

CITY OF HASLET, TEXAS

*ANNUAL FINANCIAL REPORT*

FOR THE YEAR ENDED SEPTEMBER 30, 2012

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**CITY OF HASLET, TEXAS**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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**RUTLEDGE CRAIN & COMPANY, PC**  
CERTIFIED PUBLIC ACCOUNTANTS

2401 Garden Park Court, Suite B  
Arlington, Texas 76013

INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Haslet, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Haslet, Texas (the "City") as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Haslet, Texas, as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof For the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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



December 8, 2012

The City of Haslet, Texas (the "City") Management's Discussion and Analysis (MD&A) is a narrative overview and analysis designed to provide the reader a means to identify and understand the financial activity of the City and changes in the City's financial position during the fiscal year ended September 30, 2012.

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

### **Financial Highlights**

1. The assets of the City of Haslet exceeded its liabilities at the close of the most recent fiscal year by \$22,803,193.
2. The City's net assets increased by \$940,153. The increase is predominately the result of operations.
3. As of September 30, 2012, the City of Haslet's governmental funds reported combined ending fund balances of \$4,529,991, a decrease of \$24,155 in comparison with the prior fiscal year. Of this amount, \$1,937,310 or 42.8% of the total amount is unassigned, an increase of \$323,033; \$1,188,086 or 26.2% of the total amount is committed, a decrease of \$450,948; and \$1,399,516 or 30.9%, an increase of \$99,295 is restricted.
4. As of September 30, 2012, the fund balance for the General Fund increased by \$323,091. Total General Fund balance is \$1,939,168, 81.4% of the total expenditures for the General Fund for 2012.
5. The City's total debts decreased by \$302,900 after scheduled payments were made to creditors. The City issued no new debt during the 2011/12 fiscal year.

### **Overview of the Financial Statements**

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

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

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

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

1. Governmental Activities – where most of the City's basic activities are reported. These include general government, fire, streets, parks, economic development, library, and public works. Normally, these operations are financed by property taxes, sales taxes, and franchise fees.
2. Business-Type Activity – in this activity, the City charges fees to finance its operations. Examples of this are the City's water and sewer services.

## CITY OF HASLET, TEXAS

### Management's Discussion and Analysis

September 30, 2012

*Note: the government-wide financial statements are found on pages 11 thru 13 of this report.*

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

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

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

The City maintains eleven governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General, 1999 Interest and Sinking Fund, Haslet Community and Economic Development Fund, and COs Capital Projects Fund which are considered to be major funds. Data from the other seven funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

The proprietary fund financial statements provide information for the City's Utility (Water and Sewer) system, which is considered to be a major fund of the City. The basic proprietary fund financial statements can be found on pages 22-24 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-39.

#### Government-wide Financial Analysis

This statement highlights the information provided in both the Statement of Net Assets and Statement of Activities in the government-wide financial statements. It may serve over an extended period of time, as a useful indicator of the City's financial position. At the end of the fiscal year, the City's assets exceeded liabilities by \$22,803,193. Of this amount, \$15,613,648 (68.5%) reflects the City's investment in capital assets (e.g., land, buildings, machinery and equipment, net of accumulated depreciation); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide service to the community; therefore these assets are not available for future spending.

#### Government Activities Comparison

Capital assets increased \$2,049,423 due to current costs incurred for construction in progress (\$799,785, net of transfers of completed projects), buildings and improvements (decreased \$167,113), infrastructure (streets, drainage and parks improvements increased by \$2,969,194), and other improvements (increased \$47,127) before accumulation of current period depreciation expenses. Long-term liabilities decreased \$184,293 with payments made to reduce capital leases and other obligations. Other liabilities decreased \$73,099, due to changes in accounts payable and accruals.

**CITY OF HASLET, TEXAS**  
*Management's Discussion and Analysis*  
 September 30, 2012

Business-type Activities Comparison

Current and other assets decreased due to acquisition of capital assets. Long-term liabilities decreased \$118,607 payments made to reduce capital leases and other obligations. Other liabilities increased \$69,820 due to increases in accounts payable and accrued liabilities.

**Statement of Net Assets**

	Government Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 5,024,374	\$ 5,103,364	\$ 2,797,691	\$ 4,134,147	\$ 7,822,065	\$ 9,237,511
Capital assets	12,183,492	12,191,845	8,848,878	6,791,102	21,032,370	18,982,947
<b>Total Assets</b>	<b>17,207,866</b>	<b>17,295,209</b>	<b>11,646,569</b>	<b>10,925,249</b>	<b>28,854,435</b>	<b>28,220,458</b>
Long-term Liabilities	3,123,532	3,307,825	2,267,446	2,386,053	5,390,978	5,693,878
Other Liabilities	328,763	401,862	331,501	261,681	660,264	663,543
<b>Total Liabilities</b>	<b>3,452,295</b>	<b>3,709,687</b>	<b>2,598,947</b>	<b>2,647,734</b>	<b>6,051,242</b>	<b>6,357,421</b>
<b>Net Assets:</b>						
Invested in capital						
Net of related debt	9,073,850	10,222,315	6,539,798	4,532,121	15,613,648	14,754,436
Restricted	1,197,927	391,471	-	-	1,197,927	391,471
Unrestricted	3,483,794	2,971,736	2,507,824	3,745,394	5,991,618	6,717,130
<b>Total net assets</b>	<b>\$ 13,755,571</b>	<b>\$ 13,585,522</b>	<b>\$ 9,047,622</b>	<b>\$ 8,277,515</b>	<b>\$ 22,803,193</b>	<b>\$ 21,863,037</b>

City operational analysis – The following table provides a summary analysis of the City's operations for the fiscal year ended September 30, 2012. Governmental activities have increased the City's net assets by \$170,050 which amounts to a 1.3% increase in total net assets for the year. The City's business-type activity (i.e. water and sewer fund) has increased the City's assets by \$770,103 which amounts to a 9.3% increase in net assets for that activity.

Government Activities Comparison

Revenues

Charges for services increased \$230,058 due to outstanding warrants being recalled in court. Operating grants and contributions decreased \$9,512 due to a decrease in grants received by the City. Capital grants and contributions increased \$6,268. Property tax increased \$26,048 due to increase in property value. Sales Tax increased \$180,862 due to equipment purchases made by new business locating to the City. Gas royalties decreased \$2,277. Unrestricted investment earnings decreased \$472 due to a decrease in interest rates.

Expenses

General Government decreased \$186,690 due to increased legal services, IT support, fire department equipment, and the hiring of a City Administrator. Fire increased \$23,948 due to the purchase of EMS supplies. Streets increased \$88,823 due to the amount of work performed on streets. Parks increased \$100,084 due to improvements to the parks.



**CITY OF HASLET, TEXAS**  
*Management's Discussion and Analysis*  
 September 30, 2012

Business-type Comparison

Revenues

Charges for services increased \$466,512 due to an increase in water revenue from gas well activity. Capital grants and contributions increased \$284,439 and unrestricted investment earnings decreased \$4,867 due to lower interest rates.

Expenses

Water and sewer operations increased \$143,071 due to an increase in water purchases required for the gas well activity.

**Changes in net assets**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenue:</b>						
Program revenue						
Charges for services	\$ 520,710	\$ 290,652	\$1,958,683	\$1,492,171	\$2,479,393	\$1,782,823
Operating grants and contributions	121,905	131,417	-	-	121,905	131,417
Capital grants and contributions	114,315	108,047	351,456	67,017	465,771	175,064
<b>General Revenue</b>						
Property tax	1,600,013	1,573,965	-	-	1,600,013	1,573,965
Sales Tax	777,293	596,431	-	-	777,293	596,431
Franchise tax	161,924	156,968	-	-	161,924	156,968
Gas royalties	71,011	73,288	-	-	71,011	73,288
Unrestricted investment earnings	8,047	8,519	4,849	9,716	12,896	18,235
Miscellaneous revenue (expense)	-	-	40,587	56,953	40,587	56,953
<b>Total revenue</b>	<b>3,375,218</b>	<b>2,939,287</b>	<b>2,355,575</b>	<b>1,625,857</b>	<b>5,730,793</b>	<b>4,565,144</b>
<b>Expenses:</b>						
Code enforcement	7,863	1,233	-	-	7,863	1,233
General government	580,838	767,528	-	-	580,838	767,528
Fire marshal	12,584	6,077	-	-	12,584	-
Fire	420,447	396,499	-	-	420,447	396,499
Streets	573,231	484,408	-	-	573,231	484,408
Parks	266,655	166,571	-	-	266,655	166,571
Court	77,322	-	-	-	77,322	-
Library	195,009	168,801	-	-	195,009	168,801
Public safety	540,627	543,232	-	-	540,627	543,232
Finance	99,540	-	-	-	99,540	-
Economic development	56,733	52,860	-	-	56,733	52,860
Public works	219,491	225,107	-	-	219,491	225,107
Nondepartmental	117,217	28,614	-	-	117,217	28,614
Interest and amortization	129,701	135,875	-	-	129,701	135,875
Water and sewer operations	-	-	1,493,382	1,350,311	1,493,382	1,350,311
<b>Total expenses</b>	<b>3,297,258</b>	<b>2,976,805</b>	<b>1,493,382</b>	<b>1,350,311</b>	<b>4,790,640</b>	<b>4,321,039</b>
Transfers	92,090	252,520	(92,090)	(252,520)	-	-
<b>Increase (decrease) in net assets</b>	<b>\$ 170,050</b>	<b>\$ 215,002</b>	<b>\$ 770,103</b>	<b>\$ 23,026</b>	<b>\$ 940,153</b>	<b>\$ 244,105</b>

