COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Ennis, Texas
Fiscal Year Ended
September 30, 2016

CITY OF ENNIS, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

September 30, 2016

Issued By:
Department of Finance and Administration
C. Joel Welch, Director of Finance

CITY OF ENNIS, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2016

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INTRODUCTORY SECTION

CITY OF ENNIS, TEXAS
P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086
http://www.ennis-texas.com

March 2, 2017

To the Honorable Mayor, Members of the City Commission and Citizens of the City of Ennis, Texas:

The comprehensive annual financial report of the City of Ennis, Texas for the fiscal year ended September 30, 2016, is hereby submitted. Chapter 103 of the Texas Local Government Code requires that all governmental units publish within 180 days of the close of each fiscal year financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited by a licensed public accountant. This report is published to satisfy the legal requirement and to provide the City Commission, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government.

Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the City. The City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft or misuse and to insure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal control over financial reporting. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from the control. The evaluation of costs and benefits requires estimates and judgments by management. We believe that the City's current system of internal control over financial reporting adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

The City Charter and State Law require the City's basic financial statements be audited by independent certified public accountants. Yeldell, Wilson, Wood & Reeve, P. C., performed the required audit and have issued an unmodified ("clean") opinion on the City of Ennis' financial statements for the year ended September 30, 2016. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Location and Governmental Structure. The City, incorporated in 1872, is located 25 miles south of Dallas in Ellis County. The City has a land area of 28.06 miles and a population of 20,324 as estimated by the United States Census Bureau. The City has operated under the Commission-Manager form of government since 1956. Policy-making and legislative authority are vested in a governing body (City Commission) consisting of the mayor and six commission members, all elected through popular vote. Commission members serve three-year terms with five of the commissioners elected by single-member ward and the mayor and mayor pro-tem elected at large. Terms of the commission members are staggered so that an election is held every year.

Services Provided. The City provides a full range of services. These include public safety (police and fire), municipal court, sanitation, parks, library, public works and general administrative services. In addition, the City owns and operates a water distribution system, wastewater collection system and an airport.

The basic financial statements of the City include all government activities, organizations and functions for which the City is financially accountable. The criteria considered in determining governmental activities to be reported with the City's basic financial statements are based upon and consistent with those set forth in the Codification of Governmental Accounting and Financial Reporting Standards. Component units are legally separate organizations that a primary government must include as a part of its financial reporting entity. The government-wide financial statements include not only the City itself (known as the primary government) but also the Economic Development Corporation and Industrial Development Corporation as discretely presented component units. The discretely presented component units are presented as a separate column in the government-wide financial statements.

Budgetary Control. The Ennis City Charter specifies that an operating budget be approved and appropriations made by the City Commission at the first meeting in September of each year for the ensuing fiscal year. The City Manager is required to submit a proposed budget comprised of proposed expenditures and the means to finance them to the Commission by August 10. The Commission then conducts public hearings and workshops on the proposed budget to receive citizen feedback and make determinations about the eventual adopted budget. In the course of the first meeting of September the budget is legally enacted through passage of an appropriation ordinance. Budgetary control is established at the fund level. Department heads may transfer resources within a department with the approval of the Finance Director. Transfers between departments and transfers involving capital outlays or personnel need special approval by the City Manager. Budget changes that increase the budgeted expenditures of a fund must be approved by the Commission. The City Charter provides that the budget may be amended by the Commission in the same manner in which the budget is approved.

LOCAL ECONOMY

The City of Ennis has always shared the good fortune of proximity to the Dallas-Fort Worth Metroplex (DFW) and its location at the convergence of major transportation routes. The combined Dallas-Fort Worth-Arlington economy is the 4th largest economy in the United States (IHS Global Insight). Employment growth in November 2016, at 3.9%, was double Texas growth (2.1%) and more than doubled US growth (1.8%).

Ennis is strategically located at the intersection of Interstate 45 and State highway 287. Downtown Dallas is 35 miles north and downtown Fort Worth is 57 miles to the northwest. Traffic from these cities and related suburbs traverse the two highways to Houston, 205 miles to the south.

The genesis of Ennis was as a railway hub and rail transportation continues to be a major asset to the City's economy. From Ennis, rail access extends in all four major directions and accentuates the attractiveness of the City to business dependent upon multiple forms of transportation.

Ennis is home to 650 businesses employing in excess of 8,500 people. Total employment in Ellis County exceeds 82,000 as of November 2016. The 4.2% increase in employment exceeds the increase in the DFW area of 3.9% and the State's (2.1%). Unemployment in Ellis County has fallen throughout 2016, from 3,064 (3.7%) to 2,858 (3.4%) in November 2016. This rate compares favorably to the 3.5% unemployment rate in the DFW area and the 4.2% rate in Texas.

Fiscal year 2016 proved to be an uneven year for retail activity and growth in Ennis. Sales taxes increased by a robust 11.35%. The marketing of the I-45 and Ennis Avenue (including downtown) corridors continues, with growth being realized in new development and redevelopment of existing properties expected to enhance growth in future years. Growth in fiscal year 2017 is expected to return to a more historically normal 5% growth.

Property values rallied in 2016 after several years of tepid growth. Net taxable values rose by $70 million (4.8%) to $1.555 billion. The primary factor driving the increase (63%) was commercial personal property values. We believe the rate of increase in commercial personal values will moderate in 2017 and real property increases will propel progress at a rate near 3.6%.

Water and Sewer Sales increased 6.5% on the strength of a 10.6% increase in revenue from Sewer Fees coupled with an overall increase in Water Revenues of 4.1%. Sewer rates had been increased by 7.7% for fiscal year 2016 and water rates had been increased by an overall 3%. For fiscal year 2017, commercial water rates and all sewer rate classes are increasing and commercial water usage will be billed using a new progressive rate structure predicated on service requirements.

LONG-TERM FINANCIAL PLANNING

In 2014 the City began formulating a comprehensive plan that will establish a direction for the foreseeable future. Community input has been considerable and has provided significant insight into a collective view for quality of life, economic development and sustainability. Visible progress on the Downtown Master Plan is already paying dividends in terms of occupancy and business activity.

Internally, the Staff is formulating financial-planning models to support the long-term planning effort. Models projecting revenues and expenditures for 5 years beyond the current year are in development for all of the operational funds and the debt service fund. Assumptions have been developed for future tax rates and charges for service as well as projections for the costs of current and planned services. Each possible program addition or change is analyzed in terms of the impact over a 5 year window as a component part of the decision making process. The models also enable the City to make assumptions about the future debt capacity of the operational funds. The ability to determine current resources and future debt proceeds will enable the City to move forward with a new Capital Improvement Program. The City's preliminary CIP identifies over $61 million in projects to be initiated.

MAJOR INITIATIVES

Two major studies were completed in fiscal year 2016. The Comprehensive Master Plan and the Downtown Master Plan were initiatives beginning in 2014 intended to set the course for future development in the City in general and downtown in specific. The Comprehensive Master Plan broke the City into 4 major development and redevelopment zones. One of the zones, the aforementioned downtown, was the subject of its own redevelopment plan that is intended to breathe new life into the long neglected central business district. Progress with the downtown area includes the creation of Tax Increment Reinvestment Zone (TIRZ) that will rebate taxes to the developers that redevelop the downtown area.

In addition to the redevelopment plans for downtown is an initiative intended to preserve the unique integrity and history of the downtown area. The City has packaged tax abatements, access to tax credits, redevelopment grants and other economic development tools to augment this effort. Projects on the board for fiscal year 2017 already exceed $2 million in economic impact.

Another important component of the economic development plan of the City is the revitalization of the I45 Business Route through the City. This route, one of the heaviest traveled in the City, will benefit greatly from efforts to redevelop existing properties and structures. Assistance efforts include facade grants and other economic tools available to developers in the Downtown District.

The Texas Department of Transportation (TxDot) has allocated funds for the expansion of the Highway 287 By-Pass that circles about the west and south sides of the City. This project will expand the by-pass from two lanes to four lanes and provide for service roads. This project will benefit the City by providing better access to the City's hospital district and the industrial district on the south side of town. The City's contribution of utility relocation is complete. TxDot projects the road construction to take two(2) years.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ennis for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparations of state and local government financial reports. This was the twenty-eighth consecutive year that the government has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to conform to the Certificate of Achievement Programs requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished on a timely basis without the efficient and dedicated endeavors of the Finance Staff and the independent auditors. We would like to express our sincere appreciation to all employees who contributed to the preparation. We would also like to thank the Mayor, City Commission and the City Manager for their continued support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

C. Joel Welch, CGFO CGFM
Director of Finance

ENNIS TEXAS

EST. 1872

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ennis

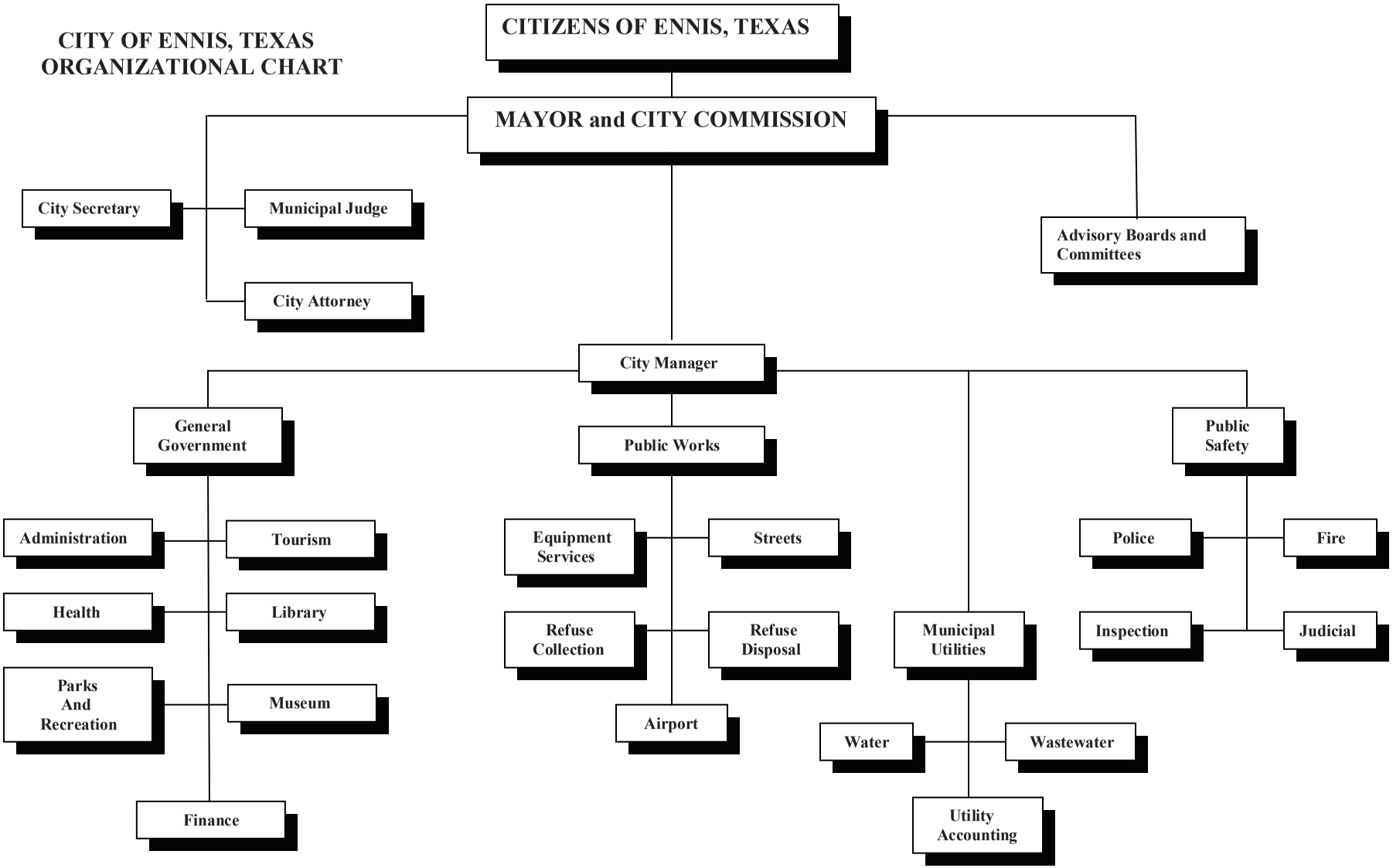
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

CITY OF ENNIS, TEXAS
ORGANIZATIONAL CHART



CITY OF ENNIS, TEXAS

LIST OF ELECTED CITY OFFICIALS, ADMINISTRATORS, AND CONSULTANTS

September 30, 2016

Mayor (at large)	Angeline Juenemann
Mayor Pro Tem (at large)	Matt Walker
Commissioner - Ward 1	Rowdy Pruitt
Commissioner - Ward 2	Marco A. Hernandez
Commissioner - Ward 3	Scott Hejny
Commissioner - Ward 4	Lola Searcy
Commissioner - Ward 5	Bill Honza

ADMINISTRATION

City Manager	R. Scott Dixon
Fire Chief	Jeff Aycock
City Secretary	Angie Wade
Director of Public Works	Robert Bolen
Library Director	Jessica Diaz
Police Chief	John Erisman
MIS Director	Henry Harris
Tourism Director	Gina Rokas
Director of Finance	C. Joel Welch
Director of Health Services	Chauncy Williams
Director of Parks & Recreation	Paul Liska
Legal Counsel	Richard Wilson
Auditors	Yeldell, Wilson, Wood & Reeve, P. C.

FINANCIAL SECTION

YELDELL, WILSON, WOOD & REEVE, P.C
CERTIFIED PUBLIC ACCOUNTANTS
Greer Yeldell, CPA | Glen Wilson, CPA | Tracie Wood, CPA | Joyce Reeve, CPA
Glenda Valek, CPA | Caitlyn Keller, CPA

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Commissioners
City of Ennis, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Ennis, Texas, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

611 S. Clay St. | P.O. Box 1087 | Ennis, Texas 75120 • 405 Sycamore St. | Waxahachie, Texas 7516
P: 972.878.2611 | www.ywcocpa.com | F: 972.878.2220

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 units, each major fund, and the aggregate remaining fund information of the City of Ennis, Texas, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14-23, schedule of changes in net pension liability and related ratios on page 73 and schedule of contributions on page 74 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ennis, Texas' basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supplementary financial data, statistical section, and continuing financial disclosure tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections and continuing financial disclosure tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Yeldell, Wilson, Wood & Reeve, P.C.

Yeldell, Wilson, Wood & Reeve, P.C.
Certified Public Accountants

Ennis, Texas
March 2, 2017

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CITY OF ENNIS, TEXAS
P.O. Box 220 • Ennis, Texas 75120 • (972) 878-1234 • FAX (972) 875-9086
http://www.ennis-texas.com

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

As management of the City of Ennis, Texas, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the letter of transmittal, which can be found on pages 2-6 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $57,649,027 (*net position*). Of this amount, $2,444,882 represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by $2,325,931. Increased tax revenues driven by retail and commercial growth as well as capital grants and contributions were primarily responsible for the increase.
- As of the close of the current fiscal year, the City's governmental funds reported combined fund balances of $21,276,464, an increase of $9,491,034 in comparison with the prior year. Approximately 36% of this amount ($7,712,536) is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was $7,712,536, or approximately 54.6% of the total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, streets, health, equipment services, cultural and recreational, airport, hospital, and public works . The business-type activities of the City include water and sewer and sanitation operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate economic development corporation and a legally separate industrial development corporation for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 25-26 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 segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, and the 2016 Street Construction Fund, which are considered to be major funds. Data from the other thirteen governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 27-31 of this report.

Proprietary Funds. The City maintains one type of proprietary fund. The *enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses the enterprise funds to account for its water and sewer and sanitation operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Utility fund, which is considered to be a major fund of the City. Data from the other enterprise fund is combined into a single aggregated presentation.

The basic proprietary fund financial statements can be found on pages 32-34 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-71 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligations to provide pension benefits to its employees. Required supplementary information can be found on pages 73-74 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 75-87 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by $57,649,027, at the close of the most recent fiscal year.

CITY OF ENNIS' NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	$ 23,167,034	$ 13,436,597	$ 7,936,437	$ 4,700,126	$ 31,103,471	$ 18,136,723
Capital assets	63,053,924	65,099,929	33,212,930	32,157,239	96,266,854	97,257,168
Total assets	86,220,958	78,536,526	41,149,367	36,857,365	127,370,325	115,393,891
Total deferred outflows of resources	3,992,505	1,931,652	1,279,665	610,794	5,272,170	2,542,446
Long term liabilities	55,576,511	48,084,574	15,345,669	11,506,672	70,922,180	59,591,246
Other liabilities	1,877,505	1,622,674	1,137,679	829,217	3,015,184	2,451,891
Total liabilities	57,454,016	49,707,248	16,483,348	12,335,889	73,937,364	62,043,137
Total deferred inflows of resources	800,203	428,198	255,901	141,906	1,056,104	570,104
Net position:						
Net investment in capital assets	28,345,988	27,488,955	23,387,335	22,776,396	51,733,323	50,265,351
Restricted	3,470,822	2,392,432	-	-	3,470,822	2,392,432
Unrestricted	142,434	451,345	2,302,448	2,213,968	2,444,882	2,665,313
Total net position	$ 31,959,244	$ 30,332,732	$ 25,689,783	$ 24,990,364	$ 57,649,027	$ 55,323,096

Certain reclassifications have been made to the prior year data to conform with the current year presentation.

By far, the largest portion of the City's net position (89.7%) reflects its investment in capital assets (e.g., land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, and water rights), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (6.02%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $2,444,882 is unrestricted and may be used to meet the City’s ongoing obligations to its citizens and creditors.

The City’s total net investment in capital assets increased as the additions from capital outlays and work-in-progress exceeded capital related debt issued, depreciation and retirements.

The City's overall net position increased $2,325,931 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

CITY OF ENNIS' CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	$ 1,675,890	$ 1,485,714	$ 9,729,827	$ 9,124,429	$ 11,405,717	$ 10,610,143
Operating grants and contributions	458,596	247,955	-	-	458,596	247,955
Capital grants and contributions	270,773	12,037	702,809	-	973,582	12,037
General revenues:						
Property taxes	10,005,334	9,893,516	-	-	10,005,334	9,893,516
Sales taxes	5,018,180	3,782,774	-	-	5,018,180	3,782,774
Franchise taxes	1,550,923	1,606,673	-	-	1,550,923	1,606,673
Hotel occupancy taxes	344,126	309,009	-	-	344,126	309,009
Alcoholic beverage taxes	43,442	38,206	-	-	43,442	38,206
Grants and contributions not restricted to specific programs	116,000	118,200	-	-	116,000	118,200
Investment earnings	283,228	273,786	31,877	23,463	315,105	297,249
Miscellaneous	107,252	163,812	-	-	107,252	163,812
Total revenues	19,873,744	17,931,682	10,464,513	9,147,892	30,338,257	27,079,574
Expenses:						
General government	2,505,980	2,009,993	-	-	2,505,980	2,009,993
Public safety	9,114,529	8,355,627	-	-	9,114,529	8,355,627
Streets	2,709,706	2,210,989	-	-	2,709,706	2,210,989
Health	335,075	384,148	-	-	335,075	384,148
Equipment services	331,180	253,835	-	-	331,180	253,835
Cultural and recreational	1,286,058	1,270,123	-	-	1,286,058	1,270,123
Airport	148,531	169,804	-	-	148,531	169,804
Hospital	1,229,321	1,229,356	-	-	1,229,321	1,229,356
Public works	367,727	179,270	-	-	367,727	179,270
Interest on long-term debt	965,000	832,587	-	-	965,000	832,587
Water	-	-	4,238,207	4,081,529	4,238,207	4,081,529
Sewer	-	-	3,619,526	3,293,496	3,619,526	3,293,496
Sanitation	-	-	1,161,486	1,060,622	1,161,486	1,060,622
Total expenses	18,993,107	16,895,732	9,019,219	8,435,647	28,012,326	25,331,379
Increase in net position before transfers	880,637	1,035,950	1,445,294	712,245	2,325,931	1,748,195
Transfers	745,875	1,191,451	(745,875)	(1,191,451)	-	-
Change in net position	1,626,512	2,227,401	699,419	(479,206)	2,325,931	1,748,195
Net position - beginning, as restated	30,332,732	28,105,331	24,990,364	25,469,570	55,323,096	53,574,901
Net position - ending	$ 31,959,244	$ 30,332,732	$ 25,689,783	$ 24,990,364	$ 57,649,027	$ 55,323,096

Certain reclassifications have been made to the prior year data to conform with the current year presentation.

Governmental Activities. During the current fiscal year, net position for governmental activities increased $1,626,512 from the prior fiscal year for an ending balance of $31,959,244. Revenues rose 10.8% with increases in sales tax and grants and contributions being primarily responsible for the change. The increase in governmental expenses of 10.6% was equivalent to that of revenues. Increases in payroll expense of $393,620 and retirement expense of $508,065 attributed to 43% of the increase. An additional 26% of the increase in expenses was related to street repairs, funded by the City's Street Maintenance sales tax. These repairs increased the governmental expenses by $553,059.

Business-type Activities. For the City's business-type activities, the results for the current fiscal year resulted in a net increase in net position to an ending balance of $25,689,783. The total increase in net position for business-type activities (utility operations) was $699,419 or 2.8% from the prior fiscal year. Revenues from charges for services rose 6.63% as approved rate increases offset a 3% decrease in gallons consumed. Total expenses before transfers increased 7% in fiscal year 2016 primarily driven by the City's contribution of $300,000 to the Texas Department of Transportation for the acquisition of right of ways along U.S. Highway 287 for the purposes of relocating and/or adjusting utilities and an increase in retirement expense of $128,760. Capital contributions of $702,809 were also received by the City during fiscal year 2016.

Financial Analysis of Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City's Commissioners.

