

CITY OF LAKE DALLAS, TEXAS

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2015

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Lake Dallas, Texas

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Lake Dallas, Texas ("City"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Lake Dallas, Texas as of September 30, 2015, 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.

Emphasis of Matter

As discussed in Note 7 to the financial statements, in 2015, the City adopted new accounting guidance prescribed by GASB #68 for its pension plan – an agent multiple-employer defined benefit pension plan that has a special funding situation. Because GASB #68 implements new measurement criteria and reporting provisions, significant information has been added to the Government Wide Statements. Page 15 discloses the City's Net Pension Liability and some deferred resource outflows and deferred resource inflows related to the City's pension plan. Page 16 discloses the adjustment to the City's Beginning Net Position. Our opinion is not modified with respect to the matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 5 through 12 and the Texas Municipal Retirement System Schedules on pages 44 and 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lake Dallas, Texas's basic financial statements. The combining and individual fund statements and schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2016 on our consideration of the City of Lake Dallas, Texas's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lake Dallas, Texas's internal control over financial reporting and compliance.



Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

January 7, 2016

MANAGEMENT'S DISCUSSION & ANALYSIS

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CITY OF LAKE DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

As management of the City of Lake Dallas, we offer readers of the City of Lake Dallas's financial statements this narrative overview and analysis of the financial activities of the City of Lake Dallas for the year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements and with the independent auditors' report.

Financial Highlights

- The assets and deferred outflows of the City of Lake Dallas exceeded its liabilities at September 30, 2015 by \$5,672,328.
- The City's total net position increased by \$81,970 during the fiscal year from the results of current year operations. However, total net position also decreased by \$403,796 due to new standards that required recording of the City's Texas Municipal Retirement Systems' net pension liability and increased \$845,206 from assets received by the City from the dissolution of the Lake Dallas Economic Development Corporation and the Lake Cities Library.
- As of September 30, 2015, the City of Lake Dallas's governmental funds reported a combined ending fund balance of \$1,894,743, an increase of \$902,506 in comparison with the beginning of the period.
- The general fund fund balance increased \$856,876, from a fund balance of \$545,498 at the beginning of the year to an ending fund balance of \$1,402,374. \$11,670 of the increase was from the results of current year operations. \$845,206 of the increase was from assets received by the City from the dissolution of the Lake Dallas Economic Development Corporation and the Lake Cities Library.

Overview of the Financial Statements

The management discussion and analysis are intended to serve as an introduction to the City of Lake Dallas's basic financial statements. The City of Lake Dallas's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Also included as a discretely presented component unit is the Lake Dallas Economic Development Corporation, which was formed on January 1, 2003 as the result of a successful 4A sales tax election and the Lake Dallas Community Development Corporation, which was formed on January 1, 2003 as the result of a successful 4B sales tax election. The Lake Dallas Economic Development Corporation was dissolved effective March 30, 2015. Separately-issued financial statements for each of these component units may be obtained by contacting the City of Lake Dallas.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Lake Dallas's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Lake Dallas's assets, deferred outflows and liabilities, with the difference reported as net position. Over time, increase or decreases in net position may serve as a useful indicator of whether the financial position of the City of Lake Dallas is improving or deteriorating.

CITY OF LAKE DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

The statement of activities presents information showing how the City's net position changed during the most recent period. All of the current period's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the Statement of Net Position and the Statement of Activities, the City is divided between two kinds of activities:

- **Governmental activities.** All of the City's basic services are reported here, including the police, fire, library, community development, public works, park services, municipal court, and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.
- **Business-type activities.** The City may charge a fee to customers to help it cover all or most of the cost of certain services it provides. The City had no business-type activities during the current period.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law or bond covenants. However, the City Council may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the City of Lake Dallas are considered governmental funds.

Governmental Funds. All of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at period-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The City of Lake Dallas maintains three types of individual 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 fund, special revenue funds and debt service fund. All but the special revenue funds are considered to be major funds.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Lake Dallas's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City of Lake Dallas does not currently have any fiduciary funds.

CITY OF LAKE DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and funds financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information highlighting budgetary information for the general fund.

Government-wide Financial Analysis

The City's combined net position was \$5,672,328 as of September 30, 2015. The City first implemented GASB Statement No. 34, *Basic Financial Statement – and Management’s Discussion and Analysis – for State and Local Governments*, for fiscal year 2004. The following analysis presents both current and prior year data and discusses significant changes in the accounts. This analysis focuses on the net position (Table 1) and general revenues (Table 2) and changes in net position (Table 3) of the City’s governmental activities.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Net Position

	Governmental Activities	
	2015	2014
Current and other assets	\$2,116,630	\$ 1,401,188
Capital assets	<u>8,985,434</u>	<u>9,248,702</u>
Total assets	<u>11,102,064</u>	<u>10,649,890</u>
Deferred outflows of resources	<u>412,844</u>	<u>36,319</u>
Long-term liabilities outstanding	5,651,615	5,149,931
Other liabilities	<u>190,965</u>	<u>387,330</u>
Total liabilities	<u>5,842,580</u>	<u>5,537,261</u>
Net position:		
Net investment in capital assets	4,477,213	4,420,021
Restricted	336,379	289,922
Unrestricted	<u>858,736</u>	<u>439,005</u>
Total net position	<u>\$5,672,328</u>	<u>\$ 5,148,948</u>

CITY OF LAKE DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

Governmental Activities. The City's general revenues for governmental activities for the years ended September 30, 2015 and 2014 are detailed below (Table 2).

Table 2
General Revenues

	<u>2015</u>	<u>2014</u>
Property taxes, levied for general purposes	\$2,014,729	\$1,863,614
Property taxes, levied for debt service	502,709	499,455
Sales taxes	774,987	701,241
Franchise taxes	401,826	386,766
Hotel occupancy taxes	72,014	69,982
Mixed beverage taxes	19,294	18,018
Investment earnings	1,349	529
Miscellaneous	<u>14,462</u>	<u>4,640</u>
	<u>\$3,801,370</u>	<u>\$3,544,245</u>

CITY OF LAKE DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

The following table provides a summary of the City's operations for the years ended September 30, 2015 and 2014.

Table 3
Changes in Net Position

	Governmental Activities	
	2015	2014
Revenues:		
Program revenues:		
Charges for services	\$1,022,982	\$3,483,650
Operating grants and contributions	12,738	18,413
Capital grants and contributions	-	-
General revenues:		
Property taxes	2,517,438	2,363,069
Sales taxes	774,987	701,241
Franchise taxes	401,826	386,766
Hotel occupancy taxes	72,014	69,982
Mixed beverage taxes	19,294	18,018
Investment earnings	1,349	529
Other	14,462	4,640
	<u>4,837,090</u>	<u>7,046,308</u>
Expenses:		
Administrative	647,892	614,199
Community relations	112,874	119,461
Public safety	2,615,369	2,580,088
Animal control	148,600	172,220
Library	39,079	-
Public works - streets	690,588	507,409
Municipal court	155,280	165,790
Parks and recreation	184,221	181,266
Community development	164,902	196,379
Debt service - interest	177,996	208,005
	<u>4,936,801</u>	<u>4,744,817</u>
Extraordinary items	845,206	-
Transfers in	181,681	196,069
Change in net position	927,176	2,497,560
Net position – October 1 (beginning)	5,148,948	2,651,388
Prior period adjustment	(403,796)	-
Net position – September 30 (ending)	<u>\$5,672,328</u>	<u>\$5,148,948</u>

Financial Analysis of the Government's Funds

Governments Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the period.

CITY OF LAKE DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

As of the end of the current period, the City's governmental funds reported a combined ending fund balance of \$1,894,743, an increase of \$902,506 in comparison with the beginning of the period. Unassigned fund balance available for spending at the City's discretion was \$1,275,355. A portion of fund balance is considered nonspendable and not available for new spending because it is restricted for road maintenance (\$80,455), restricted for debt service (\$140,007), has already been committed to liquidate prepaid items (\$46,564) or are special revenue funds that have been restricted or assigned for specific purposes (\$352,362).

The general fund is the chief operating fund of the City. At the end of the current period, unassigned fund balance of the general fund was \$1,275,355, while total fund balance was \$1,402,374. The fund balance of the City's general fund increased by \$856,876 during the current period, primarily due to assets received from the dissolution of the Lake Dallas Economic Development Corporation and the Lake Cities Library.

General Fund Budgetary Highlights

During the current year, the City Council amended the budget once for the General Fund.

The original budget for the general fund projected that the activity for the year would increase available fund balance by \$74,986. The available fund balance for the general fund actually increased in the amount of \$856,876. The additional increase was primarily due to the receipt of assets from the dissolution of the Lake Dallas Economic Development Corporation and the Lake Cities Library.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental activities as of September 30, 2015, amounted to \$8,985,434 (net of accumulated depreciation). This amount represents a net decrease of \$263,268, or 2.8 percent, below the beginning of the period. The investment in capital assets includes land, buildings, equipment, vehicles, roads and parks.

Major capital asset additions during the current year include the following:

<u>Description</u>	<u>Amount</u>
Final work on Lakeview Drive project, paid for with Denton County funding	\$215,974
Three police vehicles	88,663
Animal control vehicle	42,478
Two mowers	<u>17,623</u>
Total	<u>\$364,738</u>

CITY OF LAKE DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

Table 4
Capital Assets at Year-end
(Net of Depreciation)

	<u>Governmental Activities</u>
Land	\$ 397,872
Buildings and Improvements	2,089,141
Streets and Parks Infrastructure	6,267,396
Equipment and Vehicles	<u>231,025</u>
Totals	<u>\$8,985,434</u>

Additional information on the City's capital assets can be found in Note 6 of this report.

Long-term Debt. At the end of the current period, the City had certificates of obligation outstanding of \$2,450,000, accrued compensated absences of \$268,136 and general obligation bonds outstanding of \$2,090,000, for total long-term debt of \$4,808,136. No new debt was incurred during the year.

