

CAFR

Comprehensive Annual Financial Report

For the Year Ended September 30, 2011

City of Wylie, Texas

wakeup
wakeup

work
work

weekend in....
weekend in....

*The City between
The Lakes*

**CITY OF WYLIE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED
SEPTEMBER 30, 2011**

**AS PREPARED BY THE
FINANCE DEPARTMENT**

**CITY OF WYLIE, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

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INTRODUCTORY SECTION

January 30, 2012

The Honorable Eric Hogue, Mayor
Members of the City Council
And the Citizens
City of Wylie, Texas

Financial policies of the City of Wylie require that the City's Finance Department prepare a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Accordingly, the Comprehensive Annual Financial Report (CAFR) for the City of Wylie, Texas for the fiscal year ended September 30, 2011, is hereby issued.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making the representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial records have been audited by Weaver LLP, Certified Public Accountants, as required by the City Charter. This CAFR has been prepared based upon those audited records. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2011, are free of material misstatement. This independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended September 30, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Profile of the City

The City of Wylie is located in the south central portion of Collin County, approximately 23 miles northeast of downtown Dallas. Incorporated in 1887, the City adopted its Home Rule Charter on January 19, 1985, and operates under a council-manager form of government. The City Council is comprised of a Mayor and six council members. All members are elected at-large on a staggered and nonpartisan basis for three-year terms. They are responsible to enact local legislation, provide policy, and annually adopt the operating budget. They appoint the City Manager, City Attorney, Judge of the Municipal Court and members of various boards and commissions. The City Manager, under the oversight of the City Council, is responsible for the proper administration of the daily operations of the City.

The City provides a full range of municipal services including general government, public safety (police, fire, and emergency communications), streets, library, parks and recreation, planning and zoning, code enforcement, animal control, and water and sewer utilities. Sanitation services are provided by the City but are privately contracted. The Wylie Economic Development Corporation (WEDC) is included in the financial statements as a discrete component unit. Its purpose is to aid, promote and further economic development within the City. The Wylie Park and Recreation Facilities Development Corporation (4B Corporation) is also combined within the financial statements of the City. Both WEDC and the 4B Corporation are primarily funded with sales tax revenues. Both corporations are discussed more fully in the notes to the financial statements.

The annual budget of the City serves as the foundation for its financial plan and control. The budget is proposed by the City Manager and adopted by the City Council in accordance with policies and procedures established by the City Charter, ordinances and state law. The budget process begins each year with a budget message from the City Manager highlighting the objectives to be used in developing departmental budgets. The departmental budgets are then reviewed by the City Manager and a proposed budget is prepared for presentation to the City Council. The City Council reviews the budget in subsequent work sessions and a formal budget is prepared and made available to the public for review by August 5th each year. Prior to official adoption of the budget by Council, public hearing on the proposed budget is held to allow for public input.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Wylie operates.

Local economy

Fast paced growth has, in recent years, been one of the identifying characteristics of the City. However, the growth has slowed in accordance with current economic conditions. The 2011 population of the City has been estimated at about 41,427. This represents a 6% growth over the previous year. The continuation of a slower paced growth is also evidenced in residential construction. Despite the increase in population, residential construction permits decreased by 23% from the previous year total of 291 permits. For the year ending September 30, 2011, the City issued 223 permits. When both residential and commercial growth is considered our total tax base decreased by 1.2% over the previous year. Our taxable assessed value this year, as provided by the Collin Central Appraisal District, Dallas Central Appraisal District and Rockwall Central Appraisal District, was \$2,195,909,672.

While the City's growth rate has declined, the City still maintains a favorable economic environment. In March 2011 the U.S. Census Bureau announced that Wylie's population had increased from 15,132 in 2000 to 41,427 in 2010, a 173.8% increase. According to the census report, this made Wylie the third fastest-growing Texas city over the last decade among cities with a population of more than 40,000. This in turn attracts development to Wylie as evidenced by the March 9, 2011 opening of Kohl's Department Store. Other retail businesses have also opened in that same development during 2011. Future developments announced during Fiscal Year 2011 include a B&B Theatre which is a state-of-the-art, all-digital-projection, 12-screen movie theater complex scheduled to open by the 2012

holiday season along with a 52,000 square foot medical office plaza housing doctors in one-half of the facility and a full-service emergency room in the other half.

Long-term financial planning

In 2006, the City developed a Long-Range Financial Plan. The plan included street and park improvements, a new city hall, library, fire station, recreation center and sidewalks. The voters of the City of Wylie authorized the City to issue \$73,950,000 in General Obligation Bonds to fund this capital improvement program. The first series of General Obligation bonds were sold in late March of 2006 and the remaining bonds were sold in August of 2008. In July 2010 the City issued \$10,160,000 in General Obligation Refunding Bonds and \$525,000 in Combination Tax and Revenue Certificates of Obligation. The Certificates were issued for renovation and improvements at the Public Safety Building, which was the previous City Hall and now houses the Police Department, Fire Administration and Municipal Court.

Fiscal year 2011 saw the opening of the Wylie Municipal Complex which consists of a new City Hall, Recreation Center and Library. Work on several road construction projects also continued, some of which consisted of joint efforts with financial participation by Collin County. Road construction on FM 1378 and State Highway 78 was completed as construction began on Brown Street east of State Highway 78. These road projects are very important to help our citizens get in and around the city. Construction was also completed at Founders Park which saw the addition of more ball fields, concession stands and restroom facilities. Construction renovation began at Community Park to renovate ball fields, concession stands and restroom facilities.

Future projects include renovations and improvements to the Public Safety Building along with additions and renovations to the current Public Works facility. Construction will be done to widen Brown Street west of State Highway 78 in addition to other roadways to accommodate the growth of the City.

Relevant financial policies

During Fiscal Year 2011, the City Council approved the revised Financial Management Policies. Changes made to the previous policies included amendments to the fund balance policy section to incorporate requirements from Government Accounting Standards Board (GASB) Statement No. 54 and adjusting reserve requirements in the General Fund to the level suggested by bond rating agencies.

Financial policies state that, "It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund equal to 25% of expenditures. The City considers a balance of less than 20% to be cause for concern, barring unusual or deliberate circumstances. If unassigned fund balance falls below the goal or has a deficiency, the City will appropriate funds in future budgets to replenish the fund balance based on a time table deemed adequate by the City Council." In FY2011, a reduction of reserves was used to fund a new public safety radio system, purchase equipment for the new municipal complex and provide additional funding for street and alley maintenance.

Major initiatives

In addition to construction projects, the City noted a continuation of initiatives in its new public arts program. Three pieces of art were installed at the new Municipal Complex including Teatro XIX a bronze work which represents Wylie's community gathering place by Herk van Tongeren. Voices of Wylie is a sculpture which conceals an outdoor speaker connected to keyboards in the Recreation Center and Library on which visitors may type and have their thoughts converted into music played through the sculpture. It was designed by Po Shu Wang and Louise Bertelsen. Something Real by Steve Gilman consists of seven granite monoliths and is about the City's past and present, its people and the site's nature as a modern civic center. In addition Catch, two limestone sculptures representing a thrower and a catcher and designed by Madeline Wiener, was unveiled at Founders Park.

Awards and Acknowledgements

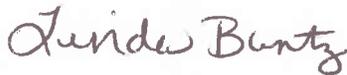
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wylie for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2010. The City has participated in the program for many years and has been awarded the Certificate numerous times. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

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

The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Finance Department. We would also like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. Acknowledgement is also given to representatives of Weaver, LLP, Certified Public Accountants for their dedicated assistance in producing this report.

Special acknowledgement is given to the City Manager, Mayor and the members of the City Council for their support for maintaining the highest standards of professionalism in the management of the City of Wylie finances.

Respectively submitted,



Linda Bantz
Finance Director



Melissa Beard
Assistant Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Wylie
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danson

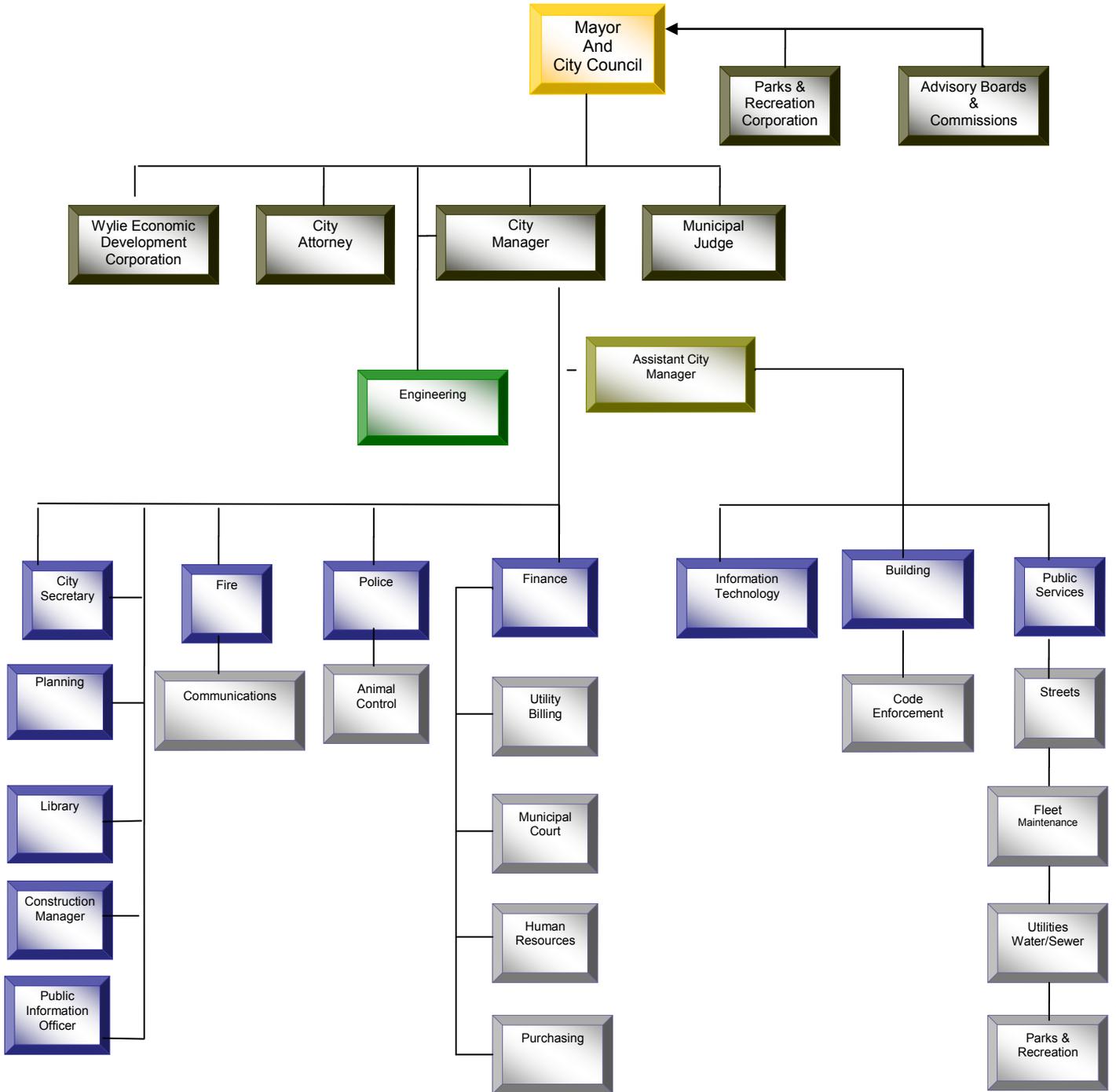
President

Jeffrey R. Emer

Executive Director

FY 2011 CITY OF WYLIE

ORGANIZATIONAL CHART



CITY OF WYLIE, TEXAS

PRINCIPAL OFFICIALS

September 30, 2011

City Council

Eric Hogue, Mayor
M. G. "Red" Byboth, Mayor Pro Tem
David Goss, Councilmember
Kathy Spillyards, Councilmember
Bennie Jones, Councilmember
Rick White, Councilmember
Diane Culver, Councilmember

City Staff

Mindy Manson, City Manager
Jeff Butters, Assistant City Manager
Carole Ehrlich, City Secretary
Linda Bantz, Director of Finance
John Duscio, Police Chief
Randy Corbin, Fire Chief
Chris Holsted, City Engineer
Mike Sferra, Public Services Director
Rachel Orozco, Library Director
Mike McAnnally, Building Director
Renaë' Ollie, Planning Director
Sam Satterwhite, WEDC Director

Other Appointed Officials

Weaver, LLP, Auditors
Abernathy, Roeder, Boyd & Joplin, PC, City Attorney
Fulbright & Jaworski, LLP, Bond Counsel
First Southwest Company, Financial Advisors



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

Members of the City Council
City of Wylie, TX

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Wylie (the City) as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's administration. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1(L) to the basic financial statements, the City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions."