At September 30, 2016, the City's governmental funds reported combined fund balances of $21,276,464, an increase of $9,491,034 in comparison with the prior year. Approximately 36.2% of this amount ($7,712,536) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either nonspendable, restricted, or assigned to indicate that it is 1) not in spendable form ($72,896), 2) legally required to be maintained intact ($28,966), 3) restricted for particular purposes ($13,258,602), or 4) assigned for particular purposes ($203,464).

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was $7,712,536, while total fund balance increased to $7,988,404. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 54.6% of total general fund expenditures, while total fund balance represents approximately 56.5% of that same amount.

The fund balance of the City's general fund decreased by $127,443 during the current fiscal year. Revenues increased by $909,056 (7.23%) over the previous year with property tax contributing $460,125 to the increase and sales taxes contributing $367,481. General fund expenditures also experienced an increase of $972,737 (7.39%) with capital outlay for infrastructure and machinery and equipment, as well as payroll expenditures being responsible for the majority of the increase.

The 2016 street construction fund, a major governmental fund, has a $8,812,118 increase in fund balance during the current fiscal year which increased total fund balance to $8,812,118. The increase is primarily the result of bond proceeds received but not spent as of year end.

The debt service fund, a major fund, had an increase in fund balance during the current year of $61,506 to bring the year end fund balance to $834,307.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Utility fund at the end of the year was $2,970,919. The total increase in net position was $761,285. Operating revenues rose in 2016 by $605,398 (6.6%) due to an increase in water and sewer rates of 7.7% and 3%, respectively. The increase was also driven by an increase in consumption. Operating expenses rose $591,503 (7%), largely due to payments made to the Texas Department of Transportation in relation to the U.S. Highway 287 construction project and a larger retirement expense.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, the City increased expenditures by $634,000. This was offset with a decrease in available fund balance.

Final budget compared to actual results. General fund actual revenues of $13,386,099 exceeded budgeted revenues of $12,682,812 by $703,287. Following are the main components that experienced an increase or decrease of actual revenue compared to budgeted revenue:

- The $296,344 increase in sales tax is the result of retail and commercial growth within the City.
- The $112,025 increase in licenses and permits is primarily due to increased construction within the City.

Budgeted general fund expenditures of $14,227,792 exceeded actual expenditures of $14,131,983. This $95,809 positive variance in expenditures was achieved through a series of expenditure restrictions imposed during the year.

- General government expenditures exceeded the budget by $390,114 primarily due to the cost of downtown infrastructure improvements incurred and the reallocation of nondepartmental expenses during the year.
- Savings were realized by the Streets and Parks departments due to vacancies in staff positions and fuel savings from lower fuel prices.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2016, amounts to $96,266,854 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, infrastructure, and water rights. The total decrease in capital assets for the current fiscal year was approximately 1.03%.

City of Ennis' Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	$ 6,661,766	$ 6,661,766	$ 241,639	$ 241,639	$ 6,903,405	$ 6,903,405
Construction in progress	457,110	5,051,063	2,488,568	139,916	2,945,678	5,190,979
Buildings	22,393,836	23,151,725	4,121,371	4,301,752	26,515,207	27,453,477
Improvements	942,672	1,029,511	25,013,226	26,338,239	25,955,898	27,367,750
Machinery and equipment	4,491,141	4,953,235	847,207	601,380	5,338,348	5,554,615
Infrastructure	28,107,399	24,252,629	-	-	28,107,399	24,252,629
Water rights	-	-	500,919	534,313	500,919	534,313
Total	$ 63,053,924	$ 65,099,929	$ 33,212,930	$ 32,157,239	$ 96,266,854	$ 97,257,168

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

- Street improvements of approximately $462,000.
- Machinery and equipment additions of approximately $902,000 were comprised of three (3) patrol units for the Police Department, two trucks, one street sweeper, three vehicles and a VacCon truck for Utility Fund and other, smaller, acquisitions.
- Water and sewer line additions and improvements of approximately $2,500,000.

Additional information on the City's capital assets can be found in Note 2.D on pages 48-50 of this report.

Long-term Debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $42,500,000, which is backed by the full faith and credit of the government. The remainder of the City's long-term obligations comprises note payable, development agreement payable, and capital leases.

City of Ennis' Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Certificates of obligation	$ 14,705,000	$ 8,665,000	$ 4,720,000	$ -	$ 19,425,000	$ 8,665,000
General obligations	15,111,722	14,993,634	7,963,278	9,416,366	23,075,000	24,410,000
Note payable	-	136,755	-	-	-	136,755
Development agreement payable	16,846,290	17,391,183	-	-	16,846,290	17,391,183
Capital leases	459,908	646,388	9,482	46,999	469,390	693,387
Total	$ 47,122,920	$ 41,832,960	$ 12,692,760	$ 9,463,365	$ 59,815,680	$ 51,296,325

The City's total debt increased by $8,519,355 (16.61%) during the current fiscal year. The reason for the increase is primarily the result of the issuance of certificates of obligation and general obligation refunding bonds.

The City's General Obligation and Combination Tax and Revenue Certificates of Obligation ratings are listed below.

	Moody's	Standard's & Poor's
General Obligation Bonds	Aa3	AA-
Certificates of Obligation	Aa3	AA-

Additional information on the City's long term-debt can be found in Note 2.I on pages 53-58 of this report.

Economic Factors and Next Year's Budgets and Rates

In the 2016-17 Budget, General Fund revenues and transfers in are projected to increase by 8.62% versus the revised 2015-16 budget year on the strength of an estimated 7.5% increase in property tax collections. Property taxes now represent 48% of total revenues. The share of General Fund Revenues from property taxes is expected to continue to grow slowly as only property and sales taxes are liquid.

Sales taxes are now collected for four (4) different purposes in Ennis. The general sales tax of 1% on eligible sales is the second largest source of financing for the General Fund. The 1/2 cent sales tax for the Economic Development Corporation and the 1/4 cent sales tax for the Community Crime Prevention District and Street Maintenance Sales Tax are the primary source of revenues for their respective funds. In 2016-17, sales tax are expected to exceed the revised budget of 2015-16 by approximately 19%.

The 2016-17 budget year represents the seventh full year of restructured water and/or wastewater rates. Residential water rates were converted from single block rates to an inclined rate structure based upon consumption in FY2015-16. Commercial water rates will be converted to an inclined rate structure based upon meter size in 2016-17. Sewer rates were adjusted to yield an additional 10.6%. Water consumption increased 4% in FY2016-17 as weather patterns became more historically normal following an exceptionally wet FY2015-16.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 115 W. Brown Street, Ennis, Texas 75119.

BASIC FINANCIAL STATEMENTS

CITY OF ENNIS, TEXAS
STATEMENT OF NET POSITION
September 30, 2016

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Ennis Economic Development Corporation	Ennis Industrial Development Corporation
ASSETS					
Cash and cash equivalents	$ 20,560,175	$ 4,137,690	$24,697,865	$ 6,525,728	$ 1,009
Receivables (net of allowance for uncollectibles)	1,839,307	1,039,222	2,878,529	-	-
Intergovernmental receivables	138,686	132,961	271,647	-	-
Due from primary government	-	-	-	789,042	-
Internal balances	555,970	(555,970)	-	-	-
Inventories	47,451	146,505	193,956	-	-
Prepaid items	25,445	892	26,337	-	-
Restricted cash and cash equivalents	-	3,035,137	3,035,137	1,493,518	-
Capital assets:					
Non-depreciable	7,118,876	2,730,207	9,849,083	3,664,236	-
Depreciable (net of accumulated depreciation)	55,935,048	30,482,723	86,417,771	1,101,495	-
Total Assets	86,220,958	41,149,367	127,370,325	13,574,019	1,009
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	603,574	195,899	799,473	206,232	-
Pension contributions after measurement date	979,070	313,103	1,292,173	-	-
Difference in projected and actual earnings on pension assets	2,409,861	770,663	3,180,524	-	-
Total Deferred Outflows of Resources	3,992,505	1,279,665	5,272,170	206,232	-
LIABILITIES					
Accounts payable and other current liabilities	601,113	185,315	786,428	-	-
Accrued payroll payable	356,209	107,588	463,797	-	-
Accrued interest payable	131,141	58,529	189,670	1,279,021	-
Customer deposits payable	-	553,935	553,935	-	-
Due to component unit	789,042	-	789,042	-	-
Liabilities payable from restricted assets	-	232,312	232,312	108,387	-
Noncurrent liabilities:					
Due within one year	4,156,034	1,718,263	5,874,297	475,000	-
Due in more than one year	51,420,477	13,627,406	65,047,883	5,648,116	-
Total Liabilities	57,454,016	16,483,348	73,937,364	7,510,524	-
DEFERRED INFLOWS OF RESOURCES					
Changes in actuarial assumptions	23	7	30	-	-
Difference in expected and actual pension experience	800,180	255,894	1,056,074	-	-
Total Deferred Inflows of Resources	800,203	255,901	1,056,104	-	-
NET POSITION					
Net investment in capital assets	28,345,988	23,387,335	51,733,323	(1,357,385)	-
Restricted for:					
Capital projects	-	-	-	594,280	-
Cultural and recreational:					
Expendable	679,573	-	679,573	-	-
Nonexpendable	28,966	-	28,966	-	-
Debt service	834,307	-	834,307	790,851	-
Economic development	-	-	-	6,241,981	-
Industrial development	-	-	-	-	1,009
Public safety	1,124,496	-	1,124,496	-	-
Streets	695,343	-	695,343	-	-
Tourism	108,137	-	108,137	-	-
Unrestricted	142,434	2,302,448	2,444,882	-	-
Total Net Position	$ 31,959,244	$ 25,689,783	$57,649,027	$ 6,269,727	$ 1,009

The notes to financial statements are an integral part of this statement.

CITY OF ENNIS, TEXAS
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2016

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
					Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Ennis Economic Development Corporation	Ennis Industrial Development Corporation
Function/Programs:									
Primary government:									
Governmental activities:									
General government	$ 2,505,980	$ 308,178	$ 258,024	$ 270,773	$ (1,669,005)	$ -	$ (1,669,005)	$ -	$ -
Public safety	9,114,529	763,986	8,032	-	(8,342,511)	-	(8,342,511)	-	-
Streets	2,709,706	-	-	-	(2,709,706)	-	(2,709,706)	-	-
Health	335,075	-	-	-	(335,075)	-	(335,075)	-	-
Equipment services	331,180	-	-	-	(331,180)	-	(331,180)	-	-
Cultural and recreational	1,286,058	19,920	165,899	-	(1,100,239)	-	(1,100,239)	-	-
Airport	148,531	35,236	26,641	-	(86,654)	-	(86,654)	-	-
Hospital	1,229,321	544,893	-	-	(684,428)	-	(684,428)	-	-
Public works	367,727	3,677	-	-	(364,050)	-	(364,050)	-	-
Interest	965,000	-	-	-	(965,000)	-	(965,000)	-	-
Total governmental activities	18,993,107	1,675,890	458,596	270,773	(16,587,848)	-	(16,587,848)	-	-
Business-type activities:									
Water	4,238,207	5,236,246	-	351,405	-	1,349,444	1,349,444	-	-
Sewer	3,619,526	3,380,920	-	351,404	-	112,798	112,798	-	-
Sanitation	1,161,486	1,112,661	-	-	-	(48,825)	(48,825)	-	-
Total business-type activities	9,019,219	9,729,827	-	702,809	-	1,413,417	1,413,417	-	-
Total primary government	$ 28,012,326	$ 11,405,717	$ 458,596	$ 973,582	(16,587,848)	1,413,417	(15,174,431)	-	-
Component units:									
Ennis Economic Development Corporation	$ 1,371,365	$ -	$ 100	$ -				(1,371,265)	
Total component units	$ 1,371,365	$ 100	$ 100	$ -				(1,371,265)	-
General revenues:									
Property taxes					10,005,334	-	10,005,334	-	-
Sales taxes					5,018,180	-	5,018,180	1,694,512	-
Franchise taxes					1,550,923	-	1,550,923	-	-
Hotel occupancy taxes					344,126	-	344,126	-	-
Alcoholic beverage taxes					43,442	-	43,442	-	-
Grants and contributions not restricted to specific programs					116,000	-	116,000	-	-
Investment earnings					283,228	31,877	315,105	42,291	-
Loss on sale of capital asset					-	-	-	(33,446)	-
Miscellaneous					107,252	-	107,252	14,319	-
Transfers					745,875	(745,875)	-	-	-
Total general revenues					18,214,360	(713,998)	17,500,362	1,717,676	-
Change in net position					1,626,512	699,419	2,325,931	346,411	-
Net position - beginning, as restated					30,332,732	24,990,364	55,323,096	5,923,316	1,009
Net position - ending					$ 31,959,244	$ 25,689,783	$ 57,649,027	$ 6,269,727	$ 1,009

The notes to financial statements are an integral part of this statement.

CITY OF ENNIS, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2016

	General	2016 Street Reconstruction	Debt Service	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 7,621,904	$ 8,812,118	$ 834,307	$ 3,291,846	$ 20,560,175
Receivables (net of allowance for uncollectibles)	1,482,909	-	-	356,398	1,839,307
Intergovernmental receivables	138,686	-	-	-	138,686
Due from other funds	555,970	-	-	2,635	558,605
Inventories	47,451	-	-	-	47,451
Prepaid items	21,857	-	-	3,588	25,445
Total assets	$ 9,868,777	$ 8,812,118	$ 834,307	$ 3,654,467	$ 23,169,669
LIABILITIES					
Accounts payable	$ 593,015	$ -	$ -	$ 8,098	$ 601,113
Accrued payroll payable	351,475	-	-	4,734	356,209
Due to other funds	2,635	-	-	-	2,635
Due to component unit	789,042	-	-	-	789,042
Total liabilities	1,736,167	-	-	12,832	1,748,999
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	117,067	-	-	-	117,067
Unavailable revenue-special assessment	27,139	-	-	-	27,139
Total deferred inflows of resources	144,206	-	-	-	144,206
FUND BALANCES					
Nonspendable:					
Endowment	-	-	-	28,966	28,966
Inventories	47,451	-	-	-	47,451
Prepaid items	21,857	-	-	3,588	25,445
Restricted:					
Capital projects	3,022	8,812,118	-	1,001,606	9,816,746
Cultural and recreational	-	-	-	679,573	679,573
Debt service	-	-	834,307	-	834,307
Public safety	74	-	-	1,124,422	1,124,496
Streets	-	-	-	695,343	695,343
Tourism	-	-	-	108,137	108,137
Assigned:					
Insurance	203,464	-	-	-	203,464
Unassigned	7,712,536	-	-	-	7,712,536
Total fund balances	7,988,404	8,812,118	834,307	3,641,635	21,276,464
Total liabilities, deferred inflows of resources, and fund balances	$ 9,868,777	$ 8,812,118	$ 834,307	$ 3,654,467	$ 23,169,669

The notes to financial statements are an integral part of this statement.

CITY OF ENNIS, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2016

Amounts reported for governmental activities in the statement of net position (page 25) are different because:

Total fund balances - governmental funds (page 27)		$ 21,276,464
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		63,053,924
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		144,206
Deferred outflows of resources are not reported in the governmental funds:		
Deferred charges on refunding	$ 603,574	
Pension contributions after measurement date	979,070	
Difference in projected and actual earnings on pension assets	2,409,861	3,992,505
Interest payable on long-term debt does not require current financial resources. Therefore interest payable is not reported as a liability in the governmental funds balance sheet.		(131,141)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Due within one year	(4,156,034)	
Due in more than one year	(51,420,477)	(55,576,511)
Deferred inflows of resources are not reported in the governmental funds:		
Changes in actuarial assumptions	(23)	
Difference in expected and actual pension experience	(800,180)	(800,203)
Net position of governmental activities (page 25)		$ 31,959,244

The notes to financial statements are an integral part of this statement.

CITY OF ENNIS, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Fiscal Year Ended September 30, 2016

	General	2016 Street Reconstruction	Debt Service	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Property taxes	$ 6,582,359	$ -	$ 3,432,575	$ -	$ 10,014,934
Sales taxes	3,389,044	-	-	1,629,136	5,018,180
Franchise taxes	1,550,923	-	-	-	1,550,923
Hotel occupancy taxes	-	-	-	344,126	344,126
Alcoholic beverage taxes	43,442	-	-	-	43,442
Licenses and permits	292,635	-	-	-	292,635
Fines and forfeitures	603,300	-	-	22,530	625,830
Charges for services	207,909	-	-	35,236	243,145
Revenues from use of money and property	196,175	36,180	15,311	35,562	283,228
Miscellaneous	73,881	-	-	2,760	76,641
Intergovernmental	446,431	-	116,000	160,040	722,471
Contributions and donations	-	-	-	40,532	40,532
Total revenues	13,386,099	36,180	3,563,886	2,269,922	19,256,087
EXPENDITURES					
Current:					
General government	2,484,620	-	-	449,490	2,934,110
Public safety	8,497,933	-	-	106,400	8,604,333
Streets	920,975	-	-	553,059	1,474,034
Health	317,168	-	-	-	317,168
Equipment services	322,871	-	-	-	322,871
Cultural and recreational	1,065,060	-	-	40,173	1,105,233
Airport	14,570	-	-	-	14,570
Public works	297,208	-	-	-	297,208
Capital outlay:					
Streets	-	-	-	242,075	242,075
Airport	-	-	-	120,506	120,506
Debt service:					
Principal retirement	186,420	-	2,854,906	-	3,041,326
Interest and fiscal charges	25,158	558	778,540	-	804,256
Bond issuance costs	-	106,742	39,601	-	146,343
Total expenditures	14,131,983	107,300	3,673,047	1,511,703	19,424,033
Excess (deficiency) of revenues over (under) expenditures	(745,884)	(71,120)	(109,161)	758,219	(167,946)
OTHER FINANCING SOURCES (USES)					
Transfers in	618,441	-	144,967	-	763,408
Transfers out	-	(4,167)	-	(13,366)	(17,533)
Refunding bonds issued	-	-	3,325,000	-	3,325,000
Certificates of obligation issued	-	8,760,000	-	-	8,760,000
Premium on bonds issued	-	127,405	-	-	127,405
Payment to refunded bond escrow agent	-	-	(3,299,300)	-	(3,299,300)
Total other financing sources (uses)	618,441	8,883,238	170,667	(13,366)	9,658,980
Net change in fund balances	(127,443)	8,812,118	61,506	744,853	9,491,034
Fund balances-beginning	8,115,847	-	772,801	2,896,782	11,785,430
Fund balances-ending	$ 7,988,404	$ 8,812,118	$ 834,307	$ 3,641,635	$ 21,276,464

The notes to financial statements are an integral part of this statement.

CITY OF ENNIS, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended September 30, 2016

Amounts reported for governmental activities in the statement of activities (page 26) are different because:

Net Change in Fund Balances - total governmental funds (page 29)		$ 9,491,034
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay recorded as capital assets in the current period.		925,527
The net effect of various miscellaneous transactions involving capital assets (i.e., asset retirements/disposals) is to decrease net position.		(9,972)
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds.		(2,961,560)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Bonds issued	$ (8,760,000)	
Refunding bonds issued	(3,325,000)	
Premium on bonds issued	(127,405)	
Deferred charge on refunding	90,534	
Bond principal retirement	5,926,912	
Amortization of bond premiums/discounts	64,055	
Amortization of deferred charge on refunding	(72,688)	
Note payable retirement	136,755	
Development agreement payable retirement	544,893	
Capital lease retirement	186,480	(5,335,464)
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds. Change in accrued interest.		(5,829)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(9,600)
Pension contributions are recorded as expenditures in the governmental funds. However, in the statement of activities, these contributions are converted to the full accrual GASBS 68 pension amounts.		
Pension contributions after measurement date	6,272	
Difference in projected and actual earnings on pension assets	2,036,736	
Changes in actuarial assumptions	(23)	
Difference in expected and actual pension experience	(371,982)	1,671,003
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences	(108,633)	
Net pension liability	(2,029,994)	(2,138,627)
Change in net position of governmental activities (page 26)		$ 1,626,512

The notes to financial statements are an integral part of this statement.

CITY OF ENNIS, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

For the Fiscal Year Ended September 30, 2016

	Budgeted Amounts		Actual GAAP	Variance with
	Original	Final	Basis	Final Budget
REVENUES				
Property taxes	$ 6,677,350	$ 6,677,350	$ 6,582,359	$ (94,991)
Sales taxes	3,092,700	3,092,700	3,389,044	296,344
Franchise taxes	1,644,568	1,644,568	1,550,923	(93,645)
Alcoholic beverage taxes	36,875	36,875	43,442	6,567
Licenses and permits	180,610	180,610	292,635	112,025
Fines and forfeitures	547,420	547,420	603,300	55,880
Charges for services	232,140	232,140	207,909	(24,231)
Revenues from use of money and property	228,990	228,990	196,175	(32,815)
Miscellaneous	42,159	42,159	73,881	31,722
Intergovernmental	-	-	446,431	446,431
Total revenues	12,682,812	12,682,812	13,386,099	703,287
EXPENDITURES				
Current:				
General government:				
City commission	94,688	94,688	115,727	21,039
Administration	1,544,818	1,999,818	2,368,893	369,075
Total general government	1,639,506	2,094,506	2,484,620	390,114
Public safety:				
Police protection	4,375,914	4,375,914	4,326,494	(49,420)
Judicial	198,452	198,452	247,818	49,366
Fire protection	3,353,261	3,442,261	3,419,933	(22,328)
Inspection	495,845	495,845	503,688	7,843
Total public safety	8,423,472	8,512,472	8,497,933	(14,539)
Streets	1,172,919	1,262,919	920,975	(341,944)
Health	388,732	388,732	317,168	(71,564)
Equipment services	294,701	294,701	322,871	28,170
Cultural and recreational:				
Parks	738,376	738,376	589,013	(149,363)
Library	430,854	430,854	423,104	(7,750)
Museum	33,597	33,597	52,943	19,346
Total cultural and recreational	1,202,827	1,202,827	1,065,060	(137,767)
Airport	-	-	14,570	14,570
Public works	299,112	299,112	297,208	(1,904)
Debt service:				
Principal retirement	172,523	172,523	186,420	13,897
Interest and fiscal charges	-	-	25,158	25,158
Total debt service	172,523	172,523	211,578	39,055
Total expenditures	13,593,792	14,227,792	14,131,983	(95,809)
Excess (deficiency) of revenues over (under) expenditures	(910,980)	(1,544,980)	(745,884)	799,096
OTHER FINANCING SOURCES (USES)				
Transfers in	910,980	910,980	618,441	(292,539)
Total other financing sources and uses	910,980	910,980	618,441	(292,539)
Net change in fund balance	-	(634,000)	(127,443)	506,557
Fund balance-beginning	7,737,241	7,737,241	8,115,847	378,606
Fund balance-ending	$ 7,737,241	$ 7,103,241	$ 7,988,404	$ 885,163

The notes to financial statements are an integral part of this statement.