The City's total debt decreased by \$341,795 during the current period or 6.6%. Additional information on the City's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

The City continues to strive for a fund balance that will provide the necessary rainy day funds to cover three months of expenditures and a way to prepare for much needed infrastructure improvements. Recovery from the deficit spending and deficient budgeting strategies that occurred over a period of years necessitated restrictions that negatively impacted economic development programs, personnel needs, equipment acquisitions, and badly needed infrastructure improvements. Though the City, over the past three years, has been able to pay off some debt, build its rainy day fund and lower taxes by over three cents, there still remains a crumbling road system that must be addressed. The dissolution of the EDC in 2014 resulted in the enactment of a one-quarter percent sales tax collection to be utilized for property tax reduction and one-quarter percent collection for road improvements. And though a tax reduction was able to be achieved, the road improvement fund cannot be used to pay off debt which severely restricts the City's ability to repair multiple streets simultaneously that could be accomplished through a borrowing. Therefore, road improvements can occur only as money is collected; a much slower process unless alternate payment options can be found. These options could include partnering with developers when possible and asking the CDC for assistance.

There are those who question why the City isn't doing more to address the infrastructure, but it must be understood that in order to address the City's greatest needs it is necessary to first overcome the negative position from which the City found itself. The City is finally in a much better financial condition than it was four, five and six years ago, and though recovery occurred at a faster rate than anticipated, the devastating impact of past, detrimental budgeting strategies can still be felt today because what could have been accomplished had to be delayed until the City was again financially solvent. It is difficult to measure the impact of the financial downfall that occurred, but it can be said that the City suffered an eight-year setback: the initial four years of deficit spending and the following four years of recovery.

CITY OF LAKE DALLAS, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015

But not all is lost. The City still continues to have a viable 4B Corporation, has finally reestablished its rainy day fund, is undergoing a Main Street improvement project scheduled for 2016 that is funded largely in part by Denton County, and over the past year some residential and business projects occurred throughout the City. The opening of the new apartments along Swisher road will bring a substantial increase to the 2017 yearly revenues as will several housing starts scheduled through the 2016 period that will increase revenues for the 2017 budget cycle as well. The City was also able to budget for some much needed equipment in the 2016 budget cycle and is now in the same responsible situation it found itself approximately ten years ago when the City was in a much better financial position. One of the major accomplishments, however, was the decrease in ad valorem taxes by more than 3 cents for the 2016 budget cycle.

The City must now remain financially vigilant, ensuring a continued and conservative approach in meeting the City's needs while seeking avenues to improve its infrastructure

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Lake Dallas, 212 Main St., Lake Dallas, Texas 75065.

BASIC FINANCIAL STATEMENTS

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CITY OF LAKE DALLAS, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	<u>Primary Government</u>	<u>Component Units</u>	
	<u>Governmental Activities</u>	<u>Economic Development Corporation</u>	<u>Community Development Corporation</u>
ASSETS			
Cash and Investments	\$1,797,980	\$ -	\$ 426,800
Receivables (net of allowance for uncollectibles):			
Taxes – Ad Valorem	60,693	-	-
Taxes – Sales	148,640	-	59,456
Taxes - Franchise	27,861	-	-
Taxes- Occupancy	19,897	-	-
Taxes – Mixed Beverage	4,423	-	-
Other	9,536	-	264
Prepaid Expenses	46,564	-	-
Internal Balances	1,036	-	(1,036)
Capital Assets:			
Land	397,872	-	-
Buildings and Improvements, net	2,089,141	-	-
Streets and Parks Infrastructure, net	6,267,396	-	-
Equipment and Vehicles, net	231,025	-	-
Total Assets	<u>11,102,064</u>	<u>-</u>	<u>485,484</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on bond refunding	31,779	-	-
Deferred outflow related to TMRS	<u>381,065</u>	<u>-</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>412,844</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Accounts Payable	41,518	-	1,196
Accrued Wages Payable	19,088	-	-
Accrued Interest Payable	27,189	-	-
State Court Costs Payable	58,069	-	-
Other Liabilities	45,101	-	-
Noncurrent Liabilities:			
Due within one year	280,000	-	-
Due in more than one year	4,528,136	-	-
Net pension liability	<u>843,479</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>5,842,580</u>	<u>-</u>	<u>1,196</u>
NET POSITION			
Net investment in capital assets	4,477,213	-	-
Restricted for:			
Community Development	-	-	484,288
Court Security and Technology	60,120	-	-
Other Purposes	276,259	-	-
Unrestricted Net Position	<u>858,736</u>	<u>-</u>	<u>-</u>
Total Net Position	<u>\$5,672,328</u>	<u>\$ -</u>	<u>\$ 484,288</u>

The accompanying notes are an integral part of this statement.

CITY OF LAKE DALLAS, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES:				
General Government	\$ 647,892	\$ 83,819	\$ -	\$ -
Community Relations	112,874	37,387	-	-
Public Safety	2,615,369	579,988	6,906	-
Animal Control	148,600	14,181	5,832	-
Library	39,079	1,564	-	-
Public Works - Streets	690,588	-	-	-
Municipal Court	155,280	155,280	-	-
Parks and Recreation	184,221	58,951	-	-
Community Development	164,902	91,812	-	-
Debt Service - Interest and Fees	<u>177,996</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>4,936,801</u>	<u>1,022,982</u>	<u>12,738</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$4,936,801</u>	<u>\$1,022,982</u>	<u>\$ 12,738</u>	<u>\$ -</u>
COMPONENT UNITS:				
Economic Development Corporation	\$ 10,930	\$ -	\$ -	\$ -
Community Development Corporation	<u>116,136</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL COMPONENT UNITS	<u>\$ 127,066</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GENERAL REVENUES:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Sales taxes

Franchise taxes

Hotel occupancy taxes

Mixed beverage taxes

Investment Earnings

Miscellaneous

Special item – gain on sale of real property

Special item – transfers in (out)

Extraordinary item – assets received – Lake Dallas EDC dissolution

Extraordinary item – assets received – Lake Cities Library dissolution

 Total General Revenues, Special Items and Extraordinary Items

Change in Net Position

NET POSITION, October 1 (beginning)

Prior period adjustment “Required by GASB 68”

NET POSITION, September 30 (ending)

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and
Change in Net Position

Governmental Activities	Component Units	
	Economic Development Corp	Community Development Corp
\$ (564,073)	\$ -	\$ -
(75,487)	-	-
(2,028,475)	-	-
(128,587)	-	-
(37,515)	-	-
(690,588)	-	-
-	-	-
(125,270)	-	-
(73,090)	-	-
(177,996)	-	-
<u>(3,901,081)</u>	<u>-</u>	<u>-</u>
<u>(3,901,081)</u>	<u>-</u>	<u>-</u>
-	(10,930)	-
<u>-</u>	<u>-</u>	<u>(116,136)</u>
<u>-</u>	<u>(10,930)</u>	<u>(116,136)</u>
2,014,729	-	-
502,709	-	-
774,987	135,017	330,153
401,826	-	-
72,014	-	-
19,294	-	-
1,349	199	394
14,462	100	-
-	100,579	-
181,681	-	(181,681)
749,764	(749,764)	-
95,442	-	-
<u>4,828,257</u>	<u>(513,869)</u>	<u>148,866</u>
927,176	(524,799)	32,730
5,148,948	524,799	451,558
<u>(403,796)</u>	<u>-</u>	<u>-</u>
<u>\$ 5,672,328</u>	<u>\$ -</u>	<u>\$ 484,288</u>

CITY OF LAKE DALLAS, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>OTHER FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS				
Cash and cash equivalents	\$1,306,159	\$139,459	\$352,362	\$1,797,980
Receivables (net of allowances for uncollectibles):				
Ad Valorem tax	48,250	12,443	-	60,693
Sales tax	148,640	-	-	148,640
Franchise tax	27,861	-	-	27,861
Occupancy tax	19,897	-	-	19,897
Mixed beverage tax	4,423	-	-	4,423
Other	9,536	-	-	9,536
Due from CDC	1,036	-	-	1,036
Prepaid costs	<u>46,564</u>	<u>-</u>	<u>-</u>	<u>46,564</u>
Total Assets	<u>\$1,612,366</u>	<u>\$151,902</u>	<u>\$352,362</u>	<u>\$2,116,630</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 41,518	\$ -	\$ -	\$ 41,518
Accrued wages payable	19,088	-	-	19,088
State court costs payable	58,069	-	-	58,069
Other liabilities	<u>45,101</u>	<u>-</u>	<u>-</u>	<u>45,101</u>
Total Liabilities	<u>163,776</u>	<u>-</u>	<u>-</u>	<u>163,776</u>
Deferred Inflows of Resources:				
Unavailable Revenue-Property Taxes	<u>46,216</u>	<u>11,895</u>	<u>-</u>	<u>58,111</u>
Total Deferred Inflows of Resources	<u>46,216</u>	<u>11,895</u>	<u>-</u>	<u>58,111</u>
Fund Balances:				
Nonspendable fund balance:				
Prepaid costs	46,564	-	-	46,564
Restricted fund balance:				
Restricted for debt service	-	140,007	-	140,007
Restricted for court security/technology	-	-	60,120	60,120
Restricted for road maintenance	80,455	-	-	80,455
Restricted for other purposes	-	-	276,259	276,259
Assigned fund balance	-	-	15,983	15,983
Unassigned fund balance	<u>1,275,355</u>	<u>-</u>	<u>-</u>	<u>1,275,355</u>
Total Fund Balances	<u>1,402,374</u>	<u>140,007</u>	<u>352,362</u>	<u>1,894,743</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$1,612,366</u>	<u>\$151,902</u>	<u>\$352,362</u>	<u>\$2,116,630</u>

The accompanying notes are an integral part of this statement.

CITY OF LAKE DALLAS, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Total Fund Balance – Governmental Funds	\$ 1,894,743
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund financial statements.	15,058,419
Accumulated depreciation is not reported in the fund financial statements.	(6,072,985)
Bonds payable, certificates of obligation payable and compensated absences payable are not reported in the fund financial statements.	(4,808,136)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(27,189)
Property tax revenue reported as unavailable revenue in the fund financial statements was recognized as revenue in the government-wide financial statements.	58,111
Deferred charge on bond refundings is not recognized in the fund financial statements.	31,779
Included in the items related to debt is the recognition of the City’s net TMRS pension liability required by GASB 68 in the amount of \$843,479, and a Deferred Resource Outflow related to TMRS in the amount of \$381,065. This amounted to a decrease in Net Position in the amount of \$462,414.	<u>(462,414)</u>
Net Position of Governmental Activities	<u>\$ 5,672,328</u>

The accompanying notes are an integral part of this statement.

