Total revenues	<u>10,115</u>	<u>10,573</u>	<u>458</u>
EXPENDITURES:			
Current:			
Capital outlay	14,000	--	14,000
Total expenditures	<u>14,000</u>	<u>--</u>	<u>14,000</u>
Net change in fund balances	(3,885)	10,573	14,458
Fund balances, October 1	<u>86,192</u>	<u>86,192</u>	<u>--</u>
Fund balances, September 30	<u>\$ 82,307</u>	<u>\$ 96,765</u>	<u>\$ 14,458</u>

CITY OF HASLET, TEXAS
 LIBRARY BOARD FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-9

	Budget	Actual	Variance Positive (Negative)
REVENUES:			
<i>Contributions</i>	\$ --	\$ 1,000	\$ 1,000
<i>Interest</i>	--	3	3
Total revenues	<u> --</u>	<u> 1,003</u>	<u> 1,003</u>
EXPENDITURES:			
Current:			
<i>Library</i>	4,200	805	3,395
Total expenditures	<u> 4,200</u>	<u> 805</u>	<u> 3,395</u>
Excess (deficiency) of revenues over (under) expenditures	(4,200)	198	4,398
OTHER FINANCING SOURCES (USES):			
<i>Transfers in</i>	2,018	2,287	269
Total other financing sources (uses)	<u> 2,018</u>	<u> 2,287</u>	<u> 269</u>
Net change in fund balances	(2,182)	2,485	4,667
Fund balances, October 1	<u> 2,765</u>	<u> 2,765</u>	<u> --</u>
Fund balances, September 30	<u>\$ 583</u>	<u>\$ 5,250</u>	<u>\$ 4,667</u>

CITY OF HASLET, TEXAS
 LIBRARY GRANT FUND
 SPECIAL REVENUE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-10

	Budget	Actual	Variance Positive (Negative)
REVENUES:			
<i>Contributions</i>	\$ 6,000	\$ 6,000	\$ --
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>--</u>
EXPENDITURES:			
Current:			
<i>Library</i>	10,218	10,045	173
Total expenditures	<u>10,218</u>	<u>10,045</u>	<u>173</u>
Net change in fund balances	(4,218)	(4,045)	173
Fund balances, October 1	<u>4,218</u>	<u>4,218</u>	<u>--</u>
Fund balances, September 30	<u>\$ --</u>	<u>\$ 173</u>	<u>\$ 173</u>

CITY OF HASLET, TEXAS
 1999 INTEREST & SINKING FUND
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-11

	Budget	Actual	Variance Positive (Negative)
REVENUES:			
<i>Property tax, penalties and interest</i>	\$ 301,430	\$ 305,039	\$ 3,609
<i>Interest</i>	200	144	(56)
Total revenues	<u>301,630</u>	<u>305,183</u>	<u>3,553</u>
EXPENDITURES:			
Current:			
Debt service	286,141	283,041	3,100
Total expenditures	<u>286,141</u>	<u>283,041</u>	<u>3,100</u>
Net change in fund balances	15,489	22,142	6,653
Fund balances, October 1	<u>25,015</u>	<u>25,015</u>	<u>—</u>
Fund balances, September 30	<u>\$ 40,504</u>	<u>\$ 47,157</u>	<u>\$ 6,653</u>

CITY OF HASLET, TEXAS

HASLET COMMUNITY AND ECONOMIC DEVELOPMENT CORP. (TYPE B)

BALANCE SHEET

SEPTEMBER 30, 2014

EXHIBIT C-12

	General Fund
ASSETS	
<i>Cash and investments</i>	\$ 1,478,033
<i>Intergovernmental</i>	63,706
<i>Inventories</i>	<u>957,820</u>
Total Assets	<u>\$ 2,499,559</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
<i>Accounts payable</i>	\$ 11,187
<i>Customer deposits</i>	1,750
Total Liabilities	<u>12,937</u>
Fund balances:	
<i>Committed</i>	2,486,622
Total fund balances	<u>2,486,622</u>
Total Liabilities and Fund Balances	<u>\$ 2,499,559</u>

CITY OF HASLET, TEXAS

HASLET COMMUNITY AND ECONOMIC DEVELOPMENT CORP. (TYPE B)
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

EXHIBIT C-13

	Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
<i>Sales tax</i>	\$ 400,000	\$ 415,874	\$ 15,874
<i>Interest</i>	1,500	1,097	(403)
<i>Miscellaneous</i>	41,500	46,160	4,660
Total revenues	<u>443,000</u>	<u>463,131</u>	<u>20,131</u>
EXPENDITURES:			
Current:			
<i>Economic development</i>	320,789	176,009	144,780
Total expenditures	<u>320,789</u>	<u>176,009</u>	<u>144,780</u>
 Excess (deficiency) of revenues over (under) expenditures	 122,211	 287,122	 164,911
OTHER FINANCING SOURCES (USES):			
<i>Transfers out</i>	--	(6,891)	(6,891)
Total other financing sources (uses)	<u>--</u>	<u>(6,891)</u>	<u>(6,891)</u>
 Net change in fund balances	 122,211	 280,231	 158,020
Fund balances, October 1	<u>2,206,391</u>	<u>2,206,391</u>	<u>--</u>
Fund balances, September 30	<u>\$ 2,328,602</u>	<u>\$ 2,486,622</u>	<u>\$ 158,020</u>