CITY OF ENNIS, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2016

	Business-type Activities - Enterprise		
	Utility	Nonmajor Enterprise Fund	Total Enterprise Funds
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 4,137,690	$ -	$ 4,137,690
Restricted cash and cash equivalents - bond construction	232,312	-	232,312
Receivables (net of allowance for uncollectibles)	907,730	131,492	1,039,222
Due from other funds	-	14,808	14,808
Intergovernmental receivable	132,961	-	132,961
Inventories	146,505	-	146,505
Prepaid items	892	-	892
Total current assets	5,558,090	146,300	5,704,390
Noncurrent Assets:			
Restricted cash and cash equivalents - bond construction	2,802,825	-	2,802,825
Capital assets (net, where applicable of accumulated depreciation)	33,030,779	182,151	33,212,930
Total noncurrent assets	35,833,604	182,151	36,015,755
Total assets	41,391,694	328,451	41,720,145
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	195,899	-	195,899
Pension contributions after measurement date	230,956	82,147	313,103
Difference in projected and actual earnings on pension assets	568,469	202,194	770,663
Total deferred outflows of resources	995,324	284,341	1,279,665
LIABILITIES			
Current Liabilities:			
Accounts payable	169,343	15,972	185,315
Accrued payroll payable	79,614	27,974	107,588
Due to other funds	252,918	317,860	570,778
Compensated absences	122,511	40,616	163,127
Customer deposits payable	553,935	-	553,935
Bonds payable	1,545,654	-	1,545,654
Capital lease payable	-	9,482	9,482
Accrued interest payable	58,529	-	58,529
Current liabilities payable from restricted assets:			
Accounts payable	232,312	-	232,312
Total current liabilities	3,014,816	411,904	3,426,720
Noncurrent Liabilities:			
Compensated absences	-	14,695	14,695
Bonds payable	11,269,183	-	11,269,183
Net pension liability	1,728,672	614,856	2,343,528
Total noncurrent liabilities	12,997,855	629,551	13,627,406
Total liabilities	16,012,671	1,041,455	17,054,126
DEFERRED INFLOWS OF RESOURCES			
Changes in actuarial assumptions	5	2	7
Difference in expected and actual pension experience	188,757	67,137	255,894
Total deferred inflows of resources	188,762	67,139	255,901
NET POSITION (DEFICIT)			
Net investment in capital assets	23,214,666	172,669	23,387,335
Unrestricted	2,970,919	(668,471)	2,302,448
Total net position (deficit)	$ 26,185,585	$ (495,802)	$ 25,689,783

The notes to financial statements are an integral part of this statement.

CITY OF ENNIS, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Fiscal Year Ended September 30, 2016

	Business-type Activities - Enterprise		
	Utility	**Nonmajor Enterprise Fund**	**Total Enterprise Funds**
Operating revenues:			
Water revenue	$ 5,236,246	$ -	$ 5,236,246
Sewer revenue	3,380,920	-	3,380,920
Sanitation revenue	-	1,112,661	1,112,661
Total operating revenues	8,617,166	1,112,661	9,729,827
Operating expenses:			
Personnel	2,604,169	936,128	3,540,297
Supplies	645,593	45,309	690,902
Maintenance and replacement	983,737	38,477	1,022,214
Miscellaneous services	1,415,893	73,656	1,489,549
Depreciation and amortization	1,803,424	67,392	1,870,816
Total operating expenses	7,452,816	1,160,962	8,613,778
Operating income (loss)	1,164,350	(48,301)	1,116,049
Nonoperating revenue (expenses):			
Investment earnings	31,877	-	31,877
Loss on disposal of property	(40,716)	-	(40,716)
Interest expense	(276,869)	(524)	(277,393)
Bond issuance costs	(87,332)	-	(87,332)
Total nonoperating revenue (expenses)	(373,040)	(524)	(373,564)
Income before contributions and transfers	791,310	(48,825)	742,485
Capital contributions	702,809	-	702,809
Transfer in	4,167	-	4,167
Transfer out	(737,001)	(13,041)	(750,042)
Change in net position	761,285	(61,866)	699,419
Net position-beginning, as restated	25,424,300	(433,936)	24,990,364
Net position (deficit)-ending	$ 26,185,585	$ (495,802)	$ 25,689,783

The notes to financial statements are an integral part of this statement.

CITY OF ENNIS, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended September 30, 2016

	Business-type Activities - Enterprise		
	Utility	Nonmajor Enterprise Fund	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$8,696,602	$1,107,444	$9,804,046
Payments to suppliers and service providers	(3,009,194)	(151,866)	(3,161,060)
Payments to employees for salaries and benefits	(2,573,393)	(911,770)	(3,485,163)
Net cash provided by (used for) operating activities	3,114,015	43,808	3,157,823
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances to other funds	-	(1,271)	(1,271)
Advances from other funds	34,296	8,545	42,841
Capital contributions	397,075	-	397,075
Transfers from other funds	4,167	-	4,167
Transfers to other funds	(737,001)	(13,041)	(750,042)
Net cash provided by (used for) noncapital financing activities	(301,463)	(5,767)	(307,230)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(2,469,913)	-	(2,469,913)
Proceeds from sale of bonds	7,785,000	-	7,785,000
Bond issuance costs	(87,332)	-	(87,332)
Principal paid on bond maturities	(4,518,088)	-	(4,518,088)
Interest and fiscal charges paid on bonds	(357,259)	-	(357,259)
Principal paid on leased assets	-	(37,517)	(37,517)
Interest paid on leased assets	-	(524)	(524)
Net cash provided by (used for) capital and related financing activities	352,408	(38,041)	314,367
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	39,807	-	39,807
Net cash provided by investing activities	39,807	-	39,807
Net increase (decrease) in cash and cash equivalents	3,204,767	-	3,204,767
Cash and cash equivalents October 1 (including $39,385 reported in restricted accounts)	3,968,060	-	3,968,060
Cash and cash equivalents September 30 (including $3,035,137 reported in restricted accounts)	$7,172,827	$ -	$7,172,827
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	$1,164,350	$ (48,301)	$1,116,049
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	1,803,424	67,392	1,870,816
(Increase) decrease in accounts receivable	69,486	(5,217)	64,269
(Increase) decrease in inventory	(3,530)	-	(3,530)
(Increase) decrease in prepaid items	(892)	-	(892)
(Increase) decrease in pension related deferred outflows	(386,486)	(137,241)	(523,727)
Increase (decrease) in accounts payable	40,451	5,576	46,027
Increase (decrease) in accrued payroll payable	14,279	4,456	18,735
Increase (decrease) in compensated absences	(31,475)	3,919	(27,556)
Increase (decrease) in customer deposits	9,950	-	9,950
Increase (decrease) in net pension liability	434,458	153,224	587,682
Total adjustments	1,949,665	92,109	2,041,774
Net cash provided by (used for) operating activities	$3,114,015	$ 43,808	$3,157,823
Schedule of non-cash transactions:			
Contributions of capital assets	$ 172,773	$ -	$ -
Purchase of capital assets on account	232,312	-	232,312

The notes to financial statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities,* which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting entity

The City of Ennis, Texas (the "City") was incorporated May 2, 1872, and operates under a Commission-Manager form of government. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the City. Additionally, the City is required to consider other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units.

Discretely presented component units. The Corporations described below are included in the City's reporting entity because the City appoints the governing body and the Corporations are fiscally dependent on the City. The Corporations are reported as discretely presented component units since the governing body is not substantively the same as the governing body of the City, and they provide service to the citizens of Ennis and the surrounding area as opposed to only the primary government. To emphasize that they are legally separate from the City, they are reported in separate columns in the financial statements.

The *Ennis Economic Development Corporation, Inc.* (the "Corporation") is responsible for collecting and disbursing the one-half percent sales tax to be used for economic development within the City. The members of the Corporation's board are appointed by the City. The City can impose its will on the Corporation by significantly influencing the program, projects, activities, or level of service performed by the Corporation. The Corporation is presented as a governmental fund type and has a September 30 year end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Reporting entity (continued)

Separately issued financial reports are available for the Corporation. This report may be obtained by contacting the following office.

City of Ennis
115 West Brown Street
Ennis, Texas 75119

The *Ennis Industrial Development Corporation, Inc.* (IDC) is authorized to acquire, whether by-construction, devise, purchase, gift, lease or otherwise or any one or more of such methods to construct, improve, maintain, equip and furnish development projects within or partially within the City limits and to issue revenue bonds to defray all or part of the cost of any project. The members of the IDC's board are appointed by the City Commission. The City can impose its will on the IDC by significantly influencing the program, projects, activities, or level of service performed by the IDC. Separate financial statements for the IDC are not issued.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the City has discretely presented component units. The Economic Development Corporation and Industrial Development Corporation are considered to be major component units and are shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer and sanitation functions 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.

D. Basis of presentation – fund financial statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of presentation – fund financial statements (continued)

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 accounted for in another fund.

The *2016 street construction fund* is used to account for improvements to streets from issuance of certificates of obligation.

The *debt service fund* is used to account for the accumulation of resources that are restricted for the payment of principal and interest on long-term obligations of governmental funds.

The City reports the following major enterprise fund:

The *utility fund* accounts for the activities of the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement focus and basis of accounting

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales 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 if received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting.*

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Budgetary information

1. *Budgetary basis of accounting*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and debt service fund. The annual budgets for the utility and nonmajor enterprise funds are prepared on the budgetary basis of accounting. Appropriations in all budgeted funds lapse at the end of the fiscal year. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

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

1. *Cash and cash equivalents*

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

2. *Investments*

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in TexPool. In accordance with state law, TexPool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, TexPool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. TexPool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC.

The State Comptroller of Public Accounts oversees TexPool. Federated Investors is the full service provider to the pool managing the assets, providing participant services, and arranging for all custody and other functions in support of the pool operations under a contract with the Comptroller.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

TexPool is managed conservatively to provide a safe, efficient, and liquid investment alternative to Texas governments. The pool seeks to maintain a $1.00 value per share as required by the Texas Public Funds Investment Act. TexPool investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAA-rated no-load money market mutual funds. TexPool is rated AAAm by Standard & Poor's, the highest rating a local government investment pool can achieve. The weighted average maturities of the pool cannot exceed 60 days, with the maximum maturity of any investment limited to 13 months. TexPool , like its participants, is governed by the Texas Public Funds Investment Act, and is in full compliance with the Act.

3. *Restricted assets*

Certain proceeds of the City's enterprise funds general obligation bonds are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "revenue bond construction" account is used to report those proceeds of revenue bond issuances that are restricted for use in construction.

4. *Inventories and prepaid items*

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses 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 the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. *Capital assets*

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

As the government constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Interest incurred during the construction phase of capital assets of enterprise funds is included as part of the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period. The amount of interest capitalized depends on the specific circumstances. This year certificates of obligation were issued to finance utility fund projects. Accordingly, the interest capitalized in the amount of $92,226 was calculated by netting actual interest expense on the bonds ($100,156) with the actual investment earnings on the unspent proceeds of the bonds ($7,930).

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Capital asset classes	Lives
Buildings	7-50
Improvements	7-50
Machinery and equipment	5-30
Infrastructure	10-50
Water rights	30

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

6. *Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources reported in this year's financial statements include (1) a deferred outflow of resources for contributions made to the City's defined benefit pension plan between the measurement date of the net pension liabilities from that plan and the end of the City's fiscal year, (2) deferred outflows of resources related to the differences between the projected and actual investment earnings for the City's multiple-employer defined benefit fund, and (3) deferred charge on refunding. Deferred outflows for pension contributions will be recognized in the subsequent fiscal year. The differences between the projected and actual investment earnings are attributed to pension expense over a total of 5 years, including the current year. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. No deferred outflows of resources affect the governmental funds financial statements in the current year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources are reported in the City's various statements of net position for 1) a deferred inflow of resources related to changes in actuarial assumptions of the City's defined benefit pension plan and 2) the difference between expected and actual experience data used by the actuary. Deferred inflows for changes in actuarial assumptions is attributed to pension expense over a total of 5.42 years. The deferred inflow of resources related to the difference between expected and actual experience data used by the actuary is attributed to pension expense over a total of 5 years, including the current year. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The City will not recognize the related revenues until they are available (collected not later than 60 days after the end of the City's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenues from property taxes are reported in the governmental funds balance sheet.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

7. *Long-term obligations*

In the government-wide financial statements, and proprietary fund type in the 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 statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

8. *Net position flow assumption*

Net position represent the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide financial statements. Net positions are classified in the following categories:

Net investment in capital assets —This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted net position —This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position —This amount is the net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

9. *Fund balance flow assumption*

The governmental fund financial statements present fund balance categorized based on the nature and extent of the constraints placed on the specific purposes for which a government's funds may be spent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance—amounts that are not in spendable form (such as inventories and prepaid items) or are required to be maintained intact.

Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Commissioners). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the City intends to use for a specific purpose. Intent can be expressed by the City Commissioners or by an official or body to which the City Commissioners delegates the authority.

Unassigned fund balance— amounts that represent fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed, or assigned. Positive balances are reported only in the general fund.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance (continued)

10. *Library Endowment*

Under terms of the endowment, and consistent with State statutes, the City is authorized on a total-return policy to spend the net appreciation for the benefit of the Ennis Public Library. All available net appreciation has been expended as of September 30, 2016.

11. *Deficit fund equity*

As of September 30, 2016, the Sanitation fund, a nonmajor enterprise fund, has a deficit fund balance of $495,802.

H. Revenues and expenditures/expenses

1. *Program revenues*

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

2. *Property taxes*

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property. Appraised values are established by the Ellis Appraisal District as market value and assessed at 100% of appraised value. Property taxes attach as an enforceable lien on property as of January 1. The Ellis County Tax Assessor/Collector bills and collects the City's property taxes, which are due October 1. Full payment can be made prior to the next January 31 to avoid penalty and interest charges. Over time substantially all property taxes are collected.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Revenues and expenditures/expenses (continued)

3. *Compensated absences*

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

4. *Proprietary funds operating and nonoperating revenues and expenses*

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility and nonmajor enterprise funds are charges to customers for sales and services. The utility 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 enterprise funds includes 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.

5. Pensions

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

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash deposits with financial institutions

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. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits. The City's deposits were fully insured or collateralized as required by State statutes at September 30, 2016. At year end, the bank balance of the City's deposits was $27,984,148. Of the bank balance, $513,074 was covered by federal depository insurance and the remaining balance, $27,471,074, was covered by collateral pledged in the City's name. The collateral was held in the City's name by the safekeeping department of the pledging bank's agent and had a fair value of approximately $29,971,000.

B. Investments

State statutes authorize the City to invest in certificates of deposit, obligations of the U.S. Treasury and the State Treasurer's Investment Pool.

The State Treasurer's Investment Pool (TexPool) operates in accordance with state law, which requires it to meet all of the requirements of Rule 2a-7 of the Securities and Exchange Commission. See note 1.G.2, *Investments,* for a discussion of how the shares in the Pool are valued. TexPool invests in a high quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state.

Investment Type	Fair Value
TexPool	$ 303,156

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of September 30, 2016, the City's investment in TexPool was rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration of credit risk. The City's investment policy contains no limitations on the amount that can be invested in any one issuer.

TexPool is considered a cash equivalent on the Government-wide Statement of Net Position and on the Balance Sheets of the Fund Financial Statements.

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

C. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general, nonmajor governmental, utility, and nonmajor enterprise funds, including the applicable allowances for uncollectible accounts:

Receivables:	General	Nonmajor Governmental	Utility	Nonmajor Enterprise	Total
Taxes	$ 1,587,766	$ 356,398	$ -	$ -	$ 1,944,164
Accounts	-	-	938,771	141,185	1,079,956
Special assessments	27,139	-	-	-	27,139
Other	35,367	-	-	-	35,367
Gross receivables	1,650,272	356,398	938,771	141,185	3,086,626
Less: allowance for uncollectibles	(167,363)	-	(31,041)	(9,693)	(208,097)
Net total receivables	$ 1,482,909	$ 356,398	$ 907,730	$ 131,492	$ 2,878,529

D. Capital assets

Capital asset activity for the year ended September 30, 2016, was as follows:

Governmental activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 6,661,766	$ -	$ -	$ 6,661,766
Construction in progress	5,051,063	462,407	(5,056,360)	457,110
Total capital assets not being depreciated	11,712,829	462,407	(5,056,360)	7,118,876
Capital assets being depreciated:				
Buildings	30,992,571	-	-	30,992,571
Improvements	2,725,535	-	-	2,725,535
Machinery and equipment	14,122,585	463,120	-	14,585,705
Infrastructure	43,526,896	5,056,360	(48,012)	48,535,244
Totals capital assets being depreciated	91,367,587	5,519,480	(48,012)	96,839,055
Less accumulated depreciation for:				
Buildings	(7,840,846)	(757,889)	-	(8,598,735)
Improvements	(1,696,024)	(86,839)	-	(1,782,863)
Machinery and equipment	(9,169,350)	(925,214)	-	(10,094,564)
Infrastructure	(19,274,267)	(1,191,618)	38,040	(20,427,845)
Total accumulated depreciation	(37,980,487)	(2,961,560)	38,040	(40,904,007)
Total capital assets, being depreciated, net	53,387,100	2,557,920	(9,972)	55,935,048
Governmental activities capital assets, net	$ 65,099,929	$ 3,020,327	$ (5,066,332)	$ 63,053,924

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

D. Capital assets (continued)

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

Governmental activities:	
General government	$ 8,195
Public safety	301,379
Streets	1,216,234
Health	8,560
Equipment services	1,317
Cultural and recreational	152,598
Airport	13,455
Hospital	1,229,355
Public works	30,467
Total depreciation expense - governmental activities	$ 2,961,560

Business-type activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 241,639	$ -	$ -	$ 241,639
Construction in progress	139,916	2,389,368	(40,716)	2,488,568
Total capital assets not being depreciated	381,555	2,389,368	(40,716)	2,730,207
Capital assets being depreciated:				
Buildings	9,622,243	-	-	9,622,243
Improvements	48,838,131	139,069	-	48,977,200
Machinery and equipment	2,823,015	438,786	-	3,261,801
Water rights	1,001,831	-	-	1,001,831
Total capital assets being depreciated	62,285,220	577,855	-	62,863,075
Less accumulated depreciation for:				
Buildings	(5,320,491)	(180,381)	-	(5,500,872)
Improvements	(22,499,892)	(1,464,082)	-	(23,963,974)
Machinery and equipment	(2,221,635)	(192,959)	-	(2,414,594)
Water rights	(467,518)	(33,394)	-	(500,912)
Total accumulated depreciation	(30,509,536)	(1,870,816)	-	(32,380,352)
Total capital assets being depreciated, net	31,775,684	(1,292,961)	-	30,482,723
Business-type capital assets, net	$ 32,157,239	$ 1,096,407	$ (40,716)	$ 33,212,930

Depreciation expense was charged to the functions/programs of the business-type activities of the primary government as follows:

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

D. Capital assets (continued)

Business-type activities:	
Water	$ 1,043,426
Sewer	759,998
Sanitation	67,392
Total depreciation expense - business-type activities	$ 1,870,816

E. Construction commitments

Construction commitments. The City has active construction projects as of September 30, 2016. The projects include street improvements and water and sewer improvements. At year end the City's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining commitment
Street improvements	$ 457,110	$ 743,417
Water and sewer improvements	2,400,491	2,228,831
	$ 2,857,601	$ 2,972,248

The street improvements projects are commitments of the City's General fund. The projects are being funded by operating revenues and grant proceeds.

The water and sewer improvements projects are a commitments of the Utility fund. The projects are being funded by certificates of obligation and grant proceeds.

F. Other significant commitments

The City has entered into a contract with Trinity River Authority of Texas whereby the City acquired the right to utilize approximately 2,880-acre feet of water annually from the Bardwell Dam and Reservoir. In addition to the original contract, an amendatory contract was executed whereby the Authority agreed to construct intake structures, a water treatment plant and necessary transmission mains for use by the City in utilizing water from Lake Bardwell. The Trinity River Authority (TRA) is a governmental agency, which is controlled by directors appointed by the governor. A current schedule of estimated future contractual payments due the Authority is shown below:

Future Period		Monthly Payment	Annual Payment	Total of Payments
10/01/16	12/31/17	$ 28,419	$ 341,028	$ 426,285

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

F. Other significant commitments (continued)

Actual payments for the year ended September 30, 2016 were $464,412. The payments to be received from the City of Ennis, Texas are used as collateral for the bonds issued by TRA to construct the facility.

