

CITY OF HASLET, TEXAS

*ANNUAL FINANCIAL REPORT*

FOR THE YEAR ENDED SEPTEMBER 30, 2011

This Page Intentionally Left Blank.

**CITY OF HASLET, TEXAS**  
**ANNUAL FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report on Financial Statements.....	1	
Management's Discussion and Analysis (Required Supplementary Information).....	2	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Assets.....	11	A-1
Statement of Activities.....	12	A-2
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	14	A-3
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Assets.....	17	A-4
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	18	A-5
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	21	A-6
Statement of Net Assets - Enterprise Funds.....	22	A-7
Statement of Revenues, Expenses, and Changes in		
Fund Net Assets - Enterprise Funds.....	23	A-8
Statement of Cash Flows - Proprietary Funds.....	24	A-9
Notes to the Financial Statements .....	25	
<u>Required Supplementary Information:</u>		
Budgetary Comparison Schedules:		
General Fund.....	42	B-1
Haslet Community and Economic Development Corp.....	43	B-2
<u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	46	C-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	47	C-2
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	48	C-3
Combining Statement of Revenues, Expenditures and Changes		
in Fund Balances - Nonmajor Special Revenue Funds.....	50	C-4
Budgetary Comparison Schedules:		
Park Fund.....	52	C-5
Park Board Improvement Fund.....	53	C-6
Library Board Fund.....	54	C-7

**CITY OF HASLET, TEXAS**  
*ANNUAL FINANCIAL STATEMENT*  
*FOR THE YEAR ENDED SEPTEMBER 30, 2011*

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Debt Service Funds:		
Budgetary Comparison Schedule:		
1999 Interest & Sinking Fund.....	55	C-8
Budgetary Comparison Schedule:		
Haslet Type B Economic Development Corp.....	56	C-9

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Haslet, Texas, as of and for the year ended September 30, 2011, 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 of Haslet, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit.

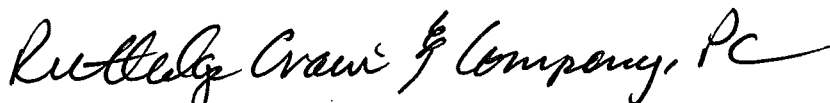
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Haslet, Texas, as of September 30, 2011, 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.

As described in Note I. 9., the City adopted the provisions of Governmental Accounting Standard Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 2 through 7 and 42 through 44 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 of Haslet, Texas' financial statements as a whole. The combining and individual nonmajor fund financial statements 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 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, 2011

## **CITY OF HASLET, TEXAS**

*Management's Discussion and Analysis  
September 30, 2011*

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, 2011.

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 \$21,863,037.
2. The City's net assets increased by \$238,028. The increase is predominately the result of operations.
3. As of September 30, 2011, the City of Haslet's governmental funds reported combined ending fund balances of \$4,554,148, an increase of \$375,732 in comparison with the prior fiscal year. Of this amount, \$1,614,277 or 35.5% of the total amount is unassigned, an increase of \$317,507; \$1,639,034 or 35.9% of the total amount is committed, an increase of \$189,543; and \$1,300,221 or 28.6%, a decrease of \$131,317 is restricted.
4. As of September 30, 2011, the fund balance for the General Fund increased by \$317,507. Total General Fund balance is \$1,616,078, 74.1% of the total expenditures for the General Fund for 2011.
5. The City's total debts decreased by \$327,059 after scheduled payments were made to creditors. The City issued no new debt during the 2010/11 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, 2011*

*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 (excluding the Municipal Court Building Security, Municipal Court Technology, and Park Grant 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 25-40.

#### 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 \$21,863,037. Of this amount, \$14,754,436 (67.5%) 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 decreased \$240,987 due to current costs incurred for construction in progress (\$303,516, net of transfers of completed projects), buildings and improvements (decreased \$42,616), infrastructure (streets, drainage and parks improvements decreased by \$368,257), and other improvements (decreased \$64,496) before accumulation of current period depreciation expenses. Long-term liabilities decreased \$209,413 with payments made to reduce capital leases and other obligations. Other liabilities increased \$169,017, due to changes in accounts payable and accruals.

**CITY OF HASLET, TEXAS**  
*Management's Discussion and Analysis*  
 September 30, 2011

**Business-type Activities Comparison**

Current and other assets decreased due to acquisition of capital assets. Long-term liabilities decreased \$117,646 payments made to reduce capital leases and other obligations. Other liabilities increased \$134,387 due to increases in accounts payable and accrued liabilities.

**Statement of Net Assets**

	Government Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 5,103,364	\$ 4,687,770	\$ 4,134,147	\$ 5,587,343	\$ 9,237,511	\$ 10,275,113
Capital assets	12,191,845	12,432,833	6,791,102	5,298,140	18,982,947	17,730,973
<b>Total Assets</b>	<b>17,295,209</b>	<b>17,120,603</b>	<b>10,925,249</b>	<b>10,885,483</b>	<b>28,220,458</b>	<b>28,006,086</b>
Long-term Liabilities	3,307,825	3,517,238	2,386,053	2,503,699	5,693,878	6,020,937
Other Liabilities	401,862	232,845	261,681	127,294	663,543	360,139
<b>Total Liabilities</b>	<b>3,709,687</b>	<b>3,750,083</b>	<b>2,647,734</b>	<b>2,630,993</b>	<b>6,357,421</b>	<b>6,381,076</b>
<b>Net Assets:</b>						
Invested in capital						
Net of related debt	10,222,315	10,255,385	4,532,121	4,381,700	14,754,436	14,637,085
Restricted	391,471	192,618	-	-	391,471	192,618
Unrestricted	2,971,736	2,922,517	3,745,394	3,872,790	6,717,130	6,795,307
<b>Total net assets</b>	<b>\$ 13,585,522</b>	<b>\$ 13,370,520</b>	<b>\$ 8,277,515</b>	<b>\$ 8,254,490</b>	<b>\$ 21,863,037</b>	<b>\$ 21,625,010</b>

City operational analysis – The following table provides a summary analysis of the City's operations for the fiscal year ended September 30, 2011. Governmental activities have increased the City's net assets by \$215,002 which amounts to a 1.6% 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 \$23,026 which amounts to a 0.02% increase in net assets for that activity.

**Government Activities Comparison**

**Revenues**

Charges for services decreased \$108,228 due to outstanding warrants being recalled in court. Operating grants and contributions decreased \$9,762 due to a decrease in grants received by the Library. Capital grants and contributions increased \$108,047. Property tax increased \$91,888 due to increase in property value and tax rate. Sales Tax decreased \$111,540 due to reduced purchases made by gas well contractors. Gas royalties increased \$5,887. Unrestricted investment earnings decreased \$3,106 due to a decrease in interest rates.

**Expenses**

General Government increased \$52,458 due to an increase in engineering, municipal court and IT support. Fire decreased \$36,020 due to less required truck and equipment repairs and maintenance. Streets decreased \$27,916 due to the amount of work performed on miscellaneous drainage repairs and engineering fees. Economic development increased \$22,037 due to an increase in consultants and studies. Public safety decreased \$28,077 due to the contract with Tarrant County Sheriff's Department.



**CITY OF HASLET, TEXAS**  
*Management's Discussion and Analysis*  
 September 30, 2011

Business-type Comparison

Revenues

Charges for services decreased \$175,909 due to a decrease in water revenue from gas well activity. Capital grants and contributions decreased \$98,673 due to less contributions from developers.

Expenses

Water and sewer operations decreased \$209,710 due to a decrease in water purchases required for less gas well activity.