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

City of Wylie, TX

Page 2

The accompanying management's discussion and analysis (on pages 3 through 9) and budgetary comparison information (pages 54 through 56) are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Wylie's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 30, 2012

**City of Wylie, Texas
Management's Discussion and Analysis
September 30, 2011**

As management of the City of Wylie, 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, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages one through four of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the fiscal year ended September 30, 2011, by \$171,011,689 (net assets). Of this amount, \$32,651,701 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$3,565,806. The increase is attributable to increases in revenues, particularly ad valorem taxes, sales taxes and service fees, accompanied by only a small increase in expenditures.
- The City's governmental funds reported combined ending fund balances of \$44,606,543, a decrease of \$14,094,018 in comparison to the previous year. The decrease is due primarily to expenditures on capital projects.
- The unassigned portion of the General Fund fund balance at the end of the year was \$10,095,757 or 38% of total General Fund expenditures and transfers out.
- Total debt of the City decreased by \$4,248,271 during the fiscal year due to payments on bonded debt.
- Net assets increased in the Utility Fund by \$1,354,952 in comparison to the previous year. An application of impact fees for debt service expenses in relation to the Muddy Creek Wastewater Treatment Plant accounts for most of the increase.

Overview of the Financial Statements

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Wylie's finances. This is done in a manner similar to a private-sector business. Two statements, the Statement of Net Assets and the Statement of Activities, are utilized to provide this financial overview.

The Statement of Net Assets presents information on all of the City's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide statements distinguish between governmental activities and business-type activities. Governmental activities basically account for those activities supported by taxes and intergovernmental revenues. On the other hand, business-type activities are basically supported by user fees and charges. Most City services are reported in governmental activities while business-type activities are reported in the Enterprise Fund.

**City of Wylie, Texas
Management's Discussion and Analysis
September 30, 2011**

The government-wide statements include not only the City but also a discrete component unit, the Wylie Economic Development Corporation (WEDC). Although legally separate, WEDC is financially accountable to the City.

Fund financial statements. The City, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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. 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 evaluating 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 twenty 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 and the General Obligation Debt Service Fund. All Capital Projects Funds are combined for a single, aggregated presentation. Data from the other non-major funds are also combined and reported in a single column. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. The City maintains two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its water and sewer operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its fleet of vehicles and certain specialized mobile equipment.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found after the notes to the financial statements.

Government-Wide Financial Analysis

At the end of fiscal year 2011, the City's net assets (assets exceeding liabilities) totaled \$171,011,689. This analysis focuses on the net assets (Table 1) and changes in net assets (Table 2).

Net Assets. The largest portion of the City's net assets, \$133,809,391, or 78.25%, reflects its investment in capital assets (land, buildings, improvements other than buildings, machinery and equipment, construction in progress), less any related debt used to acquire those assets that is still outstanding.

**City of Wylie, Texas
Management's Discussion and Analysis
September 30, 2011**

The City uses these assets to provide services to its citizens, consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets, \$4,550,597, or 2.66% represents resources that are subject to external restrictions on how they may be used. The unrestricted net assets of \$32,651,701 (19.09%) may be used to meet the government's ongoing obligations to citizens and creditors.

**Table 1
Condensed Statement of Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 50,056,539	\$ 69,519,793	\$ 23,673,874	\$ 23,768,493	\$ 73,730,413	\$ 93,288,286
Capital assets	175,111,843	161,311,251	44,632,284	44,748,125	219,744,127	206,059,376
Total Assets	<u>225,168,382</u>	<u>230,831,044</u>	<u>68,306,158</u>	<u>68,516,618</u>	<u>293,474,540</u>	<u>299,347,662</u>
Long term liabilities	106,302,871	109,641,574	10,951,157	11,860,725	117,254,028	121,502,299
Other liabilities	4,049,282	8,584,095	1,159,541	1,815,385	5,208,823	10,399,480
Total liabilities	<u>110,352,153</u>	<u>118,225,669</u>	<u>12,110,698</u>	<u>13,676,110</u>	<u>122,462,851</u>	<u>131,901,779</u>
Net Assets:						
Invested in capital assets net of related debt	96,233,296	92,652,726	37,576,095	38,013,180	133,809,391	130,665,906
Restricted for debt service	290,576	157,135	-	-	290,576	157,135
Restricted for capital projects	-	-	4,260,021	5,470,351	4,260,021	5,470,351
Unrestricted	<u>18,292,357</u>	<u>19,795,514</u>	<u>14,359,344</u>	<u>11,356,977</u>	<u>32,651,701</u>	<u>31,152,491</u>
Total Net Assets	<u>\$ 114,816,229</u>	<u>\$ 112,605,375</u>	<u>\$ 56,195,460</u>	<u>\$ 54,840,508</u>	<u>\$ 171,011,689</u>	<u>\$ 167,445,883</u>

Changes in Net Assets. The net assets of the City increased by \$3,565,806 for the fiscal year ended September 30, 2011.

Governmental Activities. Governmental activities increased the City's net assets by \$2,210,854 from the prior year. This was generated primarily by increased ad valorem tax revenue, sales tax revenue and service fees.

Business-type Activities. Net assets from business-type activities increased by \$1,354,952 from the prior year. Increased utility revenues from the growth of our customer base and a larger volume of water sold due to extremely dry weather conditions were primarily responsible for this increase in net assets.

**City of Wylie, Texas
Management's Discussion and Analysis
September 30, 2011**

**Table 2
Changes in Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 4,983,023	\$ 4,416,331	\$12,580,923	\$11,088,925	\$ 17,563,946	\$ 15,505,256
Operating grants and contributions	217,790	474,576	-	-	217,790	474,576
Capital grants and contributions	1,663,223	6,494,706	-	-	1,663,223	6,494,706
General revenues:						
Ad valorem taxes	20,706,218	20,649,388	-	-	20,706,218	20,649,388
Sales taxes	4,632,860	4,086,686	-	-	4,632,860	4,086,686
Other taxes and fees	2,278,805	2,226,420	-	-	2,278,805	2,226,420
Interest	94,894	212,547	141,682	169,925	236,576	382,472
Gain (loss) disposal of capital assets	18,526	(5,315)	6,663	-	25,189	(5,315)
Miscellaneous	536,216	118,547	96,740	201,363	632,956	319,910
Total revenues	35,131,555	38,673,886	12,826,008	11,460,213	47,957,563	50,134,099
Expenses:						
General Government	3,621,127	6,479,482	-	-	3,621,127	6,479,482
Public Safety	13,694,425	11,859,042	-	-	13,694,425	11,859,042
Urban Development	1,254,722	1,193,068	-	-	1,254,722	1,193,068
Streets	5,493,677	4,263,064	-	-	5,493,677	4,263,064
Community Service	4,965,762	3,292,045	-	-	4,965,762	3,292,045
Interest on long-term debt	4,795,423	5,163,908	-	-	4,795,423	5,163,908
Water and sewer operations	-	-	10,566,621	10,494,419	10,566,621	10,494,419
Total expenses	33,825,136	32,250,609	10,566,621	10,494,419	44,391,757	42,745,028
Increase in net assets before transfers	1,306,419	6,423,277	2,259,387	965,794	3,565,806	7,389,071
Transfers	904,435	450,000	(904,435)	(450,000)	-	-
Increase in net assets	2,210,854	6,873,277	1,354,952	515,794	3,565,806	7,389,071
Net assets - October 1	112,605,375	105,732,098	54,840,508	54,324,714	167,445,883	160,056,812
Net assets - September 30	\$ 114,816,229	\$ 112,605,375	\$56,195,460	\$54,840,508	\$ 171,011,689	\$ 167,445,883

Government-Wide Financial Analysis

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$44,606,543.

The General Fund is the main operating fund of the City. At the end of the current fiscal year, unassigned fund balance was \$10,095,757. The unassigned fund balance of the General Fund increased from the unreserved fund balance reported in the previous year by \$1,790,746. The increase was primarily due to the move of the Emergency Communications Fund into the General Fund which occurred with the implementation of Government Accounting Standards Board (GASB) 54.

The General Obligation Debt Service Fund had an increase of \$126,520 in fund balance. These funds are specifically restricted for the payment of debt service. The Capital Projects Fund decreased \$14,654,669 due to the expenditures made on capital projects. Other governmental funds' combined fund balances decreased \$1,486,092.

**City of Wylie, Texas
Management's Discussion and Analysis
September 30, 2011**

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

Unrestricted net assets of the Utility Fund at the end of the year amounted to \$14,359,344. This represents an increase of \$3,002,367 over the previous year. This year's operating income was \$2,435,229. This change from last year's operating income of \$1,129,262 is attributable to an increase in water revenue and sewer revenue.

The Internal Service Fund was closed during the current year. The City decided to move the net assets of the Fleet Replacement Fund to the fund containing the department which uses the vehicles and beginning accounting for them there.

General Fund Budgetary Highlights. In FY2011 the General Fund expenditure budget was increased by \$2,835,943 over the 2010 budget. Each year the City performs a mid-year review of the budget. If the City Manager determines that funds are available certain amendments are proposed to the City Council for their review and approval. Expenditures were amended throughout the year with the majority occurring during mid-year reviews. These amendments increased General Fund appropriations by \$14,555 or 0.06%.

In the General Fund, the actual revenue received in comparison to the final budget was over by \$267,161. This positive variance is most noticeable in licenses and permits, sales tax revenue and intergovernmental revenue. General Fund expenditures had a final budget to actual variance of \$526,935 prior to other financing sources/uses. This amount is attributable to intentional savings made by all departments in order to increase reserves. Personnel savings due to turnover and unfilled vacancies were also a factor.

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, 2011, amounts to \$219,744,127 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, and construction in progress. The total increase in the City's investment in capital assets for the current year was 6.6%.

**Table 3
Capital Assets at Year-end
Net of Accumulated Depreciation (000's)**

Asset	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 30,525	\$ 29,896	\$ 111	\$ 111	\$ 30,636	\$ 30,007
Other non-depreciable assets	720	495	-	-	720	495
Buildings	4,870	1,867	130	140	5,000	2,007
Improvements	62,866	66,481	36,890	38,225	99,756	104,706
Machinery and equipment	5,843	2,636	237	41	6,080	2,677
Construction in progress	70,288	59,936	7,264	6,231	77,552	66,167
	<u>\$ 175,112</u>	<u>\$ 161,311</u>	<u>\$ 44,632</u>	<u>\$ 44,748</u>	<u>\$ 219,744</u>	<u>\$ 206,059</u>

Additional information on the City's capital assets can be found in the notes to the financial statements on pages 38-39.