The City has entered into a contract with Trinity River Authority, subject to a Raw Water Supply Contract between Trinity River Authority and the Tarrant Regional Water District, whereby the City acquired the right to utilize approximately 1,994-acre feet of raw water annually from the Richland-Chambers and Cedar Creek Reservoir. Under the terms of the agreement the City is to make a payment if the City draws no water or a higher payment if the City draws water (Take or Pay Contract). The City has not taken water under this contract since 2007. Annually, since 2007, the TRWD has waived the payments and actual payments for the year ended September 30, 2016 were $0.

Complete separate financial statements for the Trinity River Authority may be obtained at Trinity River Authority of Texas, 5300 South Collins, P.O. Box 60, Arlington, Texas 76004.

On June 15, 2015 the City entered into an agreement with the Texas Department of Transportation (the State) to contribute $600,061 to the State for the acquisition of right of ways along U.S. Highway 287 for the purposes of relocating and/or adjusting utilities. The City has agreed to contribute property with an appraised value of $130,375 and make 4 periodic payments to the State. The land was contributed to the State during the current year and payments made as of the year ended September 30, 2016 totaled $320,000. The fourth payment of $149,686 will be due on or before October 1, 2017.

On April 4, 2016 the City contracted Schaumburg and Polk to perform a regional wastewater feasibility study for an amount not to exceed $350,000. Actual payments made by the City for the year ended September 30, 2016 totaled $42,000.

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

G. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

H. Lease obligations

1. Operating lease (as lessor)

The City entered into a lease agreement with PRHC-Ennis GP, Inc. (subsequently LifePoint Hospitals, Inc.)(the "Company") for the purpose of managing, operating and maintaining the new municipally owned hospital. Under the terms of the lease agreement the City has agreed to make the new hospital available to the Company for a term of forty years with two renewal periods of ten years, each. The Company has agreed to operate and maintain the hospital during the initial lease term and subsequent renewal periods and will pay the City $3,200,000 for each lease renewal period (Total consideration for the initial term and two lease renewal periods will be $28,195,735). The Company has the right to terminate the lease on 180 days notice to the City and the rent paid or payable under the lease will be proportionately and equitably rebated in accordance with the terms of the lease. Rental revenue reported under the lease agreement for the year ended September 30, 2016 totaled $544,893.

The assets leased under the agreement are as follows:

Asset	Governmental Activities
Building	$ 28,531,928
Machinery and equipment	7,525,953
Less: accumulated depreciation	(11,298,254)
Total	$ 24,759,627

2. Capital lease (as lessee)

The City is currently purchasing equipment under lease purchase agreements. The interest on the leases range from 1.74-2.258%.

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

H. Lease obligations (continued)

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Business-type Activities
Machinery and equipment	$ 1,168,524	$ 146,838
Less: accumulated depreciation	(372,383)	(102,787)
Total	$ 796,141	$ 44,051

Annual debt service requirements to maturity are as follows –

Year Ending September 30	Capital Lease Obligations			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2017	$ 29,611	$ 676	$ 9,482	$ 28
2018	97,298	9,454	-	-
2019	80,483	7,519	-	-
2020	82,300	5,702	-	-
2021	84,158	3,844	-	-
2022	86,058	1,943	-	-
	$ 459,908	$ 29,138	$ 9,482	$ 28

I. Long-term liabilities

Certificates of Obligation

The City issues certificates of obligation to provide funds for the acquisition, construction and maintenance of major capital facilities. Certificates of obligation have been issued for both governmental and business-type activities. Certificates of obligation are direct obligations and pledge the full faith and credit of the government. Certificates of obligation outstanding at September 30, 2016 are as follows:

Governmental Activities:

Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balances
2006	$ 3,000,000	8/1/2027	4.0-5.0	$ 150,000
2012	2,955,000	8/1/2020	2.0-3.0	400,000
2014	6,000,000	2/1/2034	2.0-3.75	5,750,000
2015	5,990,000	8/1/2035	2.0-3.375	5,635,000
2016	2,770,000	8/1/2031	2.0-2.10	2,770,000
Total				$ 14,705,000

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

I. Long-term liabilities (continued)

Business-type Activities:

Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balances
2015	$ 4,005,000	8/1/2035	2.0-3.375	$ 4,005,000
2016	715,000	8/1/2026	2.0	715,000
Total				$ 4,720,000

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition, construction and maintenance of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding at September 30, 2016 are as follows:

Governmental Activities:

Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balances
2007	$ 2,565,432	8/1/2022	3.625-4.00	$ 2,401,722
2012 - Refunding	1,685,000	2/1/2018	2.00	515,000
2012A - Refunding	1,984,500	8/1/2022	2.00-3.00	525,000
2014 - Refunding	10,045,000	8/1/2025	2.00-3.75	8,425,000
2016 - Refunding	3,325,000	8/1/2027	1.79	3,245,000
Total				$ 15,111,722

Business-type Activities:

Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balances
2007	$ 4,094,568	8/1/2022	3.625-4.00	$ 3,833,278
2012A - Refunding	3,685,500	8/1/2022	2.0-3.0	1,140,000
2016 - Refunding	3,065,000	8/1/2020	1.79	2,990,000
Total				$ 7,963,278

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

I. Long-term liabilities (continued)

Development Agreement Payable

The City entered into a development agreement with PRHC-Ennis GP, Inc. (subsequently LifePoint Hospitals, Inc.) (the "Company") for the construction, maintenance and operation of an acute municipal hospital. Under the terms of the development agreement the City purchased the constructed hospital from the Company. The purchase price paid at closing was reduced by an amount identified as rent under the terms of the development agreement and the terms of a lease agreement (described in Note 2.I.1). This development agreement payable ($21,795,735) was recorded at closing and is reduced as rent revenue under the lease agreement as earned.

The development agreement payable currently outstanding and reported as a liability of the City's governmental activities at September 30, 2016 totaled $16,846,920. The amount due within one year totals $544,893.

Advance Refunding

The City issued $6,390,000 in general obligation bonds with interest rate at 1.79%. The proceeds were used to advance refund $6,190,000 of outstanding 2005 Series, general obligation bonds and 2006 Series, certificates of obligation which had interest rates ranging from 3.625% to 5.0%. The net proceeds of $6,340,610 (after payment of $77,456 in underwriting fees and other issuance costs and accrued interest of $28,066) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, 2005 Series, general obligation bonds and 2006 Series, certificates of obligation are considered defeased and the liability for those bonds has been removed from the statement of net position. At September 30, 2016, $0 of defeased bonds remain outstanding.

The reacquisition price exceeded the net carrying amount of the old debt by $150,610. This amount is amortized over the remaining life of the refunding debt. The City advance refunded 2005 Series, general obligation bonds and 2006 Series, certificates of obligation to reduce its total debt service payments over 11 years by $483,208 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $539,207.

Compensated Absences

Compensated absences represent the estimated liability for employees' paid time off benefits for which employees are entitled to be paid upon termination. The retirement of this liability is paid from the General Fund, Utility Fund and nonmajor enterprise fund based on the assignment of an employee at termination.

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

I. Long-term liabilities (continued)

Net Pension Liability

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

Changes in Long-Term Liabilities

Changes in the City's long-term liabilities for the year ended September 30, 2016 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Certificates of obligation	$ 8,665,000	$ 8,760,000	$ (2,720,000)	$ 14,705,000	$ 1,105,000
General obligation bonds	14,993,634	3,325,000	(3,206,912)	15,111,722	1,989,346
Less deferred amounts:					
For issuance discount	(3,809)	-	694	(3,115)	-
For issuance premium	439,622	127,405	(64,749)	502,278	-
Total bonds payable	24,094,447	12,212,405	(5,990,967)	30,315,885	3,094,346
Note payable	136,755	-	(136,755)	-	-
Development agreement payable	17,391,183	-	(544,893)	16,846,290	544,893
Capital leases	646,388	-	(186,480)	459,908	29,611
Compensated absences	517,581	595,817	(487,184)	626,214	487,184
Net pension liability	5,298,220	2,029,994	-	7,328,214	-
Governmental activity Long-term liabilities	$ 48,084,574	$ 14,838,216	$ (7,346,279)	$ 55,576,511	$ 4,156,034

Certificates of obligation, general obligation bonds and note payable issued for governmental activity purposes are liquidated by the debt service fund. Governmental capital lease obligations, compensated absences, and net pension liability will be liquidated by the general fund. Vacation leave shall be taken during the year following its accumulation.

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

I. Long-term liabilities (continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
Certificates of obligation	$ -	$ 4,720,000	$ -	$ 4,720,000	$ -
General obligation bonds	9,416,366	3,065,000	(4,518,088)	7,963,278	1,545,654
Less deferred amounts:					
For issuance discount	(19,828)	-	7,848	(11,980)	-
For issuance premium	101,910	59,618	(17,989)	143,539	-
Total bonds payable	9,498,448	7,844,618	(4,528,229)	12,814,837	1,545,654
Capital lease	46,999	-	(37,517)	9,482	9,482
Compensated absences	205,379	154,574	(182,131)	177,822	163,127
Net pension liability	1,755,846	587,682	-	2,343,528	-
Business-type activity Long-term liabilities	$ 11,506,672	$ 8,586,874	$ (4,747,877)	$ 15,345,669	$ 1,718,263

Certificates of obligation, general obligation bonds, capital lease obligations, compensated absences and net pension liability issued for business-type activities are repaid from those activities.

The debt service requirements for the City's bonds are as follows:

	Governmental Activities			
	Certificates of Obligation		General Obligation bonds	
Year Ending September 30	Principal	Interest	Principal	Interest
2017	$ 1,105,000	$ 373,500	$ 1,989,346	$ 429,767
2018	925,000	352,295	2,045,978	385,046
2019	1,015,000	333,245	1,898,312	339,009
2020	1,030,000	311,108	1,967,572	284,840
2021	665,000	289,458	1,634,906	228,192
2022-2026	3,545,000	1,222,013	5,395,608	447,207
2027-2031	4,010,000	748,150	180,000	3,222
2032-2035	2,410,000	169,656	-	-
	$ 14,705,000	$ 3,799,425	$ 15,111,722	$ 2,117,283

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

I. Long-term liabilities (continued)

	Business-Type Activities			
	Certificates of Obligation		General Obligation Bonds	
Year Ending September 30	Principal	Interest	Principal	Interest
2017	$ -	$ 121,865	$ 1,545,654	$ 238,302
2018	-	123,056	1,509,022	197,740
2019	-	123,056	1,556,688	155,624
2020	-	123,056	1,602,428	112,044
2021	340,000	123,056	905,094	65,979
2022-2026	1,800,000	503,756	844,392	31,726
2027-2031	1,345,000	318,606	-	-
2032-2035	1,235,000	103,144	-	-
	$ 4,720,000	$ 1,539,595	$ 7,963,278	$ 801,415

J. Fund Balance

Minimum fund balance policy. In the general fund, the City strives to maintain an adequate General Fund Reserve which shall be at least the equivalent of ninety working days of general fund operating expenditures or $1,000,000, whichever is the greater.

K. Interfund receivables and payables

The composition of interfund balances as of September 30, 2016 is as follows:

Receivable Fund	Payable Fund	Amount
General	Utility	$ 238,110
General	Nonmajor enterprise fund	317,860
Nonmajor governmental funds	General	2,635
Nonmajor enterprise fund	Utility	14,808
		$ 573,413

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

L. Interfund transfers

The composition of interfund transfers as of September 30, 2016 is as follows:

	Transfer In:			
Transfer out:	**General**	**Debt Service**	**Utility**	**Total**
2016 Street Construction	$ -	$ -	$ 4,167	$ 4,167
Nonmajor Governmental	13,366	-	-	13,366
Utility	592,034	144,967	-	737,001
Nonmajor Enterprise	13,041	-	-	13,041
Total	$ 618,441	$ 144,967	$ 4,167	$ 767,575

Transfers are primarily used to reimburse General Fund for administrative services provided and moving funds from the Utility Fund to the Debt Service Fund for payment of debt.

M. Discretely presented component units

1. Ennis Economic Development Corporation, Inc. (Corporation)

Cash deposits with financial institutions

At year end the bank balance of the Corporation's deposits was $8,019,246. Of the bank balance, $511,287 was covered by federal depository insurance and the remaining balance, $7,507,959 was covered by collateral pledged in the Corporation's name. The collateral was held in the Corporation's name by the safekeeping department of the pledging bank's agent and had a fair value of approximately $9,588,000.

Capital asset activity for the Corporation for the year ended September 30, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 3,602,682	$ 168,155	$ (106,601)	$ 3,664,236
Total capital assets not being depreciated	3,602,682	168,155	(106,601)	3,664,236
Capital assets being depreciated:				
Building	566,704	567,855	-	1,134,559
Improvements	343,429	-	-	343,429
Totals capital assets being depreciated	910,133	567,855	-	1,477,988
Less accumulated depreciation				
Building	(11,019)	(22,045)	-	(33,064)
Improvements	(343,429)	-	-	(343,429)
Total accumulated depreciation	(354,448)	(22,045)	-	(376,493)
Total capital assets being depreciated, net	555,685	545,810	-	1,101,495
Corporation capital assets, net	$ 4,158,367	$ 713,965	$ (106,601)	$ 4,765,731

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

M. Discretely presented component units (continued)

On October 9, 1998, the Corporation entered into a letter of agreement with Sterilite Corporation (Sterilite) whereby the Corporation conveyed 100 acres of land in consideration of certain promises, agreements and covenants as outlined in the letter of agreement. As part of the letter of agreement, Sterilite agreed to invest in private infrastructure and employ a minimum number of individuals for a period of twenty years from the opening date of its facilities in Ennis, Texas.

The conditional advance of land and cash valued at $2,500,000 shall not be repaid by Sterilite in the event Sterilite maintains its Ennis, Texas facility at the levels described in the letter of agreement for a period of twenty years from the date of opening its facility in Ennis, Texas. Each year Sterilite maintains its facility at the levels described in the letter of agreement, Sterilite shall receive one-twentieth of the advance-combined amount credited to Sterilite.

To further secure the obligations of Sterilite, Sterilite granted and conveyed to the Corporation a second lien on real property and improvements with an agreed value of $2,500,000. The Corporation agrees to release the second lien upon the expiration of ten years provided Sterilite has performed according to the letter of agreement.

On May 13, 2002, the Corporation entered into a letter of agreement with Lowe's Home Centers, Inc. (Lowe's) whereby the Corporation conveyed 41 acres of land in consideration of certain promises, agreements and covenants as outlined in the letter of agreement. As part of the letter of agreement, Lowe's agreed to invest in private infrastructure and employ a minimum number of individuals for a period of twenty years from the opening date of its facilities in Ennis, Texas.

The conditional advance of land valued at $1,009,625 shall not be reimbursed by Lowe's in the event Lowe's maintains its Ennis, Texas facility at the levels described in the letter of agreement for a period of twenty years from the date of opening its facility in Ennis, Texas. Each year Lowe's maintains its facility at the levels described in the letter of agreement, one-twentieth shall reduce Lowe's obligation for any land cost reimbursement.

On January 23, 2003, the Corporation entered into a letter of agreement with CVS Texas Distribution, L.P. (CVS) whereby the Corporation conveyed 61.8 acres of land in consideration of certain promises, agreements and covenants as outlined in the letter of agreement. As part of the letter of agreement, CVS agreed to invest in private infrastructure and employ a minimum number of individuals for a period of twenty years from the opening date of its facilities in Ennis, Texas.

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

M. Discretely presented component units (continued)

The conditional advance of land valued at $800,000 shall not be reimbursed by CVS in the event CVS maintains its Ennis, Texas facility at the levels described in the letter of agreement for a period of twenty years from the date of opening its facility in Ennis, Texas. Each year CVS maintains its facility at the levels described in the letter of agreement, one-twentieth shall reduce CVS's obligation for any land cost reimbursement.

On August 2, 2004, the Corporation entered into a letter of agreement with Koyo Steering Systems of Texas, L.P. (Koyo) whereby the Corporation conveyed 41.98 acres of land in consideration of certain promises, agreements and covenants as outlined in the letter of agreement. As part of the letter of agreement, Koyo agreed to invest in private infrastructure and employ a minimum number of individuals for a period of twenty years from the opening date of its facilities in Ennis, Texas.

The conditional advance of land valued at $1,049,500 shall not be reimbursed by Koyo in the event Koyo maintains its Ennis, Texas facility at the levels described in the letter of agreement for a period of twenty years from the date of opening its facility in Ennis, Texas. Each year Koyo maintains its facility at the levels described in the letter of agreement, Koyo's obligation for any land cost reimbursement shall be reduced by one-twentieth.

On June 5, 2005, the Corporation entered into a letter of agreement with ASMO Manufacturing, Inc. (ASMO) whereby the Corporation conveyed 23.0155 acres of land in consideration of certain promises, agreements and covenants as outlined in the letter of agreement. As part of the letter of agreement, ASMO agreed to invest in private infrastructure and employ a minimum number of individuals for a period of twenty years from the opening date of its facilities in Ennis, Texas.

The conditional advance of land valued at $805,543 shall not be reimbursed by ASMO in the event ASMO maintains its Ennis, Texas facility at the levels described in the letter of agreement for a period of twenty years from the date of opening its facility in Ennis, Texas. Each year ASMO maintains its facility at the levels described in the letter of agreement, ASMO's obligation for any land cost reimbursement shall be reduced by one-twentieth.

On August 9, 2006, the Corporation entered into a letter of agreement with Alliance Data Systems, Inc. (ADS) whereby the Corporation conveyed 15.570 acres of land in consideration of certain promises, agreements and covenants as outlined in the letter of agreement. As part of the letter of agreement, ADS agreed to invest in private infrastructure and employ a minimum number of individuals for a period of twenty years from the opening date of its facilities in Ennis, Texas.

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

M. Discretely presented component units (continued)

The conditional advance of land valued at $622,800 shall not be reimbursed by ADS in the event ADS maintains its Ennis, Texas facility at the levels described in the letter of agreement for a period of twenty years from the date of opening its facility in Ennis, Texas. Each year ADS maintains its facility at the levels described in the letter of agreement, ADS's obligation for any land cost reimbursement shall be reduced by one-twentieth.

On February 3, 2015, the Corporation entered into a letter of agreement with Dakota Utility Contractors, Inc. (Dakota) whereby the Corporation conveyed 17.5 acres of land in consideration of certain promises, agreements and covenants as outlined in the letter of agreement. As part of the letter of agreement, Dakota agreed to invest in private infrastructure and employ a minimum number of individuals for a period of twenty years from the opening date of its facilities in Ennis, Texas.

The conditional advance of land valued at $545,508 shall not be reimbursed by Dakota in the event Dakota maintains its Ennis, Texas facility at the levels described in the letter of agreement for a period of twenty years from the date of opening its facility in Ennis, Texas. Each year Dakota maintains its facility at the levels described in the letter of agreement, Dakota's obligation for any land cost reimbursement shall be reduced by one-twentieth.

Long-term liabilities

Sales Tax Revenue Bonds

Revenue bonds currently outstanding and reported as liabilities of the Corporation are:

Series	Issue Amount	Maturity Date	Interest Rate	Year-end Balances
1999	$ 3,290,430	8/1/2034	3.50-8.45	$ 455,430
2008 Refunding	5,460,000	8/1/2024	3.50-5.25	3,210,000
2014 Refunding	2,745,000	8/1/2034	0.50-4.50	2,470,000
Total				$ 6,135,430

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

M. Discretely presented component units (continued)

Service Contract

The City entered into a service contract with the Corporation, whereby the Corporation agrees to pay to the City a portion of the debt service for the City's Series 1998 Certificates of Obligation. Under the contract the City is required to provide $80,000 in annual debt service and the Corporation will be required to serve the remainder of the annual debt. The payments are subject to the Corporation's annual budgeting and appropriations and are subject to the requirements for the Corporation's bond resolutions authorizing the Corporation's bonds. Actual payments made by the Corporation to the City for the year ended September 30, 2016 were $115,800.

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

	Component Unit	
	Sales Tax Revenue Bonds	
Year Ending September 30	Principal	Interest
2017	$ 475,000	$ 255,465
2018	490,000	236,880
2019	515,000	216,370
2020	535,000	194,080
2021	555,000	169,618
2022-2026	2,178,690	1,402,772
2027-2031	847,275	2,627,335
2032-2034	539,465	1,543,625
	$ 6,135,430	$ 6,646,145

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Corporation					
Bonds payable:					
Sales tax revenue bonds	$ 6,590,430	$ -	$ (455,000)	$ 6,135,430	$ 475,000
Less deferred amounts:					
For issuance discount	(13,194)	-	880	(12,314)	-
	6,577,236	-	(454,120)	6,123,116	475,000
Note payable	136,755	-	(136,755)	-	-
	$ 6,713,991	$ -	$ (590,875)	$ 6,123,116	$ 475,000

Subsequent events

Subsequent to year end, the Corporation approved the following items:

- Purchase of property in the amount of $195,000.

NOTE 2 - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS (continued)

N. Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor, cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

O. Subsequent events

On October 17, 2016 the City approved a construction contract in the amount of $800,000 in relation to the construction of Minnie McDowal Park.

On December 5, 2016, the City approved the purchase of a solid waste vehicle in the amount of $169,415.

On January 3, 2017, the City approved the purchase of a equipment in the amount of $173,763.

On January 17, 2017, the City approved the purchase of fleet replacement vehicles in an amount not to exceed $421,000.