**Changes in net assets**

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenue:</b>						
Program revenue						
Charges for services	\$ 290,652	\$ 398,880	\$ 1,492,171	\$ 1,668,080	\$ 1,782,823	\$ 2,066,960
Operating grants and contributions	131,417	141,179	-	-	131,417	141,179
Capital grants and contributions	108,047	-	67,017	165,690	175,064	165,690
<b>General Revenue</b>						
Property tax	1,573,965	1,482,077	-	-	1,573,965	1,482,077
Sales Tax	596,431	707,971	-	-	596,431	707,971
Franchise tax	156,968	144,798	-	-	156,968	144,798
Gas royalties	73,288	67,401	-	-	73,288	67,401
Unrestricted investment earnings	8,519	11,327	9,716	10,014	18,235	21,341
Miscellaneous revenue (expense)	-	-	56,953	9,970	56,953	9,970
<b>Total revenue</b>	<b>2,939,287</b>	<b>2,953,633</b>	<b>1,625,857</b>	<b>1,853,754</b>	<b>4,565,144</b>	<b>4,807,387</b>
<b>Expenses:</b>						
General government	768,761	716,303	-	-	768,761	716,303
Fire	402,576	438,596	-	-	402,576	438,596
Streets	484,408	512,324	-	-	484,408	512,324
Parks	166,571	249,597	-	-	166,571	249,597
Economic development	52,860	30,823	-	-	52,860	30,823
Library	168,801	212,102	-	-	168,801	212,102
Public safety	543,232	571,309	-	-	543,232	571,309
Public works	225,107	285,929	-	-	225,107	285,929
Nondepartmental	28,614	32,772	-	-	28,614	32,772
Interest and amortization	135,875	141,398	-	-	135,875	141,398
Water and sewer operations	-	-	1,350,311	1,560,021	1,350,311	1,560,021
<b>Total expenses</b>	<b>2,976,805</b>	<b>3,191,153</b>	<b>1,350,311</b>	<b>1,560,021</b>	<b>4,327,116</b>	<b>4,751,174</b>
Transfers	252,520	-	(252,520)	-	-	-
<b>Increase (decrease) in net assets</b>	<b>\$ 215,002</b>	<b>\$ (237,520)</b>	<b>\$ 23,026</b>	<b>\$ 293,733</b>	<b>\$ 238,028</b>	<b>\$ 56,213</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.

At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$4,554,148. The City has approximately \$1,243,550 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

## CITY OF HASLET, TEXAS

### Management's Discussion and Analysis

September 30, 2011

complete the capital projects in Fiscal Year 2013. During the year there was a combined net increase in fund balance of \$375,732.

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 \$3,745,394.

#### General fund budgetary highlights

There was an overall increase of 2.8% in the revenue budgeted and the actual revenue. The majority of the increase was in Fines (\$52,262 higher) due to a conservative estimation of expected revenue. Actual revenues came in over the final budget by \$68,268.

Actual expenditures were under final budgeted expenditures by 8.9% or \$213,389. The major contributing factors to this were Streets expenditures were under budget by \$48,213, due to there being no need for Development Participation or Miscellaneous Drainage Repair. Nondepartmental expenditures were under budget by \$46,880, due to the fact the Contingency line item was not totally used. Public Works was under budget by \$37,189 due mainly to an unfilled employee position for part of the year. The Parks Department was under budget by \$34,715 due to reduced personnel costs and reallocation of equipment repair and acquisition costs.

#### Capital asset and debt administration

The City's investments of capital assets for its governmental and business-type activities as of September 30, 2011 amounted to \$18,982,947 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, 2011, major additions to capital assets include, for governmental activities, replacement of the Community Center air conditioner, park improvements, roadway improvements completed or in progress, and an early warning siren system. For business-type activities, the City completed or continued work on water and sewer infrastructure.

Capital assets net of depreciation at September 30, 2010 and 2011:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 1,518,371	\$ 1,518,371	\$ 20,142	\$ 20,142	\$ 1,538,513	\$ 1,538,513
Construction in progress	1,829,448	1,525,932	1,681,321	130,070	3,510,769	1,656,002
Buildings	2,365,133	2,407,750	-	-	2,365,133	2,407,750
Improvements other than buildings	921,506	986,002	558	796	922,064	986,798
Infrastructure	5,232,139	5,600,396	5,042,402	5,080,209	10,274,541	10,680,605
Equipment	59,999	58,724	46,679	66,923	106,678	125,647
Vehicles	265,249	335,658	-	-	265,249	335,658
Total	<u>\$ 12,191,845</u>	<u>\$ 12,432,833</u>	<u>\$ 6,791,102</u>	<u>\$ 5,298,140</u>	<u>\$ 18,982,947</u>	<u>\$ 17,730,973</u>

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.

#### Debt administration

Long-Term Debt – at the end of the current fiscal year the City had \$5,693,878 in bonded debt, notes payable, capital lease obligations, and accrued compensated absences, a decrease of 5.4% from the previous fiscal year. Of this amount, \$4,205,000 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.

**CITY OF HASLET, TEXAS**  
*Management's Discussion and Analysis*  
 September 30, 2011

General debt currently at September 30, 2010 and 2011:

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Certificates of obligation	\$ 2,438,900	\$ 2,511,400	\$ 1,766,100	\$ 1,818,600	\$ 4,205,000	\$ 4,330,000
General obligation bonds	743,600	821,600	686,400	758,400	1,430,000	1,580,000
Bond (premium)/discount	(30,958)	(32,161)	(14,185)	(13,951)	(45,143)	(46,112)
Deferred amount from refunding	34,919	39,283	(56,712)	(63,800)	(21,793)	(24,517)
Note payable	-	-	-	-	-	-
Capital lease obligations	113,078	167,334	-	-	113,078	167,334
Accrued compensated absences	8,286	9,782	4,450	4,450	12,736	14,232
<b>Total</b>	<b>\$ 3,307,825</b>	<b>\$ 3,517,238</b>	<b>\$ 2,386,053</b>	<b>\$ 2,503,699</b>	<b>\$ 5,693,878</b>	<b>\$ 6,020,937</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 only 2.5%. One of the City's largest sources of revenue is sales tax receipts and it is budgeted to decrease 2.4%. 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 15.7%. This increase is due to the addition of a City Administrator, replacement of a dump truck, new phone system, increased cost of health insurance, training, street repairs, drainage repairs, IT support and possible matching grants for the Fire Department.

**Requests for information**

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

This Page Intentionally Left Blank.

BASIC FINANCIAL STATEMENTS

This Page Intentionally Left Blank.

## CITY OF HASLET, TEXAS

## STATEMENT OF NET ASSETS

SEPTEMBER 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 4,643,072	\$ 3,850,884	\$ 8,493,956	\$ 783,415
Receivables (net of allowances):				
Taxes	73,836	--	73,836	--
Accounts	4,156	220,311	224,467	--
Miscellaneous	138,487	--	138,487	1,225
Intergovernmental	148,785	571	149,356	40,845
Internal balances	19,685	(19,685)	--	--
Due from primary government	--	--	--	1,675
Inventories	--	6,867	6,867	912,463
Prepaid items	616	--	616	--
Restricted assets:				
Cash and cash equivalents	--	1,982	1,982	--
Bond issuance costs	74,727	73,217	147,944	--
Capital assets (net of accumulated depreciation, where applicable)				
Nondepreciable property				
Land	1,518,371	20,142	1,538,513	--
Construction in progress	1,829,448	1,681,321	3,510,769	--
Depreciable property				
Buildings	2,365,133	--	2,365,133	--
Improvements other than buildings	921,506	558	922,064	--
Infrastructure	5,232,139	5,042,402	10,274,541	--
Equipment	59,999	46,679	106,678	--
Vehicles	265,249	--	265,249	--
Total Assets	<u>17,295,209</u>	<u>10,925,249</u>	<u>28,220,458</u>	<u>1,739,623</u>
<b>LIABILITIES</b>				
Accounts payable	166,670	183,129	349,799	1,122
Accrued Liabilities	43,387	16,769	60,156	240
Due to component unit	1,675	--	1,675	--
Due to other governments	115,586	--	115,586	--
Unearned revenue	74,544	--	74,544	--
Customer deposits	--	61,783	61,783	1,850
Noncurrent Liabilities:				
Due within one year	226,547	133,450	359,997	--
Due in more than one year	3,081,278	2,252,603	5,333,881	--
Total Liabilities	<u>3,709,687</u>	<u>2,647,734</u>	<u>6,357,421</u>	<u>3,212</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	10,222,315	4,532,121	14,754,436	--
Restricted For:				
Debt Service	89,751	--	89,751	--
Capital Projects	301,720	--	301,720	--
Unrestricted	2,971,736	3,745,394	6,717,130	1,736,411
Total Net Assets	<u>\$ 13,585,522</u>	<u>\$ 8,277,515</u>	<u>\$ 21,863,037</u>	<u>\$ 1,736,411</u>

The accompanying notes are an integral part of this statement.