**City of Wylie, Texas
Management's Discussion and Analysis
September 30, 2011**

Debt Administration. At the end of the current fiscal year, the City of Wylie had total debt outstanding of \$116,110,682. Of this amount, \$115,465,682 comprises bonded debt backed by the full faith and credit of the City in addition to unamortized premiums and net deferred losses on refundings. \$645,000 represents debt backed by sales tax revenues.

**Table 4
Outstanding Debt at Year End (000's)**

Type of Debt	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General Obligation	\$ 83,255	\$ 85,590	\$ 3,650	\$ 4,125	\$ 86,905	\$ 89,715
Combination Tax & Revenue	20,750	21,590	6,710	7,000	27,460	28,590
Contractual Obligations	787	882	610	730	1,397	1,612
Loans Payable/PPFCO	-	-	-	-	-	-
Sales Tax Revenue	645	750	-	-	645	750
Water & Sewer Revenue	-	-	-	-	-	-
Unamortized premium (discount)	297	316	(44)	(48)	253	268
Deferred loss (gain) on refunding	(476)	(530)	(73)	(81)	(549)	(611)
Total	<u>\$ 105,258</u>	<u>\$ 108,598</u>	<u>\$ 10,853</u>	<u>\$ 11,726</u>	<u>\$ 116,111</u>	<u>\$ 120,324</u>

The City did not issue any new debt during the fiscal year and continues to maintain favorable ratings from bond rating agencies. The current General Obligation, Combination Tax and Revenue Certificates of Obligation, and Revenue Bonds ratings are as follows.

	Moody's	Standard
	<u>Investors Service</u>	<u>& Poor's</u>
General obligation bonds	Aa3	A+
Certificates of obligation	Aa3	A+
Revenue bonds	A1	A+

Additional information on the City's long-term debt can be found in the notes to the financial statements on pages 41-45.

Economic Factors and Next Years's Budgets and Rates

During FY2011, 223 building permits were issued. Although the community has grown substantially in recent years, the growth has experienced a marked slowdown in accordance with current economic conditions. A slight turnaround was seen with the assessed valuation of taxable property values reflecting a small increase of \$36,786,815 from FY2011 to FY2012. Our growth pattern is projected to continue into FY2012 at the more modest rate evident in recent years. The current slow down and small increase in assessed property valuation had a significant impact in the development of the FY2012 operating budget.

In FY2012, General Fund revenues and expenditures are budgeted to increase by 4.92% and 9.35 % prior to other financing sources and transfers out, respectively, over FY2011 revenues and expenditures. This will provide a 28% estimated fund balance at FY2012 year-end which is larger than the 25% normally targeted.

Utility Fund operating revenues are budgeted to increase by 6.4% over FY2011 revenues and operating expenses are projected to increase by 4.6% from FY2011.

In the Utility Fund, water and sewer rates were adjusted for the 2012 budget year to compensate for increased water and sewer charges from North Texas Municipal Water District.

**City of Wylie, Texas
Management's Discussion and Analysis
September 30, 2011**

During FY2006, voters authorized the City to issue \$73,950,000 in bonds. \$35,325,000 was issued in 2006 with the remaining \$38,625,000 issued in 2008. Although the tax rate was unchanged from FY2011 to FY2012, the issuance of these bonds is expected to cause an increase in the I & S tax rate to cover the principal and interest payments on the additional debt.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 300 Country Club Road, Wylie, Texas, 75098.



BASIC FINANCIAL STATEMENTS



**CITY OF WYLIE, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011**

EXHIBIT A-1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 46,214,176	\$ 16,988,898	\$ 63,203,074	\$ 1,154,785
Receivables (net of allowance for uncollectibles)	2,891,772	2,170,536	5,062,308	6,781,080
Inventories	154,354	40,665	195,019	2,296,512
Prepaid items			-	2,000
Restricted assets:				
Cash and cash equivalents	10,424	1,764,094	1,774,518	-
Receivables	-	2,495,927	2,495,927	-
Deferred charges	785,813	213,754	999,567	-
Capital assets (net of accumulated depreciation):				
Land	30,525,088	110,595	30,635,683	-
Other non-depreciable assets	720,002	-	720,002	-
Construction in progress	70,288,380	7,263,566	77,551,946	-
Buildings	4,870,205	130,667	5,000,872	-
Improvement other than buildings	62,865,492	36,890,373	99,755,865	-
Machinery and equipment	5,842,676	237,083	6,079,759	-
Total Assets	225,168,382	68,306,158	293,474,540	10,234,377
LIABILITIES				
Accounts payable and other current liabilities	3,367,036	759,750	4,126,786	82,411
Unearned revenue	-	-	-	203,954
Accrued interest payable	580,274	71,274	651,548	-
Due to other governments	101,972	-	101,972	-
Liabilities payable from restricted assets	-	328,517	328,517	-
Non Current Liabilities:				
Due within one year	4,497,983	1,002,684	5,500,667	364,618
Due in more than one year:	101,804,888	9,948,473	111,753,361	5,101,427
Total Liabilities	110,352,153	12,110,698	122,462,851	5,752,410
NET ASSETS				
Invested in capital assets (net of related debt)	96,233,296	37,576,095	133,809,391	-
Restricted for:				
Debt service	290,576	-	290,576	-
Capital projects	-	4,260,021	4,260,021	-
Unrestricted	18,292,357	14,359,344	32,651,701	4,481,967
Total Net Assets	\$ 114,816,229	\$ 56,195,460	\$ 171,011,689	\$ 4,481,967

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

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

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	\$ 3,621,127	\$ 2,221,163	\$ 5,000	\$ -
Public safety	13,694,425	1,376,734	134,118	11,178
Urban development	1,254,722	637,805	-	-
Streets	5,493,677	-	-	1,421,964
Community service	4,965,762	747,321	78,672	230,081
Interest on long-term debt	4,795,423	-	-	-
Total governmental activities	33,825,136	4,983,023	217,790	1,663,223
Business-type activities:				
Utility	10,566,621	12,580,923	-	-
Total business-type activities	10,566,621	12,580,923	-	-
Total primary government	\$ 44,391,757	\$ 17,563,946	\$ 217,790	\$ 1,663,223
Component unit:				
Wylie Economic Development Corp	\$ 880,687	\$ 179,650	\$ -	\$ -

General revenues:
 Ad valorem taxes
 Sales taxes
 Franchise taxes
 Unrestricted Investment Earnings
 Miscellaneous income
 Gain on disposal of capital assets
Transfers
 Total general revenues and transfers
 Change in net assets
Net assets - Beginning
Net assets - Ending

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

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total	Component Unit
\$ (1,394,964)	\$ -	\$ (1,394,964)	\$ -
(12,172,395)	-	(12,172,395)	-
(616,917)	-	(616,917)	-
(4,071,713)	-	(4,071,713)	-
(3,909,688)	-	(3,909,688)	-
(4,795,423)	-	(4,795,423)	-
<u>(26,961,100)</u>	<u>-</u>	<u>(26,961,100)</u>	<u>-</u>
-	2,014,302	2,014,302	-
-	2,014,302	2,014,302	-
<u>\$ (26,961,100)</u>	<u>\$ 2,014,302</u>	<u>\$ (24,946,798)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (701,037)</u>
20,706,218	-	20,706,218	-
4,632,860	-	4,632,860	1,523,401
2,278,805	-	2,278,805	-
94,894	141,682	236,576	24,872
536,216	96,740	632,956	641,336
18,526	6,663	25,189	-
904,435	(904,435)	-	-
<u>29,171,954</u>	<u>(659,350)</u>	<u>28,512,604</u>	<u>2,189,609</u>
2,210,854	1,354,952	3,565,806	1,488,572
112,605,375	54,840,508	167,445,883	2,993,395
<u>\$ 114,816,229</u>	<u>\$ 56,195,460</u>	<u>\$ 171,011,689</u>	<u>\$ 4,481,967</u>

**CITY OF WYLIE, TEXAS
BALANCE SHEET-GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011**

	<u>General Fund</u>	<u>General Obligation Debt Service</u>
ASSETS		
Cash and cash equivalents	\$ 10,929,498	\$ 775,974
Receivables (net of allowance for uncollectibles):		
Ad valorem taxes	213,421	94,876
Franchise taxes	895,917	-
Sales taxes	572,464	-
Accounts	303,169	-
Other	508,025	-
Inventories, at cost	154,354	-
	<u>13,576,848</u>	<u>870,850</u>
Total assets	<u>\$ 13,576,848</u>	<u>\$ 870,850</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Accounts payable	\$ 1,332,930	\$ -
Other payables and accruals	656,076	-
Retainage payable	-	-
Due to other governments	101,972	-
Deferred revenue	1,107,247	87,928
	<u>3,198,225</u>	<u>87,928</u>
Total liabilities	<u>3,198,225</u>	<u>87,928</u>
FUND BALANCES:		
Nonspendable		
Inventory	154,354	-
Restricted		
Debt service	-	782,922
Capital projects	-	-
Economic development	-	-
Municipal Court Technology	-	-
Municipal Court Security	-	-
Tourism	-	-
Committed		
Public arts	128,512	-
Park acquisition and improvement	-	-
Fire training	-	-
Fire development	-	-
Recreation	-	-
Unassigned	10,095,757	-
	<u>10,378,623</u>	<u>782,922</u>
Total fund balances	<u>10,378,623</u>	<u>782,922</u>
Total liabilities and fund balances	<u>\$ 13,576,848</u>	<u>\$ 870,850</u>

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

EXHIBIT A-3

<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 30,683,092	\$ 3,836,036	\$ 46,224,600
-	-	308,297
-	-	895,917
-	282,173	854,637
-	-	303,169
-	21,727	529,752
-	-	154,354
<u>\$ 30,683,092</u>	<u>\$ 4,139,936</u>	<u>\$ 49,270,726</u>
\$ 684,909	\$ 89,166	\$ 2,107,005
-	33,656	689,732
570,299	-	570,299
-	-	101,972
-	-	1,195,175
<u>1,255,208</u>	<u>122,822</u>	<u>4,664,183</u>
-	-	154,354
-	197,138	980,060
29,427,884	-	29,427,884
-	1,630,357	1,630,357
-	41,777	41,777
-	140,993	140,993
-	124,258	124,258
-	-	128,512
-	695,333	695,333
-	175,469	175,469
-	987,525	987,525
-	24,264	24,264
-	-	10,095,757
<u>29,427,884</u>	<u>4,017,114</u>	<u>44,606,543</u>
<u>\$ 30,683,092</u>	<u>\$ 4,139,936</u>	<u>\$ 49,270,726</u>

**CITY OF WYLIE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011**

EXHIBIT A-4

Total fund balance-governmental funds balance sheet	\$ 44,606,543
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet	175,111,843
Revenues earned but not available within sixty days of the fiscal year-end are not recognized as revenue in the fund financial statements.	1,195,175
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.	(580,274)
Costs associated with the issuance of governmental long-term debt are expensed when incurred in the fund statements and capitalized and amortized over the life of the debt in the government-wide financial statements.	785,813
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the fund financial statements.	<u>(106,302,871)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES - statement of net assets	<u>\$ 114,816,229</u>