CITY OF LAKE DALLAS, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	GENERAL FUND	DEBT SERVICE FUND	OTHER FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:				
Taxes (ad valorem, sales and other)	\$ 3,276,868	\$ 501,416	\$ -	\$ 3,778,284
Special assessments	465	-	-	465
Licenses and permits	102,001	-	-	102,001
Charges for services	258,074	-	33,774	291,848
Court fines	570,538	-	58,130	628,668
Donations and grants	-	-	12,738	12,738
Interest	1,047	-	302	1,349
Miscellaneous revenues	14,462	-	-	14,462
Total Revenues	<u>4,223,455</u>	<u>501,416</u>	<u>104,944</u>	<u>4,829,815</u>
Expenditures:				
General government	616,812	-	-	616,812
Community relations	114,479	-	-	114,479
Public safety	2,496,482	-	10,343	2,506,825
Animal control	127,207	-	8,135	135,342
Library	37,778	-	-	37,778
Public works – streets	271,980	-	-	271,980
Municipal court	139,990	-	11,498	151,488
Parks and recreation	60,687	-	18,272	78,959
Community development	159,082	-	-	159,082
Capital outlay	380,969	-	-	380,969
Debt service:				
Principal retirement	-	325,000	-	325,000
Interest and fees	-	175,482	-	175,482
Total Expenditures	<u>4,405,466</u>	<u>500,482</u>	<u>48,248</u>	<u>4,954,196</u>
Excess of Revenues Over (Under) Expenditures	<u>(182,011)</u>	<u>934</u>	<u>56,696</u>	<u>(124,381)</u>
Other Financing Resources (Uses):				
Transfers out	-	-	(12,000)	(12,000)
Transfers in	193,681	-	-	193,681
Total Other Financing Resources (Uses)	<u>193,681</u>	<u>-</u>	<u>(12,000)</u>	<u>181,681</u>
Extraordinary Items:				
Assets received-Lake Dallas EDC dissolution	749,764	-	-	749,764
Assets received-Lake Cities Library dissolution	95,442	-	-	95,442
Total Extraordinary Items	<u>845,206</u>	<u>-</u>	<u>-</u>	<u>845,206</u>
Net Change in Fund Balance	856,876	934	44,696	902,506
Fund Balance - October 1 (beginning)	<u>545,498</u>	<u>139,073</u>	<u>307,666</u>	<u>992,237</u>
Fund Balance - September 30 (ending)	<u>\$ 1,402,374</u>	<u>\$ 140,007</u>	<u>\$ 352,362</u>	<u>\$ 1,894,743</u>

The accompanying notes are an integral part of this statement.

CITY OF LAKE DALLAS, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

Total Net Change in Fund Balances – Governmental Funds	\$ 902,506
Current year principal payments on bonds payable and certificates of obligation payable are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	325,000
Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of reclassifying the current year capital asset additions is to increase net position.	380,969
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.	(644,237)
Interest is accrued on outstanding debt in the government-side financial statements, whereas in the fund financial statements interest expenditures are reported when due.	2,026
Revenues from property taxes are recorded as unavailable in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectable amounts, in the government-wide financial statements.	7,275
Current year amortization of deferred charge on bond refunding is not recorded in the fund financial statements, but is shown as a reduction of the deferred loss in the government-wide financial statements.	(4,540)
Current year compensated absences earned but not used is not recorded in the fund financial statements, but is shown as an increase in long-term debt in the government-wide financial statements.	16,795
The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. The contributions made after the measurement date of 12/31/14 caused the change in ending net position to increase in the amount of \$167,883. Contributions made before the measurement date but during the 2015 FY were also de-expended and recorded as a reduction in the net position liability for the City. This also caused an increase in the change in net position in the amount of \$53,169. These contributions were replaced with the City's pension expense for the year of \$279,670, which caused a decrease in the change in net position. The impact of all of these is to decrease the change in net position by \$58,618.	<u>(58,618)</u>
Change in Net Position of Governmental Activities	<u>\$ 927,176</u>

The accompanying notes are an integral part of this statement.

CITY OF LAKE DALLAS, TEXAS
 BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes (ad valorem, sales and other)	\$ 3,152,184	\$ 3,152,184	\$ 3,276,868	\$ 124,684
Special assessments	1,000	1,000	465	(535)
Licenses and permits	81,322	81,322	102,001	20,679
Charges for services	294,462	294,462	258,074	(36,388)
Court fines	678,000	678,000	570,538	(107,462)
Interest	-	-	1,047	1,047
Miscellaneous revenue	2,000	2,000	14,462	12,462
Total Revenues	<u>4,208,968</u>	<u>4,208,968</u>	<u>4,223,455</u>	<u>14,487</u>
Expenditures:				
Current:				
General government	607,992	607,992	616,812	(8,820)
Community relations	116,190	116,190	114,479	1,711
Public safety	2,605,722	2,605,722	2,496,482	109,240
Animal control	157,949	157,949	127,207	30,742
Library	-	41,018	37,778	3,240
Public works-streets	321,144	321,144	271,980	49,164
Municipal court	142,074	142,074	139,990	2,084
Parks and recreation	57,787	57,787	60,687	(2,900)
Community development	168,498	168,498	159,082	9,416
Capital Outlay	166,131	166,131	380,969	(214,838)
Total Expenditures	<u>4,343,487</u>	<u>4,384,505</u>	<u>4,405,466</u>	<u>(20,961)</u>
Excess of Revenues over (under) Expenditures	<u>(134,519)</u>	<u>(175,537)</u>	<u>(182,011)</u>	<u>(6,474)</u>
Other Financing Sources (Uses):				
Transfers in	209,505	209,505	193,681	(15,824)
Total Other Financing Sources (Uses)	<u>209,505</u>	<u>209,505</u>	<u>193,681</u>	<u>(15,824)</u>
Extraordinary Items:				
Assets received-Lake Dallas EDC dissolution	-	-	749,764	749,764
Assets received-Lake Cities Library dissolution	-	-	95,442	95,442
Total Extraordinary Items	<u>-</u>	<u>-</u>	<u>845,206</u>	<u>845,206</u>
Net Change in Fund Balance	74,986	33,968	856,876	822,908
Fund Balance – October 1 (beginning)	<u>545,498</u>	<u>545,498</u>	<u>545,498</u>	<u>-</u>
Fund Balance – September 30 (ending)	<u>\$ 620,484</u>	<u>\$ 579,466</u>	<u>\$ 1,402,374</u>	<u>\$ 822,908</u>

CITY OF LAKE DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Lake Dallas (the "City") are presented in accordance with generally accepted accounting principles applicable to state and local governmental units as set forth by the Governmental Accounting Standards Board ("GASB").

In fiscal year 2004, the City implemented GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for the State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* which provides additional guidance for the implementation of GASB Statement 34, GASB Statement No. 38, *Certain Financial Statement Disclosures*, which changes note disclosures requirements for governmental entities, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, which clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where difference have arisen, or potentially could arise, in interpretation and practice of GASB Statement No. 34.

GASB Statements No. 34 established a new financial reporting model for state and local governments that included the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the use of account groups to the already required fund financial statements and notes. GASB Statement No. 37 provided additional guidance in reporting infrastructure, program revenues and major criteria.

The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve fiscal accountability and should, therefore, be retained. The GASB also determined that the government-wide financial statements are needed to allow users of financial reports to assess a government's operational accountability. The new GASB model integrates fund-based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

The following is a summary of the more significant accounting policies.

A. Reporting Entity

The City of Lake Dallas (City) is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

CITY OF LAKE DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The City of Lake Dallas, as of September 30, 2015 has one discretely presented component unit as defined by GASB criteria- the Lake Dallas Community Development Corporation. The Lake Dallas Economic Development Corporation was also treated as a component unit until its dissolution on March 30, 2015. Separately-issued financial statements for each of these component units may be obtained by contacting the City of Lake Dallas.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City had no business-type activities during the period.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for government funds, proprietary funds, and fiduciary funds, even though the latter are excluded for the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The City had no proprietary funds or fiduciary funds during the period.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary 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.

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 City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF LAKE DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund – The General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – These funds are established to account for funds restricted for specified purposes. For many funds in this type, project accounting is employed to maintain integrity for the various sources of funds.

Debt Service Fund – The Debt Service Fund accounts for the use of debt service taxes collected for the purpose of retiring bond and certificates of obligation principal and paying interest due.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first when appropriate, then unrestricted resources as they are needed.

D. Cash and Investments

The City's cash and investments are considered to be cash on hand, demand deposits and short-term investments in State investment pools.

E. Receivable and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the period are referred to as "due to/from other funds" or "advances to/from other funds."

Property tax receivables are shown net of an allowance for uncollectibles.

CITY OF LAKE DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

F. Property Taxes

Ad valorem taxes are levied from valuations assessed as of January 1 and recognized as revenue on the date of levy, on October 1. Property tax receivables are recognized when the City has an enforceable claim against the property owner. In the governmental funds, property tax revenue is recognized in the fiscal period for which the taxes are levied, provided that they become available. Available means collected within the current period, or expected to be collected soon enough thereafter, to be used to pay current liabilities. The City's availability period is sixty days. Taxes collected prior to the levy date to which they apply are recorded as unavailable revenues and recognized as revenue of the period to which they apply.

Current taxes are due on October 1 and become delinquent if unpaid on February 1. Taxes unpaid as of February 1 are subject to penalty and interest as the City Council provides by ordinance. On January 1 of each year, a tax lien attaches to property to secure all taxes, penalties and interest ultimately imposed.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid in the government-wide and fund financial statements. These items consist primarily of prepaid insurance.

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., streets, roads, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. The City defines capital assets as assets with an initial individual cost of more than \$1000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the time received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of governmental activities is not included as part of the capitalized value of the assets constructed.