P. Prior Period Adjustment

Corrections have been made to the business-type activities beginning net position in the government-wide financial statements and proprietary fund beginning net position in the fund financial statements due to the understatement of assets and net position. The changes to the beginning net position as of October 1, 2015 are summarized as follows:

	Government-wide Financial Statements	Fund Financial Statements
	Business-type Activities	Utility Fund
As previously reported, October 1, 2015	$ 24,953,164	$ 25,387,100
Correct understatement of capital assets	37,200	37,200
Restated, October 1, 2015	$ 24,990,364	$ 25,424,300
Effect of restatement on operations for the year ended September 30, 2015	$ 37,200	$ 37,200

NOTE 3 - DEFINED BENEFIT PENSION PLANS

A. Plan Description

The City of Ennis Texas participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at *www.tmrs.com.*

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

B. Benefits Provided

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

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

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

B. Benefits Provided (continued)

	Plan Provisions
Employee deposit rate	7%
Municipal current matching ratio	2 - 1
Updated service credits:	
Rate (%)	100 T
Year effective	1998R
Increase benefits to retirees:	
Rate (%) [1]	70
Year effective	2001R
Vesting	5 yrs
Service retirement eligibilities	5 yrs/age 60, 20 yrs/any age
Restricted prior service credit effective date	1-93
Supplemental death benefits:	
Employees	Yes
Retirees	Yes
Statutory maximum (%)	Removed

[1] For years prior to 1982, the rate is the actual percentage in annuities. For 1982 and later, the rate is the percentage of the change in the CPI-U since retirement date, granted to each annuitant as an increase of the original annuity.
T — Includes Transfer Credits.
R — Annually Repeating. Ordinance automatically renews effective January 1 of each successive year.

Employees covered by benefit terms

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	116
Inactive employees entitled to but not yet receiving benefits	41
Active employees	170
	327

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

C. Contributions

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

Employees for the City of Ennis, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Ennis, Texas were 17.93% and 18.55% in calendar years 2016 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2016, were $1,683,257, and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension (Asset) Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension (Asset) Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the City, rates are multiplied by a factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

D. Net Pension Liability (continued)

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.0%
Total	100%	

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

D. Net Pension Liability (continued)

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a) - (b)**
Balance at 12/31/2014	$58,275,533	$51,221,467	$7,054,066
Changes for the year:			
Service cost	1,671,627	-	1,671,627
Interest	4,045,832	-	4,045,832
Difference between expected and actual experience	(749,875)	-	(749,875)
Changes of assumptions	(37)	-	(37)
Contributions - employer	-	1,686,270	(1,686,270)
Contributions - employee	-	636,329	(636,329)
Net investment income	-	75,581	(75,581)
Benefit payments, including refunds of employee contributions	(2,627,506)	(2,627,506)	-
Administrative expense	-	(46,036)	46,036
Other changes	-	(2,273)	2,273
Net Changes	$ 2,340,041	$ (277,635)	$2,617,676
Balance at 12/31/2015	**$60,615,574**	**$50,943,832**	**$9,671,742**

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

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	Discount Rate (5.75%)	**Discount Rate (6.75%)**	**1.0% Increase in Discount Rate (7.75%)**
City's net pension liability	$ 18,083,304	$ 9,671,742	$ 2,738,932

NOTE 3 - DEFINED BENEFIT PENSION PLANS (continued)

D. Net Pension Liability (continued)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan - Legally required contributions outstanding at the end of the year totaled $129,264.

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

For the year ended September 30, 2016, the City recognized pension expense of $2,106,204.

At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes in actuarial assumptions	$ -	$ 30
Contributions subsequent to the measurement date	1,292,173	-
Difference between projected and actual investment earnings	3,180,524	-
Differences between expected and actual economic experience	-	1,056,074
Total	$ 4,472,697	$ 1,056,104

$1,292,173 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	
2016	$ 562,267
2017	562,267
2018	562,268
2019	495,730
2019	(58,112)
Total	$2,124,420

NOTE 4 - OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at *www.tmrs.com.*

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the years ended 2016, 2015 and 2014 were $18,419, $17,286 and $16,813, respectively, which equaled the required contributions each year.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ENNIS, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Calendar Years (will ultimately be displayed)

	2014	2015
Total pension liability		
Service Cost	$ 1,491,053	$ 1,671,627
Interest (on the Total Pension Liability)	3,884,019	4,045,832
Difference between expected and actual experience	(695,656)	(749,875)
Changes of assumptions	-	(37)
Benefit payments, including refunds of employee contributions	(2,288,691)	(2,627,506)
Net Change in Total Pension Liability	2,390,725	2,340,041
Total Pension Liability - Beginning	55,884,808	58,275,533
Total Pension Liability - Ending (a)	$ 58,275,533	$ 60,615,574
Plan Fiduciary Net Position		
Contributions - Employer	$ 1,635,304	$ 1,686,270
Contributions - Employee	608,568	636,329
Net Investment Income	2,775,570	75,581
Benefit payments, including refunds of employee contributions	(2,288,691)	(2,627,506)
Administrative Expense	(28,980)	(46,036)
Other	(2,383)	(2,273)
Net Change in Plan Fiduciary Net Position	2,699,388	(277,635)
Plan Fiduciary Net Position - Beginning	48,522,079	51,221,467
Plan Fiduciary Net Position - Ending (b)	$ 51,221,467	$ 50,943,832
Net Pension Liability - Ending (a) - (b)	$ 7,054,066	$ 9,671,742
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.90%	84.04%
Covered Employee Payroll	8,682,504	9,070,142
Net Pension Liability as a Percentage of Covered Employee Payroll	81.24%	106.63%

Notes to Schedule:

N/A

CITY OF ENNIS, TEXAS

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years (will ultimately be displayed)

	2015	2016
Actuarially Determined Contribution	$ 1,673,240	$ 1,683,257
Contributions in relation to the actuarially determined contribution	1,673,240	1,683,257
Contribution deficiency (excess)	-	-
Covered employee payroll	8,991,990	9,315,037
Contributions as a percentage of covered employee payroll	18.61%	18.07%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes	There were no benefit changes during the year.

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Museum Fund - This fund is used to account for revenues earned from operations and donations given to the City for the development and enhancement of the museum.

Forfeited Contraband Fund - This fund is used to account for seized property to be used for official purposes as provided by Article 59.06 Texas Code of Criminal Procedure.

Law Enforcement Education Fund - This fund is used to account for fines received to provide law enforcement training and education.

COPS More Grant Fund - This fund is used to account for grants received to hire additional career law enforcement officers.

COE 2010 Trust Library - This fund is used to account for improvements to the Ennis Public Library which are funded by an anonymous, conditional bequest to the City of Ennis, Texas received during 2010.

Tourism Fund - This fund accounts for the 7% Hotel/Motel Occupancy Tax levied on all hotels and motels in the City. Funds are used for advertising and general promotion of the City, historical preservation.

Court Technology Fund - This fund accounts for the collection of a municipal court technology fee. The proceeds of a fee attached to each conviction are dedicated to acquisition of technology that enhances the operation efficiency of the court.

Crime Control & Prevention District - This fund is used to account for the 1/4 cent Crime Control Tax. The revenue from this tax is intended to enhance the law enforcement capabilities of the Ennis Police Department by providing critical equipment and personnel.

Street Maintenance - This fund is used to account for the 1/4 cent Street Maintenance Tax revenues and expenditures devoted to street repair, mill and overlay, and reconstruction projects.

Police Donation - This fund is used to account for donations and contributions given to the City for the enhancement of the law enforcement capabilities

Nonmajor Governmental Funds (continued)

Capital Projects Fund

Capital project funds are used to account for the financial resources segregated for the acquisition of major capital facilities other than those financed by enterprise funds.

Airport Construction Fund - This fund is used to account for the improvements to the City's airport facilities which are funded from grants and require matching City contributions.

2012 Street Construction Fund – This fund is used to account for improvements to streets from issuance of certificates of obligation.

Permanent Fund

The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the government's programs.

Library Endowment Fund - This fund is used to account for all donations and memorials given to the City for the purchase of library furnishings and books.

CITY OF ENNIS, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2016

	Nonmajor Special Revenue	Nonmajor Capital Projects	Nonmajor Permanent	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,064,069	$ 1,007,161	$ 220,616	$ 3,291,846
Other receivables	356,398	-	-	356,398
Due from other funds	2,635	-	-	2,635
Prepaid items	1,174	350	2,064	3,588
Total assets	$ 2,424,276	$ 1,007,511	$ 222,680	$ 3,654,467
LIABILITIES				
Accounts payable	$ 121	$ 5,555	$ 2,422	$ 8,098
Accrued payroll payable	4,734	-	-	4,734
Total liabilities	4,855	5,555	2,422	12,832
FUND BALANCES				
Nonspendable:				
Endowment	-	-	28,966	28,966
Prepaid items	1,174	350	2,064	3,588
Restricted:				
Capital projects	-	1,001,606	-	1,001,606
Cultural and recreational	490,345	-	189,228	679,573
Public safety	1,124,422	-	-	1,124,422
Streets	695,343	-	-	695,343
Tourism	108,137	-	-	108,137
Total fund balances	2,419,421	1,001,956	220,258	3,641,635
Total liabilities and fund balances	$ 2,424,276	$ 1,007,511	$ 222,680	$ 3,654,467

CITY OF ENNIS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2016

	Nonmajor Special Revenue	Nonmajor Capital Projects	Nonmajor Permanent	Total Nonmajor Governmental Funds
REVENUES				
Sales taxes	$ 1,629,136	$ -	$ -	$ 1,629,136
Hotel occupancy taxes	344,126	-	-	344,126
Fines and forfeitures	22,530	-	-	22,530
Charges for services	-	35,236	-	35,236
Interest	9,637	7,353	710	17,700
Leased property	-	17,862	-	17,862
Miscellaneous	2,294	220	246	2,760
Intergovernmental	133,399	26,641	-	160,040
Contributions and donations	9,700	-	30,832	40,532
Total revenues	2,150,822	87,312	31,788	2,269,922
EXPENDITURES				
Current:				
General government	449,490	-	-	449,490
Public safety	106,400	-	-	106,400
Streets	553,059	-	-	553,059
Cultural and recreational	-	-	40,173	40,173
Capital outlay:				
Streets	-	242,075	-	242,075
Airport	-	120,506	-	120,506
Total expenditures	1,108,949	362,581	40,173	1,511,703
Excess (deficiency) of revenues over (under) expenditures	1,041,873	(275,269)	(8,385)	758,219
OTHER FINANCING SOURCES (USES)				
Transfers out	(13,366)	-	-	(13,366)
Total other financing sources (uses)	(13,366)	-	-	(13,366)
Net change in fund balances	1,028,507	(275,269)	(8,385)	744,853
Fund balances-beginning	1,390,914	1,277,225	228,643	2,896,782
Fund balances-ending	$ 2,419,421	$ 1,001,956	$ 220,258	$ 3,641,635

CITY OF ENNIS, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2016

	Museum	Forfeited Contraband	Law Enforcement Education	COPS More Grant	COE 2010 Trust Library	Tourism	Court Technology	Crime Control & Prevention District	Street Maintenance	Police Donation	Totals
ASSETS											
Cash and cash equivalents	$ 7,255	$ 69,279	$ 10,962	$ 2	$ 483,090	$ 25,419	$ 27,047	$ 877,371	$ 556,641	$ 7,003	$ 2,064,069
Other receivables	-	-	-	-	-	87,531	-	130,165	138,702	-	356,398
Due from other funds	-	-	-	-	-	-	-	2,635	-	-	2,635
Prepaid items	-	-	-	-	-	1,174	-	-	-	-	1,174
Total assets	$ 7,255	$ 69,279	$ 10,962	$ 2	$ 483,090	$ 114,124	$ 27,047	$ 1,010,171	$ 695,343	$ 7,003	$ 2,424,276
LIABILITIES											
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ 79	$ -	$ 42	$ -	$ -	$ 121
Accrued payroll payable	-	-	-	-	-	4,734	-	-	-	-	4,734
Total liabilities	-	-	-	-	-	4,813	-	42	-	-	4,855
FUND BALANCE											
Nonspendable:											
Prepaid items	-	-	-	-	-	1,174	-	-	-	-	1,174
Restricted:											
Cultural and recreational	7,255	-	-	-	483,090	-	-	-	-	-	490,345
Public safety	-	69,279	10,962	2	-	-	27,047	1,010,129	-	7,003	1,124,422
Streets	-	-	-	-	-	-	-	-	695,343	-	695,343
Tourism	-	-	-	-	-	108,137	-	-	-	-	108,137
Total fund balance	7,255	69,279	10,962	2	483,090	109,311	27,047	1,010,129	695,343	7,003	2,419,421
Total liabilities and fund balances	$ 7,255	$ 69,279	$ 10,962	$ 2	$ 483,090	$ 114,124	$ 27,047	$ 1,010,171	$ 695,343	$ 7,003	$ 2,424,276

CITY OF ENNIS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 2016

	Museum	Forfeited Contraband	Law Enforcement Education	COPS More Grant	COE 2010 Trust Library	Tourism	Court Technology	Crime Control & Prevention District	Street Maintenance	Police Donation	Totals
REVENUES											
Sales taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 781,875	$ 847,261	$ -	$ 1,629,136
Hotel occupancy taxes	-	-	-	-	-	344,126	-	-	-	-	344,126
Fines and forfeitures	-	5,410	-	-	-	-	17,120	-	-	-	22,530
Interest	33	389	67	-	2,886	488	135	2,957	2,679	3	9,637
Miscellaneous	-	1,642	-	-	-	652	-	-	-	-	2,294
Intergovernmental	-	-	1,032	-	-	132,367	-	-	-	-	133,399
Contributions and donations	2,700	-	-	-	-	-	-	-	-	7,000	9,700
Total revenues	2,733	7,441	1,099	-	2,886	477,633	17,255	784,832	849,940	7,003	2,150,822
EXPENDITURES											
Current:											
General government	-	-	-	-	-	449,490	-	-	-	-	449,490
Public safety	-	2,564	2,361	-	-	-	15,933	85,542	-	-	106,400
Streets	-	-	-	-	-	-	-	-	553,059	-	553,059
Total expenditures	-	2,564	2,361	-	-	449,490	15,933	85,542	553,059	-	1,108,949
Excess (deficiency) of revenues over (under) expenditures	2,733	4,877	(1,262)	-	2,886	28,143	1,322	699,290	296,881	7,003	1,041,873
OTHER FINANCING SOURCES (USES)											
Transfers out	-	-	-	-	-	(13,366)	-	-	-	-	(13,366)
Total other financing sources (uses)	-	-	-	-	-	(13,366)	-	-	-	-	(13,366)
Net change in fund balances	2,733	4,877	(1,262)	-	2,886	14,777	1,322	699,290	296,881	7,003	1,028,507
Fund balances-beginning	4,522	64,402	12,224	2	480,204	94,534	25,725	310,839	398,462	-	1,390,914
Fund balances-ending	$ 7,255	$ 69,279	$ 10,962	$ 2	$ 483,090	$ 109,311	$ 27,047	$ 1,010,129	$ 695,343	$ 7,003	$ 2,419,421

CITY OF ENNIS, TEXAS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2016

	Airport Construction	2012 Street Construction	Total
ASSETS			
Cash and cash equivalents	$ 24,576	$ 982,585	$ 1,007,161
Prepaid items	350	-	350
Total assets	$ 24,926	$ 982,585	$ 1,007,511
LIABILITIES			
Accounts payable	$ 5,555	$ -	$ 5,555
Total liabilities	5,555	-	5,555
FUND BALANCE			
Nonspendable:			
Prepaid items	350	-	350
Restricted:			
Capital projects	19,021	982,585	1,001,606
Total fund balance	19,371	982,585	1,001,956
Total liabilities and fund balances	$ 24,926	$ 982,585	$ 1,007,511

CITY OF ENNIS, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended September 30, 2016

	Airport Construction	2012 Street Construction	Total
REVENUES			
Charges for services	$ 35,236	$ -	$ 35,236
Interest	-	7,353	7,353
Leased property	17,862	-	17,862
Other	220	-	220
Intergovernmental	26,641	-	26,641
Total revenues	79,959	7,353	87,312
EXPENDITURES			
Capital outlay:			
Streets	-	242,075	242,075
Airport	120,506	-	120,506
Total expenditures	120,506	242,075	362,581
Net change in fund balances	(40,547)	(234,722)	(275,269)
Fund balances-beginning	59,918	1,217,307	1,277,225
Fund balances-ending	$ 19,371	$ 982,585	$ 1,001,956

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the payment of principal and interest on general long-term debt.

CITY OF ENNIS, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Fiscal Year Ended September 30, 2016

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property taxes	$ 3,432,209	$ 3,432,575	$ 366
Interest	2,837	15,311	12,474
Intergovernmental	-	116,000	116,000
Total revenues	3,435,046	3,563,886	128,840
EXPENDITURES			
Principal on bonds	2,439,236	2,718,145	278,909
Interest and fiscal charges	1,110,860	778,540	(332,320)
Principal on note	-	136,761	136,761
Bond issuance costs	-	39,601	39,601
Total expenditures	3,550,096	3,673,047	122,951
Excess (deficiency) of revenues over (under) expenditures	(115,050)	(109,161)	5,889
OTHER FINANCING SOURCES (USES)			
Transfers in	150,000	144,967	(5,033)
Refunding bonds issued	-	3,325,000	3,325,000
Payment to refunded bond escrow agent	-	(3,299,300)	(3,299,300)
Total other financing sources (uses)	150,000	170,667	20,667
Net change in fund balance	34,950	61,506	26,556
Fund balance-beginning	608,548	772,801	164,253
Fund balance-ending	$ 643,498	$ 834,307	$ 190,809

Proprietary Funds

Enterprise Funds

Utility Fund - This fund is used to account for the water and sewer utility operations.

Sanitation Fund - This fund is used to account for the sanitation operations.

CITY OF ENNIS, TEXAS

SCHEDULE OF OPERATING REVENUES AND OPERATING EXPENSES - BUDGET AND ACTUAL

ENTERPRISE FUND - UTILITY

For the Fiscal Year Ended September 30, 2016

	Final Budgeted Amounts	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
WATER OPERATING REVENUES					
Water sales	$ 4,823,989	$ 5,125,263	$ 29,223	$ 5,154,486	$ 330,497
Water taps and connections	9,405	20,350	-	20,350	10,945
Penalties	125,688	66,969	58,687	125,656	(32)
Reconnection charges	18,825	16,375	-	16,375	(2,450)
Miscellaneous	21,273	7,289	4,571	11,860	(9,413)
Total water revenues	4,999,180	5,236,246	92,481	5,328,727	329,547
SEWER OPERATING REVENUES					
Sewer service charge	3,267,696	3,286,407	18,962	3,305,369	37,673
Sewer taps and connection	1,824	1,575	-	1,575	(249)
Penalties	-	43,976	(43,976)	-	-
EPA fees	-	48,962	-	48,962	48,962
Total sewer revenues	3,269,520	3,380,920	(25,014)	3,355,906	86,386
TOTAL OPERATING REVENUES	$8,268,700	$8,617,166	$ 67,467	$8,684,633	$ 415,933
OPERATING EXPENSES:					
Administration:					
Personnel	$ 330,833	$ 319,215	$ (4,517)	$ 314,698	$ (16,135)
Supplies	13,266	4,477	-	4,477	(8,789)
Maintenance and replacement	7,375	54,260	(36,273)	17,987	10,612
Miscellaneous services	133,044	94,522	6,777	101,299	(31,745)
Capital outlay	436,000	-	448,602	448,602	12,602
Total administration	920,518	472,474	414,589	887,063	(33,455)
Water operations:					
Personnel	1,310,366	1,121,256	29,281	1,150,537	(159,829)
Supplies	383,850	376,696	-	376,696	(7,154)
Maintenance and replacement	232,497	406,957	(236,148)	170,809	(61,688)
Miscellaneous services	824,890	792,939	3,406	796,345	(28,545)
Capital outlay	1,986,637	-	1,767,237	1,767,237	(219,400)
Total water operations	4,738,240	2,697,848	1,563,776	4,261,624	(476,616)
Sewer operations:					
Personnel	1,112,737	1,163,698	(17,215)	1,146,483	33,746
Supplies	289,050	264,420	-	264,420	(24,630)
Maintenance and replacement	241,450	522,520	(150,000)	372,520	131,070
Miscellaneous services	552,429	528,432	(14,499)	513,933	(38,496)
Capital outlay	1,985,000	-	486,289	486,289	(1,498,711)
Total sewer operations	4,180,666	2,479,070	304,575	2,783,645	(1,397,021)
Total operating expenses before depreciation and amortization	9,839,424	5,649,392	2,282,940	7,932,332	(1,907,092)
Depreciation and amortization	-	1,803,424	(1,803,424)	-	-
TOTAL OPERATING EXPENSES	$ 9,839,424	$ 7,452,816	$ 479,516	$ 7,932,332	$ (1,907,092)

CITY OF ENNIS, TEXAS

SCHEDULE OF OPERATING REVENUES AND OPERATING EXPENSES - BUDGET AND ACTUAL

ENTERPRISE FUND - SANITATION

For the Fiscal Year Ended September 30, 2016

	Final Budgeted Amounts	Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget
OPERATING REVENUES					
Sanitation revenues	$ 1,345,749	$ 1,097,950	$ 8,682	$ 1,106,632	$ (239,117)
Penalties	17,182	14,711	(10,791)	3,920	(13,262)
Total sanitation revenues	1,362,931	1,112,661	(2,109)	1,110,552	(252,379)
TOTAL OPERATING REVENUES	$1,362,931	$1,112,661	$ (2,109)	$1,110,552	$ (252,379)
OPERATING EXPENSES:					
Sanitation:					
Personnel	$ 948,011	$ 936,128	$ (11,319)	$ 924,809	$ (23,202)
Supplies	81,685	45,309	-	45,309	(36,376)
Maintenance and replacement	30,525	38,477	(4,601)	33,876	3,351
Miscellaneous services	14,310	73,656	(53)	73,603	59,293
Capital outlay	196,000	-	-	-	(196,000)
Total sanitation	1,270,531	1,093,570	(15,973)	1,077,597	(192,934)
Total operating expenses before depreciation and amortization	1,270,531	1,093,570	(15,973)	1,077,597	(192,934)
Depreciation and amortization	-	67,392	(67,392)	-	-
TOTAL OPERATING EXPENSES	$ 1,270,531	$ 1,160,962	$ (83,365)	$ 1,077,597	$ (192,934)