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

**CITY OF WYLIE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT A-5

	General Fund	General Obligation Debt Service	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Ad valorem taxes	\$ 13,864,910	\$ 6,881,121	\$ -	\$ -	\$ 20,746,031
Sales taxes	3,057,328	-	-	1,575,532	4,632,860
Franchise fees	2,280,283	-	-	-	2,280,283
Licenses and permits	568,772	-	785,363	-	1,354,135
Intergovernmental	750,908	-	636,601	208,000	1,595,509
Service fees	2,758,938	-	-	566,481	3,325,419
Court fees	326,645	-	-	15,947	342,592
Interest income	20,587	4,596	63,640	6,071	94,894
Miscellaneous income	402,770	6,297	251,646	120,679	781,392
Total Revenues	24,031,141	6,892,014	1,737,250	2,492,710	35,153,115
EXPENDITURES					
Current:					
General government	7,071,914	-	-	-	7,071,914
Public safety	13,148,589	-	-	21,824	13,170,413
Urban development	1,247,257	-	-	-	1,247,257
Streets	1,033,150	-	-	-	1,033,150
Community service	2,868,754	-	-	1,564,604	4,433,358
Capital outlay	-	-	15,891,919	-	15,891,919
Debt Service:					
Principal	-	3,045,238	-	330,000	3,375,238
Interest and fiscal charges	-	4,620,256	-	233,404	4,853,660
Total expenditures	25,369,664	7,665,494	15,891,919	2,149,832	51,076,909
Excess (deficiency) of revenues over (under) expenditures	(1,338,523)	(773,480)	(14,154,669)	342,878	(15,923,794)
OTHER FINANCING SOURCES (USES)					
Transfers in	2,785,446	900,000	-	1,075,775	4,761,221
Transfers out	(1,396,714)	-	(500,000)	(1,075,775)	(2,972,489)
Proceeds from sale of property	41,044	-	-	-	41,044
Total other financing sources (uses)	1,429,776	900,000	(500,000)	-	1,829,776
Net change in fund balances	91,253	126,520	(14,654,669)	342,878	(14,094,018)
Fund balances, October 1, 2010	8,458,400	656,402	44,082,553	5,503,206	58,700,561
Change in Accounting Principal	1,828,970	-	-	1,828,970	-
Fund balances, September 30, 2011	\$ 10,378,623	\$ 782,922	\$ 29,427,884	\$ 7,675,054	\$ 44,606,543

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

**CITY OF WYLIE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT A-6

Net change in fund balances- total governmental funds.	\$ (14,094,018)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period, less developer contributions	18,378,640
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds (does not include \$453,928 allocated from the internal service fund).	(4,421,645)
Loss on disposition and transfer of capital assets result in a reduction of net assets, but the net effect is not reported in governmental funds.	(156,403)
The repayment of the principal of long term debt consumes the current financial resources of governmental funds, but has no effect on net assets. The amortization of bond issuance costs, bond premiums, and deferred gain/loss on refunding of long term debt is reported in statement of activities but does not require the use of current financial resources. Therefore the effect of the amortization of these various items are not reported in the statement of revenues, expenses, and changes in fund balance. This amount represents the net effect of the following items:	
o Repayments - 3,375,238	
o Amortization of premium on bonds, 18,303, less the amortization of debt issue costs (59,517) and deferred loss on refunding (53,133)	3,280,891
Governmental funds reflect the proceeds of capital leases as other financing sources and payments as expenditures. However, in the government-wide statements, the proceeds and payments are reflected as changes in liabilities.	35,178
Current year changes in accrued interest payable does not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.	23,059
Current year changes in the long-term liability for compensated absences do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.	(36,884)
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, to individual funds. The net loss of the internal service fund is allocated entirely to governmental activities. The net loss has been reduced by a \$1,775,798 transfer of non-monetary assets already included in governmental activities.	(884,295)
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	<u>86,331</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES - statement of activities	<u><u>\$ 2,210,854</u></u>

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



**CITY OF WYLIE , TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2011**

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Fleet Replacement</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 16,988,898	\$ -
Accounts receivables (net of allowances for uncollectibles)	2,114,513	-
Other receivables	56,023	-
Inventories, at cost	40,665	-
Restricted assets		
Cash and cash equivalents	1,764,094	-
Accounts receivable	2,495,927	-
	<u>23,460,120</u>	<u>-</u>
Total current assets		
Non-current assets		
Deferred charges	213,754	-
Capital assets:		
Land	110,595	-
Buildings	268,801	-
Waterworks system	28,942,433	-
Sewer system	25,822,292	-
Machinery and equipment	938,560	-
Construction in progress	7,263,566	-
Accumulated depreciation	(18,713,963)	-
	<u>44,632,284</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)		
	<u>44,846,038</u>	<u>-</u>
Total non-current assets		
	<u>\$ 68,306,158</u>	<u>\$ -</u>
Total assets		

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

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Fleet Replacement</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 624,688	\$ -
Other payables and accruals	135,062	-
Compensated absences payable - current	72,581	-
General obligation bonds payable - current	500,000	-
Combination bonds - tax and revenue - current	430,103	-
Accrued interest payable	71,274	-
Payable from restricted assets		-
Customer deposits	321,016	
Accounts payable	7,501	-
Total current liabilities	<u>2,162,225</u>	<u>-</u>
Non-current liabilities:		
Compensated absences payable	25,837	-
General obligation bonds payable	3,032,673	-
Combination bonds - tax and revenue	6,889,963	-
Total noncurrent liabilities	<u>9,948,473</u>	<u>-</u>
Total liabilities	<u>12,110,698</u>	<u>-</u>
NET ASSETS		
Invested in capital assets, net of related debt	37,576,095	
Restricted for construction	4,260,021	-
Unrestricted	14,359,344	-
Total net assets	<u>\$ 56,195,460</u>	<u>\$ -</u>

**CITY OF WYLIE, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET ASSETS – PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT A-8

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Fleet Replacement</u>
OPERATING REVENUES		
Water	\$ 6,774,322	\$ -
Sewer	4,963,010	-
Penalties	163,947	-
Water taps	292,581	-
Sewer taps	314,858	-
Reconnect fees	72,205	-
	<u>12,580,923</u>	<u>-</u>
OPERATING EXPENSES		
Water purchases	2,351,401	-
Sewer treatment	3,474,314	-
Utility administration	248,422	-
Water department	996,645	-
Sewer department	546,877	-
Utility billing	547,585	-
Engineering	391,012	-
Combined services	157,524	-
Depreciation and amortization	1,431,914	-
	<u>10,145,694</u>	<u>-</u>
Operating income	<u>2,435,229</u>	<u>-</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment revenue	141,682	-
Miscellaneous income	103,405	-
Interest expense	(420,927)	-
	<u>(175,840)</u>	<u>-</u>
Net income before transfers	<u>2,259,389</u>	<u>-</u>
TRANSFERS		
Transfers in	1,843,175	-
Transfers out	(2,747,612)	(2,660,093)
	<u>(904,437)</u>	<u>(2,660,093)</u>
Change in net assets	1,354,952	(2,660,093)
Net assets, October 1	<u>54,840,508</u>	<u>2,660,093</u>
Net assets, September 30	<u>\$ 56,195,460</u>	<u>\$ -</u>

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

**CITY OF WYLIE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT A-9

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
	<u>Utility Fund</u>	<u>Fleet Replacement</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 12,337,544	\$ -
Cash payments to employees for services	(1,240,278)	-
Cash payments to other suppliers for goods and services	(7,991,811)	199
Net cash provided by operating activities	<u>3,105,455</u>	<u>199</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers to other funds (net)	(904,437)	(2,660,093)
Net cash used in non-capital financing activities	<u>(904,437)</u>	<u>(2,660,093)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal and interest paid	(1,309,946)	-
Bond issue costs	(10,946)	-
Acquisition or construction of capital assets	(1,296,070)	-
Proceeds from disposal of capital assets	6,665	1,902,221
Net cash provided by (used in) capital and related financing activities	<u>(2,610,297)</u>	<u>1,902,221</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends on investments	141,682	-
Net cash provided by investing activities	<u>141,682</u>	<u>-</u>
Net decrease in cash and cash equivalents	(267,597)	(757,673)
Cash and cash equivalents at beginning of year	<u>19,020,589</u>	<u>757,673</u>
Cash and cash equivalents at end of year	<u>\$ 18,752,992</u>	<u>\$ -</u>
RECONCILIATION TO STATEMENT OF NET ASSETS		
Cash and cash equivalents	\$ 16,988,898	\$ -
Restricted cash and cash equivalents	1,764,094	-
Total cash and cash equivalents	<u>\$ 18,752,992</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 2,435,229	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,431,914	-
Miscellaneous income	103,405	-
Effects of changes in assets and liabilities:		
Decrease (increase) in receivables	(349,984)	-
Decrease (increase) in inventories	33,270	5,401
Decrease (increase) in restricted receivables	128,014	-
Increase (decrease) in accounts payable	(571,482)	(5,202)
Increase (decrease) in other payables and accruals	(49,498)	-
Increase (decrease) in compensated absences	(35,915)	-
Increase (decrease) in customer deposits	3,200	-
Increase (decrease) in accounts payable from restricted assets	(22,698)	-
Total adjustments	<u>670,226</u>	<u>199</u>
Net cash provided by operating activities	<u>\$ 3,105,455</u>	<u>\$ 199</u>

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

CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Wylie (the City) was incorporated in 1887. The City operates under a Council-Manager form of government as a duly incorporated home rule city as authorized under the constitution of the State of Texas, and provides the following services: public safety (police and fire), streets, water, sewer and sanitation, public improvements, culture, planning and zoning, parks and recreation, and general administrative services.

The City reports in accordance with accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB). The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes are organized to provide concise explanation, including required disclosures of budgetary matters, assets, liabilities, fund equity, revenues, expenditures/expenses, and other information considered important to gaining a clear picture of the City's financial activities for the fiscal year ended September 30, 2011.

A. Financial Statement Presentation

The basic financial statements are prepared in conformity with GASB Statement No. 34, which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities and activities of its discretely presented component unit on the statement of net assets and statement of activities. Significantly, the City's statement of net assets includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expenses on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which use the modified accrual basis of accounting and the current financial resources measurement focus for the governmental funds. The accrual basis of accounting is utilized by proprietary funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The City also presents Management's Discussion and Analysis, which includes an analytical overview of the City's financial activities. In addition, a budgetary comparison statement is presented that compares the original adopted and final amended General Fund budget with actual results.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. In evaluating how to define the government for financial reporting purposes, management has considered all entities for which the City is considered to be financially accountable. The City is a home rule municipality governed by an elected Mayor and six-member City Council, who appoint a City Manager. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City.

CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Financial Reporting Entity – Continued

Blended Component Unit

The Wylie Park and Recreation Facilities Development Corporation (“the 4B Corporation”) is presented in the basic financial statements as a blended component unit of the City. The 4B Corporation’s board is substantively the same as the City Council. All members of the 4B Corporation other than the board are City employees. The City Manager is the Chief Executive Operating Officer of the 4B Corporation. The purpose of the 4B Corporation, which is financed with a voter-approved half-cent sales tax, is to promote economic development within the City through the construction of park and recreation facilities. The 4B Corporation has a September 30 year-end. The 4B Corporation’s financial budget, treasury, and personnel functions are totally integrated with the City’s. All of the 4B Corporation’s financial information is presented in the basic and combining financial statements along with the notes to these financial statements. The 4B Corporation does not issue separate financial statements.