Depreciation expense is calculated on the straight-line method. Depreciation methods are designed to amortize the cost of the assets over their estimated useful lives. Estimated useful lives of major categories of property are as follows:

<u>Category</u>	<u>Estimated Life</u>
Buildings	25-40 years
Street infrastructure	15 years
Machinery and equipment	7-10 years
Vehicles	5-7 years

CITY OF LAKE DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

I. Compensated Absences

It is the City's policy to permit employees to accumulate certain earned but unused vacation and sick pay benefits. When an employee separates from service with the City, the employee is entitled to receive pay for earned but unused vacation and sick pay. All such vacation and sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K. Net Position

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

L. Budgets and Budgetary Accounting

Prior to September 1, the City Manager submits to the City Council a proposed budget for the ensuing fiscal year. At the meeting of the City Council at which the budget is submitted, the City Council fixes the time and place of the public hearing on the budget and causes to be published a notice of the budget hearing. After the budget hearing the budget may be adopted by a favorable vote of the majority vote of the Council. Upon adoption the budget is filed with the City Secretary and the County Clerk of Denton County.

The City Manager is authorized to transfer budgeted amounts between departments with any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Expenditures should not exceed appropriations at the department level, the classification level as reported in the combined financial statements. Unused appropriations lapse at the end of each fiscal year.

Budgets for the general fund and debt service fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget was amended once during the year by the City Council. Any amendments are reflected in the official minutes of the Council.

CITY OF LAKE DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

2. DEPOSITS AND INVESTMENTS

The City's funds are required to be deposited and invested under the terms of a depository agreement. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the agreement. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash Deposits:

At September 30, 2015, the carrying amount of the City's deposits in checking accounts and interest-bearing savings accounts was \$39,618 and the bank balance was \$79,782. The City's cash deposits at September 30, 2015 were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

2. Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptance, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the City has adopted a deposit and investment policy. That policy addresses the following risks:

- a. **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. As of September 30, 2015, the City's cash balances totaled \$79,782. This entire amount was either collateralized with securities held by the City's financial institution's agent in the City's name or covered by FDIC insurance. Thus, the City's deposits are not exposed to custodial credit risk.
- b. **Custodial Credit Risk – Investments:** For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2015, the City held all of its investments in three public funds investment pools – Texpool, TexStar and LOGIC. Investments in external investment pools are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

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- c. **Credit Risk:** This is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The City has no policy relating to the credit risk of investments. The credit quality rating for LOGIC at year-end was AAA (Standard & Poor's) and for TexPool and TexStar were AAAM (Standard & Poor's).
- d. **Interest Rate Risk:** This is the risk that changes in interest rates will adversely affect the fair value of an investment. The City has no formal policy relating to interest rate risk but manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The weighted average maturity for the TexPool, TexStar and LOGIC investment pools is less than 60 days.
- e. **Foreign Currency Risk:** This is the risk that exchange rates will adversely affect the fair value of an investment. At September 30, 2015, the City was not exposed to foreign currency risk.
- f. **Concentration of Credit Risk:** This is the risk of loss attributed to the magnitude of the City's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. Investment pools are excluded from the 5 percent disclosure requirement.

The City's investments at September 30, 2015 are shown below:

<u>Name</u>	<u>Carrying Amount</u>	<u>Market Value</u>
TexPool Investment Pool	\$ 657,395	\$ 657,395
LOGIC Investment Pool	1,094,130	1,094,130
TexStar Investment Pool	<u>430</u>	<u>430</u>
Total	<u>\$1,751,955</u>	<u>\$1,751,955</u>

3. FUND BALANCE

The City has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified prepaid items as being nonspendable as these items are not expected to be converted to cash.

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- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Court security and technology fees are being restricted because their use is restricted pursuant to the regulations that allow the collection of those fees. Child safety fees, juvenile case management fees, state LEOSE training fees and drug seizure funds are being restricted because their use is restricted by law in a similar manner to these specific purposes. Debt service funds are being restricted because their use is restricted for the purpose of retiring long-term debt.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. The Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council has no committed fund balance as of September 30, 2015.
- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Council or through the Council delegating this responsibility to other individuals in the City. Under the City's policy, only the Council may assign amounts for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The City assigned fund balance resources of various funds accounted for through the special revenue fund.
- Unassigned: This classification includes all amounts not included in other spendable classifications, including the residual fund balance for the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Council has provided otherwise in its commitment or assignment actions.

The Council has expressed an intent to maintain a level of assigned and unassigned fund balance in the general fund equal to 25 percent of the fund's operating expenditures.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 18) and are described below:

General Fund

The General Fund has unassigned fund balance of \$1,275,355 at September 30, 2015. Prepaid costs of \$46,564 are considered nonspendable fund balance and \$80,455 is restricted for road maintenance.

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Special Revenue Funds

The fund balances of the Court Technology Fund and Court Security Fund (totaling \$60,120) are shown as restricted for those purposes. The fund balances of the LEOSE Training Fund, Juvenile Case Management Fund, Drug Seizure Fund, Child Safety Fund, Police Auction Fund, Forensic Testing Fund and Willow Grove Camping Fees Fund (totaling \$276,259) are shown as restricted for those purposes also. The fund balances of the Kids N Cops Fund and Animal Rescue Fund (totaling \$15,983) have been assigned for use in the activities that generated those funds.

Debt Service Funds

The Debt Service Fund has restricted fund balance of \$140,007 at September 30, 2015 that is restricted by law for use in retiring long-term debt.

4. RECEIVABLES

Government-wide receivables as of September 30, 2015, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Receivables:			
Property taxes	\$ 63,486	\$ 16,372	\$ 79,858
Sales taxes	148,640	-	148,640
Occupancy tax	19,897	-	19,897
Mixed beverage tax	4,423	-	4,423
Franchise tax	27,861	-	27,861
Other	<u>9,536</u>	<u>-</u>	<u>9,536</u>
Gross Receivables	273,843	16,372	290,215
Less: Uncollectible allowance	<u>15,236</u>	<u>3,929</u>	<u>19,165</u>
Net Total Receivables	<u>\$258,607</u>	<u>\$ 12,443</u>	<u>\$271,050</u>

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal period, the unavailable revenue reported in the governmental funds relates to delinquent property taxes.

5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

There were no amounts due from and due to other funds at September 30, 2015.

Fund transfers during the year include the following:

- Transfers from Lake Dallas Community Development Corporation to the general fund as reimbursement of payments of long-term debt - \$181,681.
- Transfer from the Willow Grove Camping Fees special revenue fund to the general fund for administrative fees - \$12,000.

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6. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 397,872	\$ -	\$ -	\$ 397,872
Construction in Progress	<u>3,698,688</u>	<u>215,974</u>	<u>(3,914,662)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>4,096,560</u>	<u>215,974</u>	<u>(3,914,662)</u>	<u>397,872</u>
Capital assets, being depreciated:				
Buildings and Improvements	3,021,448	2,500	-	3,023,948
Street and Parks	6,242,301	3,914,662	-	10,156,963
Equipment and Vehicles	<u>1,317,141</u>	<u>162,495</u>	<u>-</u>	<u>1,479,636</u>
Total capital assets, being depreciated	<u>10,580,890</u>	<u>4,079,657</u>	<u>-</u>	<u>14,660,547</u>
Less accumulated depreciation for:				
Buildings and Improvements	(859,793)	(75,014)	-	(934,807)
Street and Parks	(3,387,496)	(502,071)	-	(3,889,567)
Equipment and Vehicles	<u>(1,181,459)</u>	<u>(67,152)</u>	<u>-</u>	<u>(1,248,611)</u>
Total accumulated depreciation	<u>(5,428,748)</u>	<u>(644,237)</u>	<u>-</u>	<u>(6,072,985)</u>
Total capital assets, being depreciated, net	<u>5,152,142</u>	<u>3,435,420</u>	<u>-</u>	<u>8,587,562</u>
Governmental activities capital assets, net	<u>\$ 9,248,702</u>	<u>\$3,651,394</u>	<u>\$(3,914,662)</u>	<u>\$ 8,985,434</u>

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

Governmental Activities:	
General Government	\$ 20,956
Public Safety	82,251
Animal Control	23,286
Public Works-Streets	411,889
Municipal Court	2,157
Parks and Recreation	103,098
Community Development	<u>600</u>
Total depreciation expense – Governmental activities	<u>\$644,237</u>

7. LONG TERM DEBT

Long term debt of the City consists of three general obligation bond series, three certificates of obligation series, and compensated absences. All long-term debt represents transactions in the City's governmental activities.

The City has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas (SID), which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the City.

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The following is a summary of the changes in the City's Long-term Debt for the year ended September 30, 2015:

<u>Description</u>	<u>Interest Rate Payable</u>	<u>Amounts Outstanding 10/01/14</u>	<u>Additions</u>	<u>Retired</u>	<u>Amounts Outstanding 09/30/15</u>	<u>Due Within One Year</u>
Bonded Indebtedness:						
2008 General Obligation	4.21%	\$ 800,000	\$ -	\$ 45,000	\$ 755,000	\$ 45,000
2009 General Obligation	2.5-3.375%	580,000	-	140,000	440,000	145,000
2012 General Obligation	1.499%	<u>895,000</u>	<u>-</u>	<u>-</u>	<u>895,000</u>	<u>-</u>
Total Bonded Indebtedness		<u>2,275,000</u>	<u>-</u>	<u>185,000</u>	<u>2,090,000</u>	<u>190,000</u>
Certificates of Obligation:						
2006 Series	4.24%	910,000	-	-	910,000	-
2008 Series	4.204%	60,000	-	60,000	-	-
2008 A Series	4.199%	675,000	-	35,000	640,000	40,000
2009 Series	4.26%	<u>945,000</u>	<u>-</u>	<u>45,000</u>	<u>900,000</u>	<u>50,000</u>
Total Cert. of Obligation		<u>2,590,000</u>	<u>-</u>	<u>140,000</u>	<u>2,450,000</u>	<u>90,000</u>
Compensated Absences		<u>284,931</u>	<u>-</u>	<u>16,795</u>	<u>268,136</u>	<u>-</u>
Total Long-Term Debt		<u>\$5,149,931</u>	<u>\$ -</u>	<u>\$ 341,795</u>	<u>\$4,808,136</u>	<u>\$280,000</u>

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

The retirement of accrued compensated absences is provided by financial resources of the General Fund.