**Financial analysis of the City's funds**

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

**CITY OF HASLET, TEXAS**  
*Management's Discussion and Analysis*  
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At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$4,529,991. The City has approximately \$1,110,348 of unspent capital projects bond proceeds for government activities which are committed. As the proceeds are spent, there will be a similar increase in unrestricted net assets. The City expects to complete the capital projects in Fiscal Year 2013. During the year there was a combined net decrease in fund balance of \$24,155.

Proprietary Funds – the City's proprietary fund statements have the same kind of information provided by the governmental statements but are in stated in more detail. Unrestricted net assets of the water and sewer fund amounted to \$2,507,824.

**General fund budgetary highlights**

There was an overall increase of 4.68% in the revenue budgeted and the actual revenue. The majority of the increase was in gas royalties (\$36,011 higher) due to a division orders, licenses and permits (\$38,212 higher) due to the increase number of permits being issued, and Fines (\$13,992 higher) due to conservative estimation of expected revenue. Actual revenues came in over the final budget by \$115,275.

Actual expenditures were under final budgeted expenditures by 6.0% or \$152,957. The major contributing factors to this were Administration expenditures were under budget by \$44,005, due less being spent on engineering fees, records retention, and office supplies. Street expenditures were under budget by \$36,509 due to less materials and repairs on streets being used and there was not miscellaneous drainage repair. Parks expenditures were under budget by \$24,691, because there was less maintenance and repairs required on the parks. Expenditures for Library were under budget by \$12,138 due to less being spent for landscaping, janitorial and capital expenditures than had been expected. Public Works was under budget by \$15,774 due to a position being vacant part of the year.

**Capital asset and debt administration**

The City's investments of capital assets for its governmental and business-type activities as of September 30, 2012 amounted to \$21,032,370 net of accumulated depreciation. They represent a broad range of capital assets including, but not limited to buildings, land, fire equipment, park facilities, roads, water and sewer lines and a storm water system.

For the year ended September 30, 2012, major additions to capital assets include, for governmental activities, replacement of the roadway improvements completed or in progress. For business-type activities, the City completed or continued work on water and sewer infrastructure.

**Capital assets net of depreciation at September 30, 2011 and 2012:**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 1,518,371	\$ 1,518,371	\$ 20,142	\$ 20,142	\$ 1,538,513	\$ 1,538,513
Construction in progress	1,906,596	1,829,448	804,388	1,681,321	2,710,984	3,510,769
Buildings	2,262,306	2,365,133	-	-	2,262,306	2,365,133
Improvements other than buildings	857,458	921,506	320	558	857,778	922,064
Infrastructure	5,315,655	5,232,139	7,928,080	5,042,402	13,243,735	10,274,541
Equipment	100,010	59,999	95,948	46,679	195,958	106,678
Vehicles	223,096	265,249	-	-	223,096	265,249
<b>Total</b>	<b>\$ 12,183,492</b>	<b>\$ 12,191,845</b>	<b>\$ 8,848,878</b>	<b>\$ 6,791,102</b>	<b>\$ 21,032,370</b>	<b>\$ 18,982,947</b>

Additional information about capital assets may be found in Note II. D. in the notes to financial statements on pages 32-33 of this report.

**CITY OF HASLET, TEXAS**  
*Management's Discussion and Analysis*  
 September 30, 2012

**Debt administration**

Long-Term Debt – at the end of the current fiscal year the City had \$5,390,978 in bonded debt, notes payable, capital lease obligations, and accrued compensated absences, a decrease of 5.6% from the previous fiscal year. Of this amount, \$4,075,000 is backed by the full faith and credit of the government. The City's general obligation debt maintains an "AAA" rating from Standard & Poor's investor services.

General debt currently at September 30, 2011 and 2012:

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Certificates of obligation	\$ 2,363,500	\$ 2,438,900	\$ 1,711,500	\$ 1,766,100	\$ 4,075,000	\$ 4,205,000
General obligation bonds	663,000	743,600	612,000	686,400	1,275,000	1,430,000
Bond (prelump)/discount	(29,755)	(30,958)	(14,420)	(14,185)	(44,175)	(45,143)
Deferred amount from refunding	30,554	34,919	(49,623)	(56,712)	(19,069)	(21,793)
Note payable	-	-	-	-	-	-
Capital lease obligations	82,343	113,078	-	-	82,343	113,078
Accrued compensated absences	13,890	8,286	7,989	4,450	21,879	12,736
<b>Total</b>	<b>\$ 3,123,532</b>	<b>\$ 3,307,825</b>	<b>\$ 2,267,446</b>	<b>\$ 2,386,053</b>	<b>\$ 5,390,978</b>	<b>\$ 5,693,878</b>

Additional information about long-term debt may be found in Note II. F. in the notes to financial statements on pages 34-37 of this report.

**Economic factors and next year's budgets and rates**

In the budget for the next fiscal year, revenues have been projected to decrease by 8.7%. One of the City's largest sources of revenue is sales tax receipts and it is budgeted to decrease 9.3%. Due to the nature of the volatility in sales tax receipts, the City has been conservative in projecting sales tax revenue and actual receipts have generally met expectations.

Expenditures are expected to increase by 11.2%. This increase is due to the increase amount budgeted for street repairs, miscellaneous drainage repairs, the increase in the cost for the contract with Tarrant County Sheriff's Department, the purchase of a hot mix crack seal machine, and new vehicles for code and public works departments.

**Requests for information**

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

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## BASIC FINANCIAL STATEMENTS

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## CITY OF HASLET, TEXAS

## STATEMENT OF NET ASSETS

SEPTEMBER 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 4,511,934	\$ 2,530,077	\$ 7,042,011	\$ 999,459
Receivables (net of allowances):				
Taxes	73,747	--	73,747	--
Accounts	6,336	196,549	202,885	--
Miscellaneous	199,956	--	199,956	--
Intergovernmental	137,703	612	138,315	36,551
Internal balances	19,685	(19,685)	--	--
Inventories	--	19,359	19,359	912,463
Prepaid items	5,079	2,223	7,302	--
Restricted assets:				
Cash and cash equivalents	--	1,986	1,986	--
Bond issuance costs	69,934	66,570	136,504	--
Capital assets (net of accumulated depreciation, where applicable)				
Nondepreciable property				
Land	1,518,371	20,142	1,538,513	--
Construction in progress	1,906,596	804,388	2,710,984	--
Depreciable property				
Buildings	2,262,306	--	2,262,306	--
Improvements other than buildings	857,458	320	857,778	--
Infrastructure	5,315,655	7,928,080	13,243,735	--
Equipment	100,010	95,948	195,958	--
Vehicles	223,096	--	223,096	--
Total Assets	<u>17,207,866</u>	<u>11,646,569</u>	<u>28,854,435</u>	<u>1,948,473</u>
<b>LIABILITIES</b>				
Accounts payable	152,155	245,053	397,208	7,952
Accrued Liabilities	40,231	15,173	55,404	154
Due to other governments	125,877	--	125,877	--
Unearned revenue	10,500	--	10,500	--
Customer deposits	--	71,275	71,275	2,050
Noncurrent Liabilities:				
Due within one year	240,464	143,889	384,353	--
Due in more than one year	2,883,068	2,123,557	5,006,625	--
Total Liabilities	<u>3,452,295</u>	<u>2,598,947</u>	<u>6,051,242</u>	<u>10,156</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	9,073,850	6,539,798	15,613,648	--
Restricted For:				
Debt Service	96,068	--	96,068	--
Capital Projects	1,101,859	--	1,101,859	--
Unrestricted	3,483,794	2,507,824	5,991,618	1,938,217
Total Net Assets	<u>\$ 13,755,571</u>	<u>\$ 9,047,622</u>	<u>\$ 22,803,193</u>	<u>\$ 1,938,217</u>

The accompanying notes are an integral part of this statement.