SUPPLEMENTARY FINANCIAL DATA

CITY OF ENNIS, TEXAS

SCHEDULE OF CASH BALANCES - ALL FUNDS

September 30, 2016

General Fund		
Cash on hand	$ 700	
Cash in bank - operating	1,202,106	
- operating - Park Development	3,512	
- operating - FEMA Fire Grant	75	
- operating - 1993 Park Construction	1,249	
- operating - 1993 Library Construction	1,637	
- operating - 2005 Hospital Construction	37	
- operating - Insurance	233,290	
- operating - Mary Walker Recognition	755	
- savings	6,133,765	
- savings - Park Development	26,628	$ 7,603,754
Special Revenue Funds		
Cash in bank - operating - Museum	7,255	
- operating - Forfeited Contraband	69,279	
- operating - Law Enforcement Education	10,962	
- operating - COPS More Grant	2	
- operating - Special Project	483,090	
- operating - Hotel/Motel Tourism	25,419	
- operating - Court Technology	27,047	
- operating - CCPD	877,371	
- operating - Street Maintenance	556,641	
- operating - Police Donations	7,003	2,064,069
Capital Projects Funds		
Cash in bank - operating - Airport Construction	24,576	
- operating - 2012 Street Construction	982,585	
- operating - 2016 Street Reconstruction	8,812,118	9,819,279
Debt Service Fund		
Cash in bank - operating		834,307
Permanent Fund		
Cash in bank - operating - Library	11,174	
- savings - Library	1,757	12,931
Enterprise Fund - Utility		
Cash on hand	450	
Cash in bank - operating	830,487	
- savings	3,192,670	
- savings	13,074	
- security deposit account	41,898	
- restricted cash in savings	21,356	
- restricted cash in operating - Capital Projects	2,995,571	7,095,506
		$ 27,429,846

CITY OF ENNIS, TEXAS

SCHEDULE OF INVESTMENTS - ALL FUNDS

September 30, 2016

General Fund			
TexPool - operating	0.3780%	$ 18,000	
- 1993 Library Construction		150	$ 18,150
Permanent Fund			
TexPool - Library	0.3780%		207,685
Enterprise Fund - Utility			
TexPool - operating	0.3780%	59,111	
- restricted		18,210	77,321
			$ 303,156

STATISTICAL SECTION

This part of the City of Ennis, Texas' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents **Page**

Financial Trends 92-96

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity 97-100

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity 101-104

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 105-106

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information 107-109

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Other Information 110-112

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	Fiscal Year									
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Governmental activities										
Net investment in capital assets	$20,433,608	$23,051,097	$23,749,092	$24,588,338	$25,564,284	$27,354,738	$27,753,892	$27,768,206	$27,488,955	$28,345,988
Restricted	636,410	768,511	1,033,882	1,233,740	1,330,338	1,386,755	1,380,264	1,378,049	2,392,432	3,470,822
Unrestricted	3,201,032	5,217,181	5,043,956	5,105,085	5,044,915	3,021,657	1,508,347	2,883,184	451,345	142,434
Total governmental activities net position	$24,271,050	$29,036,789	$29,826,930	$30,927,163	$31,939,537	$31,763,150	$30,642,503	$32,029,439	$30,332,732	$31,959,244
Business-type activities										
Net investment in capital assets	$22,399,684	$22,684,585	$22,790,429	$22,626,483	$22,419,047	$22,389,792	$22,522,216	$22,632,356	$22,776,396	$23,387,335
Restricted	869,361	910,496	927,853	546,265	565,591	582,596	583,984	600,548	-	-
Unrestricted	4,352,955	4,294,978	3,519,143	3,293,355	3,687,067	3,619,923	3,532,258	2,946,577	2,213,968	2,302,448
Total business-type activities net position	$27,622,000	$27,890,059	$27,237,425	$26,466,103	$26,671,705	$26,592,311	$26,638,458	$26,179,481	$24,990,364	$25,689,783
Primary government										
Net investment in capital assets	$42,833,292	$45,735,682	$46,539,521	$47,214,821	$47,983,331	$49,744,530	$50,276,108	$50,400,562	$50,265,351	$51,733,323
Restricted	1,505,771	1,679,007	1,961,735	1,780,005	1,895,929	1,969,351	1,964,248	1,978,597	2,392,432	3,470,822
Unrestricted	7,553,987	9,512,159	8,563,099	8,398,440	8,731,982	6,641,580	5,040,605	5,829,761	2,665,313	2,444,882
Total primary government net position	$51,893,050	$56,926,848	$57,064,355	$57,393,266	$58,611,242	$58,355,461	$57,280,961	$58,208,920	$55,323,096	$57,649,027

Source: Comprehensive Annual Financial Report

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

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

	Fiscal Year									
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Expenses										
Governmental Activities:										
General government	$ 962,857	$ 1,049,185	$ 1,065,764	$ 1,033,307	$ 994,977	$ 961,270	$ 983,979	$ 1,103,543	$ 2,009,993	$ 2,505,980
Public safety	6,229,907	6,589,219	6,986,498	7,503,124	7,387,968	7,281,415	7,701,614	7,980,862	8,355,627	9,114,529
Streets	2,062,819	2,146,724	2,197,569	2,329,943	2,200,631	3,153,983	4,989,549	2,253,495	2,210,989	2,709,706
Health	244,803	269,268	385,017	380,596	325,352	361,960	368,048	375,297	384,148	335,075
Equipment services	124,321	138,600	143,982	141,013	143,831	121,686	125,256	140,749	253,835	331,180
Cultural and recreational	1,027,352	1,116,293	1,110,667	1,127,410	1,172,426	1,166,598	1,160,194	1,222,311	1,270,123	1,286,058
Airport	170,277	188,539	108,044	132,757	147,273	478,439	126,414	194,828	169,804	148,531
Hospital	110,590	1,368,654	1,320,365	1,255,677	1,255,677	1,253,484	1,229,356	1,229,356	1,229,356	1,229,321
Public works	122,361	131,586	139,517	135,752	133,325	135,270	74,953	90,114	179,270	367,727
Sanitation services	810,890	849,638	910,732	953,792	927,171	957,114	1,034,298	1,011,691	-	-
Interest on long-term debt	1,519,830	1,632,868	1,436,743	1,344,782	1,207,331	1,054,040	944,094	1,051,856	832,587	965,000
Total Governmental Activities	13,386,007	15,480,574	15,804,898	16,338,153	15,895,962	16,925,259	18,737,755	16,654,102	16,895,732	18,993,107
Business-type Activities:										
Water	4,029,651	4,362,447	4,731,194	4,745,089	4,658,341	4,417,037	4,575,223	4,593,251	4,081,529	4,238,207
Sewer	3,218,426	3,518,008	3,777,837	3,694,750	3,543,646	3,347,831	3,372,048	3,584,615	3,293,496	3,619,526
Sanitation	-	-	-	-	-	-	-	-	1,060,622	1,161,486
Total Business-type Activities	7,248,077	7,880,455	8,509,031	8,439,839	8,201,987	7,764,868	7,947,271	8,177,866	8,435,647	9,019,219
Total Expenses	$ 20,634,084	$ 23,361,029	$ 24,313,929	$ 24,777,992	$ 24,097,949	$ 24,690,127	$ 26,685,026	$ 24,831,968	$ 25,331,379	$ 28,012,326
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	$ 263,088	$ 138,666	$ 173,021	$ 130,984	$ 92,128	$ 107,126	$ 140,632	$ 144,941	$ 222,213	$ 308,178
Public safety	260,225	475,910	691,239	662,846	568,602	574,785	664,705	744,872	611,883	763,986
Cultural and recreational	18,868	21,717	26,208	27,334	24,647	21,898	19,822	19,385	20,603	19,920
Airport	74,744	113,518	68,912	70,212	101,381	188,145	117,162	149,848	77,164	35,236
Hospital	45,408	544,893	544,893	544,893	544,893	544,893	544,893	544,893	544,893	544,893
Public works	2,175	19,561	7,847	8,680	19,459	5,775	13,400	21,917	8,958	3,677
Sanitation services	883,929	889,896	889,968	891,577	896,481	893,691	886,476	897,447	-	-
Operating grants and contributions	100,327	214,596	19,900	18,034	14,094	250,162	5,861	12,013	247,955	458,596
Capital grants and contributions	890,863	3,690,360	624,422	970,032	530,335	53,919	150,873	-	12,037	270,773
Total Governmental Activities	2,539,627	6,109,117	3,046,410	3,324,592	2,792,020	2,640,394	2,543,824	2,535,316	1,745,706	2,405,259
Business-type Activities:										
Charges for services:										
Water	$ 4,548,743	$ 4,838,155	$ 4,914,385	$ 5,005,951	$ 5,641,924	$ 5,438,537	$ 5,325,409	$ 5,193,440	$ 5,071,828	$ 5,236,246
Sewer	2,424,764	2,423,039	2,463,405	2,511,396	2,533,520	2,484,426	2,430,123	2,491,082	3,082,278	3,380,920
Sanitation	-	-	-	-	-	-	-	-	970,323	1,112,661
Operating grants and contributions	-	-	-	-	183,095	-	-	-	-	-
Capital grants and contributions	835,945	776,495	444,279	111,321	-	-	-	-	-	702,809
Total Business-type Activities	7,809,452	8,037,689	7,822,069	7,628,668	8,358,539	7,922,963	7,755,532	7,684,522	9,124,429	10,432,636
Total Program Revenues	$ 10,349,079	$ 14,146,806	$ 10,868,479	$ 10,953,260	$ 11,150,559	$ 10,563,357	$ 10,299,356	$ 10,219,838	$ 10,870,135	$ 12,837,895
Net (Expense)/Revenue										
Governmental Activities	$ (10,846,380)	$ (9,371,457)	$ (12,758,488)	$ (13,013,561)	$ (13,103,942)	$ (14,284,865)	$ (16,193,931)	$ (14,118,786)	$ (15,150,026)	$ (16,587,848)
Business-type Activities	561,375	157,234	(686,962)	(811,171)	156,552	158,095	(191,739)	(493,344)	688,782	1,413,417
Total Net Expense	$ (10,285,005)	$ (9,214,223)	$ (13,445,450)	$ (13,824,732)	$ (12,947,390)	$ (14,126,770)	$ (16,385,670)	$ (14,612,130)	$ (14,461,244)	$ (15,174,431)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues										
Governmental Activities:										
Property taxes	$ 7,951,310	$ 8,361,599	$ 8,749,647	$ 9,392,986	$ 9,215,876	$ 9,358,803	$ 10,006,830	$ 9,909,883	$ 9,893,516	$ 10,005,334
Sales taxes	2,628,612	2,903,646	2,441,150	2,358,671	2,462,042	2,541,704	2,753,904	2,979,576	3,782,774	5,018,180
Franchise taxes	1,727,481	1,776,766	1,567,799	1,607,861	1,665,050	1,539,061	1,529,513	1,622,886	1,606,673	1,550,923
Hotel occupancy taxes	187,113	201,907	226,160	268,094	244,079	239,769	248,450	270,869	309,009	344,126
Alcoholic beverage taxes	33,239	36,870	39,667	33,581	30,986	24,867	27,836	34,385	38,206	43,442
Unrestricted grants and contributions	123,660	122,160	122,040	124,800	124,320	123,720	117,842	120,200	118,200	116,000
Investment earnings	1,137,163	403,454	267,608	263,458	256,726	310,712	299,994	330,224	273,786	283,228
Gain on sale of capital assets	-	-	144,381	-	-	-	-	-	-	-
Miscellaneous	238,680	266,051	75,338	64,343	117,237	395,302	88,915	237,699	163,812	107,252
Transfers	100,000	64,743	-	-	-	-	-	-	1,191,451	745,875
Total governmental activities	14,127,258	14,137,196	13,633,790	14,113,794	14,116,316	14,533,938	15,073,284	15,505,722	17,377,427	18,214,360
Business-type Activities:										
Investment earnings	348,712	175,568	65,333	39,849	49,050	44,814	31,828	34,367	23,463	31,877
Miscellaneous	-	-	-	-	-	-	206,058	-	-	-
Transfers	(100,000)	(64,743)	-	-	-	-	-	-	(1,191,451)	(745,875)
Total Business-type Activities	248,712	110,825	65,333	39,849	49,050	44,814	237,886	34,367	(1,167,988)	(713,998)
Total primary government	$ 14,375,970	$ 14,248,021	$ 13,699,123	$ 14,153,643	$ 14,165,366	$ 14,578,752	$ 15,311,170	$ 15,540,089	$ 16,209,439	$ 17,500,362
Change in Net Position										
Governmental activities	$ 3,280,878	$ 4,765,739	$ 875,302	$ 1,100,233	$ 1,012,374	$ 249,073	$ (1,120,647)	$ 1,386,936	$ 2,227,401	$ 1,626,512
Business-type activities	810,087	268,059	(621,629)	(771,322)	205,602	202,909	46,147	(458,977)	(479,206)	699,419
Total Change in Net Position	$ 4,090,965	$ 5,033,798	$ 253,673	$ 328,911	$ 1,217,976	$ 451,982	$ (1,074,500)	$ 927,959	$ 1,748,195	$ 2,325,931

Source: Comprehensive Annual Financial Report

Note 1: The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.
Note 2: In 2015, the City transferred the sanitation services from governmental activities to business-type activities.

CITY OF ENNIS, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
General fund										
Nonspendable	$ 194,115	$ 244,975	$ 232,145	$ 232,707	$ 240,327	$ 243,249	$ 279,515	$ 261,936	$ 311,358	$ 69,308
Restricted	19,437	28,021	36,766	45,726	44,875	50,494	46,874	35,950	3,096	3,096
Assigned	-	-	-	-	-	-	-	-	-	203,464
Unassigned	3,889,329	4,475,524	4,707,060	5,314,620	5,802,413	6,455,305	7,435,540	8,079,732	7,801,393	7,712,536
Total general fund	$ 4,102,881	$ 4,748,520	$ 4,975,971	$ 5,593,053	$6,087,615	$6,749,048	$7,761,929	$8,377,618	$8,115,847	$ 7,988,404
All other governmental funds										
Nonspendable	$ 28,966	$ 28,966	$ 28,966	$ 28,966	$ 28,966	$ 28,966	$ 28,966	$ 28,966	$ 28,966	$ 32,554
Restricted	3,809,725	2,713,453	2,836,584	2,916,877	2,876,881	4,766,407	1,627,368	6,307,671	3,640,617	13,255,506
Total all other governmental funds	$ 3,838,691	$ 2,742,419	$ 2,865,550	$ 2,945,843	$2,905,847	$4,795,373	$1,656,334	$6,336,637	$3,669,583	$13,288,060

Source: Comprehensive Annual Financial Report

CITY OF ENNIS, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES										
Property taxes	$ 7,987,786	$ 8,345,115	$ 8,749,506	$ 9,385,472	$ 9,278,158	$ 9,502,311	$ 10,062,727	$ 9,903,070	$ 9,899,156	$ 10,014,934
Sales taxes	2,628,612	2,903,646	2,441,150	2,358,671	2,462,042	2,541,704	2,753,904	2,979,576	3,782,774	5,018,180
Franchise taxes	1,727,481	1,776,766	1,567,799	1,607,861	1,665,050	1,539,061	1,529,513	1,622,886	1,606,673	1,550,923
Hotel occupancy taxes	187,113	201,907	226,160	268,094	244,079	239,769	248,450	270,869	309,009	344,126
Alcoholic beverage taxes	33,239	36,870	39,667	33,581	30,986	24,867	27,836	34,385	38,206	43,442
Licenses and permits	260,088	133,966	170,491	129,254	90,868	105,806	140,632	144,941	200,916	292,635
Fines and forfeitures	234,270	448,543	534,629	500,533	397,684	408,162	510,652	605,176	470,713	625,830
Charges for current services	998,126	1,063,301	1,105,249	1,112,632	1,133,746	1,162,883	1,121,191	1,163,283	233,969	243,145
Revenues from use of money and property	1,137,163	403,454	267,608	263,458	256,726	310,712	299,994	330,224	273,786	283,228
Other	249,103	280,564	125,264	135,679	150,169	605,990	161,351	303,910	227,546	76,641
Intergovernmental	652,206	2,269,133	214,850	397,439	713,468	421,076	117,842	124,010	486,000	722,471
Contributions and donations	22,807	210,379	15,855	652,984	9,928	6,725	5,861	8,203	22,255	40,532
Total revenues	16,117,994	18,073,644	15,458,228	16,845,658	16,432,904	16,869,066	16,979,953	17,490,533	17,551,003	19,256,087
EXPENDITURES										
Current:										
General government	950,869	1,021,181	1,031,563	1,002,601	968,905	951,284	972,299	1,124,725	2,000,927	2,934,110
Public safety	6,615,286	6,500,414	6,669,914	7,059,752	6,954,545	8,216,556	7,560,985	7,850,808	8,304,576	8,604,333
Streets	1,149,967	1,367,442	1,079,103	1,072,779	1,053,937	1,060,271	1,052,162	1,246,624	1,092,572	1,474,034
Health	239,133	263,001	372,315	365,835	326,941	357,716	403,090	370,085	375,606	317,168
Equipment services	118,263	135,959	135,368	127,329	130,807	114,270	120,050	138,956	254,287	322,871
Cultural and recreational	954,807	1,017,927	997,785	1,574,307	1,046,692	1,024,531	1,000,738	1,060,585	1,137,874	1,105,233
Airport	108,743	138,094	66,487	77,496	103,325	183,007	106,613	165,174	54,601	14,570
Public works	118,189	121,802	129,051	125,233	125,247	129,134	84,971	89,434	179,385	297,208
Sanitation services	779,185	916,147	830,594	865,081	858,787	900,368	1,117,602	958,107	-	-
Capital outlay	39,313,995	3,560,128	239,378	127,135	609,922	1,380,183	3,168,293	1,369,145	3,798,531	362,581
Debt service:										
Principal retirement	2,159,158	2,394,475	2,405,734	2,462,689	2,609,285	2,443,646	2,695,699	2,956,333	3,178,482	3,041,326
Interest and fiscal charges	1,421,741	1,535,132	1,383,500	1,288,046	1,189,945	993,504	1,011,277	946,141	837,011	804,256
Bond issuance costs	88,589	66,722	-	-	-	151,930	-	141,483	-	146,343
Advance refunding escrow	-	142,081	-	-	-	64,977	-	-	-	-
Total expenditures	54,017,925	19,180,505	15,340,792	16,148,283	15,978,338	17,971,377	19,293,779	18,417,600	21,213,852	19,424,033
Excess (deficiency) of revenues over (under) expenditures	(37,899,931)	(1,106,861)	117,436	697,375	454,566	(1,102,311)	(2,313,826)	(927,067)	(3,662,849)	(167,946)
OTHER FINANCING SOURCES (USES)										
Transfers in	3,524,580	3,546,125	3,423,616	3,383,484	3,548,456	3,456,882	4,815,596	3,531,473	984,866	763,408
Transfers out	(3,424,580)	(3,481,382)	(3,423,616)	(3,383,484)	(3,548,456)	(3,456,882)	(4,815,596)	(3,531,473)	(250,842)	(17,533)
Refunding bonds issued	-	2,565,432	-	-	-	3,670,000	-	10,045,000	-	3,325,000
Certificates of obligation issued	3,000,000	-	-	-	-	2,955,000	-	6,000,000	-	8,760,000
Premium on bonds issued	90,059	-	-	-	-	245,934	-	276,162	-	127,405
Discount on bonds issued	-	(2,553)	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	(2,326,939)	-	-	-	(3,999,405)	-	(10,194,056)	-	(3,299,300)
Proceeds from development agreement	21,795,735	-	-	-	-	-	-	-	-	-
Capital leases	488,753	303,442	-	95,953	-	781,741	187,668	95,953	-	-
Sale of capital assets	-	-	233,146	-	-	-	-	-	-	-
Total other financing sources (uses)	25,474,547	604,125	233,146	95,953	-	3,653,270	187,668	6,223,059	734,024	9,658,980
Net change in fund balances	$ (12,425,384)	$ (502,736)	$ 350,582	$ 793,328	$ 454,566	$ 2,550,959	$ (2,126,158)	$ 5,295,992	$ (2,928,825)	$ 9,491,034
Debt service as a percentage of noncapital expenditures	26.63%	28.99%	26.27%	24.62%	24.98%	20.82%	20.04%	23.26%	23.17%	20.79%

Source: Comprehensive Annual Financial Report

Note: In 2015, the City transferred the sanitation services from governmental activities to business-type activities.

CITY OF ENNIS, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year Ended September 30	Estimated Actual Value		Less: Tax-Exempt Real Property	Total Taxable Assessed Value	Total Direct Rate
	Real Property	Personal Property			
2007	$ 945,974,161	$ 468,653,740	$ 315,491,430	$ 1,099,136,471	0.71000
2008	1,021,786,687	466,825,053	328,637,503	1,159,974,237	0.71000
2009	1,150,498,325	526,588,631	428,580,100	1,248,506,856	0.69500
2010	1,162,520,026	536,843,518	360,485,114	1,338,878,430	0.69500
2011	1,159,480,785	499,627,779	351,533,750	1,307,574,814	0.69500
2012	1,158,181,442	534,976,383	353,485,909	1,339,671,916	0.69500
2013	1,148,522,273	536,978,364	310,253,824	1,375,246,813	0.69500
2014	1,143,218,632	563,332,312	294,789,804	1,411,761,140	0.69500
2015	1,147,947,475	544,574,734	282,434,339	1,410,087,870	0.69500
2016	1,175,090,290	598,711,617	288,761,727	1,485,040,180	0.66917

Source: City Administration Office.