8. DEBT SERVICE REQUIREMENTS TO MATURITY

Presented below is a summary of general obligation bond requirements to maturity:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2016	\$ 190,000	\$ 59,329	\$ 249,329
2017	410,000	53,085	463,085
2018	340,000	43,180	383,180
2019	195,000	33,913	228,913
2020	205,000	29,634	234,634
2021-2025	535,000	88,517	623,517
2026-2028	<u>215,000</u>	<u>18,315</u>	<u>233,315</u>
Total	<u>\$2,090,000</u>	<u>\$ 325,973</u>	<u>\$2,415,973</u>

CITY OF LAKE DALLAS, TEXAS
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Presented below is a summary of certificates of obligation requirements to maturity:

Year Ended	<u>Principal</u>	<u>Interest</u>	Total <u>Requirements</u>
September 30,			
2016	\$ 90,000	\$ 103,804	\$ 193,804
2017	90,000	99,994	189,994
2018	180,000	96,184	276,184
2019	190,000	88,557	278,557
2020	190,000	80,508	270,508
2021-2025	1,100,000	273,326	1,373,326
2026-2029	<u>610,000</u>	<u>54,291</u>	<u>664,291</u>
Total	<u>\$2,450,000</u>	<u>\$ 796,664</u>	<u>\$3,246,664</u>

9. DEFEASED BONDS OUTSTANDING

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

Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. Although defeased, the refunded debt from those earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On September 30, 2015, \$560,000 of bonds outstanding are considered defeased.

10. DEFINED BENEFIT PENSION PLANS

Plan Description

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

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

Benefits Provided

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

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

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 2014	Plan Year 2015
Employee deposit rate	7.0%	7.0%
Employer deposit rate	13.60%	12.41%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5,0/20	60/5,0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI Reporting	70% of CPI Reporting

Employees covered by benefit terms.

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

Inactive employees or beneficiaries currently receiving benefits	31
Inactive employees entitled to buy not yet receiving benefits	35
Active employees	<u>32</u>
	98

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Contributions continued

Employees for the City of Lake Dallas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Lake Dallas were 13.60% and 12.41% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015 were \$224,355, and were equal to the required contributions.

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Net Pension Liability

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

Actuarial assumptions:

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

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

Salary increases were based on service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. For cities with fewer than twenty employees, more conservative methods and assumptions are used. First, lower termination rates are used, with maximum multipliers of 75% for employers with less than 6 members, 85% for employers with 6 to 10 members, and 100% for employers with 11 to 15 members. There is also a load on the life expectancy for employers with less than 15 active members. The life expectancy is loaded by decreasing the mortality rates by 1% for every active member less than 15. For underfunded plans, the maximum amortization period for amortizing gains and losses is decreased from current levels by 1 year for each active member less than the 20 member threshold. Once the plan is overfunded, the amortization period reverts back to the standard amortization period. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

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

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

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Net Pension Liability continued

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

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

Discount Rate

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

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Changes in the Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/2013	\$7,059,920	\$6,472,786	\$587,134
Changes for the year:			
Service Cost	254,024	-	254,024
Interest	493,307	-	493,307
Change in benefit terms	-	-	-
Difference between expected and actual experience	235,740	-	235,740
Changes of assumptions	-	-	-
Contributions – employer	-	236,507	(236,507)
Contributions – employee	-	124,103	(124,103)
Net investment income	-	370,300	(370,300)
Benefit payments, including refunds of employee contributions	(279,382)	(279,382)	-
Administrative expense	-	(3,866)	3,866
Other changes	-	(318)	318
Net changes	703,689	447,344	256,345
Balance at 12/31/2014	\$7,763,609	\$6,920,130	\$843,479

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

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

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's net pension liability (asset)	\$2,029,490	\$843,479	\$(115,946)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2015, the City recognized pension expense of \$279,670.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$146,946	\$ -
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	66,236	-
Contributions subsequent to the measurement date	167,883	-
Total	\$381,065	\$ -

\$167,883 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2016	\$105,353
2017	\$74,711
2018	\$16,559
2019	\$16,559
2020	-
Thereafter	-

11. LITIGATION AND CONTINGENCIES

The City participates in some state and Federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectibility of any related receivable at September 30, 2015 may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

12. RISK MANAGEMENT

Liability and property insurance coverage is provided by TML Intergovernmental Risk Pool. The City retains, as a risk only, the deductible amounts for each declaration of coverage. There were no reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

The City is a member of the Texas Municipal League Intergovernmental Risk Pool. Insurance coverage of the City is divided into the following types: property, crime, general liability, public official's liability, auto liability, auto physical damage, auto catastrophic, inland marine (mobile equipment), law enforcement liability, and boiler and machinery.

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13. SUBSEQUENT EVENTS

Management has reviewed events subsequent to September 30, 2015 through January 7, 2016, which is the date the financial statements were available to be issued. No events were identified that are required to be disclosed in the financial statements.

14. EXTRAORDINARY ITEM

The extraordinary items totaling \$845,206 that are shown as an increase in the general fund fund balance consists of the following:

- The Lake Cities Library nonprofit corporation was dissolved during the current fiscal year. The City took over the library operations and made it a department of the City. The City received the bank account balances of the Lake Cities Library at the time of transition, which totaled \$95,442.
- The voters of the City decided in November, 2014 to dissolve the Lake Cities Economic Development Corporation (the "EDC"). The EDC was a component unit of the City. The dissolution was effective March 30, 2015. The EDC sold its only capital asset, a tract of land, during the current fiscal year and turned the proceeds from that sale and its bank account balance over to the City. The total cash received by the City from the EDC at time of dissolution was \$749,764. In addition, the 0.50% sales tax that had been received by the EDC was replaced with a 0.25% road maintenance sales tax that began on 4/1/15 and a 0.25% property tax relief sales tax that began on 10/1/15.

15. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS

In the current fiscal year, the City implemented the following new standards:

GASB Statement 68, *Accounting and Financial Reporting for Pensions* ("GASB 68") establishes accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or similar arrangements that meet certain criteria. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Implementation is reflected in the financial statements, notes to the financial statements and required supplementary information.

GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* ("GASB 71") amends the transition provisions of GASB 68. GASB 71 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability. Implementation is reflected in the financial statements and notes to the financial statements.

CITY OF LAKE DALLAS, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

16. PRIOR PERIOD ADJUSTMENT

In fiscal year 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and *GASB Statement No 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*. As such, the prior period adjustment was necessary to record the beginning pension asset of the City. The following illustrates the effect of the prior period adjustment:

Beginning Net Position – As Originally Presented	\$ 5,148,948
Restatement due to:	
Net pension liability (measurement date as of December 31, 2013)	(587,134)
Deferred Outflows:	
City contributions made to TMRS during fiscal year	<u>183,338</u>
Beginning Net Position – As Restated	<u>\$ 4,745,152</u>

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAKE DALLAS, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	2014
Total pension liability	
Service Cost	\$ 254,024
Interest (on the Total Pension Liability)	493,307
Changes of benefit terms	0
Difference between expected and actual experience	235,740
Change of assumptions	0
Benefit payments, including refunds of employee contributions	<u>(279,382)</u>
Net Change in Total Pension Liability	703,689
Total Pension Liability – Beginning	<u>7,059,920</u>
Total Pension Liability – Ending (a)	<u>\$7,763,609</u>
Plan Fiduciary Net Position	
Contributions – Employer	\$ 236,507
Contributions – Employee	124,103
Net Investment Income	370,300
Benefit payments, including refunds of employee contributions	(279,382)
Administrative Expense	(3,866)
Other	<u>(318)</u>
Net Change in Plan Fiduciary Net Position	447,344
Plan Fiduciary Net Position – Beginning	<u>6,472,786</u>
Plan Fiduciary Net Position – Ending (b)	<u>\$6,920,130</u>
Net Pension Liability – Ending (a) – (b)	<u>\$ 843,479</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.14%
Covered Employee Payroll	\$1,763,314
Net Pension Liability as a Percentage of Covered Employee Payroll	47.83%

Note: GASB 68, Paragraph 81, 2,a requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of December 31, 2014 – the period from January 1, 2014 – December 31, 2014.

Note: Only one year of data is presented in accordance with GASBS 68, Paragraph 138. “The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement.”

CITY OF LAKE DALLAS, TEXAS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 TEXAS MUNICIPAL RETIREMENT SYSTEM
 FOR FISCAL YEAR 2015

	2015
Contractually Required Contribution	\$ 224,355
Contribution in Relation to the Contractually Required Contribution	<u>(224,355)</u>
Contribution Deficiency (Excess)	<u>\$ -0-</u>
City's Covered-Employee Payroll	\$1,768,037
Contributions as a Percentage of Covered-Employee Payroll	12.69%

Note: GASB 68, Paragraph 81, 2,b requires that the data in this schedule be presented as of the City's current fiscal year as opposed to the time period covered by the measurement date of January 1, 2014 - December 31, 2014.