**CITY OF HASLET, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
<i>Code enforcement</i>	\$ 7,863	\$ --	\$ --	\$ --
<i>General government</i>	580,838	185,062	--	--
<i>Fire marshal</i>	12,584	--	--	--
<i>Fire</i>	420,447	2,918	105,000	--
<i>Streets</i>	573,231	50,000	--	70,000
<i>Parks</i>	266,655	34,896	--	--
<i>Court</i>	77,322	234,907	--	--
<i>Library</i>	195,009	11,253	16,905	--
<i>Public safety</i>	540,627	1,674	--	44,315
<i>Finance</i>	99,540	--	--	--
<i>Economic development</i>	56,733	--	--	--
<i>Public works</i>	219,491	--	--	--
<i>Nondepartmental</i>	117,217	--	--	--
<i>Interest on long-term debt</i>	124,909	--	--	--
<i>Amortization</i>	4,792	--	--	--
Total expenses	<u>3,297,258</u>	<u>520,710</u>	<u>121,905</u>	<u>114,315</u>
Business-type Activities:				
Water and Sewer	<u>1,493,382</u>	<u>1,958,683</u>	<u>--</u>	<u>351,456</u>
Total Business-type Activities	<u>1,493,382</u>	<u>1,958,683</u>	<u>--</u>	<u>351,456</u>
Total Primary Government	<u>\$ 4,790,640</u>	<u>\$ 2,479,393</u>	<u>\$ 121,905</u>	<u>\$ 465,771</u>
<b>COMPONENT UNIT:</b>				
Haslet Type B Economic Development Corp	<u>\$ 104,668</u>	<u>\$ 43,575</u>	<u>\$ --</u>	<u>\$ --</u>
General Revenues				
<i>Property Taxes</i>				
<i>Sales Taxes</i>				
<i>Franchise Taxes</i>				
<i>Gas royalties</i>				
<i>Unrestricted investment earnings</i>				
<i>Other revenue</i>				
Transfers				
Total General Revenues and Transfers				
Change in Net Assets				
Net Assets - Beginning				
Net Assets - Ending				

The accompanying notes are an integral part of this statement.



Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total	Component Unit
\$ (7,863)		\$ (7,863)	
(395,776)		(395,776)	
(12,584)		(12,584)	
(312,529)		(312,529)	
(453,231)		(453,231)	
(231,759)		(231,759)	
157,585		157,585	
(166,851)		(166,851)	
(494,638)		(494,638)	
(99,540)		(99,540)	
(56,733)		(56,733)	
(219,491)		(219,491)	
(117,217)		(117,217)	
(124,909)		(124,909)	
(4,792)		(4,792)	
<u>(2,540,328)</u>		<u>(2,540,328)</u>	
--	\$ 816,757	816,757	
--	816,757	816,757	
<u>(2,540,328)</u>	<u>816,757</u>	<u>(1,723,571)</u>	
			\$ (61,093)
1,600,013	--	1,600,013	--
777,293	--	777,293	259,097
161,924	--	161,924	--
71,011	--	71,011	--
8,047	4,849	12,896	1,535
--	40,587	40,587	--
92,090	(92,090)	--	--
<u>2,710,378</u>	<u>(46,654)</u>	<u>2,663,724</u>	<u>260,632</u>
170,050	770,103	940,153	201,806
13,585,521	8,277,519	21,863,040	1,736,411
<u>\$ 13,755,571</u>	<u>\$ 9,047,622</u>	<u>\$ 22,803,193</u>	<u>\$ 1,938,217</u>

**CITY OF HASLET, TEXAS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

	<u>General Fund</u>	<u>Haslet Comm. and Economic Development</u>
<b>ASSETS</b>		
<i>Cash and investments</i>	\$ 1,964,026	\$ 1,254,547
<b>Receivables:</b>		
<i>Taxes</i>	60,520	--
<i>Accounts</i>	6,336	--
<i>Miscellaneous</i>	199,956	--
<i>Intergovernmental</i>	100,552	37,151
<i>Due from other funds</i>	--	--
<i>Prepaid items</i>	5,079	--
	<u>2,336,469</u>	<u>1,291,698</u>
<b>Total Assets</b>	<b>\$ 2,336,469</b>	<b>\$ 1,291,698</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
<i>Accounts payable</i>	\$ 137,633	\$ 4,425
<i>Accrued liabilities</i>	35,646	156
<i>Due to other governments</i>	125,877	--
<i>Deferred revenue</i>	98,145	--
<b>Total Liabilities</b>	<u>397,301</u>	<u>4,581</u>
<b>Fund balances:</b>		
<i>Nonspendable</i>	5,079	--
<i>Restricted</i>	--	1,287,117
<i>Committed</i>	--	--
<i>Unassigned</i>	1,934,089	--
<b>Total fund balances (deficit)</b>	<u>1,939,168</u>	<u>1,287,117</u>
	<u>2,336,469</u>	<u>1,291,698</u>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,336,469</b>	<b>\$ 1,291,698</b>

The accompanying notes are an integral part of this statement.

Capital Projects	COs Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 1	\$ 1,091,941	\$ 201,417	\$ 4,511,932
--	--	13,227	73,747
--	--	--	6,336
--	--	--	199,956
--	--	--	137,703
--	19,685	--	19,685
--	--	--	5,079
<u>\$ 1</u>	<u>\$ 1,111,626</u>	<u>\$ 214,644</u>	<u>\$ 4,954,438</u>
\$ 8,490	\$ 1,278	\$ 328	\$ 152,154
--	--	--	35,802
--	--	--	125,877
--	--	12,469	110,614
<u>8,490</u>	<u>1,278</u>	<u>12,797</u>	<u>424,447</u>
--	--	--	5,079
--	--	112,399	1,399,516
--	1,110,348	77,738	1,188,086
(8,489)	--	11,710	1,937,310
<u>(8,489)</u>	<u>1,110,348</u>	<u>201,847</u>	<u>4,529,991</u>
<u>\$ 1</u>	<u>\$ 1,111,626</u>	<u>\$ 214,644</u>	<u>\$ 4,954,438</u>

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**CITY OF HASLET, TEXAS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 SEPTEMBER 30, 2012

Total fund balances - governmental funds balance sheet	\$ 4,529,991
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not reported in the funds.	12,183,491
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	63,518
Payables for bond principal which are not due in the current period are not reported in the funds.	(3,109,642)
Payables for bond interest which are not due in the current period are not reported in the funds.	(4,429)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(13,890)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	69,934
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	<u>36,598</u>
Net assets of governmental activities - Statement of Net Assets	<u>\$ 13,755,571</u>

The accompanying notes are an integral part of this statement.

**CITY OF HASLET, TEXAS**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	General Fund	Haslet Comm. and Economic Development
	<u>                    </u>	<u>                    </u>
REVENUES:		
Property tax, penalties and interest	\$ 1,306,334	\$ --
Franchise tax	161,922	--
Sales tax	518,195	259,098
Licenses and permits	140,412	--
Intergovernmental	44,315	--
Park development fees	--	--
Fines	215,642	--
Contributions	1,960	--
Gas royalties	71,011	--
Interest	3,282	1,972
Miscellaneous	152,308	--
Total revenues	<u>2,615,381</u>	<u>261,070</u>
EXPENDITURES:		
Current:		
Code enforcement	7,862	--
Administration	525,531	--
Fire marshal	12,584	--
Fire	389,453	--
Streets	92,991	--
Parks	121,833	--
Court	68,992	--
Library	179,019	--
Nondepartmental	127,420	--
Public safety	540,627	--
Finance	99,540	--
Economic development	--	56,733
Public works	216,515	--
Capital outlay	--	--
Debt service	--	--
Total expenditures	<u>2,382,367</u>	<u>56,733</u>
Excess (deficiency) of revenues over (under) expenditures	233,014	204,337
OTHER FINANCING SOURCES (USES):		
Transfers in	92,090	--
Transfers out	(2,013)	--
Capital leases	--	--
Total other financing sources (uses)	<u>90,077</u>	<u>--</u>
Net change in fund balances	323,091	204,337
Fund balances, October 1	<u>1,616,077</u>	<u>1,082,780</u>
Fund balances (deficit), September 30	<u>\$ 1,939,168</u>	<u>\$ 1,287,117</u>

The accompanying notes are an integral part of this statement.