Discretely Presented Component Unit

The Wylie Economic Development Corporation (WEDC) is a discretely presented component unit in the combined financial statements. The governing body of the WEDC is appointed by the City Council and the WEDC’s operating budget is subject to approval of the City Council. The WEDC’s board is not substantially the same as the City Council. The purpose of the WEDC, which is financed with a voter-approved half-cent City sales tax, is to aid, promote and further the economic development within the City. The WEDC is presented as a governmental fund type and has a September 30 year-end. Under a contract with the WEDC, the financial, budget, treasury and personnel functions of the WEDC are integrated with the City. All of WEDC’s financial information is presented in the combined and combining financial statements along with the notes to these financial statements. There are no separately issued financial statements of the WEDC.

C. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. Additionally, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Public Safety, Urban Development, etc.) or program are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or program. Program revenues include: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, b) grants and contributions that are restricted to meeting the operational requirements of a particular function or program, or c) grants and contributions that are restricted to meeting the capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated resources are also reported as general revenues rather than as program revenues.

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Government-Wide and Fund Financial Statements – Continued

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, the general obligation debt service fund, and the capital projects fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures /expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements. The non-major funds are detailed in the combining section of the financial statements.

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The government-wide and proprietary fund financial statements follow the accounting set forth by the Governmental Accounting Standards Board and all pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989. The City has elected not to follow subsequent private-sector guidance.

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

Property taxes, franchise fees, 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. Sales taxes collected and held by the State and merchants at year-end on behalf of the City are also recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the government.

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fund Accounting

The following major funds are used by the City:

1. Governmental Funds:

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is on determination of changes in financial position, rather than on net income determination. The following is a description of the major Governmental Funds of the City:

- a. The **General Fund** is the operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.
- b. The **General Obligation Debt Service Fund** is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general obligation long-term debt paid from taxes levied by the City.
- c. The **Capital Projects Fund** is used to account for the acquisition or construction of capital facilities, except those being financed by proprietary funds.

In addition, the City reports the following non-major governmental funds.

- a. **4B Sales Tax Revenue Fund** accounts for sales tax monies specifically designated for promoting economic development within the City by developing, implementing, providing and financing park and recreation projects.
- b. **Parks Acquisition and Improvement Fund** accounts for the development and improvement of City parks.
- c. **Fire Training Center Fund** accounts for First Responder fees specifically designated for the construction of the Fire Training Center.
- d. **Fire Development Fees Fund** accounts for contributions specifically designated for use of the fire department.
- e. **Municipal Court Technology Fund** accounts for court fines specifically designated for improvements in court technology.
- f. **Municipal Court Building Security Fund** accounts for court fines specifically designated for additions/improvements to court security.
- g. **Hotel Tax Fund** accounts for occupancy taxes charged to hotels.

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued

Fund Accounting – continued

- h. **Recreation Fund** accounts for fees charged for recreational services.
- i. **4B Debt Service Funds** account for the accumulation of resources to be used for the payment of principal and interest on the 4B Sales Tax Revenue Bonds – Series 1996 and 2005.

Governmental funds with legally adopted annual budgets include the General, General Obligation Debt Service 4B Debt Service, and all special revenue funds except Fire Development Fees and the Recreation Fund.

2. Proprietary Funds:

Proprietary Funds are accounted for using an economic resources measurement focus. The accounting objectives are a determination of net income, financial position, and changes in cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net assets.

The proprietary funds are financed and operated in a manner similar to private business enterprise. The costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The following is a description of the major proprietary fund of the City:

The Utility Fund is used to account for the operations of the water distribution system, wastewater pumping stations and collection systems. The City contracts with North Texas Municipal Water District for wastewater treatment.

In addition, the City reports an Internal Service Fund which accounts for financial resources set aside annually to replace equipment as its useful life is consumed.

E. Cash and Cash Equivalents

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

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligation, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (B) secured by obligations that are described by (1), pledged with third party selected or approved by the City, and placed through a primary government securities dealer.

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

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

F. Inventories, Prepaid Items and Deferred Charges

Inventory is valued at cost (first-in, first-out). The cost of governmental fund type inventory is recorded as an expenditure when consumed rather than when purchased. Reported inventories are equally offset by non-spendable fund balance, which indicates that they do not constitute "available, spendable resources" even though they are a component of fund balance. The City is not required to maintain a minimum level of inventory. Inventories in the Proprietary Funds consist of supplies and are recorded at the lower of cost or market.

Prepaid balances are for payments made by the City for which benefits extend beyond September 30, 2011, and the non-spendable fund balance has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

Deferred Charges reported at the government-wide level and in proprietary funds are comprised of the balance of unamortized debt issuance costs. Issuance costs are amortized over the life of the related debt using a straight-line method.

G. Receivables and Payables

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

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

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles.

H. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

Customer deposits received for water and wastewater service are, by law, considered to be restricted assets. These balances are included in the Utility Fund.

I. 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 government as assets with an initial, individual cost of more than \$15,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

**CITY OF WYLIE, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

I. Capital Assets – Continued

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

Capital assets of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	20 - 30
Improvements other than buildings	20 - 50
Machinery and equipment	3-10

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. A percentage of accrued sick leave is payable on a longevity basis at the time of termination. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Long-term Obligations

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

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

L. Fund Equity

The City has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund

**CITY OF WYLIE, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the City classifies governmental fund balances as follows:

Nonspendable fund balance – includes amounts that are not in a spendable form or are required to be maintained intact. (i.e. inventories, prepaid items)

Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. (i.e. debt service, capital projects, economic development, municipal court security, municipal court technology, tourism)

Committed fund balance – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally. (i.e. park acquisition and improvement, recreation, fire training, fire development, public arts).

Assigned fund balance – comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned fund balance – is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Order of Expenditure of Funds – When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Minimum General Fund Unassigned Fund Balance – It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund equal to 25% of expenditures. The City considers a balance of less than 20% to be cause for concern, barring unusual or deliberate circumstances. If unassigned fund balance falls below the goal or has a deficiency, the City will appropriate funds in future budgets to replenish the fund balance based on a time table deemed adequate by the City Council.

Additionally, the implementation of GASB No. 54 required the City to evaluate the classification of Special Revenue Funds. In accordance with GASB No. 54 Special Revenue Funds are used only to account for specific revenue sources that are externally restricted or committed by the government's highest level of decision making authority for specific purposes other than debt service or capital projects. Accordingly, the Emergency Communications Fund and the Public Arts Fund have been reclassified and the beginning fund balances of the general fund and the non-major governmental funds have been restated as follows:

Special Revenue Fund	
Emergency Communications Fund	\$ 1,455,829
Public Arts Fund	<u>373,141</u>
Increase in general fund and decrease in non-major fund balances	<u>\$ 1,828,970</u>

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

M. Subsequent Events

The City has evaluated all events or transactions that occurred after September 30, 2011 up through January 30, 2012, the date the financial statements were issued. During this period, there were no subsequent events requiring disclosure.

NOTE 2. CASH AND INVESTMENTS

At year end, the carrying amount of the City's deposits was \$4,318,404 and the bank balance was \$4,525,614. All of the bank balance was covered by federal deposit insurance and collateralized by the pledging financial institution's City's safekeeping account at the Federal Reserve.

Cash and investments as of September 30, 2011 consist of and are classified in the accompanying financial statements as follows:

Statement of net assets:

Primary Government		
Cash and cash equivalents	\$	63,203,074
Restricted cash and cash equivalents		<u>1,774,518</u>
Total Primary Government		64,977,592
Component Unit		
Cash and cash equivalents		<u>1,154,785</u>
Total Cash and investments	\$	<u><u>66,132,377</u></u>
Deposits with financial institution	\$	4,318,404
Investments		<u>61,813,973</u>
Total cash and investments	\$	<u><u>66,132,377</u></u>

The table below identifies the investment types that are authorized for the City by the Public Funds Investment Act. (Government Code Chapter 2256) The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
U.S. Treasury obligations	5 years	100%	None
U.S. Agency obligations	5 years	100%	None
Certificates of deposit	18 months	25%	None
Direct repurchase agreements	2 years	100%	None
Investment pools	90 days	None	None

Disclosures relating to interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Disclosures relating to interest rate risk – Continued

In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the weighted average maturity of its portfolio to less than three years.

As of September 30, 2011, the City had the following investments

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>
TexPool	\$ 46,806,157	44 days
TexStar	15,007,816	40 days
	<u>\$ 61,813,973</u>	

Disclosures relating to credit risk

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. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>
TexPool	\$ 46,806,157	N/A	AAA-m
TexStar	15,007,816	N/A	AAA-m
	<u>\$ 61,813,973</u>		

Concentration of credit risk

The City's investment policy does not allow for an investment in any one issuer (other than investment pools) that is in excess of five percent of the fair value of the City's total investments.

Custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Custodial credit risk – Continued

The City requires all deposits to be covered by Federal Depository Insurance Corporation (FDIC) insurance and/or collateralized by qualified securities pledged by the City's depository in the City's name and held by the depository's agent.

As of September 30, 2011 the City deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

The City is a voluntary participant in TexPool. The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2A7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than the market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

NOTE 3. 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 certain personal property located within the City. Appraised values are established by the Collin County Central Appraisal District at 100% of estimated market value and certified by the Appraisal Review Board. The assessed value upon which the tax year 2010 levy was based was \$2,292,114,394. Taxes are due on October 1 and are delinquent after the following January 31.

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. The combined tax rate to finance general governmental services including the payment of principal and interest on long-term debt for the year ended September 30, 2011 was 0.8989 per \$100 of assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values.

The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 4. RECEIVABLES

Year-end receivables balances for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds Receivables	General Obligation			
	General	Debt Service	Other Funds	Utility
Property taxes	\$ 266,778	\$ 118,599	\$ -	\$ -
Franchise taxes	895,917	-	-	-
Sales taxes	572,464	-	282,173	-
Accounts	432,785	-	-	3,017,354
Other	525,735	-	21,727	57,091
Gross receivables	2,693,679	118,599	303,900	3,074,445
Less: allowance	(200,683)	(23,723)	-	(903,909)
Net total receivables	<u>\$ 2,492,996</u>	<u>\$ 94,876</u>	<u>\$ 303,900</u>	<u>\$ 2,170,536</u>

The Enterprise Fund accounts receivable balance includes unbilled charges for services rendered of \$1,258,178 at September 30, 2011.

Receivables in the discretely presented component unit consist of \$282,173 sales taxes receivable due from the State, \$7,214 of accounts receivable; \$7,200,714 direct financing lease payments receivable and \$301,031 in loans receivable from private businesses. If certain contractual obligations are met by some of these private businesses at a future date, a portion and/or all of the amounts owed from the private businesses may be forgiven.