CITY OF ENNIS, TEXAS

PROPERTY TAX RATES

DIRECT AND OVERLAPPING[1] GOVERNMENTS

Last Ten Fiscal Years

	City of Ennis			Overlapping Rates		
Fiscal Year	**Operating / General Rate**	**General Obligation Debt Service**	**Total Direct**	**Ennis Independent School District**	**Ellis County**	**Total Direct and Overlapping Rates**
2007	$ 0.41090	$ 0.29910	$ 0.71000	$ 1.57000	$ 0.34950	$ 2.62950
2008	0.41303	0.29697	0.71000	1.40000	0.39361	2.50361
2009	0.42639	0.26861	0.69500	1.48000	0.39360	2.56860
2010	0.44427	0.25073	0.69500	1.51000	0.39359	2.59859
2011	0.42964	0.26536	0.69500	1.54000	0.39359	2.62859
2012	0.44174	0.25326	0.69500	1.54000	0.41360	2.64860
2013	0.45698	0.23802	0.69500	1.54000	0.41360	2.64860
2014	0.44871	0.24629	0.69500	1.54000	0.41360	2.64860
2015	0.42918	0.26582	0.69500	1.54000	0.41360	2.64860
2016	0.43989	0.22928	0.66917	1.54000	0.41360	2.62277

Source: City Administration Office.

[1] Overlapping rates are those of local and county governments that apply to property owners within the City of Ennis, Texas.

CITY OF ENNIS, TEXAS
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

	2016			2007		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
CVS Texas Distribution LP	$ 92,444,330	1	6.23%	$ 71,674,108	1	6.52%
Ennis-Tractebel Power Co. LP	82,753,968	2	5.57%	22,223,477	6	2.02%
JTEKT of Texas, Inc.	62,932,065	3	4.24%	24,831,540	5	2.26%
Valent U S A Corporation	49,588,780	4	3.34%	-		-
Sterilite Corporation of Texas	48,013,460	5	3.23%	28,582,029	4	2.60%
Elk Corporation of Texas	47,822,200	6	3.22%	66,400,050	2	6.04%
Leggett Partners LP	24,564,100	7	1.65%	22,009,450	7	2.00%
Sterilite Industrial Realty LLC	20,553,140	8	1.38%	-		-
Wal-Mart Real Estate	17,695,920	9	1.19%	16,965,740	8	1.54%
Atlas Sound LP	15,195,720	10	1.02%	-		-
Associated Materials	-		-	41,770,947	3	3.80%
TXU Electric Delivery Company	-		-	13,139,730	9	1.20%
Tamko Ennis Inc.	-		-	12,891,049	10	1.17%
Total	$ 461,563,683		31.08%	$ 320,488,120		29.16%

Source: City Administration Office.

CITY OF ENNIS, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2007	$ 7,800,346	$ 7,654,373	98.13 %	$ 140,834	$ 7,795,207	99.93 %
2008	8,249,145	8,081,674	97.97	159,601	8,241,275	99.90
2009	8,675,218	8,489,838	97.86	174,806	8,664,644	99.88
2010	9,306,551	9,160,555	98.43	134,796	9,295,351	99.88
2011	9,067,308	8,924,407	98.42	129,604	9,054,011	99.85
2012	9,282,003	9,167,040	98.76	98,565	9,265,605	99.82
2013	9,625,186	9,453,560	98.22	147,313	9,600,873	99.75
2014	9,827,953	9,705,917	98.76	93,841	9,799,758	99.71
2015	9,809,002	9,693,244	98.82	68,103	9,761,347	99.51
2016	9,931,494	9,817,879	98.86	-	9,817,879	98.86

Source: City Administration Office.

CITY OF ENNIS, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

	Governmental Activities					Business- Activities					
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Notes Payable	Development Agreement Payable	Capital Leases	General Obligation Bonds	Certificates of Obligation	Capital Leases	Total Outstanding Debt	Percentage of Personal Income[1]	Debt Per Capita[1]
2007	$25,496,026	$8,560,000	$319,107	$ 21,750,327	$757,715	$10,159,529	$11,695,000	$4,436	$78,742,140	17.11%	$ 4,096
2008	25,271,923	6,868,292	296,313	21,205,434	830,614	13,735,699	6,966,708	91,634	75,266,617	15.72%	3,900
2009	23,526,536	6,444,296	273,519	20,660,541	621,465	13,231,593	5,965,704	72,893	70,796,547	14.55%	3,663
2010	21,704,356	5,996,072	250,725	20,115,648	451,872	12,712,335	4,918,928	52,778	66,202,714	13.34%	3,416
2011	19,738,416	5,527,775	227,931	19,570,755	296,210	11,708,487	4,362,225	32,062	61,463,861	12.71%	3,320
2012	20,330,629	5,510,000	205,137	19,025,862	940,630	14,495,619	-	10,880	60,518,757	12.23%	3,266
2013	18,370,315	4,955,000	182,343	18,480,969	930,160	12,794,065	-	-	55,712,852	15.00%	2,979
2014	17,271,780	9,930,000	159,549	17,936,076	835,515	11,015,017	-	-	57,147,937	15.05%	3,036
2015	15,429,447	8,665,000	136,755	17,391,183	646,388	9,498,448	-	46,999	51,814,220	13.36%	2,605
2016	15,610,885	14,705,000	-	16,846,290	459,908	8,094,837	4,720,000	9,482	60,446,402	15.25%	2,974

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

[1] Personal income data and population data can be found in the Schedule of Demographic and Economic Statistics on page 105.

CITY OF ENNIS, TEXAS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year Ended September 30	General Obligation Bonds	Certificates of Obligation	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value[1] of Property	Per Capita[2]
2007	$35,655,555	$8,560,000	$ 386,006	$43,829,549	3.99%	$ 2,280
2008	39,007,622	6,868,292	384,923	45,490,991	3.92%	2,357
2009	36,758,129	6,444,296	370,911	42,831,514	3.43%	2,216
2010	34,416,691	5,996,072	361,595	40,051,168	2.99%	2,066
2011	31,446,903	5,527,775	412,965	36,561,713	2.80%	1,975
2012	34,826,248	5,510,000	416,953	39,919,295	2.98%	2,154
2013	31,164,380	4,955,000	407,021	35,712,359	2.60%	1,909
2014	28,286,797	9,930,000	417,928	37,798,869	2.68%	2,008
2015	24,927,895	8,665,000	636,046	32,956,849	2.34%	1,657
2016	23,705,722	14,705,000	834,307	37,576,415	2.53%	1,849

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

[1] See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 97 for property value data.

[2] Population data can be found in the Schedule of Demographic and Economic Statistics on page 105.

CITY OF ENNIS, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2016

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable[1]	Amounts Applicable to Primary Government
Debt repaid with property taxes: Ellis County	$ 43,116,315	12.57%	$ 5,419,721
Debt repaid with property taxes: School District	128,763,014	78.96%	101,671,276
Subtotal, overlapping debt			107,090,997
City of Ennis, Texas direct debt			47,622,083
Total direct and overlapping debt			$ 154,713,080

Source: Texas Municipal Reports

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

[1] The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county and school district's taxable assessed value that is within the city's boundaries and dividing it by the county and school district's total taxable assessed value.

CITY OF ENNIS, TEXAS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

	Waterworks and Sewer System Revenue Bonds					
		Less	Net	Debt Service		
Fiscal Year	Total Revenues[1]	Operating Expenses[2]	Available Revenue	Principal	Interest	Coverage
2007	$ 7,322,219	$ 4,786,625	$ 2,535,594	$1,280,570	$1,019,622	1.10
2008	7,436,762	5,268,071	2,168,691	1,418,863	875,402	0.95
2009	7,443,123	5,741,468	1,701,655	1,509,427	863,605	0.72
2010	7,557,196	5,758,742	1,798,454	1,573,156	778,376	0.76
2011	8,224,494	5,686,990	2,537,504	1,564,323	706,642	1.12
2012	7,967,777	5,424,083	2,543,694	1,632,124	555,938	1.16
2013	7,787,360	5,680,378	2,106,982	1,689,558	519,273	0.95
2014	7,718,889	5,911,133	1,807,756	1,767,052	511,392	0.79
2015	8,177,569	5,245,884	2,931,685	1,504,573	399,667	1.54
2016	8,649,043	5,649,392	2,999,651	1,536,855	276,869	1.65

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

[1] Includes operating and nonoperating revenues.

[2] Includes operating expenses minus depreciation.

CITY OF ENNIS, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Estimated Population[1]	Personal Income	Per Capita Personal Income[2]	Median Age[2]	Public School Enrollment[3]	Unemployment Rate[4]
2007	19,223	$ 460,280,698	$ 23,944	*	5,719	4.0 %
2008	19,300	478,691,925	24,803	*	5,684	4.6
2009	19,325	486,738,775	25,187	*	5,833	8.4
2010	19,383	496,437,396	25,612	*	5,877	8.4
2011	18,513	483,638,055	26,124	32.9	5,726	8.1
2012	18,530	494,842,866	26,705	*	5,790	6.2
2013	18,704	371,314,196	19,852	33.7	5,675	5.6
2014	18,823	379,603,441	20,167	34.5	5,675	5.6
2015	19,887	387,895,854	20,954	34.5	5,784	3.6
2016	20,324	396,419,537	21,772	34.4	5,829	3.6

Sources:

[1] North Central Texas Council of Governments, 2010 Census, 2013 Census Bureau

[2] U.S. Census Bureau

[3] Ennis Independent School District

[4] DOL, Department of Commerce

* Median age only available when released in census years.

CITY OF ENNIS, TEXAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2016			2007		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Ennis Independent School District	717	1	8.77%	805	2	9.70%
Sterilite Corporation of Texas	650	2	7.95%	825	1	9.94%
TeleTech	650	3	7.95%	-		-
Cenveo	332	4	4.06%	-		-
Wal-Mart	250	5	3.06%	250	8	3.01%
GAF	238	6	2.91%	280	4	3.37%
Leggett Partners LP	203	7	2.48%	181	10	2.18%
City of Ennis	195	8	2.39%	-		-
CVS Texas Distribution LP	192	9	2.35%	275	5	3.31%
JTEKT of Texas, Inc.	185	10	2.26%	216	9	2.60%
Alliance Data, Inc.	-		-	315	3	3.80%
Ennis Extruded Products	-		-	250	6	3.01%
Schirm USA, Inc.	-		-	230	7	2.77%
Total	3,612		44.19%	3,627		43.71%

Source: City Administration Office.

CITY OF ENNIS, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

	Fiscal Year									
Function	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
General Government										
Administration	10.0	10.0	10.0	10.0	10.0	10.0	10.0	12.5	12.2	12.2
Tourism	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.0	2.0
Public Safety										
Police	42.5	42.5	43.5	43.5	43.5	43.5	43.5	43.5	43.5	44.2
Judicial	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Fire	29.0	29.0	29.0	29.0	29.0	29.0	30.0	30.0	30.0	30.0
Inspection	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0
Streets	11.0	11.0	11.0	11.0	11.0	11.0	13.0	13.0	13.0	11.0
Health	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
Equipment Services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Cultural and Recreational										
Parks and Recreation	7.9	7.9	7.9	7.9	7.9	7.9	8.0	8.0	8.0	8.0
Library	5.6	5.6	5.6	5.6	5.6	5.6	6.0	6.0	5.6	5.6
Museum	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Public Works	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Sanitation Services	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Water and Wastewater										
Administration	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Water	19.0	19.0	19.0	19.0	19.0	19.0	19.0	18.0	18.0	18.0
Wastewater	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Total	180.0	180.0	181.0	181.0	181.0	181.0	183.0	184.5	183.3	182.0

Source: City Administration Office.

CITY OF ENNIS, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

Function	Fiscal Year 2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
UCR - Reported Crimes	1,304	1,158	1,320	1,195	1,107	1,155	1,024	860	868	770
Number of Violations (Citations)	4,079	6,685	10,368	8,947	9,065	8,509	7,934	9,083	7,539	6,670
Judicial										
Municipal Court Fines	$ 234,270	$ 388,179	$ 452,117	$ 436,615	$ 347,604	$ 363,863	$ 446,042	$ 500,672	$ 451,022	$ 566,512
Fire										
Fire Calls	41	57	59	53	68	10	18	14	994	114
First Response (Ambulance Assist.)	-	-	-	-	-	-	-	-	1,587	1,842
Fire Loss	$ 150,000	$ 152,700	$ 118,820	$ 97,700	$ 66,050	$ 159,650	$ 169,950	$ 20,500	$ 39,500	$ 280,000
Inspection										
Permits Issued (Units)	100	81	264	164	158	74	122	35	36	52
Permit Value	$ 121,791,485	$ 28,705,747	$ 64,696,470	$ 14,961,321	$ 4,847,773	$ 7,518,503	$ 22,756,456	$ 9,260,747	$ 9,582,310	$ 14,940,779
Streets										
Miles of Streets Maintained	102.99	103.63	103.62	103.67	103.67	103.67	103.67	103.67	103.67	103.67
Health										
Food Establishment Inspections	267	315	309	315	312	456	544	377	213	235
Animals Impounded	1,085	1,076	752	736	866	876	1,024	979	783	713
Equipment Services										
Equipment Maintained	124	125	127	127	127	127	125	276	582	565
Cultural and Recreational										
Parks										
Parks Maintained	11	11	11	11	12	12	12	12	12	12
Library										
Patrons	104,834	107,173	120,904	119,901	107,991	101,150	94,103	80,160	78,079	71,360
Circulation	100,746	106,166	92,131	91,692	80,934	81,970	75,682	73,482	74,621	73,612
Museum										
Paid Attendance	545	901	803	506	526	639	502	826	638	595
Sanitation Service										
Refuse Customers	5,076	5,134	5,137	5,156	5,150	5,169	5,167	5,156	5,208	5,271
Estimated Refuse Collected (in tons)	11,759	10,150	9,950	10,356	8,981	8,174	8,285	8,398	8,356	8,418
Water										
Number of Water Customers	5,679	5,722	5,766	5,777	5,775	5,702	5,811	5,754	5,868	5,944
Estimated Gallons Billed (in thousands)	914,465	1,001,935	996,365	917,419	1,089,054	1,086,971	952,797	943,507	881,881	1,008,824
Sewer										
Number of Wastewater Customers	5,290	5,386	5,442	5,461	5,460	5,390	5,491	5,488	5,548	5,613

Sources: Various city departments.

CITY OF ENNIS, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

	Fiscal Year									
Function	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Number of Stations	2	2	2	2	2	2	2	2	2	2
Fire Hydrants	910	919	953	953	953	1,048	1,048	1,048	1,048	1,048
Streets										
Miles of Streets	102.99	103.63	103.62	103.67	103.67	103.67	103.67	103.67	103.67	103.67
Equipment Services										
Equipment Maintained	124	124	125	127	127	127	125	276	582	565
Cultural and Recreational										
Parks Maintained	11	11	11	11	12	12	12	12	12	12
Library										
Number of Libraries	1	1	1	1	1	1	1	1	1	1
Museum										
Number of Museums	1	1	1	1	1	1	1	1	1	1
Water										
Water Plant Capacity (million gallons per day)	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
TCEQ Worst Case Capacity (million gallons per day)	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10	9.10
Water Storage Capacity (million gallons)	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Sewer										
Sewer Plant Capacity (million gallons per day)	3.20	3.20	3.20	3.20	3.10	3.10	3.10	3.10	3.10	3.10

Sources: Various city departments.

CITY OF ENNIS, TEXAS
SCHEDULE OF INSURANCE IN FORCE
September 30, 2016

	Policy Number	Policy Period From	Policy Period To	Coverage	Annual Premium
I. LIABILITY COVERAGE					
A. GENERAL LIABILITY Texas Municipal League	4659-06	10/01/16	10/01/17	$1,000,000 per occurrence $2,000,000 CSL/annual aggregate No deductible	$ 9,704
B. AUTOMOBILE LIABILITY AND PHYSICAL DAMAGE Texas Municipal League	4659-06	10/01/16	10/01/17	$1,000,000 limit per occurrence $25,000 medical per person	27,829
				Physical Damage Deductible: $250/vehicle; $10,000 per occurrence	47,640
C. GENERAL LIABILITY - AIRPORT Texas Municipal League	4659-06	10/01/16	10/01/17	$6,000,000 per occurrence $6,000,000 aggregate No deductible	1,729
D. INCIDENTAL MEDICAL MALPRACTICE Texas Municipal League	4659-06	10/01/16	10/01/17	$2,000,000 per occurrence $4,000,000 CSL/annual aggregate No deductible	Included with General Liability
E. NON-OWNED AIRCRAFT LIABILITY Texas Municipal League	4659-06	10/01/16	10/01/17	$6,000,000 per occurrence $6,000,000 aggregate No deductible	
F. PUBLIC OFFICIALS AND EMP. LIABILITY Texas Municipal League	4659-06	10/01/16	10/01/17	$1,000,000 per occurrence $2,000,000 annual aggregate $5,000 deductible	15,637
G. UNDERGROUND STORAGE Tank Liability and Fire Insurance Colony Insurance Company Public Works	PP 203448	10/01/16	10/01/17	$1,000,000 per occurrence $1,000,000 annual aggregate $5,000 deductible	3,587

CITY OF ENNIS, TEXAS
SCHEDULE OF INSURANCE IN FORCE
September 30, 2016

	Policy Number	Policy Period From	Policy Period To	Coverage	Annual Premium
H. SUPPLMENTAL SEWAGE BACKUP Texas Municipal League	4659-06	10/01/16	10/01/17	$25,000 each structure $50,000 each occurrence $250 deductible	$ 5,773
I. Airport Storage Tank (ZURICH) Great American Alliance Ins. Co.	BTA 9991244-00	10/01/16	10/01/17	$1,000,000 per occurrence $2,000,000 annual aggregate $5,000 deductible	350
J. BONDS					
CNA Surety (Ellis County Ins)	060114268360	10/01/16	10/01/17	C Joel Welch Director of Finance $100,000	500
CNA Surety (Ellis County Ins)	RSB681003	10/01/16	10/01/17	Angela Wade City Secretary $10,000	100
CNA Surety (Ellis County Ins)	060168599988	10/01/16	10/01/17	Public Employees - Blanket Bond $5,000	754
K. LIABILITY COVERAGE COMPREHENSIVE LAW ENFORCEMENT PROFESSIONAL LIABILITY Texas Municipal League Police	4659-02	10/01/16	10/01/17	$1,000,000 each occurrence $2,000,000 annual aggregate $5,000 deductible	15,304
L. PROPERTY COVERAGE Texas Municipal League	4659-06	10/01/16	10/01/17	$1,000 deductible (all risk)	
II. A. REAL AND PERSONAL PROPERTY	4659-06	10/01/16	10/01/17	$72,827,830 Limit (Blanket limit/occurrence) $1,000 deductible	57,079
B. MOBILE EQUIPMENT	4659-06	10/01/16	10/01/17	$1,674,055 limit $1,000 deductible	6,569
C. BOILER AND MACHINERY	4659-06	10/01/16	10/01/17	$12,613,321 Limit $1,000 deductible per accident limit	Included with Real/Personal Property

CITY OF ENNIS, TEXAS
SCHEDULE OF INSURANCE IN FORCE
September 30, 2016

	Policy Number	Policy Period From	Policy Period To	Coverage	Annual Premium
III. ELECTED COVERAGES Texas Municipal League	4659-06	10/01/16	10/01/17		All premiums for Elected Coverages included with Real/Personal Property Premium.
A. VALUABLE PAPERS, RECORDS, AND EDP MEDIA	4659-06	10/01/16	10/01/17	$200,000 limit	
B. LOSS OF REVENUE, EXTRA EXPENSE AND RENTS	4659-06	10/01/16	10/01/17	$122,000	
C. AUTOMATIC NEWLY ACQUIRED PROPERTY (TRANSIT LIMIT)	4659-06	10/01/16	10/01/17	$1,000,000 limit	
D. ACCOUNTS RECEIVABLE	4659-06	10/01/16	10/01/17	$10,000 limit	
E. PERSONAL EFFECTS	4659-06	10/01/16	10/01/17	$5,000 limit	
F. FINE ARTS	4659-06	10/01/16	10/01/17	$210,000 aggregate	
G. OUTDOOR TREES AND SHRUBS	4659-06	10/01/16	10/01/17	$10,000 limit @ $250 per item	
H. LEASEHOLD INTEREST	4659-06	10/01/16	10/01/17	$5,000 limit	
I. POLLUTANT CLEAN-UP AND REMOVAL	4659-06	10/01/16	10/01/17	$20,000 limit per structure	
J. INFORMATION SECURITY AND PRIVACY LIABILITY	4659-06	10/01/16	10/01/17	$50,000 Aggregate w/$2,500 retention per claim	

CONTINUING FINANCIAL DISCLOSURE TABLES (Unaudited)

The Continuing Financial Disclosure Tables portion of the Statistical section presents various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. The financial tables that follow are updated through September 30, 2016, from the last debt issues that were sold in 2016. This financial information is also sent annually to the Municipal Securities Rulemaking Board ("MSRB"), where it is available to the public at no charge on the MSRB website at www.emma.msrb.org.

ASSESSED VALUATION — **TABLE CD-1**

2016 Actual Appraised Value of Taxable Property (100% of Actual)		$ 1,834,074,170
Less Exemptions/Losses:		
Local Over-65 and/or Disabled Homestead Exemptions	$ 4,859,445	
Local, Optional Percentage Homestead	14,671,075	
Disabled and Deceased Veterans' Exemptions	2,623,832	
Pollution Control	15,910,684	
Productivity Loss	34,362,022	
Abatement Loss	25,800,896	
Value Cap Loss (10%)	1,196,206	
Historical / Minimal Value & Other	2,363,496	
Totally Exempt Property	177,326,089	279,113,745
2016 Certified Net Taxable Assessed Valuation		$1,554,960,425

Source: Ellis Appraisal District.