Capital Projects	COs Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ 290,299	\$ 1,596,633
--	--	--	161,922
--	--	--	777,293
--	--	--	140,412
70,000	--	--	114,315
--	--	14,500	14,500
--	--	13,375	229,017
--	--	15,205	17,165
--	--	--	71,011
292	1,914	587	8,047
50,000	--	20,396	222,704
<u>120,292</u>	<u>1,914</u>	<u>354,362</u>	<u>3,353,019</u>
--	--	--	7,862
--	--	--	525,531
--	--	--	12,584
--	--	--	389,453
--	--	--	92,991
--	--	48,701	170,534
--	--	46,547	115,539
--	--	15,990	195,009
--	--	--	127,420
--	--	--	540,627
--	--	--	99,540
--	--	--	56,733
--	--	--	216,515
619,981	32,096	13,985	666,062
--	--	284,930	284,930
<u>619,981</u>	<u>32,096</u>	<u>410,153</u>	<u>3,501,330</u>
(499,689)	(30,182)	(55,791)	(148,311)
103,020	--	111,939	307,049
--	(103,020)	(109,926)	(214,959)
--	--	32,066	32,066
<u>103,020</u>	<u>(103,020)</u>	<u>34,079</u>	<u>124,156</u>
(396,669)	(133,202)	(21,712)	(24,155)
388,180	1,243,550	223,559	4,554,146
<u>\$ (8,489)</u>	<u>\$ 1,110,348</u>	<u>\$ 201,847</u>	<u>\$ 4,529,991</u>

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**CITY OF HASLET, TEXAS**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Net change in fund balances - total governmental funds	\$ (24,155)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	625,183
The depreciation of capital assets used in governmental activities is not reported in the funds.	(633,537)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	3,380
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	156,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	62,801
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(4,792)
(Increase) decrease in accrued interest from beginning of period to end of period.	4,021
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	(5,604)
Revenues in the SOA for court fines not providing current financial resources are not reported in the funds.	18,818
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	<u>(32,066)</u>
Change in net assets of governmental activities - Statement of Activities	<u>\$ 170,050</u>

The accompanying notes are an integral part of this statement.

**CITY OF HASLET, TEXAS**

## STATEMENT OF NET ASSETS

## ENTERPRISE FUNDS

SEPTEMBER 30, 2012

	Enterprise Fund <u>Water and Sewer Fund</u>
<b>ASSETS</b>	
Current Assets:	
<i>Cash and investments</i>	\$ 2,530,077
Receivables (net of allowances for uncollectibles):	
<i>Accounts</i>	196,549
<i>Intergovernmental</i>	612
<i>Inventories</i>	19,359
<i>Prepaid items</i>	2,223
Total Current Assets	<u>2,748,820</u>
Noncurrent assets:	
Restricted assets	
<i>Cash and cash equivalents</i>	1,986
Total Restricted Assets	<u>1,986</u>
Property, plant and equipment	
<i>Land</i>	20,142
<i>Construction in progress</i>	804,388
<i>Improvements other than buildings</i>	7,142
<i>Infrastructure</i>	9,658,916
<i>Equipment</i>	313,654
<i>Accumulated depreciation</i>	(1,955,364)
<i>Net Property, Plant and Equipment</i>	<u>8,848,878</u>
<i>Bond issuance costs</i>	<u>66,570</u>
Total Assets	<u>11,666,254</u>
<b>LIABILITIES</b>	
Current Liabilities:	
<i>Accounts payable</i>	245,053
<i>Accrued Liabilities</i>	15,173
<i>Compensated absences payable</i>	7,989
<i>Due to other funds</i>	19,685
<i>General obligation bonds payable - current</i>	79,200
<i>Certificates of obligation payable - current</i>	56,700
<i>Customer deposits</i>	71,275
Total Current Liabilities	<u>495,075</u>
<i>Current Liabilities Payable from Restricted Assets:</i>	
Noncurrent Liabilities	
<i>General obligation bonds payable</i>	493,465
<i>Certificates of obligation payable</i>	1,630,092
Total Noncurrent Liabilities	<u>2,123,557</u>
Total Liabilities	<u>2,618,632</u>
<b>NET ASSETS</b>	
<i>Invested in capital assets, net of related debt</i>	6,539,798
<i>Unrestricted</i>	2,507,824
Total Net Assets	<u>\$ 9,047,622</u>

The accompanying notes are an integral part of this statement.

**CITY OF HASLET, TEXAS**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
 IN FUND NET ASSETS - ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Enterprise Fund <u>Water and Sewer Fund</u>
<b>OPERATING REVENUES:</b>	
<i>Water service</i>	\$ 1,744,321
<i>Sewer service</i>	188,839
<i>Tap connection fees</i>	13,692
<i>Penalties and interest</i>	11,831
<b>Total Operating Revenues</b>	<u>1,958,683</u>
<b>OPERATING EXPENSES:</b>	
<i>Administration</i>	152,534
<i>Operating</i>	893,990
<i>Shared public works expense</i>	90,114
<i>Depreciation</i>	252,300
<b>Total Operating Expenses</b>	<u>1,388,938</u>
<b>Operating Income (Loss)</b>	<u>569,745</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>	
<i>Interest income</i>	4,849
<i>Miscellaneous income</i>	40,587
<i>Interest expense</i>	(104,444)
<b>Total Non-operating Revenues (Expenses)</b>	<u>(59,008)</u>
<b>Income (Loss) before Capital Contributions and Transfers</b>	<u>510,737</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	
<i>Capital Contributions</i>	351,456
<i>Transfers out</i>	(92,090)
<b>Total Capital Contributions and Transfers</b>	<u>259,366</u>
<b>Net income</b>	770,103
<b>Retained earnings, October 1</b>	<u>8,277,519</u>
<b>Retained earnings, September 30</b>	<u>\$ 9,047,622</u>

The accompanying notes are an integral part of this statement.

**CITY OF HASLET, TEXAS**

## STATEMENT OF CASH FLOWS

## ENTERPRISE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2012

**Cash Flows from Operating Activities:**

Cash Received from Customers	\$ 2,032,483
Cash Payments to Suppliers for Goods and Services	(939,850)
Cash Payments to Employees for Services	(147,632)
Net Cash Provided (Used) by Operating Activities	<u>945,001</u>

**Cash Flows from Non-capital and Related Financing Activities:**

Payments to other funds	(92,090)
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(92,090)</u>

**Cash Flows from Capital and Related Financing Activities:**

Principal and Interest Paid	(1,958,620)
Acquisition or Construction of Capital Assets	(219,943)
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(2,178,563)</u>

**Cash Flows from Investing Activities:**

Interest on Investments	4,849
Net Cash Provided (Used) for Investing Activities	<u>4,849</u>

Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,320,803)</u>
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## Cash and Cash Equivalents at Beginning of Year

Unrestricted cash and investments	3,850,884
Restricted cash	1,982
	<u>3,852,866</u>

## Cash and Cash Equivalents at End of Year

Unrestricted cash and investments	2,530,077
Restricted cash	1,986
	<u>\$ 2,532,063</u>

**Reconciliation of Operating Income to Net Cash****Provided by Operating Activities:**

Operating Income (Loss)	\$ 569,745
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
Depreciation and amortization	252,300
Miscellaneous revenue	40,587
Change in Assets and Liabilities:	
Decrease (Increase) in Receivables	23,721
Decrease (Increase) in Inventories	(12,492)
Decrease (Increase) in Prepaid Items	(2,223)
Increase (Decrease) in Accounts Payable	62,034
Increase (Decrease) in Accrued Liabilities	1,837
Increase (Decrease) in Customer Deposits	9,492
Total Adjustments	<u>375,256</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 945,001</u>

**Noncash investing, capital, and financing activities:**

Contributions of capital assets from component unit	<u>\$ 351,456</u>
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The accompanying notes are an integral part of this statement.

# CITY OF HASLET, TEXAS

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2012

### 1 - SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

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

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

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

##### Blended Component Unit

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

##### Discretely Presented Component Unit

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

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government 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 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.

# CITY OF HASLET, TEXAS

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2012

Separate financial statements are provided for governmental funds and proprietary funds. Major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

### C. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

The City reports the following major governmental funds:

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

Haslet Community and Economic Development Fund – accounts for use of sales tax revenue for business incentives.

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

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

The City reports the following major proprietary fund:

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

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

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

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

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

**D. Assets, liabilities, and net assets or equity**

**1. Deposits and investments**

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

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

# CITY OF HASLET, TEXAS

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2012

bankers' acceptances and commercial paper, to the extent they are contained in the portfolios of approved public funds investment pools in which the City invests.

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

### 2. Receivables and payables

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

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

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

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

### 3. Inventories and prepaid items

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

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

### 4. Capital assets

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

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

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

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



**CITY OF HASLET, TEXAS**  
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Buildings	15 – 30 years
Water and sewer system infrastructure	20 – 50 years
Street and storm drainage system infrastructure	10 – 30 years
Furniture and equipment	5 – 10 years

5. Compensated absences

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

6. Long-term obligations

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

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

7. Fund balance flow assumptions

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

8. Fund balance

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

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

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

# CITY OF HASLET, TEXAS

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

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

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

### 9. Proprietary funds operating and nonoperating revenues and expenses

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

### E. Changes in classifications

For the year ended September 30, 2012, the City has reported the Court and Finance functions separately the statement of activities and statements of revenues, expenditure, and changes in fund balance. Previously, they were included with General Government.