Direct-Financing Lease

WEDC leases certain Corporation-owned property to a company for use in its business. This lease is classified as a direct-financing lease and expires in 2026. The following are the components of the WEDC's net investment in direct financing leases as of September 30, 2011:

Total minimum lease payments to be received	\$ 7,200,714
less: unearned income	(1,010,052)
Net investment in direct financing leases	<u>\$ 6,190,662</u>

At September 30, 2011, minimum lease payments for each of the five succeeding fiscal years are as follows:

Fiscal Year	
2012	\$ 488,184
2013	488,184
2014	488,184
2015	488,184
2016	488,184
2017-2021	2,440,920
2022-2026	2,318,874
	<u>\$ 7,200,714</u>

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 5. CAPITAL ASSETS

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

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 29,895,924	\$ 629,164	\$ -	\$ -	\$ 30,525,088
Other non-depreciable assets	494,650	225,352	-	-	720,002
Construction in progress	59,935,991	16,972,693	-	(6,620,304)	70,288,380
Total capital assets, not being depreciated	<u>90,326,565</u>	<u>17,827,209</u>	<u>-</u>	<u>(6,620,304)</u>	<u>101,533,470</u>
Capital assets being depreciated:					
Buildings	4,331,979	-	-	3,256,044	7,588,023
Improvements other than buildings	107,920,807	75,524	-	-	107,996,331
Machinery and equipment	6,221,373	475,907	(235,234)	2,684,427	9,146,473
Total capital assets being depreciated	<u>118,474,159</u>	<u>551,431</u>	<u>(235,234)</u>	<u>5,940,471</u>	<u>124,730,827</u>
Less accumulated depreciation for:					
Buildings	(2,464,781)	(253,037)	-	-	(2,717,818)
Improvements other than buildings	(41,439,479)	(3,691,360)	-	-	(45,130,839)
Machinery and equipment	(3,585,213)	(477,248)	204,917	553,747	(3,303,797)
Total accumulated depreciation	<u>(47,489,473)</u>	<u>(4,421,645)</u>	<u>204,917</u>	<u>553,747</u>	<u>(51,152,454)</u>
Total capital assets being depreciated, net	<u>70,984,686</u>	<u>(3,870,214)</u>	<u>(30,317)</u>	<u>6,494,218</u>	<u>73,578,373</u>
Governmental activities capital assets, net	<u>\$ 161,311,251</u>	<u>\$ 13,956,995</u>	<u>\$ (30,317)</u>	<u>\$ (126,086)</u>	<u>\$ 175,111,843</u>
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 110,595	\$ -	\$ -	\$ -	\$ 110,595
Construction in progress	6,231,358	1,032,208	-	-	7,263,566
Total capital assets, not being depreciated	<u>6,341,953</u>	<u>1,032,208</u>	<u>-</u>	<u>-</u>	<u>7,374,161</u>
Capital assets being depreciated:					
Buildings	268,801	-	-	-	268,801
Water system	28,942,433	-	-	-	28,942,433
Sewer system	25,822,292	-	-	-	25,822,292
Machinery and equipment	160,088	130,772	(32,133)	679,833	938,560
Total capital assets being depreciated	<u>55,193,614</u>	<u>130,772</u>	<u>(32,133)</u>	<u>679,833</u>	<u>55,972,086</u>
Less accumulated depreciation for:					
Buildings	(129,174)	(8,960)	-	-	(138,134)
Water system	(7,989,297)	(698,099)	-	-	(8,687,396)
Sewer system	(8,550,097)	(636,859)	-	-	(9,186,956)
Machinery and equipment	(118,874)	(60,989)	32,133	(553,747)	(701,477)
Total accumulated depreciation	<u>(16,787,442)</u>	<u>(1,404,907)</u>	<u>32,133</u>	<u>(553,747)</u>	<u>(18,713,963)</u>
Total capital assets being depreciated, net	<u>38,406,172</u>	<u>(1,274,135)</u>	<u>-</u>	<u>126,086</u>	<u>37,258,123</u>
Business-type activities capital assets, net	<u>\$ 44,748,125</u>	<u>\$ (241,927)</u>	<u>\$ -</u>	<u>\$ 126,086</u>	<u>\$ 44,632,284</u>

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 5. CAPITAL ASSETS – CONTINUED

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

Governmental Activities:		
General government		\$ 93,746
Public safety		524,012
Streets		3,438,487
Community service		365,400
		<u>4,421,645</u>
Total depreciation expense - governmental activities		<u>\$ 4,421,645</u>
Business-type activities:		
Water and Sewer		<u>\$ 1,404,907</u>

Construction Commitments

The City has active construction projects as of September 30, 2011. The projects include construction, park improvements, and drainage improvements.

Commitments for construction in progress are composed of the following:

Project	Funding Source	Project Budget Appropriation	Spent-to-date	Remaining Commitment
Hooper Bridge (Maxwell Creek)	(D)	\$ 1,093,235	\$ 1,049,397	\$ 43,838
FM 1378	(A)	12,100,000	10,195,413	1,904,587
Brown Street West	(A)	8,946,550	1,422,195	7,524,355
Brown Street East	(A)	6,034,870	911,069	5,123,801
Ballard Street	(B)	3,713,509	3,653,427	60,082
Sidewalks	(A)	950,000	614,288	335,712
Fire Station 3	(A)	3,500,000	3,496,434	3,566
Library	(A)	13,892,200	13,034,918	857,282
City Hall	(A)	15,120,480	15,023,294	97,186
Recreation Center	(A)	12,658,340	12,657,783	557
Founders Park	(A)	6,122,376	5,806,299	316,077
Community Park	(A)	1,985,000	1,769,002	215,998
Twin Lakes Relief Sewer	(C)	2,675,000	2,658,782	16,218
Total		<u>\$ 88,791,560</u>	<u>\$ 72,292,301</u>	<u>\$ 16,499,259</u>

- (A) Funded by general obligation bond proceeds.
- (B) Funded by general obligation bonds and water impact fees.
- (C) Funded by water impact fees.
- (D) Funded by thoroughfare impact fees.

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 6. TRANSFERS

Transfers are used to provide funds for debt service, contributions for capital construction, cost allocations and other operational costs as determined by the City's annual budget. Transfers between funds during the year were as follows:

Fund	Transfer In	Transfer Out
General Fund	\$ 2,785,446	\$ 1,396,714
General Obligation Debt Service	900,000	-
Capital Projects Fund	-	500,000
Nonmajor Governmental Funds:		
4B Sales Tax Revenue	-	1,075,775
Park Acquisition and Improvement	510,775	-
4B Debt Service 2005	565,000	-
Total Nonmajor Governmental Funds	1,075,775	1,075,775
Utility Fund	1,843,175	2,747,612
Internal Service Fund	-	*
	2,660,093	
 Total	 <u>\$ 6,604,396</u>	 <u>\$ 8,380,194</u>

* Transfers out of the Internal Service Fund include a \$1,775,798 transfer of capital assets to the Governmental Activities.

NOTE 7. DEFERRED REVENUE

Governmental funds report *deferred revenue* in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	General Fund	General Obligation Debt Service	Total
Property taxes	\$ 202,463	\$ 87,928	\$ 290,391
Court fines	8,867	-	8,867
Franchise fees	895,917	-	895,917
Total	<u>\$ 1,107,247</u>	<u>\$ 87,928</u>	<u>\$ 1,195,175</u>

CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011

NOTE 8. LONG-TERM DEBT

General Obligation Bonds, Certificates of Obligation and Contractual Obligations

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

<u>General Obligation Bonds</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Governmental</u>	<u>Business-Type</u>
\$2,500,000 Series 2002 Improvements	2022	3.63 - 4.5%	\$ 1,670,000	\$ -
\$10,320,000 Series 2005 Improvements and Refunding	2025	3.0 - 4.5%	4,990,000	805,000
\$35,525,000 Series 2006 Improvements	2027	4.00 - 4.5%	30,410,000	
\$4,815,000 Series 2007 Improvements and Refunding	2020	4.75 - 5.25%	3,525,000	535,000
\$38,625,000 Series 2008 Improvements	2028	4.00 - 5.50%	35,030,000	
\$10,160,000 Series 2010 Refunding	2028	2.00 - 4.00%	7,630,000	2,310,000
Total General Obligation Bonds			<u>\$ 83,255,000</u>	<u>\$ 3,650,000</u>

<u>Combination Tax and Revenue Bonds</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Governmental</u>	<u>Business-Type</u>
\$6,215,000 Series 2005 Improvements	2025	3.00 - 5.00%	\$ 4,835,000	\$ -
\$2,000,000 Series 2007B Improvements	2028	4.40%	1,800,000	-
\$7,680,000 Series 2007 Improvements	2027	3.62 - 4.50%	-	6,710,000
\$15,000,000 Series 2008 Improvements	2028	4.10 - 5.50%	13,600,000	-
\$525,000 Series 2010 Improvements	2025	2.00 - 4.00%	515,000	-
Total Combination Tax and Revenue Bonds			<u>\$ 20,750,000</u>	<u>\$ 6,710,000</u>

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 8. LONG-TERM DEBT - CONTINUED

General Obligation Bonds, Certificates of Obligation and Contractual Obligations – Continued

<u>Contractual Obligations</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Governmental</u>	<u>Business-Type</u>
\$2,110,000 Series 2005 Improvements	2016	4.55%	\$ 281,762	\$ 610,067
\$750,000 Series 2007 Improvements	2022	4.86%	505,100	-
Total Contractual Obligation Bonds			<u>\$ 786,862</u>	<u>\$ 610,067</u>

Revenue Bonds

The City issues revenue bonds where the City pledges income derived from the acquired or constructed assets, or sales tax to pay the debt service.

Revenue bonds outstanding as of September 30, 2011 are as follows:

<u>Sales Tax and Revenue Bonds</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Governmental</u>	<u>Business-Type</u>
\$1,710,000 Series 1996 Improvements	2016	5.35 - 5.55%	\$ 645,000	\$ -
Total Sales Tax and Revenue Bonds			<u>\$ 645,000</u>	<u>\$ -</u>

CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011

NOTE 8. LONG-TERM DEBT – CONTINUED

Changes in Long-term Liabilities:

A summary of long-term debt transactions, including current portion, for the year ended September 30, 2011, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
Governmental activities:					
General obligation bonds	\$ 85,590,000	\$ -	\$ (2,335,000)	\$ 83,255,000	\$ 2,630,000
Combination tax and revenue bonds	21,590,000	-	(840,000)	20,750,000	870,000
Contractual obligations	882,101	-	(95,239)	786,862	102,780
Sales tax and revenue bonds	750,000	-	(105,000)	645,000	115,000
Unamortized bond premium (discount)	315,813	-	(18,303)	297,510	-
Deferred loss (gain) on refunding	(529,564)	-	53,133	(476,431)	-
Total bonds payable	108,598,350	-	(3,340,409)	105,257,941	3,717,780
Capital leases	71,677	-	(35,178)	36,499	35,178
Compensated absences	971,547	573,397	(536,513)	1,008,431	745,025
Total governmental activities	<u>\$ 109,641,574</u>	<u>\$ 573,397</u>	<u>\$ (3,912,100)</u>	<u>\$ 106,302,871</u>	<u>\$ 4,497,983</u>

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
Business-type activities:					
General obligation bonds	\$ 4,125,000	\$ -	\$ (475,000)	\$ 3,650,000	\$ 500,000
Combination tax and revenue bonds	7,000,000	-	(290,000)	6,710,000	305,000
Contractual obligations	729,665	-	(119,598)	610,067	125,103
Unamortized bond premium (discount)	(47,541)	-	3,028	(44,513)	-
Deferred loss (gain) on refunding	(80,731)	-	7,918	(72,813)	-
Total bonds payable	11,726,393	-	(873,652)	10,852,741	930,103
Compensated absences	134,332	53,248	(89,164)	98,416	72,581
Total business-type activities	<u>\$ 11,860,725</u>	<u>\$ 53,248</u>	<u>\$ (962,816)</u>	<u>\$ 10,951,157</u>	<u>\$ 1,002,684</u>

The annual aggregate maturities for each bond type are as follows:

General Obligation Bonds

Fiscal Year Ending September 30,	Governmental Activities			Business Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 2,630,000	\$ 3,673,739	\$ 6,303,739	\$ 500,000	\$ 98,401	\$ 598,401
2013	2,955,000	3,543,654	6,498,654	515,000	83,313	598,313
2014	3,355,000	3,395,609	6,750,609	545,000	67,013	612,013
2015	3,815,000	3,234,289	7,049,289	560,000	49,913	609,913
2016	4,420,000	3,056,199	7,476,199	355,000	36,713	391,713
2017-2021	25,840,000	12,438,788	38,278,788	1,140,000	62,502	1,202,502
2022-2026	30,015,000	5,935,749	35,950,749	35,000	569	35,569
2027-2028	10,225,000	419,750	10,644,750	-	-	-
Total	<u>\$ 83,255,000</u>	<u>\$ 35,697,777</u>	<u>\$ 118,952,777</u>	<u>\$ 3,650,000</u>	<u>\$ 398,424</u>	<u>\$ 4,048,424</u>