**CITY OF HASLET, TEXAS**  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
<i>General government</i>	\$ 768,761	\$ 170,264	\$ 8,655	\$ --
<i>Fire</i>	402,576	1,970	105,000	--
<i>Streets</i>	484,408	--	--	--
<i>Parks</i>	166,571	14,355	6,850	--
<i>Economic development</i>	52,860	--	--	--
<i>Library</i>	168,801	13,444	10,912	--
<i>Public safety</i>	543,232	90,619	--	30,678
<i>Public works</i>	225,107	--	--	77,369
<i>Nondepartmental</i>	28,614	--	--	--
<i>Interest on long-term debt</i>	131,083	--	--	--
<i>Amortization</i>	4,792	--	--	--
Total expenses	<u>2,976,805</u>	<u>290,652</u>	<u>131,417</u>	<u>108,047</u>
Business-type Activities:				
Water and Sewer	<u>1,350,311</u>	<u>1,492,171</u>	<u>--</u>	<u>67,017</u>
Total Business-type Activities	<u>1,350,311</u>	<u>1,492,171</u>	<u>--</u>	<u>67,017</u>
Total Primary Government	<u>\$ 4,327,116</u>	<u>\$ 1,782,823</u>	<u>\$ 131,417</u>	<u>\$ 175,064</u>
<b>COMPONENT UNIT:</b>				
Haslet Type B Economic Development Corp	<u>\$ 112,146</u>	<u>\$ 37,710</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
\$ (589,842)		\$ (589,842)	
(295,606)		(295,606)	
(484,408)		(484,408)	
(145,366)		(145,366)	
(52,860)		(52,860)	
(144,445)		(144,445)	
(421,935)		(421,935)	
(147,738)		(147,738)	
(28,614)		(28,614)	
(131,083)		(131,083)	
(4,792)		(4,792)	
<u>(2,446,689)</u>		<u>(2,446,689)</u>	
--	\$ 208,877	208,877	
--	208,877	208,877	
<u>(2,446,689)</u>	<u>208,877</u>	<u>(2,237,812)</u>	
			\$ <u>(74,436)</u>
1,573,965	--	1,573,965	--
596,431	--	596,431	198,810
156,968	--	156,968	--
73,288	--	73,288	--
8,519	9,716	18,235	1,333
--	56,953	56,953	--
252,520	(252,520)	--	--
<u>2,661,691</u>	<u>(185,851)</u>	<u>2,475,840</u>	<u>200,143</u>
215,002	23,026	238,028	125,707
13,370,520	8,254,489	21,625,009	1,610,704
<u>\$ 13,585,522</u>	<u>\$ 8,277,515</u>	<u>\$ 21,863,037</u>	<u>\$ 1,736,411</u>

**CITY OF HASLET, TEXAS**

BALANCE SHEET - GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2011

	General Fund	Haslet Comm. and Economic Development
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
<i>Cash and investments</i>	\$ 1,647,591	\$ 1,043,067
Receivables:		
<i>Taxes</i>	60,919	--
<i>Accounts</i>	4,156	--
<i>Miscellaneous</i>	138,487	--
<i>Intergovernmental</i>	107,940	40,845
<i>Due from other funds</i>	--	--
<i>Prepaid items</i>	<u>616</u>	<u>--</u>
<b>Total Assets</b>	<u>\$ 1,959,709</u>	<u>\$ 1,083,912</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
<i>Accounts payable</i>	\$ 97,815	\$ 1,007
<i>Accrued liabilities</i>	37,974	125
<i>Due to other funds</i>	--	--
<i>Due to component unit</i>	1,675	--
<i>Due to other governments</i>	115,586	--
<i>Deferred revenue</i>	90,581	--
<b>Total Liabilities</b>	<u>343,631</u>	<u>1,132</u>
Fund balances:		
<i>Nonspendable</i>	616	--
<i>Restricted</i>	--	1,082,780
<i>Committed</i>	--	--
<i>Unassigned</i>	<u>1,615,462</u>	<u>--</u>
<b>Total fund balances</b>	<u>1,616,078</u>	<u>1,082,780</u>
 <b>Total Liabilities and Fund Balances</b>	<u>\$ 1,959,709</u>	<u>\$ 1,083,912</u>

The accompanying notes are an integral part of this statement.

COs Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 1,281,167	\$ 671,248	\$ 4,643,073
--	12,917	73,836
--	--	4,156
--	--	138,487
--	--	148,785
19,685	1,125	20,810
--	--	616
<u>\$ 1,300,852</u>	<u>\$ 685,290</u>	<u>\$ 5,029,763</u>
\$ 57,302	\$ 10,546	\$ 166,670
--	--	38,099
--	1,125	1,125
--	--	1,675
--	--	115,586
--	61,879	152,460
<u>57,302</u>	<u>73,550</u>	<u>475,615</u>
--	--	616
--	217,441	1,300,221
1,243,550	395,484	1,639,034
--	(1,185)	1,614,277
<u>1,243,550</u>	<u>611,740</u>	<u>4,554,148</u>
<u>\$ 1,300,852</u>	<u>\$ 685,290</u>	<u>\$ 5,029,763</u>

This Page Intentionally Left Blank.

**CITY OF HASLET, TEXAS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET ASSETS  
 SEPTEMBER 30, 2011

Total fund balances - governmental funds balance sheet	\$ 4,554,148
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.	12,191,845
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	60,138
Payables for bond principal which are not due in the current period are not reported in the funds.	(3,186,461)
Payables for capital leases which are not due in the current period are not reported in the funds.	(113,078)
Payables for bond interest which are not due in the current period are not reported in the funds.	(5,288)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(8,286)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	74,726
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	<u>17,778</u>
Net assets of governmental activities - Statement of Net Assets	<u>\$ 13,585,522</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, 2011

	General Fund	Haslet Comm. and Economic Development
REVENUES:		
<i>Property tax, penalties and interest</i>	\$ 1,281,068	\$ --
<i>Franchise tax</i>	156,968	--
<i>Sales tax</i>	397,621	198,810
<i>Licenses and permits</i>	116,130	--
<i>Intergovernmental</i>	30,678	--
<i>Park development fees</i>	--	--
<i>Fines</i>	228,262	--
<i>Contributions</i>	17,897	57,323
<i>Gas royalties</i>	73,288	--
<i>Interest</i>	2,723	2,754
<i>Miscellaneous</i>	129,365	--
Total revenues	<u>2,434,000</u>	<u>258,887</u>
EXPENDITURES:		
Current:		
<i>Administration</i>	660,204	--
<i>Fire</i>	361,314	--
<i>Streets</i>	108,787	--
<i>Parks</i>	107,810	--
<i>Economic development</i>	--	52,860
<i>Library</i>	166,993	--
<i>Nondepartmental</i>	28,614	--
<i>Public safety</i>	543,232	--
<i>Public works</i>	204,840	--
Capital outlay	--	--
Debt service	--	--
Total expenditures	<u>2,181,794</u>	<u>52,860</u>
Excess (deficiency) of revenues over (under) expenditures	252,206	206,027
OTHER FINANCING SOURCES (USES):		
<i>Transfers in</i>	92,090	--
<i>Transfers out</i>	(26,789)	(359,570)
<i>Bond issue costs</i>	--	--
Total other financing sources (uses)	<u>65,301</u>	<u>(359,570)</u>
Net change in fund balances	317,507	(153,543)
Fund balances, October 1	<u>1,298,571</u>	<u>1,236,323</u>
Fund balances, September 30	<u>\$ 1,616,078</u>	<u>\$ 1,082,780</u>

The accompanying notes are an integral part of this statement.

COs Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 293,351	\$ 1,574,419
--	--	156,968
--	--	596,431
--	--	116,130
--	--	30,678
--	7,500	7,500
--	14,170	242,432
--	--	75,220
--	--	73,288
2,648	395	8,520
--	32,942	162,307
<u>2,648</u>	<u>348,358</u>	<u>3,043,893</u>
--	53,494	713,698
--	--	361,314
--	--	108,787
--	--	107,810
--	--	52,860
--	1,808	168,801
--	--	28,614
--	--	543,232
--	--	204,840
109,451	235,913	345,364
--	285,031	285,031
<u>109,451</u>	<u>576,246</u>	<u>2,920,351</u>
(106,803)	(227,888)	123,542
--	546,789	638,879
--	--	(386,359)
(330)	--	(330)
<u>(330)</u>	<u>546,789</u>	<u>252,190</u>
(107,133)	318,901	375,732
<u>1,350,683</u>	<u>292,839</u>	<u>4,178,416</u>
\$ <u>1,243,550</u>	\$ <u>611,740</u>	\$ <u>4,554,148</u>

This Page Intentionally Left Blank.