## II. DETAILED NOTES ON ALL FUNDS

### A. Deposits and investments

#### Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. At year end, the carrying amount of the City's cash on hand and deposits was \$3,956,016 for both the primary government and discrete component unit (\$1,986 restricted) and the bank balance was \$3,393,766. All of the bank balance was secured by federal deposit insurance and collateral (fair value of \$4,210,150) pledged by the depository in the City's name and held by the depository's agent.

#### Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the City's investments were held by the counterparty's agent at of September 30, 2012.

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	Carrying Amount	Fair Value	Rating Standard & & Poors	Weighted Average Maturity
Primary Government				
Cash	\$ 3,462,599			
Restricted cash	1,986			
Investments not subject to categorization:				
Government sponsored investment pool (TexPool)	<u>3,579,412</u>	\$ 3,579,412	AAAm	41 days
	<u>\$ 7,043,997</u>			
Discrete Component Unit				
Cash	\$ 491,431			
Investments not subject to categorization:				
Government sponsored investment pool (TexPool)	<u>508,028</u>	\$ 508,028	AAAm	41 days
	<u>\$ 999,459</u>			

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

**B. Receivables**

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

	Governmental Activities			Business-Type	
	General	Nonmajor	Total	Activities	Total
Taxes receivable	\$ 60,520	\$ 13,227	\$ 73,747	\$ -	\$ 73,747
Allowance for uncollectible taxes	-	-	-	-	-
	<u>\$ 60,520</u>	<u>\$ 13,227</u>	<u>\$ 73,747</u>	<u>\$ -</u>	<u>\$ 73,747</u>
Accounts receivable	\$ 6,336	\$ -	\$ 6,336	\$ 256,548	\$ 262,884
Allowance for uncollectible accounts	-	-	-	(59,999)	(59,999)
	<u>\$ 6,336</u>	<u>\$ -</u>	<u>\$ 6,336</u>	<u>\$ 196,549</u>	<u>\$ 202,885</u>
Miscellaneous receivable	\$ 335,897	\$ -	\$ 335,897	\$ -	\$ 335,897
Allowance for uncollectible	(135,941)	-	(135,941)	-	(135,941)
	<u>\$ 199,956</u>	<u>\$ -</u>	<u>\$ 199,956</u>	<u>\$ -</u>	<u>\$ 199,956</u>

Deferred Revenue/Unearned Revenue: Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

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Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental activities report unearned revenue. At the end of the current fiscal year, the various components of deferred revenue reported in governmental funds and unearned revenue reported in government-wide activities were as follows:

	<u>Deferred</u>	<u>Unearned</u>
Major Funds		
Delinquent property taxes receivable (General Fund)	\$ 51,049	\$ -
Deferred fine revenue (General Fund)	36,596	-
Health Care Initiative (General Fund)	10,500	10,500
Nonmajor Funds		
Delinquent property taxes receivable (1999 Interest & Sinking Fund)	<u>12,469</u>	<u>-</u>
Total deferred revenue for governmental funds / activities	<u>\$ 110,614</u>	<u>\$ 10,500</u>

D. Capital assets

Capital asset activity for the year ended September 30, 2012:

Primary Government

	<u>Balance 9/30/2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers and Completed Construction</u>	<u>Balance 9/30/2012</u>
<b>GOVERNMENTAL ACTIVITIES:</b>					
Capital assets, not being depreciated:					
Land	\$ 1,518,371	\$ -	\$ -	\$ -	\$ 1,518,371
Construction in progress	<u>1,829,448</u>	<u>334,587</u>	<u>-</u>	<u>(257,439)</u>	<u>1,906,596</u>
Total capital assets not being depreciated	<u>3,347,819</u>	<u>334,587</u>	<u>-</u>	<u>(257,439)</u>	<u>3,424,967</u>
Capital assets, being depreciated					
Buildings and Improvements	3,062,696	-	-	-	3,062,696
Furniture, fixtures, tools and equipment	283,329	54,106	-	-	337,435
Vehicles	1,574,053	34,500	-	-	1,608,553
Improvements other than buildings	1,345,302	-	-	-	1,345,302
Street and drainage improvements	<u>9,509,964</u>	<u>201,990</u>	<u>-</u>	<u>257,439</u>	<u>9,969,393</u>
Total capital assets being depreciated	<u>15,775,344</u>	<u>290,596</u>	<u>-</u>	<u>257,439</u>	<u>16,323,379</u>
Less accumulated depreciation for:					
Buildings and improvements	(697,563)	(102,827)	-	-	(800,390)
Furniture, fixtures, tools and equipment	(223,329)	(14,096)	-	-	(237,425)
Vehicles	(1,308,804)	(76,653)	-	-	(1,385,457)
Improvements other than buildings	(423,797)	(64,047)	-	-	(487,844)
Street and drainage improvements	<u>(4,277,824)</u>	<u>(375,914)</u>	<u>-</u>	<u>-</u>	<u>(4,653,738)</u>
Total accumulated depreciation	<u>(6,931,317)</u>	<u>(633,537)</u>	<u>-</u>	<u>-</u>	<u>(7,564,854)</u>
Total capital assets being depreciated, net	<u>8,844,027</u>	<u>(342,941)</u>	<u>-</u>	<u>257,439</u>	<u>8,758,525</u>
Governmental activities capital assets, net	<u>\$ 12,191,846</u>	<u>\$ (8,354)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,183,492</u>

**CITY OF HASLET, TEXAS**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

General administration	\$ 54,057
Fire	89,127
Streets	387,990
Parks and recreation	82,137
Public works	<u>20,226</u>
	<u>\$ 633,537</u>

	Balance 9/30/2011	Additions	Retirements	Transfers and Completed Construction	Balance 9/30/2012
<b>BUSINESS-TYPE ACTIVITIES:</b>					
Capital assets, not being depreciated:					
Land	\$ 20,142	\$ -	\$ -	\$ -	\$ 20,142
Construction in progress	1,681,321	865,461	-	(1,742,394)	804,388
Total capital assets not being depreciated	<u>1,701,463</u>	<u>865,461</u>	<u>-</u>	<u>(1,742,394)</u>	<u>824,530</u>
Capital assets, being depreciated					
Buildings and improvements	7,142	-	-	-	7,142
Equipment	243,864	69,790	-	-	313,654
Water and sewer system infrastructure	6,541,698	1,374,824	-	1,742,394	9,658,916
Total capital assets being depreciated	<u>6,792,704</u>	<u>1,444,614</u>	<u>-</u>	<u>1,742,394</u>	<u>9,979,712</u>
Less accumulated depreciation for:					
Buildings and Improvements	(6,584)	(238)	-	-	(6,822)
Equipment	(197,185)	(20,521)	-	-	(217,706)
Water and sewer system infrastructure	(1,499,296)	(231,540)	-	-	(1,730,836)
Total accumulated depreciation	<u>(1,703,065)</u>	<u>(252,299)</u>	<u>-</u>	<u>-</u>	<u>(1,955,364)</u>
Total capital assets being depreciated, net	<u>5,089,639</u>	<u>1,192,315</u>	<u>-</u>	<u>1,742,394</u>	<u>8,024,348</u>
Business-type activities capital assets, net	<u>\$ 6,791,102</u>	<u>\$ 2,057,776</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,848,878</u>

**E. Interfund receivables, payables, and transfers**

	Due From Other Funds	Due To Other Funds
COs Capital Projects Fund	\$ 19,685	\$ -
Water & Sewer Fund	<u>-</u>	<u>19,685</u>
	<u>\$ 19,685</u>	<u>\$ 19,685</u>

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

# CITY OF HASLET, TEXAS

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2012

	Transfers To Other Funds	Transfers From Other Funds
Major Funds		
General Fund	\$ 92,090	\$ 2,013
Capital Projects Fund	103,020	-
COs Capital Projects Fund	-	103,020
Nonmajor Governmental Funds	111,939	109,926
Business-type Funds	-	92,090
	<u>\$ 307,049</u>	<u>\$ 307,049</u>

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

### F. Long-term debt

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

#### General Debt Currently Outstanding:

Purpose	Original Amount	Year of Issue	Final Maturity	Average Annual Payment	Interest Rate	Balance 9/30/2011
<b>GOVERNMENTAL ACTIVITIES DEBT</b>						
Certificates of Obligation						
Improvements	\$ 2,714,400	2007	2032	\$ 110,500	4.00% - 4.25%	\$ 2,363,500
General Obligation Bonds						
Improvements	902,400	2007	2019	173,500	4.00%	663,000
						<u>3,026,500</u>
Bond premium						7,811
Bond discount						(37,567)
Deferred amount						<u>30,554</u>
Total Governmental Activities Debt						<u>\$ 3,027,298</u>