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 8. LONG-TERM DEBT – CONTINUED

Changes in Long-term Liabilities – Continued

Combination Tax and Revenue Bonds

Fiscal Year Ending September 30,	Governmental Activities			Business Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 870,000	\$ 952,896	\$ 1,822,896	\$ 305,000	\$ 274,275	\$ 579,275
2013	915,000	911,656	1,826,656	315,000	261,875	576,875
2014	960,000	868,321	1,828,321	330,000	248,975	578,975
2015	1,005,000	822,891	1,827,891	345,000	235,475	580,475
2016	1,045,000	775,451	1,820,451	355,000	221,475	576,475
2017-2021	6,000,000	3,136,272	9,136,272	2,010,000	876,144	2,886,144
2022-2026	7,445,000	1,506,519	8,951,519	2,485,000	405,606	2,890,606
2027-2028	2,510,000	125,275	2,635,275	565,000	12,713	577,713
Total	<u>\$ 20,750,000</u>	<u>\$ 9,099,281</u>	<u>\$ 29,849,281</u>	<u>\$ 6,710,000</u>	<u>\$ 2,536,538</u>	<u>\$ 9,246,538</u>

Contractual Obligations

Fiscal Year Ending September 30,	Governmental Activities			Business Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 102,780	\$ 35,601	\$ 138,381	\$ 125,103	\$ 26,351	\$ 151,454
2013	105,438	30,757	136,195	130,860	20,591	151,451
2014	108,220	25,791	134,011	136,881	14,572	151,453
2015	116,129	20,576	136,705	143,180	8,273	151,453
2016	84,196	15,105	99,301	74,043	1,685	75,728
2017-2021	270,100	31,335	301,435	-	-	-
Total	<u>\$ 786,862</u>	<u>\$ 159,165</u>	<u>\$ 946,028</u>	<u>\$ 610,067</u>	<u>\$ 71,472</u>	<u>\$ 681,539</u>

Sales Tax and Revenue Bonds

Fiscal Year Ending September 30,	Governmental Activities			Business Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 115,000	\$ 32,606	\$ 147,606	\$ -	\$ -	\$ -
2013	120,000	26,085	146,085	-	-	-
2014	130,000	19,148	149,148	-	-	-
2015	135,000	11,794	146,794	-	-	-
2016	145,000	4,024	149,024	-	-	-
Total	<u>\$ 645,000</u>	<u>\$ 93,657</u>	<u>\$ 738,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Compensated Absences

Compensated absences represent the estimated liability for employees' accrued sick and vacation leave for which employees are entitled to be paid upon termination. The retirement of this liability is typically paid from the General Fund and Enterprise Funds based on the assignment of an employee at termination.

In previous years, the City has legally defeased certain outstanding general obligation debt by placing funds into irrevocable trusts pledged to pay all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the City's long-term debt.

CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011

NOTE 8. LONG-TERM DEBT – CONTINUED

Discretely presented component unit – Wylie Economic Development Corporation (WEDC)

WEDC Loans Payable as of September 30, 2011 are as follows:

Description	Balance 9/30/2011
\$340,000, payable to an individual, made July 25, 2006, payable in monthly installments of \$3,775 through July 25, 2016, including interest at 6.00%.	\$ 189,069
\$448,571, payable to bank, made November 2010, payable in monthly installments of \$8,455 through November 22, 2015, including interest at 4.95%.	374,308
\$4,920,939, payable to bank, made November 2010, payable in monthly installments of \$40,682 through December 1, 2026, including interest at 5.75%.	4,855,665
	\$ 5,419,042

Annual debt service requirements to maturity for WEDC debt is:

Year	Principal	Interest	Total
2012	\$ 329,954	\$ 303,803	\$ 633,757
2013	349,513	284,242	633,755
2014	369,359	264,396	633,755
2015	390,338	243,417	633,755
2016	310,106	223,835	533,941
2017-2021	1,587,265	853,643	2,440,908
2022-2026	2,082,507	317,724	2,400,231
Total	\$ 5,419,042	\$ 2,491,060	\$ 7,910,102

The following is a summary of WEDC long-term transactions for the year ended September 30, 2011:

Description	Balance 9/30/2010	Increases	Decreases	Balance 9/30/2011	Due Within One Year
Loans payable	\$ 844,490	\$ 5,369,509	\$ 794,957	\$ 5,419,042	\$ 329,954
Compensated Absences	38,899	15,108	7,004	47,003	34,664
Total long-term liabilities	\$ 883,389	\$ 5,384,617	\$ 801,961	\$ 5,466,045	\$ 364,618

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 9. PENSION PLAN

A. Plan Description

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

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City- financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and city matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service. A member is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

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

B. Contributions

The contribution rate for employees is 7%, with the City's matching ratio being 2 to 1, 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 Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases. Both the employees and the City make contributions monthly. Because the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2009 valuation is effective for rates beginning January 2011.)

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 9. PENSION PLAN

B. Contributions – Continued

Schedule of Actuarial Liabilities and Funding Progress:

Actuarial Valuation Date	12/31/20010	12/31/09	12/31/08
Actuarial Value of Assets	\$ 21,948,981	\$ 15,801,341	\$ 13,646,332
Actuarial Accrued Liability	32,535,491	25,444,844	21,727,174
Percentage Funded	67.5%	62.1%	62.8%
Unfunded (Over-funded) Actuarial Accrued Liability (UAAL)	10,586,510	9,643,503	8,080,842
Annual Covered Payroll	12,951,767	13,046,672	12,063,784
UAAL as a Percentage of Covered Payroll	81.7%	73.9%	67.0%
Net Pension Obligation (NPO) at the Beginning of Period	-	-	-
Annual Pension Cost:			
Annual required contribution (ARC)	1,529,496	1,397,441	1,222,581
Interest on NPO			
Adjustment to the ARC			
	1,529,496	1,397,441	1,222,581
Contributions Made	1,529,496	1,397,441	1,222,581
Increase in NPO	-	-	-
NPO at the end of the period	\$ -	\$ -	\$ -

Actuarial assumptions are as follows:

Actuarial cost method	Projected Unit Credit
Amortization method	Level Percent of Payroll
Remaining Amortization	27.3 Years - Closed Period
Asset valuation method	10-Year Smoothed Market
Investment rate of return	7.0%
Projected salary increases	Varies by age and service
Inflation rate	3%
COL adjustments	2.1% (3% CPI)

NOTE 10. NORTH TEXAS MUNICIPAL WATER DISTRICT

The District is a conservation and reclamation district and political subdivision of the State of Texas, created and functioning under Chapter 62, Acts of 1951, 52nd Legislature, Regular Session, as amended, originally compiled as Vernon's Article 8270-141 (the Act), pursuant to Article 16, Section 59 of the Texas Constitution. The District comprises all of the territory of its member cities, viz., Allen, Garland, Princeton, Plano, Mesquite, Wylie, Rockwall, Farmersville, McKinney, Richardson, Forney and Royse City (the "Member Cities"). The District was created for the purpose of providing a source of water supply for municipal, domestic and industrial use and for the treatment processing and transportation of such water to its Member Cities and to its other customers located in North Central Texas, all within the Dallas Standard Metropolitan Statistical Area.

CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011

NOTE 10. NORTH TEXAS MUNICIPAL WATER DISTRICT – CONTINUED

Under the Act, including specifically Section 27 thereof, and under the Constitution and Statutes of the State of Texas, the District has broad powers to (1) impound, control, store, preserve, treat, transmit, and use storm and flood water, the water of rivers and streams and underground water, for irrigation, power and all other useful purposes and to supply water for municipal, domestic, power, industrial and commercial uses and purposes and all other beneficial uses and purposes; and (2) collect, transport, process, treat, dispose of, and control all municipal, domestic, industrial or commercial waste whether in fluid, solid or composite state, including specifically the control, abatement or reduction of all types of pollution. The City retains no ongoing financial interest equity investments and/or responsibilities for the District other than the contractual arrangements discussed more fully herein.

NOTE 11. MUDDY CREEK REGIONAL WASTEWATER SYSTEM

In May 1999, the Cities of Wylie and Murphy in Collin County entered into a contract with the District to provide for the acquisition, construction, improvement, operation, and maintenance of the Regional Muddy Creek Wasterwater System (System) for the purpose of providing facilities to adequately receive, transport, treat, and dispose of wastewater. The District will own the System with Wylie and Murphy as the initial participants. The District will issue approximately \$20 million in bonds to construct this new facility. Budget calculations for operating costs and debt service for the System on the service commencement date is based on the following estimated flow ratio: City of Wylie – 2/3 and Murphy – 1/3. “Service Commencement Date” means the first date upon which the System is available to treat wastewater from the participants. Wylie’s long-term commitment to the System’s debt service component is approximately \$13.3 million.

The District will send each participant a letter detailing the annual requirement necessary to operate the System each year. The annual requirement budget will include an operation and maintenance component and a bond service component. The budgeting ratio described earlier is only valid for the first year of System operations. In subsequent years, budgets and year-end audits will be based on actual flow ratios. For example, if the flow measurements indicate that 60% of the flow is produced by Wylie and 40% by Murphy, then the next year’s operating and debt service components would be allocated using a 60/40 split. If in the future, additional participants are added, then the flow ratios will be adjusted using the above method.

The contract with the District has a clause for “Credit for Payments Relating to the System. This clause states: “Each participant shall be entitled to a credit in an amount equal to any funds advanced by such Participant with the approval of the District for land, engineering, construction or other costs related to the System and/or the financing thereof”. All credits for advance made prior to the Service Commencement Date shall bear interest from the date of such advance at a rate equal to the net effective interest rate on the initial issue of the bonds hereunder. The City of Wylie has four such credits at this time. All credits for advances made prior to the Service Commencement Date shall be amortized over a period of twenty years, with such amortization to commence on October 1 of the Fiscal Year following the Service Commencement Date. At September 30, 2005, the City had recorded \$3,188,849 as a restricted accounts receivable. This amount is being amortized over a twenty-year period commencing with fiscal year 2006. The amortization was \$128,014 for 2011.

NOTE 12. CONTINGENT LIABILITIES

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

CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011

NOTE 12. CONTINGENT LIABILITIES – CONTINUED

The City periodically is a defendant in various lawsuits. At September 30, 2011, after consultation with the City's attorney, the City is not aware of any pending litigation.

As described in Note 8 above, the general revenues of the City are contingently liable for the \$3,650,000 payable in General Obligation Bonds which are currently outstanding and recorded as obligations of the Enterprise Fund.

The City contracts for garbage disposal with a third party. Under the terms of the agreement the City bills and collects the residential billing and remits that amount to the contracting party. The contractor bills the commercial customers and remits a franchise fee to the City based on total revenues received from the contract

The Wylie Economic Development Corporation provides monetary incentives to companies to relocate within the City of Wylie. At September 30, 2011, these commitments totaled approximately \$593,000.

NOTE 13. 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; injuries to employees; employee health benefits; and other claims of various natures. The City purchases commercial insurance to indemnify it in event of loss. For the past three years, settlements did not exceed coverage.