**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, 2011

Net change in fund balances - total governmental funds	\$ 375,732
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	369,695
The depreciation of capital assets used in governmental activities is not reported in the funds.	(630,727)
Donations of capital assets increase net assets in the SOA but not in the funds.	20,046
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(453)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	150,500
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	54,256
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.	3,448
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	1,496
Revenues in the SOA for court fines not providing current financial resources are not reported in the funds.	<u>(124,199)</u>
Change in net assets of governmental activities - Statement of Activities	<u>\$ 215,002</u>

The accompanying notes are an integral part of this statement.

**CITY OF HASLET, TEXAS**

## STATEMENT OF NET ASSETS

## ENTERPRISE FUNDS

SEPTEMBER 30, 2011

	Enterprise Fund Water and Sewer Fund
ASSETS	
Current Assets:	
<i>Cash and investments</i>	\$ 3,850,884
Receivables (net of allowances for uncollectibles):	
<i>Accounts</i>	220,311
<i>Intergovernmental</i>	571
<i>Inventories</i>	6,867
Total Current Assets	<u>4,078,633</u>
Noncurrent assets:	
Restricted assets	
<i>Cash and cash equivalents</i>	1,982
Total Restricted Assets	<u>1,982</u>
Property, plant and equipment	
<i>Land</i>	20,142
<i>Construction in progress</i>	1,681,321
<i>Improvements other than buildings</i>	7,142
<i>Infrastructure</i>	6,541,698
<i>Equipment</i>	243,864
<i>Accumulated depreciation</i>	(1,703,065)
<i>Net Property, Plant and Equipment</i>	<u>6,791,102</u>
<i>Bond issuance costs</i>	<u>73,217</u>
Total Assets	<u>10,944,934</u>
LIABILITIES	
Current Liabilities:	
<i>Accounts payable</i>	183,129
<i>Accrued Liabilities</i>	16,769
<i>Compensated absences payable</i>	4,450
<i>Due to other funds</i>	19,685
<i>General obligation bonds payable - current</i>	74,400
<i>Certificates of obligation payable - current</i>	54,600
<i>Customer deposits</i>	61,783
Total Current Liabilities	<u>414,816</u>
<i>Current Liabilities Payable from Restricted Assets:</i>	
Noncurrent Liabilities	
<i>General obligation bonds payable</i>	567,047
<i>Certificates of obligation payable</i>	1,685,556
Total Noncurrent Liabilities	<u>2,252,603</u>
Total Liabilities	<u>2,667,419</u>
NET ASSETS	
<i>Invested in capital assets, net of related debt</i>	4,532,121
<i>Unrestricted</i>	3,745,394
Total Net Assets	<u>\$ 8,277,515</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, 2011

	Enterprise Fund Water and Sewer Fund
<b>OPERATING REVENUES:</b>	
<i>Water service</i>	\$ 1,297,556
<i>Sewer service</i>	183,536
<i>Tap connection fees</i>	4,686
<i>Penalties and interest</i>	6,392
<b>Total Operating Revenues</b>	<u>1,492,170</u>
<b>OPERATING EXPENSES:</b>	
<i>Administration</i>	152,070
<i>Operating</i>	806,573
<i>Shared public works expense</i>	83,182
<i>Depreciation</i>	191,420
<i>Amortization</i>	6,221
<b>Total Operating Expenses</b>	<u>1,239,466</u>
<b>Operating Income (Loss)</b>	<u>252,704</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>	
<i>Interest income</i>	9,718
<i>Miscellaneous income</i>	56,953
<i>Interest expense</i>	(110,846)
<b>Total Non-operating Revenues (Expenses)</b>	<u>(44,175)</u>
<b>Income (Loss) before Capital Contributions and Transfers</b>	<u>208,529</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	
<i>Capital Contributions</i>	67,017
<i>Transfers in</i>	359,570
<i>Transfers out</i>	(612,090)
<b>Total Capital Contributions and Transfers</b>	<u>(185,503)</u>
<b>Net income</b>	23,026
<b>Retained earnings, October 1</b>	<u>8,254,489</u>
<b>Retained earnings, September 30</b>	<u>\$ 8,277,515</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, 2010

**Cash Flows from Operating Activities:**

<i>Cash Received from Customers</i>	\$ 1,630,193
<i>Cash Payments to Suppliers for Goods and Services</i>	(687,284)
<i>Cash Payments to Employees for Services</i>	(209,161)
Net Cash Provided (Used) by Operating Activities	<u>733,748</u>

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

<i>Payments to other funds</i>	(252,520)
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(252,520)</u>

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

<i>Principal and Interest Paid</i>	(227,280)
<i>Acquisition or Construction of Capital Assets</i>	(1,684,382)
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(1,911,662)</u>

**Cash Flows from Investing Activities:**

<i>Interest on Investments</i>	9,718
Net Cash Provided (Used) for Investing Activities	<u>9,718</u>

Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,420,716)</u>
--	--------------------

## Cash and Cash Equivalents at Beginning of Year

Unrestricted cash and investments	5,272,790
Restricted cash	792
	<u>5,273,582</u>

## Cash and Cash Equivalents at End of Year

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

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

Operating Income (Loss)	\$ 252,704
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
<i>Depreciation and amortization</i>	197,641
<i>Miscellaneous revenue</i>	56,953
<i>Capital contributions</i>	67,017
Change in Assets and Liabilities:	
<i>Decrease (Increase) in Receivables</i>	19,771
<i>Decrease (Increase) in Inventories</i>	6,488
<i>Increase (Decrease) in Accounts Payable</i>	138,475
<i>Increase (Decrease) in Accrued Liabilities</i>	417
<i>Increase (Decrease) in Customer Deposits</i>	(5,717)
Total Adjustments	<u>481,045</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 733,749</u>

The accompanying notes are an integral part of this statement.

# CITY OF HASLET, TEXAS

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2011

### 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 statues 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 herein as a special revenue fund. CEDC has adopted the City's fiscal year; separate financial statements of CEDC are not prepared.

##### 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 has adopted the City's fiscal year; separate financial statements of EDC are not prepared.

#### 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

# CITY OF HASLET, TEXAS

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2011

segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

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

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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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.

Debt Service Fund accounts for the accumulation of resources for, and payment of, general obligation principal and interest, except debt serviced by Proprietary Funds.

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

**CITY OF HASLET, TEXAS**  
*NOTES TO BASIC FINANCIAL STATEMENTS*  
*September 30, 2011*

special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, miscellaneous revenue, and interest income.

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

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, 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.

# CITY OF HASLET, TEXAS

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2011

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. Restricted assets

Restricted assets include certain cash proceeds of enterprise fund revenue bonds because their use is limited by applicable bond covenants. Accumulated impact fees are restricted for debt service or construction of water or wastewater system. Assets are also restricted for payments of principal and interest due on certain water and wastewater debt.

### 5. Capital assets

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

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

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

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

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

### 6. Compensated absences

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



7. Long-term obligations

In the government-wide financial statements, and proprietary fund type fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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.

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.

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 City Administrator.

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.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

# CITY OF HASLET, TEXAS

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2011

### 9. Change in Accounting Principle

For fiscal year 2011, the City has implemented Governmental Accounting Standard Board (GASB) Statement No, 54 which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of certain funds and restatement of the City's financial statements.

## 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 \$3,733,521 for both the primary government and discrete component unit (\$1,982 restricted) and the bank balance was \$4,367,156. All of the bank balance was secured by federal deposit insurance and collateral (fair value of \$5,355,510) 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, 2011.

	Carrying Amount	Fair Value	Rating Standard & & Pools	Weighted Average Maturity
Primary Government				
Cash	\$ 2,925,832			
Restricted cash	1,982			
Investments not subject to categorization:				
Government sponsored investment pool (TexPool)	<u>5,568,124</u>	\$ 5,568,124	AAA-m	44 days
	<u>\$ 8,495,938</u>			
Discrete Component Unit				
Cash	\$ 269,931			
Investments not subject to categorization:				
Government sponsored investment pool (TexPool)	<u>513,484</u>	\$ 513,484	AAA-m	44 days
	<u>\$ 783,415</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.