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

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**BUSINESS-TYPE ACTIVITIES DEBT**

Certificates of Obligation						
Improvements	\$ 2,714,400	2007	2032	\$ 102,000	4.00% - 4.25%	\$ 1,711,500
General Obligation Bonds						
Improvements	902,400	2007	2019	125,750	4.00%	612,000
						<u>2,323,500</u>
Bond premium						15,429
Bond discount						(29,849)
Deferred amount						<u>(49,623)</u>
Total Business-Type Activities Debt						<u>\$ 2,259,457</u>

Annual debt service requirements to maturity for general debt:

Year	Principal	Interest	Total
2013	\$ 164,100	\$ 121,901	\$ 286,001
2014	167,000	115,142	282,142
2015	178,000	108,259	286,259
2016	183,500	100,921	284,421
2017	191,600	93,356	284,956
2018-2022	732,900	359,540	1,092,440
2023-2027	638,000	232,696	870,696
2028-2032	771,400	95,120	866,520
	<u>\$ 3,026,500</u>	<u>\$ 1,226,935</u>	<u>\$ 4,253,435</u>

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

Year	Principal	Interest	Total
2013	\$ 135,900	\$ 93,549	\$ 229,449
2014	138,000	87,971	225,971
2015	147,000	82,304	229,304
2016	151,500	76,267	227,767
2017	158,400	70,044	228,444
2018-2022	572,100	262,860	834,960
2023-2027	462,000	168,504	630,504
2028-2032	558,600	68,880	627,480
	<u>\$ 2,323,500</u>	<u>\$ 910,379</u>	<u>\$ 3,233,879</u>

Capital Lease Obligation

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

# CITY OF HASLET, TEXAS

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\$345,000 due in annual instalments of \$58,886 including interest accruing at 5.5%, maturing in October, 2012 and secured by equipment with a book value of \$120,750	\$ 56,428
\$32,066 due in monthly instalments of \$621 including interest accruing at 5.85%, maturing in August, 2016 and secured by equipment with a book value of \$29,776	<u>25,915</u>
	<u>\$ 82,343</u>

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

### Governmental Activities

Year Ending September 30,	Capital Lease Obligation
2012	\$ 66,338
2013	7,452
2014	7,452
2015	<u>6,831</u>
	88,073
Less: interest	<u>(5,730)</u>
Present Value	<u>\$ 82,343</u>

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

During the year ended September 30, 2012, the following changes occurred in liabilities reported as governmental debt:

Description	September 30, 2011	Additions	Retirements	September 30, 2012	Due Within One Year
<b>Governmental activities:</b>					
Certificates of obligation	\$ 2,438,900	\$ -	\$ (75,400)	\$ 2,363,500	\$ 78,300
General obligation bonds	<u>743,600</u>	-	<u>(80,600)</u>	<u>663,000</u>	<u>85,800</u>
Total bonds payable	3,182,500	-	(156,000)	3,026,500	164,100
Bond premium	8,928	-	(1,116)	7,812	-
Bond discount	(39,885)	-	2,318	(37,567)	-
Deferred amount	34,919	-	(4,365)	30,554	-
Capital lease obligations	113,078	32,066	(62,801)	82,343	62,474
Accrued compensated absences	<u>8,286</u>	<u>5,604</u>	<u>-</u>	<u>13,890</u>	<u>13,890</u>
	<u>\$ 3,307,825</u>	<u>\$ 37,670</u>	<u>\$ (221,964)</u>	<u>\$ 3,123,532</u>	<u>\$ 240,464</u>

During the year ended September 30, 2012, the following changes occurred in liabilities reported as business-type debt:



**CITY OF HASLET, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
September 30, 2012

Description	September 30, 2011	Additions	Retirements	September 30, 2012	Due Within One Year
<b>Business-type activities</b>					
Certificates of obligation	\$ 1,766,100	\$ -	\$ (54,600)	\$ 1,711,500	\$ 56,700
General obligation bonds	686,400	-	(74,400)	612,000	79,200
Total bonds payable	2,452,500	-	(129,000)	2,323,500	135,900
Bond premium	17,634	-	(2,205)	15,429	-
Bond discount	(31,819)	-	1,970	(29,849)	-
Deferred amount	(56,712)	-	7,089	(49,623)	-
Capital lease obligations	-	-	-	-	-
Accrued compensated absences	4,450	3,539	-	7,989	7,989
	<u>\$ 2,386,053</u>	<u>\$ 3,539</u>	<u>\$ (122,146)</u>	<u>\$ 2,267,446</u>	<u>\$ 143,889</u>

G. Fund Balance Classification

	Unspendable	Restricted	Committed	Unassigned	Total
<b>Major Funds</b>					
General Fund	\$ 5,079	\$ -	\$ -	\$ 1,934,089	\$ 1,939,168
Haslet Community and Economic Development	-	1,287,117	-	-	1,287,117
Capital Projects	-	-	-	(8,489)	(8,489)
COs Capital Projects	-	-	1,110,348	-	1,110,348
Nonmajor Governmental Funds	-	112,399	77,738	11,710	201,847
	<u>\$ 5,079</u>	<u>\$ 1,399,516</u>	<u>\$ 1,188,086</u>	<u>\$ 1,937,310</u>	<u>\$ 4,529,991</u>

III. OTHER INFORMATION

A. Risk management

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

B. Employee retirement systems and pension plans

The City participates in the Texas Municipal Retirement System

Plan Description

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

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be

**CITY OF HASLET, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
September 30, 2012

obtained by writing to TMRS, P.O. Box 149153, Austin, Texas, 78714-9153, or by calling 800-924-8677; in addition, the report is available on the TMRS website at www.tmrs.com.

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

	Plan Year 2010	Plan Year 2011	Plan Year 2012
Employee deposit rate:	7%	7%	7%
Matching ratio (employer to employee):	2 to 1	2 to 1	2 to 1
Years required for vesting	5	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/25	60/5, 0/25	60/5, 0/25
Updated service credit	100%, Repeating, Transfers	100%, Repeating, Transfers	100%, Repeating, Transfers
Annuity increase to retirees	0% of CPI	0% of CPI	0% of CPI

**Contributions**

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually, the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeated benefits, such as Updated Service Credits and Annuity Increases.

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

Annual Required Contribution (ARC)	\$	60,849
Interest on Net Pension Obligation		-
Adjustment to the ARC		-
Annual Pension Cost:		60,849
Contributions Made		60,849
Increase (Decrease) in Net Pension Obligation		-
Net Pension Obligation (Asset) , Beginning of Year		-
Net Pension Obligation (Asset) , End of Year	\$	-

**Three-Year Trend Information**

Fiscal Year Ending	Annual Pension Cost/(APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation/(Asset)
2010	\$ 74,878	\$ 74,878	100%	\$ -
2011	\$ 73,274	\$ 73,274	100%	\$ -
2012	\$ 60,849	\$ 60,849	100%	\$ -

**CITY OF HASLET, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
*September 30, 2012*

The required contribution rates for fiscal year 2012 were determined as part of the December 31, 2009 and 2010 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2011, also follows:

Valuation Date	12/31/2009	12/31/2010	12/31/2011
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	23 years; closed period	21.5 years; closed period	20.4 years; closed period
Amortization Period for new Gains/Losses	25 Years	20 Years	22 Years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial Assumptions			
Investment Rate of Return	7.5%	7.0%	7.0%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
Actuarial Assumptions:			
Includes Inflation at	3.00%	3.00%	3.00%
Cost-of-Living Assumptions	0.0%	0.0%	0.0%

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

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## REQUIRED SUPPLEMENTARY INFORMATION