Note: Only one year of data is presented in accordance with GASBS 68, Paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

CITY OF LAKE DALLAS, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.0%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes There were no changes of benefit terms or changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

**COMBINING & INDIVIDUAL FUND
STATEMENTS & SCHEDULES**

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 1,306,159	\$ 434,916
Receivables:		
Ad valorem tax	48,250	42,283
Sales tax	148,640	126,590
Franchise tax	27,861	26,627
Occupancy tax	19,897	18,925
Mixed beverage tax	4,423	4,483
Other	9,536	6,411
Due from Denton County	-	273,592
Due from EDC/CDC	1,036	3,776
Prepaid costs	46,564	6,480
TOTAL ASSETS	\$ 1,612,366	\$ 944,083
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 41,518	\$ 221,650
Accrued wages payable	19,088	13,460
Court costs payable	58,069	72,442
Other liabilities	45,101	50,563
Due to EDC/CDC	-	236
Total Liabilities	163,776	358,351
Deferred Inflows of Resources:		
Unavailable revenue-property taxes	46,216	40,234
Total Deferred Inflows of Resources	46,216	40,234
Fund Balance:		
Nonspendable	46,564	6,480
Restricted	80,455	-
Unassigned	1,275,355	539,018
Total Fund Balance	1,402,374	545,498
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,612,366	\$ 944,083

CITY OF LAKE DALLAS, TEXAS

GENERAL FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
REVENUES:		
Taxes:		
Property	\$ 2,008,747	\$ 1,863,706
Sales	774,987	701,241
Hotel occupancy tax	72,014	69,982
Mixed beverage	19,294	18,018
Franchise	401,826	386,766
Special assessments	465	3,146
License and permits	102,001	252,109
Charges for services	258,074	2,378,147
Court fines	570,538	709,565
Interest	1,047	315
Miscellaneous	14,462	4,640
Total Revenues	<u>4,223,455</u>	<u>6,387,635</u>
EXPENDITURES:		
Current:		
General government	616,812	593,199
Community relations	114,479	119,726
Public safety	2,496,482	2,441,982
Animal control	127,207	142,619
Library	37,778	-
Public works – streets	271,980	261,144
Municipal court	139,990	144,024
Parks and recreation	60,687	55,622
Community development	159,082	192,211
Capital outlay	380,969	2,061,520
Debt service:		
Interest	-	12,722
Total Expenditures	<u>4,405,466</u>	<u>6,024,769</u>
Excess of Revenues over (under) Expenditures	<u>(182,011)</u>	<u>362,866</u>
OTHER FINANCING SOURCES (USES):		
Transfers in	<u>193,681</u>	<u>220,069</u>
Total Other Financing Sources (Uses)	<u>193,681</u>	<u>220,069</u>
EXTRAORDINARY ITEMS:		
Assets received-Lake Dallas EDC dissolution	749,764	-
Assets received-Lake Cities Library dissolution	<u>95,442</u>	<u>-</u>
Total Extraordinary Items	<u>845,206</u>	<u>-</u>
Net Change in Fund Balance	856,876	582,935
Fund Balance (Deficit) - October 1 (beginning)	<u>545,498</u>	<u>(37,437)</u>
Fund Balance - September 30 (Ending)	<u>\$ 1,402,374</u>	<u>\$ 545,498</u>

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF REVENUES
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2015		Variance Favorable (Unfavorable)	2014 Actual
	Budget	Actual		
Ad valorem tax	\$ 1,997,184	\$ 2,008,747	\$ 11,563	\$ 1,863,706
Sales tax	700,000	774,987	74,987	701,241
Mixed beverage tax	18,000	19,294	1,294	18,018
Hotel occupancy tax	64,000	72,014	8,014	69,982
Franchise tax	373,000	401,826	28,826	386,766
Court fines and fees	678,000	570,538	(107,462)	709,565
Library donations, fines	-	1,564	1,564	-
Building permits	35,000	24,744	(10,256)	125,513
Park improvement fees	1,000	465	(535)	3,146
Lakeview Drive funding	-	-	-	2,077,294
Other permits and fees	46,322	77,257	30,935	126,596
School resource officer reimbursements	45,052	45,052	-	45,052
Rent - Lake Cities Library	40,570	33,804	(6,766)	40,570
Rent - fire station	42,440	42,439	(1)	41,527
Other rentals	2,000	2,705	705	2,485
Parks maintenance	30,000	30,000	-	30,000
Staff/office services - EDC/CDC	84,000	45,500	(38,500)	84,000
Interest earned	-	1,047	1,047	315
Mowing	4,000	5,442	1,442	3,495
Animal services	12,500	14,181	1,681	12,727
Special events	33,900	37,387	3,487	40,997
Utilities settlement	-	9,277	9,277	-
Other revenue	2,000	5,185	3,185	4,640
TOTAL REVENUE	<u>\$ 4,208,968</u>	<u>\$ 4,223,455</u>	<u>\$ 14,487</u>	<u>\$ 6,387,635</u>

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES BY DEPARTMENT
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2015		Variance Favorable (Unfavorable)	2014 Actual
	Budget	Actual		
GENERAL GOVERNMENT:				
Personnel:				
Salaries	\$ 187,997	\$ 193,297	\$ (5,300)	\$ 195,285
Retirement	23,847	19,209	4,638	21,942
Longevity pay	1,548	1,548	-	1,404
Insurance	15,560	15,566	(6)	14,651
Payroll taxes	3,140	2,825	315	3,186
Total Personnel	<u>232,092</u>	<u>232,445</u>	<u>(353)</u>	<u>236,468</u>
Supplies, Repairs and Services:				
Insurance	41,000	45,856	(4,856)	38,932
Office expense	5,000	5,195	(195)	4,021
Operating supplies	4,000	3,361	639	4,294
Travel	2,500	2,233	267	1,819
Continuing education	1,200	1,354	(154)	583
Election expense	10,000	8,113	1,887	-
Ads and public notices	1,500	3,322	(1,822)	2,438
Publications	200	100	100	14
Printing	1,000	2,038	(1,038)	1,138
Dues and memberships	4,000	2,995	1,005	2,866
Postage	6,000	4,531	1,469	7,181
Telephone and utilities	41,000	41,953	(953)	43,076
Professional services	65,000	87,210	(22,210)	64,970
Tax appraisal/collection	22,600	19,389	3,211	20,446
Legal services	19,000	37,469	(18,469)	15,296
Council and committees	6,000	4,609	1,391	7,076
Scholarship	1,000	-	1,000	-
Maintenance and repair - building	26,000	21,880	4,120	22,825
Maintenance and repair - equipment	11,200	9,639	1,561	12,272
Equipment rental	5,400	5,593	(193)	5,371
Equipment supplies	-	-	-	490
SPAN	1,300	1,300	-	-
Lake Cities Library	100,000	75,000	25,000	100,000
Miscellaneous	1,000	1,227	(227)	1,623
Total Supplies, Repairs and Services	<u>375,900</u>	<u>384,367</u>	<u>(8,467)</u>	<u>356,731</u>
TOTAL GENERAL GOVERNMENT	<u>607,992</u>	<u>616,812</u>	<u>(8,820)</u>	<u>593,199</u>

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES BY DEPARTMENT (CONTINUED)
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2015		Variance Favorable (Unfavorable)	2014 Actual
	Budget	Actual		
COMMUNITY RELATIONS:				
Personnel:				
Salaries	\$ 50,262	\$ 48,216	\$ 2,046	\$ 51,211
Retirement	5,605	6,239	(634)	6,339
Insurance	425	452	(27)	1,507
Payroll taxes	848	713	135	941
Total Personnel	<u>57,140</u>	<u>55,620</u>	<u>1,520</u>	<u>59,998</u>
Supplies, Repairs and Services:				
Supplies	500	524	(24)	61
Office expense	350	266	84	472
Travel	300	365	(65)	248
Continuing education	500	50	450	373
Printing	-	-	-	774
Advertising	5,000	3,395	1,605	2,085
Dues and memberships	500	258	242	914
Telephone	950	670	280	378
Fireworks contribution	24,950	24,280	670	24,950
Community events	24,000	26,170	(2,170)	27,387
Rentals	2,000	2,881	(881)	2,086
Total Supplies, Repairs and Services	<u>59,050</u>	<u>58,859</u>	<u>191</u>	<u>59,728</u>
			-	
TOTAL COMMUNITY RELATIONS	<u>116,190</u>	<u>114,479</u>	<u>1,711</u>	<u>119,726</u>

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES BY DEPARTMENT (CONTINUED)
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2015		Variance Favorable (Unfavorable)	2014 Actual
	Budget	Actual		
PUBLIC SAFETY:				
Police Department:				
Personnel:				
Salaries	\$ 1,161,738	\$ 1,102,539	\$ 59,199	\$ 1,092,068
Retirement	141,978	144,880	(2,902)	152,515
Longevity pay	10,896	10,896	-	10,152
Insurance	160,021	130,504	29,517	127,005
Payroll taxes	22,120	16,643	5,477	20,712
Total Personnel	<u>1,496,753</u>	<u>1,405,462</u>	<u>91,291</u>	<u>1,402,452</u>
Supplies, Repairs and Services:				
Office expense	5,000	4,843	157	5,337
Supplies	6,600	5,232	1,368	6,023
Travel expense	2,000	2,286	(286)	313
Continuing education	600	376	224	46
Miscellaneous expense	550	224	326	532
Ads and public notices	800	1,033	(233)	137
Publications	750	249	501	560
Dues and memberships	500	280	220	292
Uniforms	4,000	6,887	(2,887)	4,263
Telephone	15,000	12,265	2,735	10,269
Professional services	36,000	28,694	7,306	26,397
Detention expenses	1,500	1,457	43	1,790
Maintenance and repair - equipment	8,000	2,663	5,337	7,490
Maintenance and repair - vehicles	16,819	20,024	(3,205)	20,645
Gas and oil	30,000	23,658	6,342	34,119
Total Supplies, Repairs and Services	<u>128,119</u>	<u>110,171</u>	<u>17,948</u>	<u>118,213</u>
Total Police Department	<u>1,624,872</u>	<u>1,515,633</u>	<u>109,239</u>	<u>1,520,665</u>

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES BY DEPARTMENT (CONTINUED)
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2015		Variance Favorable (Unfavorable)	2014 Actual
	Budget	Actual		
Fire Department:				
Contribution for services	\$ 980,850	\$ 980,849	\$ 1	\$ 921,317
Total Fire Department	<u>980,850</u>	<u>980,849</u>	<u>1</u>	<u>921,317</u>
TOTAL PUBLIC SAFETY	<u>2,605,722</u>	<u>2,496,482</u>	<u>109,240</u>	<u>2,441,982</u>
ANIMAL CONTROL:				
Personnel:				
Salaries	91,542	76,616	14,926	86,552
Retirement	9,958	9,196	762	10,953
Insurance	16,382	12,210	4,172	13,911
Payroll taxes	2,595	1,734	861	2,107
Total Personnel	<u>120,477</u>	<u>99,756</u>	<u>20,721</u>	<u>113,523</u>
Office expense	600	594	6	1,190
Supplies	6,000	6,217	(217)	5,005
Travel	100	122	(22)	69
Continuing education	400	470	(70)	275
Printing	100	-	100	-
Advertising	-	439	(439)	-
Dues and memberships	50	45	5	45
Uniforms	200	187	13	665
Telephone	1,900	1,240	660	1,390
Professional services	600	592	8	501
Utilities	10,000	9,588	412	11,694
Land lease	1,250	1,214	36	1,200
Maintenance and repair - building	4,000	2,458	1,542	4,069
Maintenance and repair - equipment	1,800	1,516	284	224
Maintenance and repair - vehicles	8,472	2,140	6,332	1,180
Gas and oil	2,000	629	1,371	1,589
Total Supplies, Repairs and Services	<u>37,472</u>	<u>27,451</u>	<u>10,021</u>	<u>29,096</u>
TOTAL ANIMAL CONTROL	<u>157,949</u>	<u>127,207</u>	<u>30,742</u>	<u>142,619</u>