**CITY OF HASLET, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
September 30, 2011

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	\$ 60,919	\$ 12,917	\$ 73,836	\$ -	\$ 73,836
Allowance for uncollectible taxes	-	-	-	-	-
	<u>\$ 60,919</u>	<u>\$ 12,917</u>	<u>\$ 73,836</u>	<u>\$ -</u>	<u>\$ 73,836</u>
Accounts receivable	\$ 4,156	\$ -	\$ 4,156	\$ 316,957	\$ 321,113
Allowance for uncollectible accounts	-	-	-	(96,646)	(96,646)
	<u>\$ 4,156</u>	<u>\$ -</u>	<u>\$ 4,156</u>	<u>\$ 220,311</u>	<u>\$ 224,467</u>
Miscellaneous receivable	\$ 294,088	\$ -	\$ 294,088	\$ -	\$ 294,088
Allowance for uncollectible	(155,601)	-	(155,601)	-	(155,601)
	<u>\$ 138,487</u>	<u>\$ -</u>	<u>\$ 138,487</u>	<u>\$ -</u>	<u>\$ 138,487</u>

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

	Deferred	Unearned
<b>Major Funds</b>		
Delinquent property taxes receivable (General Fund)	\$ 48,258	\$ -
Deferred fine revenue (General Fund)	17,779	-
Insurance proceeds and restitution (General Fund)	24,544	24,544
<b>Nonmajor Funds</b>		
Delinquent property taxes receivable (1999 Interest & Sinking Fund)	11,879	-
Delinquent property taxes receivable (Capital Projects Fund)	50,000	50,000
Total deferred revenue for governmental funds / activities	<u>\$ 152,460</u>	<u>\$ 74,544</u>

**CITY OF HASLET, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**September 30, 2011**

D. Capital assets

Capital asset activity for the year ended September 30, 2011:

Primary Government

	Balance 9/30/2010	Additions	Retirements	Transfers and Completed Construction	Balance 9/30/2011
<b>GOVERNMENTAL ACTIVITIES:</b>					
Capital assets, not being depreciated:					
Land	\$ 1,518,371	\$ -	\$ -	\$ -	\$ 1,518,371
Construction in progress	1,525,932	303,516	-	-	1,829,448
Total capital assets not being depreciated	<u>3,044,303</u>	<u>303,516</u>	<u>-</u>	<u>-</u>	<u>3,347,819</u>
Capital assets, being depreciated					
Buildings and improvements	3,004,917	59,829	(2,050)	-	3,062,696
Furniture, fixtures, tools and equipment	267,074	16,254	-	-	283,328
Vehicles	1,570,311	10,142	(6,400)	-	1,574,053
Improvements other than buildings	1,345,303	-	-	-	1,345,303
Street and drainage improvements	9,509,963	-	-	-	9,509,963
Total capital assets being depreciated	<u>15,697,568</u>	<u>86,225</u>	<u>(8,450)</u>	<u>-</u>	<u>15,775,343</u>
Less accumulated depreciation for:					
Buildings and improvements	(597,167)	(101,831)	1,435	-	(697,563)
Furniture, fixtures, tools and equipment	(208,350)	(14,979)	-	-	(223,329)
Vehicles	(1,234,653)	(78,265)	4,114	-	(1,308,804)
Improvements other than buildings	(359,301)	(64,496)	-	-	(423,797)
Street and drainage improvements	(3,909,567)	(368,257)	-	-	(4,277,824)
Total accumulated depreciation	<u>(6,309,038)</u>	<u>(627,828)</u>	<u>5,549</u>	<u>-</u>	<u>(6,931,317)</u>
Total capital assets being depreciated, net	<u>9,388,530</u>	<u>(541,603)</u>	<u>(2,901)</u>	<u>-</u>	<u>8,844,026</u>
Governmental activities capital assets, net	<u>\$ 12,432,833</u>	<u>\$ (238,087)</u>	<u>\$ (2,901)</u>	<u>\$ -</u>	<u>\$ 12,191,845</u>

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

General administration	\$ 55,944
Fire	89,126
Streets	379,905
Parks and recreation	82,586
Public works	20,267
	<u>20,267</u>
	<u>\$ 627,828</u>

**CITY OF HASLET, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
September 30, 2011

	Balance 9/30/2010	Additions	Retirements	Transfers and Completed Construction	Balance 9/30/2011
<b>BUSINESS-TYPE ACTIVITIES:</b>					
Capital assets, not being depreciated:					
Land	\$ 20,142	\$ -	\$ -	\$ -	\$ 20,142
Construction in progress	130,070	1,551,251	-	-	1,681,321
Total capital assets not being depreciated	150,212	1,551,251	-	-	1,701,463
Capital assets, being depreciated					
Buildings and improvements	7,142	-	-	-	7,142
Equipment	243,864	-	-	-	243,864
Water and sewer system infrastructure	6,408,568	133,130	-	-	6,541,698
Total capital assets being depreciated	6,659,574	133,130	-	-	6,792,704
Less accumulated depreciation for:					
Buildings and improvements	(6,346)	(238)	-	-	(6,584)
Equipment	(176,941)	(20,244)	-	-	(197,185)
Water and sewer system infrastructure	(1,328,359)	(170,937)	-	-	(1,499,296)
Total accumulated depreciation	(1,511,646)	(191,419)	-	-	(1,703,065)
Total capital assets being depreciated, net	5,147,928	(58,289)	-	-	5,089,639
Business-type activities capital assets, net	\$ 5,298,140	\$ 1,492,962	\$ -	\$ -	\$ 6,791,102

E. Interfund receivables, payables, and transfers

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

	Due From Other Funds	Due To Other Funds
COs Capital Projects Fund	\$ 19,685	\$ -
Nonmajor Funds	1,125	1,125
Water & Sewer Fund	-	19,685
	\$ 20,810	\$ 20,810

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.

**CITY OF HASLET, TEXAS**

*NOTES TO BASIC FINANCIAL STATEMENTS*

September 30, 2011

	<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>
Major Funds		
General Fund	\$ 26,789	\$ 92,090
Haslet Community and Economic Development	359,570	-
Nonmajor Governmental Funds	-	546,789
Business-type Funds	<u>612,090</u>	<u>359,570</u>
	<u>\$ 998,449</u>	<u>\$ 998,449</u>

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:

<u>Purpose</u>	<u>Original Amount</u>	<u>Year of Issue</u>	<u>Final Maturity</u>	<u>Average Annual Payment</u>	<u>Interest Rate</u>	<u>Balance 9/30/2011</u>
<b>GOVERNMENTAL ACTIVITIES DEBT</b>						
Certificates of Obligation						
Improvements	\$ 2,714,400	2007	2032	\$ 110,500	4.00% - 4.25%	\$ 2,438,900
General Obligation Bonds						
Improvements	902,400	2007	2019	173,500	4.00%	<u>743,600</u>
						3,182,500
Bond premium						8,927
Bond discount						(39,885)
Deferred amount						<u>34,919</u>
Total Governmental Activities Debt						<u>\$ 3,186,461</u>

The series 1994 certificates of obligation are allocated 52% and 48% to governmental activities and business-type activities, respectively

**CITY OF HASLET, TEXAS**  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 September 30, 2011

**BUSINESS-TYPE ACTIVITIES DEBT**

Certificates of Obligation						
Improvements	\$ 2,714,400	2007	2032	\$ 102,000	4.00% - 4.25%	\$ 1,766,100
General Obligation Bonds						
Improvements	902,400	2007	2019	125,750	4.00%	686,400
						<u>2,452,500</u>
Bond premium						17,634
Bond discount						(31,819)
Deferred amount						<u>(56,712)</u>
Total Business-Type Activities Debt						<u>\$ 2,381,603</u>

Annual debt service requirements to maturity for general debt:

Governmental Debt

Year	Principal	Interest	Total
2012	\$ 156,000	\$ 128,330	\$ 284,330
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
2017-2021	811,400	391,996	1,203,396
2022-2026	614,800	257,288	872,088
2027-2031	739,500	124,700	864,200
2032	168,200	6,728	174,928
	<u>\$ 3,182,500</u>	<u>\$ 1,355,265</u>	<u>\$ 4,537,765</u>