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

**CITY OF HASLET, TEXAS**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT B-1**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Property tax, penalties and interest</i>	\$ 1,282,235	\$ 1,307,235	\$ 1,306,334	\$ (901)
<i>Franchise tax</i>	145,700	154,012	161,922	7,910
<i>Sales tax</i>	400,000	500,000	518,195	18,195
<i>Licenses and permits</i>	62,200	102,200	140,412	38,212
<i>Intergovernmental</i>	—	43,315	44,315	1,000
<i>Fines</i>	195,000	201,650	215,642	13,992
<i>Contributions</i>	100	1,800	1,960	160
<i>Gas royalties</i>	65,000	35,000	71,011	36,011
<i>Interest</i>	2,000	3,000	3,282	282
<i>Miscellaneous</i>	128,050	151,894	152,308	414
<b>Total revenues</b>	<u>2,280,285</u>	<u>2,500,106</u>	<u>2,615,381</u>	<u>115,275</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<i>Code enforcement</i>	2,150	11,400	7,862	3,538
<i>Administration</i>	472,658	569,536	525,531	44,005
<i>Fire marshall</i>	11,900	12,900	12,584	316
<i>Fire</i>	377,318	389,518	389,453	65
<i>Streets</i>	189,500	129,500	92,991	36,509
<i>Parks</i>	145,827	146,524	121,833	24,691
<i>Court</i>	65,617	73,873	68,992	4,881
<i>Library</i>	184,393	191,157	179,019	12,138
<i>Nondepartmental</i>	242,959	131,070	127,420	3,650
<i>Public safety</i>	540,627	540,627	540,627	—
<i>Finance</i>	101,141	106,930	99,540	7,390
<i>Public works</i>	253,135	232,289	216,515	15,774
<b>Total expenditures</b>	<u>2,587,225</u>	<u>2,535,324</u>	<u>2,382,367</u>	<u>152,957</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(306,940)</b>	<b>(35,218)</b>	<b>233,014</b>	<b>268,232</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers in</i>	92,090	92,090	92,090	—
<i>Transfers out</i>	(2,000)	(2,100)	(2,013)	87
<b>Total other financing sources (uses)</b>	<u>90,090</u>	<u>89,990</u>	<u>90,077</u>	<u>87</u>
<b>Net change in fund balances</b>	<b>(216,850)</b>	<b>54,772</b>	<b>323,091</b>	<b>268,319</b>
<b>Fund balances, October 1</b>	<u>1,616,077</u>	<u>1,616,077</u>	<u>1,616,077</u>	<u>—</u>
<b>Fund balances, September 30</b>	<u>\$ 1,399,227</u>	<u>\$ 1,670,849</u>	<u>\$ 1,939,168</u>	<u>\$ 268,319</u>

**CITY OF HASLET, TEXAS**

HASLET COMMUNITY AND ECONOMIC DEVELOPMENT CORP  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Sales tax</i>	\$ 210,000	\$ 210,000	\$ 259,098	\$ 49,098
<i>Interest</i>	1,500	1,500	1,972	472
Total revenues	<u>211,500</u>	<u>211,500</u>	<u>261,070</u>	<u>49,570</u>
<b>EXPENDITURES:</b>				
Current:				
<i>Economic development</i>	<u>1,199,200</u>	<u>1,219,325</u>	<u>56,733</u>	<u>1,162,592</u>
Total expenditures	<u>1,199,200</u>	<u>1,219,325</u>	<u>56,733</u>	<u>1,162,592</u>
Net change in fund balances	(987,700)	(1,007,825)	204,337	1,212,162
Fund balances, October 1	<u>1,082,780</u>	<u>1,082,780</u>	<u>1,082,780</u>	<u>-</u>
Fund balances, September 30	<u>\$ 95,080</u>	<u>\$ 74,955</u>	<u>\$ 1,287,117</u>	<u>\$ 1,212,162</u>

Budget and Budget Basis

A. Budget Procedures

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

1. Budgets are adopted on the modified accrual basis of accounting for all governmental funds except the Municipal Court Building Security, Municipal Court Technology, and Park Grant special revenue funds. The Capital Projects and CO Capital Projects funds adopt project length budgets.
2. Between sixty and ninety days prior to the beginning of the fiscal year, the Mayor submits to the City Council a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
3. Public hearings are conducted, at which time all interested persons comments concerning the budget are heard.
4. Fifteen days prior to the beginning of the fiscal year, the budget is legally adopted by the City Council enacted through the passage of an ordinance.
5. The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, any revision that increases the total expenditures of any fund must be approved by the City Council. Therefore, the legal level of budgetary control is the fund level.

B. Employee Retirement Plan – Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAI)	Covered Payroll	UAAI as a Percentage of Covered Payroll
12/31/2009	\$ 884,350	\$ 1,167,865	75.7%	\$ 283,515	\$ 648,788	43.7%
12/31/2010	\$ 1,035,939	\$ 1,246,921	83.1%	\$ 210,982	\$ 680,893	31.0%
12/31/2011	\$ 1,164,252	\$ 1,339,828	86.9%	\$ 175,576	\$ 675,614	26.0%



## Combining Statements and Individual Nonmajor Funds as Supplementary Information

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

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

### Debt Service Fund

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

### Discrete Component Unit

- Haslet Type B Economic Development Corporation – to account for use of sales tax for capital improvement projects to benefit parties external to the City.

**CITY OF HASLET, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2012**

	Special Revenue Funds	Debt Service Fund  1999 Interest & Sinking	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS</b>			
<i>Cash and investments</i>	\$ 118,576	\$ 82,841	\$ 201,417
Receivables:			
<i>Taxes</i>	<u>—</u>	<u>13,227</u>	<u>13,227</u>
<b>Total Assets</b>	<u>\$ 118,576</u>	<u>\$ 96,068</u>	<u>\$ 214,644</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
<i>Accounts payable</i>	\$ 328	\$ —	\$ 328
<i>Deferred revenue</i>	<u>—</u>	<u>12,469</u>	<u>12,469</u>
<b>Total Liabilities</b>	<u>328</u>	<u>12,469</u>	<u>12,797</u>
Fund balances:			
<i>Restricted</i>	28,800	83,599	112,399
<i>Committed</i>	77,738	—	77,738
<i>Unassigned</i>	<u>11,710</u>	<u>—</u>	<u>11,710</u>
<b>Total fund balances</b>	<u>118,248</u>	<u>83,599</u>	<u>201,847</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 118,576</u>	<u>\$ 96,068</u>	<u>\$ 214,644</u>

## CITY OF HASLET, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue Funds	Debt Service Fund  1999 Interest & Sinking	Total Nonmajor Governmental Funds (See Exhibit A-5)
<b>REVENUES:</b>			
<i>Property tax, penalties and interest</i>	\$ --	\$ 290,299	\$ 290,299
<i>Park development fees</i>	14,500	--	14,500
<i>Fines</i>	13,375	--	13,375
<i>Contributions</i>	15,205	--	15,205
<i>Interest</i>	229	358	587
<i>Miscellaneous</i>	20,396	--	20,396
<b>Total revenues</b>	<u>63,705</u>	<u>290,657</u>	<u>354,362</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<i>Parks</i>	48,701	--	48,701
<i>Court</i>	46,547	--	46,547
<i>Library</i>	15,990	--	15,990
<b>Capital outlay</b>	13,985	--	13,985
<b>Debt service</b>	--	284,930	284,930
<b>Total expenditures</b>	<u>125,223</u>	<u>284,930</u>	<u>410,153</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(61,518)	5,727	(55,791)
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers in</i>	111,939	--	111,939
<i>Transfers out</i>	(109,926)	--	(109,926)
<i>Capital leases</i>	32,066	--	32,066
<b>Total other financing sources (uses)</b>	<u>34,079</u>	<u>--</u>	<u>34,079</u>
<b>Net change in fund balances</b>	(27,439)	5,727	(21,712)
<b>Fund balances, October 1</b>	<u>145,687</u>	<u>77,872</u>	<u>223,559</u>
<b>Fund balances, September 30</b>	<u>\$ 118,248</u>	<u>\$ 83,599</u>	<u>\$ 201,847</u>

**CITY OF HASLET, TEXAS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SEPTEMBER 30, 2012**

	<u>Park</u>	<u>Municipal Court Bldg. Security</u>	<u>Municipal Court Technology</u>
<b>ASSETS</b>			
<i>Cash and investments</i>	\$ 11,738	\$ 20,325	\$ 8,260
<b>Total Assets</b>	<u>\$ 11,738</u>	<u>\$ 20,325</u>	<u>\$ 8,260</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
<i>Accounts payable</i>	\$ 28	\$ --	\$ --
<b>Total Liabilities</b>	<u>28</u>	<u>--</u>	<u>--</u>
<b>Fund balances:</b>			
<i>Restricted</i>	--	20,325	8,260
<i>Committed</i>	--	--	--
<i>Unassigned</i>	11,710	--	--
<b>Total fund balances</b>	<u>11,710</u>	<u>20,325</u>	<u>8,260</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 11,738</u>	<u>\$ 20,325</u>	<u>\$ 8,260</u>

<u>Park Board Improvement</u>	<u>Library Board</u>	<u>Library Grant</u>	<u>Total Nonmajor Special Revenue Funds (See Exhibit C-1)</u>
\$ <u>75,124</u>	\$ <u>2,614</u>	\$ <u>515</u>	\$ <u>118,576</u>
<u>\$ 75,124</u>	<u>\$ 2,614</u>	<u>\$ 515</u>	<u>\$ 118,576</u>
\$ <u>--</u>	\$ <u>--</u>	\$ <u>300</u>	\$ <u>328</u>
<u>--</u>	<u>--</u>	<u>300</u>	<u>328</u>
--	--	215	28,800
75,124	2,614	--	77,738
--	--	--	11,710
<u>75,124</u>	<u>2,614</u>	<u>215</u>	<u>118,248</u>
<u>\$ 75,124</u>	<u>\$ 2,614</u>	<u>\$ 515</u>	<u>\$ 118,576</u>