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES BY DEPARTMENT (CONTINUED)
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2015		Variance Favorable (Unfavorable)	2014 Actual
	Budget	Actual		
LIBRARY:				
Personnel:				
Salaries	\$ 26,529	\$ 25,102	\$ 1,427	\$ -
Retirement	1,729	1,037	692	-
Insurance	1,835	1,820	15	-
Payroll taxes	979	997	(18)	-
Total Personnel	<u>31,072</u>	<u>28,956</u>	<u>2,116</u>	<u>-</u>
Supplies	600	258	342	-
Postage	250	36	214	-
Library materials	2,000	1,609	391	-
Technology	1,100	1,302	(202)	-
Travel	100	-	100	-
Printing	100	-	100	-
Telephone	200	153	47	-
Utilities	2,000	2,798	(798)	-
Professional services	546	403	143	-
Equipment rentals	2,050	1,513	537	-
Maintenance and repair - building	1,000	750	250	-
Total Supplies, Repairs and Services	<u>9,946</u>	<u>8,822</u>	<u>1,124</u>	<u>-</u>
TOTAL LIBRARY	<u>41,018</u>	<u>37,778</u>	<u>3,240</u>	<u>-</u>

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES BY DEPARTMENT (CONTINUED)
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2015		Variance Favorable (Unfavorable)	2014 Actual
	Budget	Actual		
PUBLIC WORKS:				
Street Department:				
Personnel:				
Salaries	\$ 127,512	\$ 121,519	\$ 5,993	\$ 116,558
Retirement	15,984	15,737	247	15,934
Longevity pay	822	696	126	546
Insurance	26,700	24,018	2,682	23,943
Payroll taxes	2,448	1,917	531	2,394
Total Personnel	<u>173,466</u>	<u>163,887</u>	<u>9,579</u>	<u>159,375</u>
Supplies	1,500	1,957	(457)	1,383
Advertising	-	482	(482)	251
Travel	100	21	79	-
Continuing education	600	299	301	-
Printing	200	-	200	-
Uniforms	1,800	1,759	41	1,941
Telephone	1,700	1,489	211	1,616
Street lighting	50,000	52,060	(2,060)	64,718
Street signs	20,000	8,498	11,502	7,017
Quarterly cleanups	-	4,859	(4,859)	-
Maintenance and repair - building	500	675	(175)	436
Maintenance and repair - equipment	3,778	1,826	1,952	2,959
Maintenance and repair- vehicle	6,500	5,236	1,264	2,005
Maintenance - drainage	1,000	211	789	23
Maintenance - sidewalks	5,000	525	4,475	1,600
Maintenance - streets	50,000	23,816	26,184	11,941
Gas and oil	5,000	4,380	620	5,879
Total Supplies, Repairs and Services	<u>147,678</u>	<u>108,093</u>	<u>39,585</u>	<u>101,769</u>
TOTAL PUBLIC WORKS	<u>321,144</u>	<u>271,980</u>	<u>49,164</u>	<u>261,144</u>

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES BY DEPARTMENT (CONTINUED)
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2015		variance Favorable (Unfavorable)	2014 Actual
	Budget	Actual		
MUNICIPAL COURT:				
Personnel:				
Salaries	\$ 82,444	\$ 82,430	\$ 14	\$ 79,311
Retirement	10,288	10,427	(139)	11,816
Insurance	14,802	14,166	636	12,078
Payroll taxes	1,590	1,340	250	1,710
Total Personnel	<u>109,124</u>	<u>108,363</u>	<u>761</u>	<u>104,915</u>
Supplies, Repairs and Services:				
Supplies	800	642	158	1,170
Travel	600	137	463	363
Continuing education	700	95	605	350
Publications	3,000	1,530	1,470	2,831
Dues and memberships	250	260	(10)	240
Legal services	26,000	28,040	(2,040)	32,583
Warrant roundup	1,600	923	677	1,572
Total Supplies, Repairs and Services	<u>32,950</u>	<u>31,627</u>	<u>1,323</u>	<u>39,109</u>
TOTAL MUNICIPAL COURT	<u>142,074</u>	<u>139,990</u>	<u>2,084</u>	<u>144,024</u>
PARKS AND RECREATION:				
Personnel:				
Salaries	33,708	34,459	(751)	33,125
Retirement	4,238	4,485	(247)	4,036
Insurance	8,000	8,838	(838)	8,006
Payroll taxes	691	506	(208)	678
Total Personnel	<u>46,637</u>	<u>48,288</u>	<u>(1,651)</u>	<u>45,845</u>

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES BY DEPARTMENT (CONTINUED)
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2015		Variance Favorable (Unfavorable)	2014 Actual
	Budget	Actual		
Supplies, Repairs and Services:				
Supplies	\$ 1,400	\$ 1,912	\$ (512)	\$ -
Telephone	400	403	(3)	347
Uniforms	950	1,174	(224)	890
Park maintenance	1,100	1,566	(466)	2,267
Gas and oil	3,000	3,298	(298)	3,555
Maintenance and repair - equipment	4,000	3,623	377	2,515
Maintenance and repair - vehicle	300	423	(123)	203
Total Supplies, Repairs and Services	<u>11,150</u>	<u>12,399</u>	<u>(1,249)</u>	<u>9,777</u>
 TOTAL PARKS AND RECREATION	 <u>57,787</u>	 <u>60,687</u>	 <u>(2,900)</u>	 <u>55,622</u>
 COMMUNITY DEVELOPMENT:				
Personnel:				
Salaries	101,892	102,220	(328)	100,371
Retirement	12,925	13,145	(220)	13,673
Longevity pay	1,002	1,002	-	816
Insurance	15,218	14,246	972	12,648
Payroll taxes	1,891	1,467	424	1,805
Total Personnel	<u>132,928</u>	<u>132,080</u>	<u>848</u>	<u>129,313</u>
 Supplies, Repairs and Services:				
Supplies	300	376	(76)	418
Travel	250	323	(73)	234
Continuing education	600	625	(25)	480
Publications	300	-	300	611
Dues and memberships	120	58	62	185
Telephone	400	400	-	399
Professional services	29,000	21,938	7,062	57,164
Maintenance and repair - equipment	3,200	2,577	623	1,972
Maintenance and repair - vehicles	1,000	590	410	1,185
Gas and oil	400	115	285	250
Total Supplies, Repairs and Services	<u>35,570</u>	<u>27,002</u>	<u>8,568</u>	<u>62,898</u>
 TOTAL COMMUNITY DEVELOPMENT	 <u>168,498</u>	 <u>159,082</u>	 <u>9,416</u>	 <u>192,211</u>

CITY OF LAKE DALLAS, TEXAS
GENERAL FUND
STATEMENT OF EXPENDITURES BY DEPARTMENT (CONTINUED)
BUDGET AND ACTUAL FOR THE YEAR ENDED SEPTEMBER 30, 2015
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2015		Variance Favorable (Unfavorable)	2014 Actual
	Budget	Actual		
CAPITAL OUTLAY:				
Capital outlay - buildings	\$ 2,700	\$ 2,500	\$ 200	\$ -
Capital outlay - equipment	24,893	24,893	-	16,597
Capital outlay - vehicles	138,538	137,602	936	-
Capital outlay - streets	-	215,974	(215,974)	2,044,923
TOTAL CAPITAL OUTLAY	<u>166,131</u>	<u>380,969</u>	<u>(214,838)</u>	<u>2,061,520</u>
TOTAL EXPENDITURES	<u>\$ 4,384,505</u>	<u>\$ 4,405,466</u>	<u>\$ (20,961)</u>	<u>\$ 6,024,769</u>

CITY OF LAKE DALLAS, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Court Technology <u>Fund</u>	Court Security <u>Fund</u>	LEOSE Training <u>Fund</u>	Child Safety <u>Fund</u>
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Fines and fees	13,978	10,483	-	15,972
Donations and grants	-	-	1,543	-
Interest earned	29	28	7	41
Total Revenues	<u>14,007</u>	<u>10,511</u>	<u>1,550</u>	<u>16,013</u>
Expenditures:				
Public safety	-	-	263	7,033
Animal control	-	-	-	-
Municipal court	6,292	5,206	-	-
Parks and recreation	-	-	-	-
Total Expenditures	<u>6,292</u>	<u>5,206</u>	<u>263</u>	<u>7,033</u>
Excess of Revenues over (under) Expenditures	7,715	5,305	1,287	8,980
Other Financing Sources (Uses):				
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	7,715	5,305	1,287	8,980
Fund Balance – October 1 (beginning)	<u>24,992</u>	<u>22,108</u>	<u>6,332</u>	<u>44,425</u>
Fund Balance – September 30 (ending)	<u>\$ 32,707</u>	<u>\$ 27,413</u>	<u>\$ 7,619</u>	<u>\$ 53,405</u>

Juvenile Case Management Fund	Drug Seizure Fund	Kids N Cops Fund	Police Auction	Forensic Testing	Willow Grove Camping Fees	Animal Rescue Fund	Total
\$ -	\$ -	\$ -	\$ 10,730	\$ -	\$ 23,044	\$ -	\$ 33,774
17,697	-	-	-	-	-	-	58,130
-	4,711	652	-	-	-	5,832	12,738
130	15	12	-	-	34	6	302
<u>17,827</u>	<u>4,726</u>	<u>664</u>	<u>10,730</u>	<u>-</u>	<u>23,078</u>	<u>5,838</u>	<u>104,944</u>
-	684	128	1,505	730	-	-	10,343
-	-	-	-	-	-	8,135	8,135
-	-	-	-	-	-	-	11,498
-	-	-	-	-	18,272	-	18,272
<u>-</u>	<u>684</u>	<u>128</u>	<u>1,505</u>	<u>730</u>	<u>18,272</u>	<u>8,135</u>	<u>48,248</u>
17,827	4,042	536	9,225	(730)	4,806	(2,297)	56,696
-	-	-	-	-	(12,000)	-	(12,000)
-	-	-	-	-	(12,000)	-	(12,000)
17,827	4,042	536	9,225	(730)	(7,194)	(2,297)	44,696
<u>116,115</u>	<u>10,412</u>	<u>10,685</u>	<u>9,940</u>	<u>2,607</u>	<u>52,991</u>	<u>7,059</u>	<u>307,666</u>
<u>\$ 133,942</u>	<u>\$ 14,454</u>	<u>\$ 11,221</u>	<u>\$ 19,165</u>	<u>\$ 1,877</u>	<u>\$ 45,797</u>	<u>\$ 4,762</u>	<u>\$ 352,362</u>