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

Enterprise Funds

Year	Principal	Interest	Total
2012	\$ 129,000	\$ 98,846	\$ 227,846
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
2017-2021	648,600	288,804	937,404
2022-2026	445,200	186,312	631,512
2027-2031	535,500	90,300	625,800
2032	121,800	4,872	126,672
	<u>\$ 2,452,500</u>	<u>\$ 1,009,225</u>	<u>\$ 3,461,725</u>

# CITY OF HASLET, TEXAS

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2011

### 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.

\$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 \$155,250	\$ 108,724
\$20,600 due in annual instalments of \$4,618 including interest accruing at 6.05%, maturing in January, 2012 and secured by equipment with a book value of \$10,300	<u>4,354</u>
	<u>\$ 113,078</u>

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

#### Governmental Activities

Year Ending September 30,	Capital Lease Obligation
2012	\$ 63,504
2013	<u>58,886</u>
	122,390
Less: interest	<u>(9,312)</u>
Present Value	<u>\$ 113,078</u>

Changes in Long-Term Liabilities:

During the year ended September 30, 2011, the following changes occurred in liabilities reported as governmental debt:

Description	September 30, 2010	Additions	Retirements	September 30, 2011	Due Within One Year
<b>Governmental activities:</b>					
Certificates of obligation	\$ 2,511,400	\$ -	\$ (72,500)	\$ 2,438,900	\$ 75,400
General obligation bonds	821,600	-	(78,000)	743,600	80,600
Total bonds payable	<u>3,333,000</u>	<u>-</u>	<u>(150,500)</u>	<u>3,182,500</u>	<u>156,000</u>
Bond premium	10,043	-	(1,116)	8,927	-
Bond discount	(42,204)	-	2,319	(39,885)	-
Deferred amount	39,283	-	(4,364)	34,919	-
Capital lease obligations	167,334	-	(54,256)	113,078	62,261
Accrued compensated absences	9,782	-	(1,496)	8,286	8,286
	<u>\$ 3,517,238</u>	<u>\$ -</u>	<u>\$ (209,413)</u>	<u>\$ 3,307,825</u>	<u>\$ 226,547</u>



**CITY OF HASLET, TEXAS**

*NOTES TO BASIC FINANCIAL STATEMENTS*

September 30, 2011

During the year ended September 30, 2011, the following changes occurred in liabilities reported as business-type debt:

Description	September 30, 2010	Additions	Retirements	September 30, 2011	Due Within One Year
<b>Business-type activities</b>					
Certificates of obligation	\$ 1,818,600	\$ -	\$ (52,500)	\$ 1,766,100	\$ 54,600
General obligation bonds	758,400	-	(72,000)	686,400	74,400
Total bonds payable	2,577,000	-	(124,500)	2,452,500	129,000
Bond premium	19,838	-	(2,204)	17,634	-
Bond discount	(33,789)	-	1,970	(31,819)	-
Deferred amount	(63,800)	-	7,088	(56,712)	-
Capital lease obligations	-	-	-	-	-
Accrued compensated absences	4,450	-	-	4,450	4,450
	<u>\$ 2,503,699</u>	<u>\$ -</u>	<u>\$ (117,646)</u>	<u>\$ 2,386,053</u>	<u>\$ 133,450</u>

G. Fund Balance Classification

	Unspendable	Restricted	Committed	Unassigned
<b>Major Funds</b>				
General Fund	\$ 616	\$ -	\$ -	\$ 1,615,462
Haslet Community and Economic Development	-	1,082,780	-	-
COs Capital Projects	-	-	1,243,550	-
Nonmajor Governmental Funds	-	217,441	395,484	(1,185)
	<u>\$ 616</u>	<u>\$ 1,300,221</u>	<u>\$ 1,639,034</u>	<u>\$ 1,614,277</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

# CITY OF HASLET, TEXAS

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2011

contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, Texas, 78714-9153, or by calling 800-924-8677; in addition, the report is available on the TMRS website at [www.tmrs.com](http://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 2008	Plan Year 2009	Plan Year 2010
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, 0/20	60/5, 0/20	60/5, 0/20
	100%, Repeating,	100%, Repeating,	100%, Repeating,
Updated service credit	Transfers	Transfers	Transfers
Annuity increase to retirees	0% of CPI Repeating	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)	\$	73,274
Interest on Net Pension Obligation		-
Adjustment to the ARC		-
Annual Pension Cost:		<u>73,274</u>
Contributions Made		<u>73,274</u>
Increase (Decrease) in Net Pension Obligation		-
Net Pension Obligation (Asset) , Beginning of Year		-
Net Pension Obligation (Asset) , End of Year	\$	<u>-</u>

### Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost/(APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation/ (Asset)
2009	\$ 70,838	\$ 70,838	100%	\$ -
2010	\$ 74,878	\$ 74,878	100%	\$ -
2011	\$ 73,274	\$ 73,274	100%	\$ -

The required contribution rates for fiscal year 2011 were determined as part of the December 31, 2008 and 2009 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2010, also follows:

**CITY OF HASLET, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
*September 30, 2011*

Valuation Date	12/31/2008	12/31/2009	12/31/2010
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	24 years; closed period	23 years; closed period	21.5 years; closed period
Amortization Period for new Gains/Losses	25 Years	25 Years	20 Years
Asset Valuation Method	Amortized Cost	10-year Smoothed Market	10-year Smoothed Market
Actuarial Assumptions			
Investment Rate of Return	7.5%	7.5%	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 funded status as of December 31, 2010, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	TM Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2010	\$ 1,035,939	\$ 1,246,921	83.1%	\$ 210,982	\$ 680,893	31.0%

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.

**CITY OF HASLET, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
*September 30, 2011*

C. Discrete Component Unit – Haslet Type B Economic Development Corporation (HEDC)

Following are financial statements of HEDC prepared on the modified accrual basis of accounting. There are no adjustments necessary to reconcile these statements with those for HEDC included on Exhibits A-1 and A-2.

BALANCE SHEET

ASSETS:

Cash and investments	\$ 783,415
Receivables (net of allowances for uncollectibles):	1,225
Intergovernmental receivable	40,845
Due from primary government	1,675
Inventories	912,463
Total Assets	<u>\$ 1,739,623</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable and accrued liabilities	\$ 1,362
Deposits	1,850
Total Liabilities	<u>3,212</u>

Fund Balances:

Unassigned	<u>1,736,411</u>
Total Fund Balances	<u>1,736,411</u>
Total Liabilities and Fund Balances	<u>\$ 1,739,623</u>

RECONCILIATION OF SEDC FUND BALANCE SHEET TO  
DISCRETE COMPONENT UNIT STATEMENT OF NET ASSETS

HEDC Fund Balance	\$ 1,736,411
HEDC Net Assets	<u>\$ 1,736,411</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Revenue:

Charges for services	\$ 37,710
Sales and other taxes	198,810
Interest and investment earnings	1,333
Total revenues	<u>237,853</u>

Expenditures:

Community development	<u>112,146</u>
Total Expenditures	<u>112,146</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	125,707

Fund Balances - Beginning 1,610,704

Fund Balances - Ending \$ 1,736,411

RECONCILIATION OF EDC FUND STATEMENT OF REVENUES, EXPENDITRES AND  
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