**CITY OF HASLET, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	<u>Park</u>	<u>Municipal Court Bldg. Security</u>	<u>Municipal Court Technology</u>
<b>REVENUES:</b>			
<i>Park development fees</i>	\$ --	\$ --	\$ --
<i>Fines</i>	--	5,685	7,690
<i>Contributions</i>	--	--	--
<i>Interest</i>	46	30	18
<i>Miscellaneous</i>	20,396	--	--
<b>Total revenues</b>	<u>20,442</u>	<u>5,715</u>	<u>7,708</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<i>Parks</i>	48,701	--	--
<i>Court</i>	--	1,175	45,372
<i>Library</i>	--	--	--
<b>Capital outlay</b>	--	--	--
<b>Total expenditures</b>	<u>48,701</u>	<u>1,175</u>	<u>45,372</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(28,259)	4,540	(37,664)
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers in</i>	41,155	--	--
<i>Transfers out</i>	--	--	--
<i>Capital leases</i>	--	--	32,066
<b>Total other financing sources (uses)</b>	<u>41,155</u>	<u>--</u>	<u>32,066</u>
<b>Net change in fund balances</b>	12,896	4,540	(5,598)
<b>Fund balances, October 1</b>	<u>(1,186)</u>	<u>15,785</u>	<u>13,858</u>
<b>Fund balances, September 30</b>	<u>\$ 11,710</u>	<u>\$ 20,325</u>	<u>\$ 8,260</u>

Park Board Improvement	Library Board	Park Grant	Library Grant	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ 14,500	\$ --	\$ --	\$ --	\$ 14,500
--	--	--	--	13,375
--	--	--	15,205	15,205
131	4	--	--	229
--	--	--	--	20,396
<u>14,631</u>	<u>4</u>	<u>--</u>	<u>15,205</u>	<u>63,705</u>
--	--	--	--	48,701
--	--	--	--	46,547
--	1,000	--	14,990	15,990
13,985	--	--	--	13,985
<u>13,985</u>	<u>1,000</u>	<u>--</u>	<u>14,990</u>	<u>125,223</u>
646	(996)	--	215	(61,518)
68,771	2,013	--	--	111,939
--	--	(109,926)	--	(109,926)
--	--	--	--	32,066
<u>68,771</u>	<u>2,013</u>	<u>(109,926)</u>	<u>--</u>	<u>34,079</u>
69,417	1,017	(109,926)	215	(27,439)
5,707	1,597	109,926	--	145,687
<u>\$ 75,124</u>	<u>\$ 2,614</u>	<u>\$ --</u>	<u>\$ 215</u>	<u>\$ 118,248</u>

**CITY OF HASLET, TEXAS**  
**PARK FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-5**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
<i>Interest</i>	\$ 15	\$ 46	\$ 31
<i>Miscellaneous</i>	28,215	20,396	(7,819)
<b>Total revenues</b>	<u>28,230</u>	<u>20,442</u>	<u>(7,788)</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<i>Parks</i>	63,500	48,701	14,799
<b>Total expenditures</b>	<u>63,500</u>	<u>48,701</u>	<u>14,799</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(35,270)	(28,259)	7,011
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers in</i>	41,155	41,155	--
<b>Total other financing sources (uses)</b>	<u>41,155</u>	<u>41,155</u>	<u>--</u>
<b>Net change in fund balances</b>	5,885	12,896	7,011
<b>Fund balances, October 1</b>	<u>(1,186)</u>	<u>(1,186)</u>	<u>--</u>
<b>Fund balances, September 30</b>	<u>\$ 4,699</u>	<u>\$ 11,710</u>	<u>\$ 7,011</u>



**CITY OF HASLET, TEXAS**  
**PARK BOARD IMPROVEMENT FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-6**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
<i>Park development fees</i>	\$ 6,500	\$ 14,500	\$ 8,000
<i>Interest</i>	115	130	15
<b>Total revenues</b>	<u>6,615</u>	<u>14,630</u>	<u>8,015</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>75,197</u>	<u>13,984</u>	<u>61,213</u>
<b>Total expenditures</b>	<u>75,197</u>	<u>13,984</u>	<u>61,213</u>
 Excess (deficiency) of revenues over (under) expenditures	 (68,582)	 646	 69,228
<b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers in</i>	<u>68,771</u>	<u>68,771</u>	<u>--</u>
<b>Total other financing sources (uses)</b>	<u>68,771</u>	<u>68,771</u>	<u>--</u>
 Net change in fund balances	 189	 69,417	 69,228
 Fund balances, October 1	 <u>5,707</u>	 <u>5,707</u>	 <u>--</u>
 Fund balances, September 30	 <u>\$ 5,896</u>	 <u>\$ 75,124</u>	 <u>\$ 69,228</u>

**CITY OF HASLET, TEXAS**  
**LIBRARY BOARD FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

**EXHIBIT C-7**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
<i>Interest</i>	\$     --	\$           4	\$           4
<b>Total revenues</b>	<u>          --</u>	<u>              4</u>	<u>              4</u>
 <b>EXPENDITURES:</b>			
<b>Current:</b>			
<i>Library</i>	3,585	1,000	2,585
<b>Total expenditures</b>	<u>3,585</u>	<u>1,000</u>	<u>2,585</u>
 <b>Excess (deficiency) of revenues over (under) expenditures</b>	(3,585)	(996)	2,589
 <b>OTHER FINANCING SOURCES (USES):</b>			
<i>Transfers in</i>	1,911	2,013	102
<b>Total other financing sources (uses)</b>	<u>1,911</u>	<u>2,013</u>	<u>102</u>
 <b>Net change in fund balances</b>	(1,674)	1,017	2,691
 Fund balances, October 1	<u>1,597</u>	<u>1,597</u>	<u>          --</u>
 Fund balances, September 30	<u>\$       (77)</u>	<u>\$     2,614</u>	<u>\$     2,691</u>

**CITY OF HASLET, TEXAS**  
**LIBRARY GRANT FUND**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2012**

EXHIBIT C-8

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
<i>Contributions</i>	\$ 15,204	\$ 15,205	\$ 1
Total revenues	<u>15,204</u>	<u>15,205</u>	<u>1</u>
<b>EXPENDITURES:</b>			
Current:			
<i>Library</i>	15,204	14,990	214
Total expenditures	<u>15,204</u>	<u>14,990</u>	<u>214</u>
Excess (deficiency) of revenues over (under) expenditures	--	215	215
Fund balances, October 1	--	--	--
Fund balances, September 30	<u>\$ --</u>	<u>\$ 215</u>	<u>\$ 215</u>

**CITY OF HASLET, TEXAS**  
 1999 INTEREST & SINKING FUND  
 DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-9

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
<i>Property tax, penalties and interest</i>	\$ 290,786	\$ 290,299	\$ (487)
<i>Interest</i>	550	358	(192)
<b>Total revenues</b>	<u>291,336</u>	<u>290,657</u>	<u>(679)</u>
<b>EXPENDITURES:</b>			
Debt service	<u>288,830</u>	<u>284,930</u>	<u>3,900</u>
<b>Total expenditures</b>	<u>288,830</u>	<u>284,930</u>	<u>3,900</u>
Excess (deficiency) of revenues over (under) expenditures	2,506	5,727	3,221
Fund balances, October 1	<u>77,872</u>	<u>77,872</u>	--
Fund balances, September 30	<u>\$ 80,378</u>	<u>\$ 83,599</u>	<u>\$ 3,221</u>

**CITY OF HASLET, TEXAS**

HASLET TYPE B ECONOMIC DEVELOPMENT CORP  
DISCRETELY PRESENTED COMPONENT UNIT  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

EXHIBIT C-10

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES:			
<i>Sales tax</i>	\$ 210,000	\$ 259,097	\$ 49,097
<i>Interest</i>	1,000	1,535	535
<i>Miscellaneous</i>	48,325	45,842	(2,483)
Total revenues	<u>259,325</u>	<u>306,474</u>	<u>47,149</u>
EXPENDITURES:			
Current:			
<i>Economic development</i>	842,225	104,668	737,557
Total expenditures	<u>842,225</u>	<u>104,668</u>	<u>737,557</u>
Excess (deficiency) of revenues over (under) expenditures	(582,900)	201,806	784,706
Net change in fund balances	(582,900)	201,806	784,706
Fund balances, October 1	<u>1,736,411</u>	<u>1,736,411</u>	--
Fund balances, September 30	<u>\$ 1,153,511</u>	<u>\$ 1,938,217</u>	<u>\$ 784,706</u>