CITY OF LAKE DALLAS, TEXAS
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 139,459	\$ 138,493
Receivables:		
Ad valorem tax	<u>12,443</u>	<u>11,182</u>
TOTAL ASSETS	<u>\$ 151,902</u>	<u>\$149,675</u>
 DEFERRED INFLOWS AND FUND BALANCE		
Deferred Inflows of Resources:		
Unavailable revenue - property taxes	<u>\$ 11,895</u>	<u>\$ 10,602</u>
Total Deferred Inflows of Resources	<u>11,895</u>	<u>10,602</u>
Fund balance:		
Restricted for debt service	<u>140,007</u>	<u>139,073</u>
Total Fund Balance	<u>140,007</u>	<u>139,073</u>
TOTAL DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 151,902</u>	<u>\$149,675</u>

CITY OF LAKE DALLAS, TEXAS
DEBT SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
REVENUES:		
Taxes:		
Property	\$ <u>501,416</u>	\$ <u>500,172</u>
TOTAL REVENUES	<u>501,416</u>	<u>500,172</u>
EXPENDITURES:		
Debt service:		
Principal retirement	325,000	315,000
Interest and fees	<u>175,482</u>	<u>186,995</u>
TOTAL EXPENDITURES	<u>500,482</u>	<u>501,995</u>
Excess of Revenues over (Under) Expenditures	<u>934</u>	<u>(1,823)</u>
Net change in fund balance	934	(1,823)
Fund balance, beginning of year	<u>139,073</u>	<u>140,896</u>
Fund balance, end of year	<u>\$ 140,007</u>	<u>\$ 139,073</u>

CITY OF LAKE DALLAS, TEXAS
 BUDGETARY COMPARISON SCHEDULE – DEBT SERVICE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Budgeted Amounts</u>		Actual Amounts (GAAP BASIS)	Variance With Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes (ad valorem, sales and other)	\$ 500,138	\$ 500,138	\$ 501,416	\$ 1,278
Total Revenues	<u>500,138</u>	<u>500,138</u>	<u>501,416</u>	<u>1,278</u>
Expenditures:				
Principal	325,000	325,000	325,000	-
Interest and fees	<u>175,441</u>	<u>175,441</u>	<u>175,482</u>	<u>(41)</u>
Total Expenditures	<u>500,441</u>	<u>500,441</u>	<u>500,482</u>	<u>(41)</u>
Net Change in Fund Balance	(303)	(303)	934	1,237
Fund Balance – October 1 (beginning)	<u>139,073</u>	<u>139,073</u>	<u>139,073</u>	<u>-</u>
Fund Balance – September 30 (ending)	<u>\$ 138,770</u>	<u>\$ 138,770</u>	<u>\$ 140,007</u>	<u>\$ 1,237</u>

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and City Council
City of Lake Dallas, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Lake Dallas, Texas, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise The City of Lake Dallas, Texas's basic financial statements, and have issued our report dated January 7, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hankins, Eastup, Deaton, Tonn & Seay

Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

January 7, 2016

STATISTICAL SECTION

CITY OF LAKE DALLAS, TEXAS
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Animal Control</u>	<u>Public Works - Streets</u>	<u>Municipal Court</u>	<u>Park and Recreation</u>	<u>Community Development</u>
2006	\$482,707	\$1,934,157	\$ 76,256	\$ 256,019	\$ 61,726	\$ 29,569	\$ 153,693
2007	480,528	1,970,968	91,157	277,513	88,299	67,996	157,177
2008	576,333	2,161,490	78,823	315,978	100,778	82,536	169,529
2009	881,029	2,295,176	100,175	356,767	133,681	113,491	147,635
2010	978,718	2,484,940	121,518	316,898	131,070	132,459	150,471
2011	896,277	2,538,262	90,810	309,911	140,453	107,995	119,870
2012	921,854	2,455,426	88,492	311,391	152,134	93,881	128,455
2013	724,877	2,440,783	127,332	298,780	162,188	93,113	134,112
2014	593,199	2,456,186	149,482	261,144	159,238	74,610	192,819
2015	616,812	2,506,825	135,342	271,980	151,488	78,959	159,082

<u>Library</u>	<u>Community Relations</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Total</u>
\$ -	\$100,702	\$ 133,829	\$311,582	\$ 3,540,240
-	92,473	99,609	399,681	3,725,401
-	107,142	1,123,821	457,347	5,173,777
-	196,553	901,239	633,721	5,759,467
-	164,893	1,308,153	668,116	6,457,236
-	115,098	139,921	649,267	5,107,864
-	112,556	148,530	667,211	5,079,930
-	114,787	253,710	558,222	4,907,904
-	119,726	2,065,753	514,717	6,586,874
37,778	114,479	380,969	500,482	4,954,196

CITY OF LAKE DALLAS, TEXAS
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Special Assessments</u>	<u>License and Permits</u>	<u>Charges for Services</u>	<u>Court Fines</u>	<u>Interest</u>
2006	\$ 2,666,678	\$ 6,326	\$139,302	\$286,582	\$207,022	\$ 82,542
2007	3,001,540	16,829	250,241	286,972	266,397	77,818
2008	3,115,718	23,575	340,429	249,418	385,709	69,498
2009	3,301,663	4,449	100,651	602,068	409,284	18,540
2010	3,274,471	1,993	121,455	830,574	546,534	2,001
2011	3,275,226	2,631	88,609	718,141	666,417	795
2012	3,534,748	238	68,353	712,799	702,786	1,116
2013	3,500,384	2,941	104,612	717,369	675,432	895
2014	3,539,885	3,146	252,109	2,442,787	785,608	529
2015	3,778,284	465	102,001	291,848	628,668	1,349

<u>Grants</u>	<u>Miscellaneous</u>	<u>Total</u>
\$ 1,200	\$ 47,123	\$3,436,775
-	37,571	3,937,368
4,932	26,924	4,216,203
8,423	16,210	4,461,288
12,164	22,589	4,811,781
51,700	28,463	4,831,982
7,550	21,631	5,049,221
10,850	4,806	5,017,289
18,413	4,640	7,047,117
12,738	14,462	4,829,815

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CITY OF LAKE DALLAS, TEXAS
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	(1) <u>Property</u>	<u>Sales</u>	<u>Franchise</u>	<u>Hotel Occupancy</u>	<u>Mixed Beverage</u>	<u>Total</u>
2006	\$ 1,792,766	\$505,000	\$314,796	\$35,629	\$18,487	\$2,666,678
2007	1,989,017	545,544	384,191	59,852	22,936	3,001,540
2008	2,131,332	553,255	345,823	61,239	24,069	3,115,718
2009	2,355,945	506,808	363,508	52,449	22,953	3,301,663
2010	2,384,613	496,635	338,783	34,603	19,837	3,274,471
2011	2,341,696	516,425	350,045	51,316	15,744	3,275,226
2012	2,397,494	662,826	412,124	49,456	12,848	3,534,748
2013	2,231,647	695,042	405,491	54,755	23,449	3,500,384
2014	2,363,878	701,241	386,766	69,982	18,018	3,539,885
2015	2,510,163	774,987	401,826	72,014	19,294	3,778,284

(1) Includes penalties and interest.

CITY OF LAKE DALLAS, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Total Levy</u>	<u>Current Tax Collections</u>	<u>Percentage Of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio Of Total Collections To Levy</u>
2006	\$1,778,138	\$1,736,716	97.67%	\$28,726	\$1,765,442	99.29%
2007	1,938,669	1,904,807	98.25	50,893	1,955,700	100.88
2008	2,121,104	2,082,593	98.18	26,978	2,109,571	99.46
2009	2,334,122	2,301,094	98.58	30,267	2,331,361	99.88
2010	2,377,828	2,349,084	98.79	11,158	2,360,242	99.26
2011	2,317,805	2,287,698	98.70	26,824	2,314,522	99.86
2012	2,362,226	2,336,365	98.90	27,584	2,363,949	100.07
2013	2,326,050	2,308,038	99.22	(2,170)	2,305,868	99.13
2014	2,341,912	2,323,470	99.21	15,981	2,339,451	99.89
2015	2,494,907	2,469,998	99.00	14,017	2,484,015	99.56

<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Levy</u>
\$134,256	7.55%
117,078	6.04
78,473	3.70
86,613	3.71
86,276	3.63
81,789	3.53
77,212	3.27
72,259	3.11
70,349	3.00
79,858	3.20

CITY OF LAKE DALLAS, TEXAS
RATIO TO ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL LONG-TERM DEBT
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES (1)
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Fees</u>	<u>Total Debt Service</u>	<u>Total (1) Governmental Expenditures</u>	<u>Ratio of Debt Service to Total General Governmental Expenditures</u>
2006	\$159,443	\$152,139	\$311,582	\$3,540,240	8.80%
2007	220,967	178,714	399,681	3,725,401	10.73
2008	228,881	172,019	400,900	4,184,396	9.58
2009	315,066	288,655	603,721	4,930,382	12.25
2010	390,000	276,024	666,024	5,588,216	11.92
2011	385,000	251,571	636,571	5,107,864	12.46
2012	400,000	237,211	637,211	5,079,930	12.54
2013	310,000	224,139	534,139	4,907,904	10.88
2014	315,000	186,995	501,995	6,586,874	7.62
2015	325,000	175,482	500,482	4,954,196	10.10

(1) Excludes Capital Projects Fund.