HEDC Change in Fund Balance	\$ 125,707
HEDC Net Assets	<u>\$ 125,707</u>

#### 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, 2011**

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
<i>Property tax, penalties and interest</i>	\$ 1,234,418	\$ 1,271,718	\$ 1,281,068	\$ 9,350
<i>Franchise tax</i>	156,000	154,557	156,968	2,411
<i>Sales tax</i>	420,000	420,000	397,621	(22,379)
<i>Licenses and permits</i>	58,950	91,700	116,130	24,430
<i>Intergovernmental</i>	--	30,678	30,678	--
<i>Fines</i>	155,000	176,000	228,262	52,262
<i>Contributions</i>	--	17,312	17,897	585
<i>Gas royalties</i>	80,000	70,000	73,288	3,288
<i>Interest</i>	2,000	2,000	2,723	723
<i>Miscellaneous</i>	105,750	131,767	129,365	(2,402)
<b>Total revenues</b>	<u>2,212,118</u>	<u>2,365,732</u>	<u>2,434,000</u>	<u>68,268</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<i>Administration</i>	653,860	675,227	660,204	15,023
<i>Fire</i>	337,491	381,099	361,314	19,785
<i>Streets</i>	157,000	157,000	108,787	48,213
<i>Parks</i>	139,525	142,525	107,810	34,715
<i>Library</i>	167,285	178,577	166,993	11,584
<i>Nondepartmental</i>	91,424	75,494	28,614	46,880
<i>Public safety</i>	543,232	543,232	543,232	--
<i>Public works</i>	242,029	242,029	204,840	37,189
<b>Total expenditures</b>	<u>2,331,846</u>	<u>2,395,183</u>	<u>2,181,794</u>	<u>213,389</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(119,728)	(29,451)	252,206	281,657
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers in</i>	92,090	92,090	92,090	--
<i>Transfers out</i>	(26,905)	(26,905)	(26,789)	116
<b>Total other financing sources (uses)</b>	<u>65,185</u>	<u>65,185</u>	<u>65,301</u>	<u>116</u>
<b>Net change in fund balances</b>	(54,543)	35,734	317,507	281,773
<b>Fund balances, October 1</b>	<u>1,298,571</u>	<u>1,298,571</u>	<u>1,298,571</u>	<u>--</u>
<b>Fund balances, September 30</b>	<u>\$ 1,244,028</u>	<u>\$ 1,334,305</u>	<u>\$ 1,616,078</u>	<u>\$ 281,773</u>

**CITY OF HASLET, TEXAS**

HASLET COMMUNITY AND ECONOMIC DEVELOPMENT CORP  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

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	\$ 198,810	\$ (11,190)
<i>Contributions</i>	--	57,323	57,323	--
<i>Interest</i>	1,000	1,000	2,754	1,754
Total revenues	<u>211,000</u>	<u>268,323</u>	<u>258,887</u>	<u>(9,436)</u>
<b>EXPENDITURES:</b>				
Current:				
<i>Economic development</i>	540,295	540,295	52,860	487,435
Total expenditures	<u>540,295</u>	<u>540,295</u>	<u>52,860</u>	<u>487,435</u>
Excess (deficiency) of revenues over (under) expenditures	(329,295)	(271,972)	206,027	477,999
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers out</i>	--	--	(359,570)	(359,570)
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>(359,570)</u>	<u>(359,570)</u>
Net change in fund balances	(329,295)	(271,972)	(153,543)	118,429
Fund balances, October 1	<u>1,236,323</u>	<u>1,236,323</u>	<u>1,236,323</u>	<u>--</u>
Fund balances, September 30	<u>\$ 907,028</u>	<u>\$ 964,351</u>	<u>\$ 1,082,780</u>	<u>\$ 118,429</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. Expenditures in Excess of Appropriations

The Park Fund had expenditures in excess of budget of \$1,736 during the year ended September 30, 2011.

C. Funds With Deficit Fund Balances

The Park Fund revenue fund had a deficit of (\$1,185) at September 30, 2011.

D. Employee Retirement Plan - three year funding progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2008	\$ 733,329	\$ 1,003,715	73.1%	\$ 270,386	\$ 567,944	47.6%
12/31/2009	\$ 884,350	\$ 1,167,865	75.7%	\$ 283,515	\$ 648,768	43.7%
12/31/2010	\$ 1,035,939	\$ 1,246,921	83.1%	\$ 210,982	\$ 680,893	31.0%



## Combining Statements and Individual Nonmajor Funds as Supplementary Information

---

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

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

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

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

### 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, 2011**

	Special Revenue Funds	Debt Service Fund  1999 Interest & Sinking	Capital Projects Fund  Capital Projects	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS</b>				
<i>Cash and investments</i>	\$ 149,465	\$ 76,834	\$ 444,949	\$ 671,248
Receivables:				
<i>Taxes</i>	--	12,917	--	12,917
<i>Due from other funds</i>	1,125	--	--	1,125
Total Assets	<u>\$ 150,590</u>	<u>\$ 89,751</u>	<u>\$ 444,949</u>	<u>\$ 685,290</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
<i>Accounts payable</i>	\$ 3,777	\$ --	\$ 6,769	\$ 10,546
<i>Due to other funds</i>	1,125	--	--	1,125
<i>Deferred revenue</i>	--	11,879	50,000	61,879
Total Liabilities	<u>4,902</u>	<u>11,879</u>	<u>56,769</u>	<u>73,550</u>
Fund balances:				
<i>Restricted</i>	139,569	77,872	--	217,441
<i>Committed</i>	7,304	--	388,180	395,484
<i>Unassigned</i>	(1,185)	--	--	(1,185)
Total fund balances	<u>145,688</u>	<u>77,872</u>	<u>388,180</u>	<u>611,740</u>
Total Liabilities and Fund Balances	<u>\$ 150,590</u>	<u>\$ 89,751</u>	<u>\$ 444,949</u>	<u>\$ 685,290</u>

**CITY OF HASLET, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Special Revenue Funds	Debt Service Fund  1999 Interest & Sinking	Capital Projects Fund  Capital Projects	Total Nonmajor Governmental Funds (See Exhibit A-5)
<b>REVENUES:</b>				
<i>Property tax, penalties and interest</i>	\$ --	\$ 293,351	\$ --	\$ 293,351
<i>Park development fees</i>	7,500	--	--	7,500
<i>Fines</i>	14,170	--	--	14,170
<i>Interest</i>	66	293	36	395
<i>Miscellaneous</i>	32,942	--	--	32,942
<b>Total revenues</b>	<u>54,678</u>	<u>293,644</u>	<u>36</u>	<u>348,358</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<i>Administration</i>	53,494	--	--	53,494
<i>Library</i>	1,808	--	--	1,808
Capital outlay	13,134	--	222,779	235,913
Debt service	--	285,031	--	285,031
<b>Total expenditures</b>	<u>68,436</u>	<u>285,031</u>	<u>222,779</u>	<u>576,246</u>
 Excess (deficiency) of revenues over (under) expenditures	 (13,758)	 8,613	 (222,743)	 (227,888)
<b>OTHER FINANCING SOURCES (USES):</b>				
<i>Transfers in</i>	26,789	--	520,000	546,789
<b>Total other financing sources (uses)</b>	<u>26,789</u>	<u>--</u>	<u>520,000</u>	<u>546,789</u>
 Net change in fund balances	 13,031	 8,613	 297,257	 318,901
 Fund balances, October 1	 <u>132,657</u>	 <u>69,259</u>	 <u>90,923</u>	 <u>292,839</u>
 Fund balances, September 30	 <u>\$ 145,688</u>	 <u>\$ 77,872</u>	 <u>\$ 388,180</u>	 <u>\$ 611,740</u>

**CITY OF HASLET, TEXAS**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 2011

	<u>Park</u>	<u>Municipal Court Bldg. Security</u>	<u>Municipal Court Technology</u>
<b>ASSETS</b>			
<i>Cash and investments</i>	\$ --	\$ 15,785	\$ 13,858
<i>Due from other funds</i>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Total Assets</b>	<u>\$ --</u>	<u>\$ 15,785</u>	<u>\$ 13,858</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
<i>Accounts payable</i>	\$ 60	\$ --	\$ --
<i>Due to other funds</i>	1,125	--	--
<b>Total Liabilities</b>	<u>1,185</u>	<u>--</u>	<u>--</u>
<b>Fund balances:</b>			
<i>Restricted</i>	--	15,785	13,858
<i>Committed</i>	--	--	--
<i>Unassigned</i>	(1,185)	--	--
<b>Total fund balances (deficit)</b>	<u>(1,185)</u>	<u>15,785</u>	<u>13,858</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ --</u>	<u>\$ 15,785</u>	<u>\$ 13,858</u>

Park Board Improvement	Library Board	Park Grant	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 8,299 1,125	\$ 1,597 --	\$ 109,926 --	\$ 149,465 1,125
\$ 9,424	\$ 1,597	\$ 109,926	\$ 150,590
\$ 3,717 -- 3,717	\$ -- -- --	\$ -- -- --	\$ 3,777 1,125 4,902
-- 5,707 -- 5,707	-- 1,597 -- 1,597	109,926 -- -- 109,926	139,569 7,304 (1,185) 145,688
\$ 9,424	\$ 1,597	\$ 109,926	\$ 150,590