GENERAL OBLIGATION BONDED DEBT PRINCIPAL — **TABLE CD-2**

General Obligation Debt Principal Outstanding: (As of September 30, 2016)	
Combination Tax and Revenue Certificates of Obligation, Series 2006	$ 150,000
General Obligation Refunding Bonds, Series 2007	6,235,000
General Obligation Refunding Bonds, Series 2012	515,000
Combination Tax and Revenue Certificates of Obligation, Series 2012	400,000
General Obligation Refunding Bonds, Series 2012A	1,665,000
Combination Tax and Revenue Certificates of Obligation, Series 2014	5,750,000
General Obligation Refunding Bonds, Series 2014	8,425,000
Combination Tax and Revenue Certificates of Obligation, Series 2015	9,640,000
General Obligation Refunding Bonds, Series 2016	6,235,000
Combination Tax and Revenue Certificates of Obligation, Series 2016	3,485,000
Total **Gross** General Obligation Debt Principal Outstanding:	$ 42,500,000
Less: Self-Supporting General Obligation Debt Principal [(a)]	
General Obligation Refunding Bonds, Series 2007 (61.48% Utility Fund)	$ 3,833,278
General Obligation Refunding Bonds, Series 2012 (Approx. 40.44% EDC)	235,000
General Obligation Refunding Bonds, Series 2012A (Approx. 68.34% Utility Fund)	1,140,000
Combination Tax and Revenue Certificates of Obligation, Series 2015 (Approx. 40.00% Utility Fund)	4,005,000
General Obligation Refunding Bonds, Series 2016 (Approx. 48.20% Utility Fund)	2,990,000
Combination Tax and Revenue Certificates of Obligation, Series 2016 (Approx. 20.52% Utility Fund)	715,000
Total Self-Supporting General Obligation Debt Principal	$ 12,918,278
Total **Net** General Obligation Debt Principal Outstanding	$ 29,581,722
General Obligation Interest and Sinking Fund Balance as of 9-30-16	$ 834,307
Ratio of Gross General Obligation Debt to 2016 Certified Net Taxable Assessed Valuation	2.73%
Ratio of Net General Obligation Debt to 2016 Certified Net Taxable Assessed Valuation	1.90%
2016 Certified Net Assessed Valuation	$ 1,554,960,425
Population: 1980 - 12,110; 1990 - 13,883; 2000 - 16,045; 2010 - 18,513; Current (Estimate) -	20,324
Per Capita 2016 Certified Net Assessed Valuation -	$ 76,509
Per Capita Gross General Obligation Debt Principal -	$ 2,091
Per Capita Net General Obligation Debt Principal -	$ 1,456

[(a)] *In the event the City changes its policy to pay this general obligation debt service from other revenue sources, or such revenues are not sufficient to pay debt service on such obligations, the City will be required to levy an ad valorem tax to pay such debt service.*

DEVELOPMENT AGREEMENT PAYABLE

The City entered into a development agreement with PRHC-Ennis GP, Inc. (subsequently LifePoint Hospitals, Inc.) (the "Company") for the construction, maintenance and operation of an acute municipal hospital. Under the terms of the development agreement the City purchased the constructed hospital from the Company. The purchase price paid at closing was reduced by an amount identified as rent under the terms of the development agreement and the terms of a lease agreement (see the City's 2015 Comprehensive Annual Financial Report, Note 2.J, Page 55 for additional information). This development agreement payable ($21,795,735) was recorded at closing and is reduced as rent revenue under the lease agreement is earned.

The development agreement payable currently outstanding and reported as a liability of the City's governmental activities at September 30, 2016 totaled $16,846,290. The amount due within one year totals $544,893.

LEASE PURCHASE AGREEMENTS (Equipment)

The City is currently purchasing equipment under lease purchase agreements. The interest on the leases ranges from 1.74% to 2.258%. As of September 30, 2016, the estimated future lease payments are as follows:

Fiscal	Governmental Activities			Business-type Activities		
Year	Principal	Interest	Total	Principal	Interest	Total
2016	$ 29,611	$ 676	$ 30,287	$ 9,482	$ 28	$ 9,510
2017	97,298	9,454	106,752	-	-	-
2018	80,483	7,519	88,002	-	-	-
2019	82,300	5,702	88,002	-	-	-
2020	84,158	3,844	88,002	-	-	-
2021-2022	86,058	1,943	88,001	-	-	-
Total	$ 459,908	$ 29,138	$ 489,046	$ 9,482	$ 28	$ 9,510

CONTRACTS WITH THE TRINITY RIVER AUTHORITY OF TEXAS

The City has entered into two water supply contracts with the Trinity River Authority of Texas (the "Authority") and is making contractual payments to Authority in compliance with those contracts. See the City's 2016 Comprehensive Annual Financial Report, Note 2.F, page 50-51 for additional information.

GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS **TABLE CD-4**

Fiscal Year	Current Total Debt Service[a]	Less: Self-Supporting Debt Paid From WS Rev[b]	Less: Self-Supporting Debt Paid from EDC[c]	Net General Obligation Debt Service[d]
2017	$ 5,803,433	$ 1,905,821	$ 118,550	$ 3,779,062
2018	5,538,137	1,829,818	121,200	3,587,119
2019	5,420,935	1,835,368	-	3,585,567
2020	5,431,047	1,837,528	-	3,593,519
2021	4,251,685	1,434,130	-	2,817,555
2022	4,089,657	1,336,811	-	2,752,846
2023	2,705,301	463,219	-	2,242,082
2024	2,690,458	461,119	-	2,229,339
2025	2,701,790	458,319	-	2,243,471
2026	1,602,495	460,406	-	1,142,089
2027	1,472,323	332,281	-	1,140,042
2028	1,283,389	331,225	-	952,164
2029	1,285,839	334,400	-	951,439
2030	1,280,939	331,975	-	948,964
2031	1,282,489	333,725	-	948,764
2032	1,087,288	335,175	-	752,113
2033	1,084,381	335,956	-	748,425
2034	1,084,531	331,044	-	753,487
2035	661,600	335,969	-	325,631
	$ 50,757,717	$ 15,024,289	$ 239,750	$ 35,493,678

[a] *Includes all self-supporting debt.*
[b] *Includes only self-supporting debt paid from Water and Sewer System (the "System") revenues. See Table 2, page 112 for self-supporting percentages.*
[c] *Includes the self-supporting debt paid by the Ennis Economic Development Corporation. See Table 2, page 112 for self-supporting percentages.*
[d] *Excludes all self-supporting debt. In the event the City changes its policy to pay this general obligation debt service from other revenue sources, or such revenues are not sufficient to pay debt service on such obligations, the City will be required to levy an ad valorem tax to pay such debt service.*

TAX ADEQUACY (Includes Self-Supporting Debt) **TABLE CD-5**

2016 Net Taxable Assessed Valuation	$	1,554,960,425
Maximum Annual Debt Service Requirements (Fiscal Year Ending 9-30-17)	$	5,803,433
Indicated Maximum Interest and Sinking Fund Tax Rate at 97% Collections	$	0.38476

Note: Above computation is exclusive of investment earnings, delinquent tax collections and penalties and interest on delinquent tax collections.

TAX ADEQUACY (Excludes Self-Supporting Debt) **TABLE CD-6**

2016 Net Taxable Assessed Valuation	$	1,554,960,425
Maximum Annual Debt Service Requirements (Fiscal Year Ending 9-30-17)	$	3,779,062
Indicated Maximum Interest and Sinking Fund Tax Rate at 97% Collections	$	0.25055

Note: Above computation is exclusive of investment earnings, delinquent tax collections and penalties and interest on delinquent tax collections.

INTEREST AND SINKING FUND MANAGEMENT INDEX — **TABLE CD-7**

Interest and Sinking Fund Balance, Fiscal Year Ended September 30, 2016	$	834,307
2016 Interest and Sinking Fund Tax Levy of $0.22928 at 97% Collections Produces		3,619,948
Total Available for Debt Service		4,454,255
Less: Net General Obligation Debt Service Requirements, Fiscal Year Ending 9-30-16[(a)]		3,779,062
Estimated Surplus at Fiscal Year Ending 9-30-16[(b)]	$	675,193

[(a)] *Excludes self-supporting general obligation debt.*

[(b)] *Does not include delinquent tax collections, penalties and interest on delinquent tax collections or investment earnings.*

COMPUTATION OF WATERWORKS AND SEWER SYSTEM SELF-SUPPORTING DEBT — **TABLE CD-8**

Net System Revenues Available, Fiscal Year End September 30, 2016	$	2,999,651
Transfer from Undesignated Utility Fund Reserve		-
Less: 2016 Annual Debt Service Requirements on Outstanding Revenue Bonds		-
Balance Available for Other Purposes	$	2,999,651
System General Obligation Debt for Fiscal Year Ended September 30, 2016	$	1,813,724
Percentage of System General Obligation Debt Self-Supporting		165.39%

GENERAL OBLIGATION PRINCIPAL REPAYMENT SCHEDULE — **TABLE CD-9**

Fiscal Year Ending 9-30	Principal Repayment Schedule Currently Outstanding[(a)]	Obligations Unpaid at End of Year	Percent of Principal Retired (%)
2017	$ 4,640,000	$ 37,860,000	10.92%
2018	4,480,000	33,380,000	21.46%
2019	4,470,000	28,910,000	31.98%
2020	4,600,000	24,310,000	42.80%
2021	3,545,000	20,765,000	51.14%
2022	3,490,000	17,275,000	59.35%
2023	2,210,000	15,065,000	64.55%
2024	2,255,000	12,810,000	69.86%
2025	2,330,000	10,480,000	75.34%
2026	1,300,000	9,180,000	78.40%
2027	1,200,000	7,980,000	81.22%
2028	1,040,000	6,940,000	83.67%
2029	1,070,000	5,870,000	86.19%
2030	1,095,000	4,775,000	88.76%
2031	1,130,000	3,645,000	91.42%
2032	970,000	2,675,000	93.71%
2033	1,000,000	1,675,000	96.06%
2034	1,035,000	640,000	98.49%
2035	640,000	-	100.00%
	$ 42,500,000		

[(a)] *Includes self-supporting debt*

CLASSIFICATION OF ASSESSED VALUATION[a] **TABLE CD-10**

Category	2016	% of Total	2015	% of Total	2014	% of Total	2013	% of Total	2012	% of Total
Real, Residential, Single-Family	$ 441,628,622	24.08%	$ 418,857,317	23.61%	$ 403,762,781	23.86%	$ 399,122,938	23.39%	$ 405,664,333	24.07%
Real, Residential, Multi-Family	43,253,960	2.36%	42,593,050	2.40%	42,006,906	2.48%	42,978,695	2.52%	42,310,011	2.51%
Real, Vacant Lots/Tracts	19,548,556	1.07%	19,602,209	1.11%	20,443,746	1.21%	20,086,771	1.18%	20,463,209	1.21%
Real, Acreage (Land Only)	37,065,329	2.02%	35,821,651	2.02%	34,135,115	2.02%	33,569,627	1.97%	40,958,440	2.43%
Real, Farm & Ranch Improvements	21,807,892	1.19%	21,365,753	1.20%	22,158,483	1.31%	21,170,369	1.24%	13,222,000	0.78%
Real, Commercial	222,383,133	12.13%	214,373,428	12.09%	184,250,677	10.89%	204,170,784	11.96%	172,188,632	10.22%
Real, Industrial	225,505,129	12.30%	229,966,120	12.96%	247,992,699	14.65%	233,941,329	13.71%	261,583,380	15.52%
Real & Tangible, Personal Utilities	28,936,750	1.58%	29,266,100	1.65%	27,780,430	1.64%	27,330,740	1.60%	26,548,030	1.58%
Tangible Personal, Commercial	198,249,012	10.81%	178,194,076	10.05%	92,901,107	5.49%	152,434,272	8.93%	82,155,980	4.87%
Tangible Personal, Industrial	405,928,028	22.13%	387,843,321	21.87%	420,551,017	24.85%	379,467,640	22.24%	425,682,914	25.26%
Tangible Personal, Mobile Homes	1,286,950	0.07%	947,070	0.05%	1,016,210	0.06%	1,104,370	0.06%	1,147,430	0.07%
Real, Property / Residential Inventory	4,932,250	0.27%	4,781,210	0.27%	4,624,770	0.27%	4,741,690	0.28%	4,495,100	0.27%
Special Inventory	6,222,470	0.34%	5,801,600	0.33%	5,720,800	0.34%	5,866,300	0.34%	4,472,680	0.27%
Totally Exempt Property	177,326,089	9.67%	184,389,002	10.40%	185,177,468	10.94%	180,565,419	10.58%	184,608,498	10.95%
Total Appraised Value	$ 1,834,074,170	100.00%	$ 1,773,801,907	100.00%	$ 1,692,522,209	100.00%	$ 1,706,550,944	100.00%	$ 1,685,500,637	100.00%
Less Exemptions:										
Local, Over-65 and/or Disabled	$ 4,859,445		$ 4,800,342		$ 4,840,548		$ 4,714,350		$ 4,716,530	
Local, Optional Percentage Homestead	14,671,075		14,929,588		15,260,273		15,370,761		15,735,511	
Disabled and Deceased Veterans	2,623,832		1,693,126		1,599,096		1,215,056		1,102,793	
Pollution Control	15,910,684		17,789,087		18,218,203		19,347,493		26,323,135	
Productivity Loss	34,362,022		33,292,974		31,746,065		31,738,002		30,939,514	
Tax Abatement	25,800,896		28,790,988		22,801,814		39,689,486		44,361,072	
Low Income Housing Exemption	-		4,705,420		4,705,420		4,705,420		4,705,420	
Value Cap Loss (10%)	1,196,206		1,090,729		678,074		136,179		285,680	
Historical / Minimal Value & Other	2,363,496		2,228,314		4,214,191		4,447,078		2,583,531	
Totally Exempt Property	177,326,089		179,441,159		178,370,655		173,425,979		179,500,638	
Total Exemptions	$ 279,113,745		$ 288,761,727		$ 282,434,339		$ 294,789,804		$ 310,253,824	
Net Taxable Assessed Valuation	$ 1,554,960,425		$ 1,485,040,180		$ 1,410,087,870		$ 1,411,761,140		$ 1,375,246,813	

[a] *Assessed Valuations may change during the year due to various supplements and protests.*

Source: Texas Comptroller of Public Accounts and Ellis Appraisal District.

PRINCIPAL TAXPAYERS - 2016 **TABLE CD-11**

Name	Type of Business/Property	2016 Net Taxable Assessed Valuation	% of Total 2016 Assessed Valuation
CVS Texas Distribution LP	Pharmacy Retailer Distribution	$ 92,444,330	5.95%
Ennis-Tractebel Power Co. LP	Electric Power Generation	82,753,968	5.32%
JTEKT Automotive Texas LP	Automotive Steering Products Manufacturing	62,932,065	4.05%
Valent USA Corporation	Agricultural Products	49,588,780	3.19%
Sterilite Corporation of Texas	Plastic Container Manufacturing	48,013,460	3.09%
Elk Roofing Products	Fiberglass Roofing Materials	47,822,200	3.08%
Leggett Partners LP	Bedding Components Manufacturing	24,564,100	1.58%
Sterilite Industrial Realty LLC	Manufacturing Household/Storage Products	20,553,140	1.32%
Wal-Mart Real Estate	Retail Sales	17,695,920	1.14%
Atlas Sound LP	Audio Video Products Manufacturing	15,195,720	0.98%
Total		$ 461,563,683	23.74%

Based on a 2016 Net Taxable Assessed Valuation of $ 1,554,960,425

Source: Ellis Appraisal District and the City of Ennis, Texas.

PROPERTY TAX RATES AND COLLECTIONS [(a)] **TABLE CD-12**

Tax Year	Net Taxable Assessed) Valuation[(a)]	Tax Rate	Tax Levy	% Collections Current	% Collections Total	Year Ended
2006	$ 1,099,136,471	$0.710	$ 7,800,346	98.13%	99.93%	9-30-06
2007	1,159,974,237	0.710	8,249,145	97.97%	99.90%	9-30-07
2008	1,248,506,856	0.695	8,675,218	97.86%	99.88%	9-30-08
2009	1,338,878,430	0.695	9,306,551	98.43%	99.88%	9-30-09
2010	1,307,574,814	0.695	9,067,308	98.42%	99.85%	9-30-10
2011	1,339,671,916	0.695	9,282,003	98.76%	99.82%	9-30-11
2012	1,375,246,813	0.695	9,625,186	98.22%	99.75%	9-30-12
2013	1,411,761,140	0.695	9,827,953	98.76%	99.71%	9-30-13
2014	1,410,087,870	0.695	9,809,002	98.82%	99.51%	9-30-14
2015	1,485,040,180	0.669	9,931,494	98.86%	98.86%	9-30-15
2016	1,554,960,425	0.699	10,869,173	N/A	N/A	9-30-16

[(a)] Assessed Valuations may change during the year due to various supplements and protests, and valuations on a later date or in other tables of this report may not match those shown on this table.

Source: Ellis Appraisal District and the City of Ennis, Texas.

TAX RATE DISTRIBUTION **TABLE CD-13**

	2016-17	2015-16	2014-15	2013-14	2012-13
General Fund	$0.45900	$0.43989	$0.42918	$0.44871	$0.45698
I & S Fund	0.24000	0.22928	0.26582	0.24629	0.23802
TOTAL	$0.69900	$0.66917	$0.69500	$0.69500	$0.69500

Source: Ellis Appraisal District and the City of Ennis, Texas.

MUNICIPAL SALES TAX **TABLE CD-15**

The Issuer has adopted the provisions of Chapter 321, Texas Tax Code, as amended. In addition, some issuers are subject to a property tax relief and/or an economic and industrial development tax. The voters of the City approved the imposition of a 1/2% additional sales tax to be used for economic development purposes. Levy of the additional sales taxes began on April 1, 1996, and the City received its first payment in June 1996. Collections on fiscal year basis are as follows:

Fiscal Year	Total Collected	City of Ennis (1%)	% of Ad Valorem Tax Levy	($) Equivalent of Ad Valorem Tax Rate	Ennis Economic Development Corporation (½%)
2007	$ 3,924,082	$ 2,616,055	33.54%	0.24	$ 1,308,027
2008	4,336,426	2,890,951	35.05%	0.25	1,445,475
2009	3,642,621	2,428,414	27.99%	0.19	1,214,207
2010	3,518,916	2,345,944	25.21%	0.18	1,172,972
2011	3,673,958	2,449,305	27.01%	0.19	1,224,653
2012	3,793,360	2,528,907	27.25%	0.19	1,264,453
2013	4,130,855	2,753,903	28.61%	0.20	1,376,952
2014	4,469,364	2,979,576	30.32%	0.21	1,489,788
2015	4,930,489	3,286,993	33.51%	0.23	1,643,496
2016	5,083,556	3,389,044	34.12%	0.23	1,694,512

Source: Texas Comptroller of Public Accounts website.
Note: The Comptroller's website figures list sales tax revenues in the month they are delivered to the City, which is two months after they are generated/collected.

GENERAL FUND COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES AND ANALYSIS OF CHANGES IN FUND BALANCES **TABLE CD-19**

	Fiscal Year Ended September 30				
	2016	**2015**	**2014**	**2013**	**2012**
REVENUES					
Taxes:					
Property	$ 6,582,359	$ 6,122,234	$ 9,903,070	$ 10,062,727	$ 9,502,311
Sales	3,389,044	3,021,563	2,979,576	2,753,904	2,541,704
Franchise	1,550,923	1,606,673	1,622,886	1,529,513	1,539,061
Hotel occupancy	-	-	270,869	248,450	239,769
Alcoholic beverage	43,442	38,206	34,385	27,836	24,867
Licenses and permits	292,635	200,916	144,941	140,632	105,806
Fines and forfeitures	603,300	451,022	564,900	491,176	408,162
Charges for current services	207,909	233,969	1,163,283	1,121,191	1,162,883
Revenues from use of money and property	196,175	221,604	225,672	229,752	220,397
Other	73,881	224,308	292,942	151,751	597,572
Intergovernmental	446,431	317,548	-	-	7,169
Contributions and donations	-	-	-	750	-
Total Revenues	13,386,099	12,438,043	17,202,524	16,757,682	16,349,701
EXPENDITURES					
Current:					
General government	2,484,620	1,719,608	1,124,725	972,299	951,284
Public safety	8,497,933	8,238,340	7,835,577	7,550,054	8,170,047
Streets	920,975	1,092,572	1,246,624	1,052,162	1,060,271
Health	317,168	375,606	370,085	403,090	357,716
Equipment services	322,871	254,287	138,956	120,050	114,270
Cultural and recreational	1,065,060	1,123,354	1,011,452	986,716	1,000,255
Airport	14,570	54,601	165,174	106,613	183,007
Public works	297,208	179,385	89,434	84,971	129,134
Sanitation services	-	-	958,107	1,117,602	900,368
Debt service	211,578	121,493	211,181	214,927	152,851
Total Expenditures	14,131,983	13,159,246	13,151,315	12,608,484	13,019,203
Excess (deficiency) of revenues over (under) expenditures	(745,884)	(721,203)	4,051,209	4,149,198	3,330,498
Other Financing Sources (Uses):					
Transfers in	618,441	700,274	-	-	3,038
Transfers out	-	(240,842)	(3,531,473)	(3,323,985)	(3,453,844)
Capital leases	-	-	95,953	187,668	781,741
Total Other Financing Sources (Uses):	618,441	459,432	(3,435,520)	(3,136,317)	(2,669,065)
Net Change in Fund Balance	(127,443)	(261,771)	615,689	1,012,881	661,433
Fund Balance - Beginning of Year	8,115,847	8,377,618	7,761,929	6,749,048	6,087,615
Fund Balance - End of Year[(a)]	$ 7,988,404	$ 8,115,847	$ 8,377,618	$ 7,761,929	$ 6,749,048

[(a)] The fund balances at the end of each fiscal year include nonspendable, restricted assigned, and unassigned balances. As of September 30, 2016, $69,308 is in nonspendable form, $3,096 is restricted by specific legal requirements for capital projects and public safety, $203,464 is assigned for insurance. The remaining $7,712,536 is unassigned fund balance in the general fund and can be used for any lawful purpose.

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