**CITY OF HASLET, TEXAS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Park</u>	<u>Municipal Court Bldg. Security</u>	<u>Municipal Court Technology</u>
REVENUES:			
<i>Park development fees</i>	\$ --	\$ --	\$ --
<i>Fines</i>	--	6,073	8,097
<i>Interest</i>	10	24	19
<i>Miscellaneous</i>	26,087	--	--
<b>Total revenues</b>	<u>26,097</u>	<u>6,097</u>	<u>8,116</u>
EXPENDITURES:			
Current:			
<i>Administration</i>	52,894	600	--
<i>Library</i>	--	--	--
Capital outlay	--	--	--
<b>Total expenditures</b>	<u>52,894</u>	<u>600</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(26,797)	5,497	8,116
OTHER FINANCING SOURCES (USES):			
<i>Transfers in</i>	15,043	--	--
<b>Total other financing sources (uses)</b>	<u>15,043</u>	<u>--</u>	<u>--</u>
<b>Net change in fund balances</b>	<b>(11,754)</b>	<b>5,497</b>	<b>8,116</b>
Fund balances (deficit), October 1	<u>10,569</u>	<u>10,288</u>	<u>5,742</u>
Fund balances (deficit), September 30	<u>\$ (1,185)</u>	<u>\$ 15,785</u>	<u>\$ 13,858</u>

Park Board Improvement	Library Board	Park Grant	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ 7,500	\$ --	\$ --	\$ 7,500
--	--	--	14,170
9	4	--	66
6,855	--	--	32,942
<u>14,364</u>	<u>4</u>	<u>--</u>	<u>54,678</u>
--	--	--	53,494
--	1,808	--	1,808
13,134	--	--	13,134
<u>13,134</u>	<u>1,808</u>	<u>--</u>	<u>68,436</u>
1,230	(1,804)	--	(13,758)
9,804	1,942	--	26,789
<u>9,804</u>	<u>1,942</u>	<u>--</u>	<u>26,789</u>
11,034	138	--	13,031
<u>(5,327)</u>	<u>1,459</u>	<u>109,926</u>	<u>132,657</u>
<u>\$ 5,707</u>	<u>\$ 1,597</u>	<u>\$ 109,926</u>	<u>\$ 145,688</u>

**CITY OF HASLET, TEXAS**  
PARK FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-5

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
<i>Interest</i>	\$ 15	\$ 15	\$ 10	\$ (5)
<i>Miscellaneous</i>	1,050	24,208	26,087	1,879
Total revenues	<u>1,065</u>	<u>24,223</u>	<u>26,097</u>	<u>1,874</u>
EXPENDITURES:				
Current:				
<i>Administration</i>	28,000	51,158	52,894	(1,736)
Total expenditures	<u>28,000</u>	<u>51,158</u>	<u>52,894</u>	<u>(1,736)</u>
Excess (deficiency) of revenues over (under) expenditures	(26,935)	(26,935)	(26,797)	138
OTHER FINANCING SOURCES (USES):				
<i>Transfers in</i>	17,101	17,101	15,043	(2,058)
Total other financing sources (uses)	<u>17,101</u>	<u>17,101</u>	<u>15,043</u>	<u>(2,058)</u>
Net change in fund balances	(9,834)	(9,834)	(11,754)	(1,920)
Fund balances, October 1	<u>10,569</u>	<u>10,569</u>	<u>10,569</u>	--
Fund balances (deficit), September 30	<u>\$ 735</u>	<u>\$ 735</u>	<u>\$ (1,185)</u>	<u>\$ (1,920)</u>



**CITY OF HASLET, TEXAS**  
 PARK BOARD IMPROVEMENT FUND  
 SPECIAL REVENUE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
<i>Park development fees</i>	\$ 1,000	\$ 1,000	\$ 7,500	\$ 6,500
<i>Interest</i>	100	100	9	(91)
<i>Miscellaneous</i>	--	--	6,855	6,855
Total revenues	<u>1,100</u>	<u>1,100</u>	<u>14,364</u>	<u>13,264</u>
EXPENDITURES:				
Capital outlay	20,000	20,000	13,134	6,866
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>13,134</u>	<u>6,866</u>
Excess (deficiency) of revenues over (under) expenditures	(18,900)	(18,900)	1,230	20,130
OTHER FINANCING SOURCES (USES):				
<i>Transfers in</i>	9,804	9,804	9,804	--
Total other financing sources (uses)	<u>9,804</u>	<u>9,804</u>	<u>9,804</u>	<u>--</u>
Net change in fund balances	(9,096)	(9,096)	11,034	20,130
Fund balances (deficit), October 1	<u>(5,327)</u>	<u>(5,327)</u>	<u>(5,327)</u>	<u>--</u>
Fund balances (deficit), September 30	<u>\$ (14,423)</u>	<u>\$ (14,423)</u>	<u>\$ 5,707</u>	<u>\$ 20,130</u>

**CITY OF HASLET, TEXAS**  
LIBRARY BOARD FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
<i>Interest</i>	\$ 10	\$ 10	\$ 4	\$ (6)
Total revenues	<u>10</u>	<u>10</u>	<u>4</u>	<u>(6)</u>
EXPENDITURES:				
Current:				
<i>Library</i>	2,800	2,800	1,808	992
Total expenditures	<u>2,800</u>	<u>2,800</u>	<u>1,808</u>	<u>992</u>
Excess (deficiency) of revenues over (under) expenditures	(2,790)	(2,790)	(1,804)	986
OTHER FINANCING SOURCES (USES):				
<i>Transfers in</i>	1,700	1,700	1,942	242
Total other financing sources (uses)	<u>1,700</u>	<u>1,700</u>	<u>1,942</u>	<u>242</u>
Net change in fund balances	(1,090)	(1,090)	138	1,228
Fund balances, October 1	<u>1,459</u>	<u>1,459</u>	<u>1,459</u>	--
Fund balances, September 30	<u>\$ 369</u>	<u>\$ 369</u>	<u>\$ 1,597</u>	<u>\$ 1,228</u>

**CITY OF HASLET, TEXAS**  
 1999 INTEREST & SINKING FUND  
 DEBT SERVICE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-8

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property tax, penalties and interest	\$ 283,801	\$ 283,801	\$ 293,351	\$ 9,550
Interest	50	50	293	243
Total revenues	<u>283,851</u>	<u>283,851</u>	<u>293,644</u>	<u>9,793</u>
EXPENDITURES:				
Debt service	<u>285,031</u>	<u>285,031</u>	<u>285,031</u>	--
Total expenditures	<u>285,031</u>	<u>285,031</u>	<u>285,031</u>	--
Excess (deficiency) of revenues over (under) expenditures	(1,180)	(1,180)	8,613	9,793
Fund balances, October 1	<u>69,259</u>	<u>69,259</u>	<u>69,259</u>	--
Fund balances, September 30	<u>\$ 68,079</u>	<u>\$ 68,079</u>	<u>\$ 77,872</u>	<u>\$ 9,793</u>

**CITY OF HASLET, TEXAS**

HASLET TYPE B ECONOMIC DEVELOPMENT CORP  
 DISCRETELY PRESENTED COMPONENT UNIT  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT C-9

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
<i>Sales tax</i>	\$ 210,000	\$ 210,000	\$ 198,810	\$ (11,190)
<i>Interest</i>	1,000	1,000	1,333	333
<i>Miscellaneous</i>	26,000	26,000	37,710	11,710
Total revenues	<u>237,000</u>	<u>237,000</u>	<u>237,853</u>	<u>853</u>
EXPENDITURES:				
Current:				
<i>Economic development</i>	357,975	357,975	112,146	245,829
Total expenditures	<u>357,975</u>	<u>357,975</u>	<u>112,146</u>	<u>245,829</u>
Excess (deficiency) of revenues over (under) expenditures	(120,975)	(120,975)	125,707	246,682
Fund balances, October 1	<u>1,610,704</u>	<u>1,610,704</u>	<u>1,610,704</u>	<u>--</u>
Fund balances, September 30	<u>\$ 1,489,729</u>	<u>\$ 1,489,729</u>	<u>\$ 1,736,411</u>	<u>\$ 246,682</u>