NOTE 14. RELATED PARTY TRANSACTIONS

The chairman of the board of directors of the Wylie Economic Development Corporation (WEDC) is the branch president of a local bank. During the year ended September 30, 2005, WEDC entered into a loan agreement with this bank for \$878,372, payable over a ten-year term, with interest rates of 5.75% for the first five years and 6.20% for the next five years. During the year ended September 30, 2011, this loan was paid in full.

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

**NOTE 15. CONDENSED FINANCIAL INFORMATION FOR DISCRETELY PRESENTED
COMPONENT UNIT**

Following is selected condensed financial statement information for the fund basis financial statements of the Wylie Economic Development Corporation:

<u>Balance Sheet</u>	<u>WEDC</u>
Assets	
Cash and equivalents	\$ 1,154,785
Receivables	7,791,132
Inventory	2,296,512
Prepays	<u>2,000</u>
Total Assets	<u>\$ 11,244,429</u>
Liabilities	
Current liabilities	\$ 82,411
Accrued liabilities	<u>7,404,628</u>
Total Liabilities	<u>7,487,039</u>
Fund Balance	<u>3,757,390</u>
Total Liabilities and Fund Balance	<u>\$ 11,244,429</u>

<u>Statement of Revenues, Expenditures and Changes in Fund Balance</u>	<u>WEDC</u>
Revenues:	
Sales tax revenue	\$ 1,523,401
Interest income	24,872
Miscellaneous income	<u>722,135</u>
Total Revenues	2,270,408
Expenditures:	
Expenditures	<u>7,410,104</u>
Other financing sources (uses)	
Proceeds from loans	<u>5,019,790</u>
Net change in fund balance	(119,906)
Fund balance 10/1/2010	<u>3,877,296</u>
Fund balance 9/30/2011	<u>\$ 3,757,390</u>

**CITY OF WYLIE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2011**

NOTE 15. CONDENSED FINANCIAL INFORMATION FOR DISCRETELY PRESENTED COMPONENT UNIT – CONTINUED

Following are reconciliations between the government-wide financial statements and the fund basis financial statements for WEDC:

Reconciliation of fund balance to net assets:

Total fund balance	\$ 3,757,390
Revenues earned but not available within sixty days of the fiscal year-end are not recognized as revenue in the fund financial statements.	6,190,622
Payables for compensated absences	(47,001)
Payable for loan principal not currently due	<u>(5,419,044)</u>
Net assets	<u><u>\$ 4,481,967</u></u>

Reconciliation of change in fund balance to change in net assets:

Change in fund balance	\$ (119,906)
Change in payables for compensated absences	8,100
Change in accrued interest payable	512
Change in deferred revenue	6,190,633
Loan proceeds and lease payments	(5,385,155)
Payment of loan principal	<u>794,388</u>
Change in net assets	<u><u>\$ 1,488,572</u></u>

NOTE 16. LAND ACQUISITION

The discrete component unit owns property with a carrying value of \$2,296,512. This property is held as an incentive to attract businesses.

NOTE 17. OTHER POST-EMPLOYMENT BENEFITS

The GASB has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions", which provides guidance on all aspects of OPEB reporting by employers. The requirements of this statement are effective for the City in the fiscal year ending September 30, 2009. The City has evaluated the impact of the standard on its financial statements and has determined that it is immaterial.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WYLIE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

EXHIBIT A-10

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amount</u>	
REVENUES				
Ad valorem taxes	\$ 13,751,556	\$ 13,751,556	\$ 13,864,910	\$ 113,354
Non-property taxes	2,608,112	2,738,112	3,057,328	319,216
Franchise fees	2,260,000	2,260,000	2,280,283	20,283
Licenses and permits	287,030	287,030	568,772	281,742
Intergovernmental	595,067	602,992	750,908	147,916
Services fees	2,764,500	2,764,500	2,758,938	(5,562)
Court fees	548,107	548,107	326,645	(221,462)
Interest income	33,300	33,300	20,587	(12,713)
Miscellaneous income	343,646	362,646	402,770	40,124
Total revenues	23,191,318	23,348,243	24,031,141	682,898
EXPENDITURES				
Current				
General government				
City council	83,281	83,281	65,590	17,691
City manager	787,994	780,333	752,227	28,106
City secretary	243,827	241,365	228,831	12,534
City attorney	128,000	128,000	108,328	19,672
Finance	855,227	854,888	847,739	7,149
Building and fleet maintenance	286,800	286,800	369,072	(82,272)
Municipal court	345,488	318,850	265,750	53,100
Human resources	196,051	194,693	188,856	5,837
Purchasing	115,342	114,578	113,661	917
Information technology	979,551	1,026,948	997,886	29,062
Emergency communications	176,350	326,350	244,983	81,367
Combined services/general	3,519,417	3,611,357	2,888,991	722,366
Total general government	7,717,328	7,967,443	7,071,914	895,529
Public safety				
Police	5,517,802	5,338,970	5,031,702	307,268
Fire	5,304,604	5,406,604	5,071,630	334,974
Dispatch services	2,847,484	2,885,185	2,776,547	108,638
Emergency communications	-	-	3,467	(3,467)
Animal control	277,775	294,510	265,243	29,267
Total public safety	13,947,665	13,925,269	13,148,589	776,680
Urban development				
Planning	462,045	457,984	436,518	21,466
Building inspection	671,287	661,316	651,800	9,516
Code enforcement	193,542	190,686	158,939	31,747
Total urban development	1,326,874	1,309,986	1,247,257	62,729
Streets				
Streets	1,313,233	1,346,214	1,033,150	313,064
Total streets	1,313,233	1,346,214	1,033,150	313,064

**CITY OF WYLIE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**EXHIBIT A-10
(CONCLUDED)**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amount</u>	
Community service				
Parks	\$ 1,624,539	\$ 1,624,724	\$ 1,424,574	\$ 200,150
Recreation	207,350	207,350	203,058	4,292
Library	1,178,693	1,217,952	1,241,122	(23,170)
Total community service	<u>3,010,582</u>	<u>3,050,026</u>	<u>2,868,754</u>	<u>181,272</u>
Total expenditures	<u>27,315,682</u>	<u>27,598,938</u>	<u>25,369,664</u>	<u>2,229,274</u>
Excess (deficiency) of revenues over expenditures	<u>(4,124,364)</u>	<u>(4,250,695)</u>	<u>(1,338,523)</u>	<u>2,912,172</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,249,326	2,249,326	2,785,446	536,120
Transfers out	(1,396,714)	(1,396,714)	(1,396,714)	-
Proceeds from sale of property	-	-	41,044	41,044
Total other financing sources (uses)	<u>852,612</u>	<u>852,612</u>	<u>1,429,776</u>	<u>577,164</u>
Net change in fund balances	<u>(3,271,752)</u>	<u>(3,398,083)</u>	<u>91,253</u>	<u>3,489,336</u>
Fund balances, October 1	<u>10,287,370</u>	<u>10,287,370</u>	<u>8,458,400</u>	<u>(1,828,970)</u>
Fund balances, September 30	<u>\$ 7,015,618</u>	<u>\$ 6,889,287</u>	<u>\$ 8,549,653</u>	<u>\$ 1,660,366</u>

**CITY OF WYLIE, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City follows the following procedures in establishing the budgetary date reflected in the financial statements:

1. Public hearings are conducted to obtain taxpayer comments.
2. Prior to October 1, the budget is legally enacted through passage of an ordinance.
3. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Therefore the fund level is the legal level of control.
4. Budgeted amounts are as originally adopted or as amended by the City Council. During 2011, individual amendments were not material in relation to the original appropriations. All budget appropriations automatically lapse at year-end.
5. Formal budgetary integration is employed as a management control device during the year. The legally adopted budget is adopted on a basis consistent with generally accepted accounting principles.

**COMBINING STATEMENTS AND BUDGETARY COMPARISON
SCHEDULES**

**CITY OF WYLIE, TEXAS
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
 GENERAL OBLIGATION DEBT SERVICE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT A-11

	Budgeted Amounts		Actual	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Ad valorem taxes	\$ 6,821,422	\$ 6,821,422	\$ 6,881,121	\$ 59,699
Interest income	6,500	6,500	4,596	(1,904)
Miscellaneous income	-	-	6,297	6,297
Total revenues	6,827,922	6,827,922	6,892,014	64,092
EXPENDITURES				
Debt service				
Principal	3,045,238	3,045,238	3,045,238	-
Interest and fiscal charges	4,661,418	4,661,418	4,620,256	41,162
Total debt service	7,706,656	7,706,656	7,665,494	41,162
Excess (deficiency) of revenue over (under) expenditures	(878,734)	(878,734)	(773,480)	105,254
Other financing sources (uses)				
Transfers in	900,000	900,000	900,000	-
Total other financing sources (uses)	900,000	900,000	900,000	-
Net change in fund balances	21,266	21,266	126,520	105,254
Fund balances, October 1	656,402	656,402	656,402	-
Fund balances, September 30	<u>\$ 677,668</u>	<u>\$ 677,668</u>	<u>\$ 782,922</u>	<u>\$ 105,254</u>



NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

4B SALES TAX REVENUE FUND

Accounts for sales tax monies specifically designated for promoting economic development within the City by developing, implementing, providing and financing park and recreation projects.

PARKS ACQUISITION AND IMPROVEMENT FUND

Accounts for the development and improvement of City Parks.

FIRE TRAINING CENTER FUND

Accounts for First Responder fees specifically designated for the construction of the Fire Training Center.

FIRE DEVELOPMENT FEES FUND

Accounts for contributions specifically designated for use of the fire department.

MUNICIPAL COURT TECHNOLOGY FUND

Accounts for court fines specifically designated for improvements in court technology.

MUNICIPAL COURT BUILDING SECURITY FUND

Accounts for court fines specifically designated for additions/improvements to court security.

HOTEL TAX FUND

Accounts for occupancy taxes charged to hotels.

RECREATION FUND

Accounts for fees charged for recreational services.

DEBT SERVICE FUND

4B DEBT SERVICE FUND 1996

Accounts for the accumulation of resources to be used for the payment of principal and interest on the 4B Sales Tax Revenue Bonds – Series 1996.

4B DEBT SERVICE FUND 2005

Accounts for the accumulation of resources to be used for the payment of principal and interest on the 4B Sales Tax Revenue Bonds – Series 2005.



**CITY OF WYLIE, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2011**

	SPECIAL REVENUE FUNDS				
	4B Sales Tax Revenue	Park Acquisition and Improvement	Fire Training Center	Fire Development Fees	Municipal Court Technology
ASSETS					
Cash and cash equivalents	\$ 1,367,508	\$ 711,548	\$ 187,955	\$ 1,005,736	\$ 41,777
Receivables: (net of allowances for uncollectibles)					
Other	-	-	576	-	-
Sales tax	282,173	-	-	-	-
Total assets	\$ 1,649,681	\$ 711,548	\$ 188,531	\$ 1,005,736	\$ 41,777
LIABILITIES AND FUND BALANCES					
Accounts payable	\$ 7,738	\$ 16,215	\$ 13,062	\$ 18,211	\$ -
Other payables and accruals	11,586	-	-	-	-
Total liabilities	19,324	16,215	13,062	18,211	-
FUND BALANCES					
Restricted					
Debt service	-	-	-	-	-
Economic development	1,630,357				
Municipal Court Technology					41,777
Municipal Court Security					
Tourism					
Committed					
Park acquisition and improvement		695,333			
Fire training			175,469		
Fire development				987,525	
Recreation					
Total fund balances	1,630,357	695,333	175,469	987,525	41,777
Total liabilities and fund balances	\$ 1,649,681	\$ 711,548	\$ 188,531	\$ 1,005,736	\$ 41,777

EXHIBIT B-1

DEBT SERVICE FUNDS					
Municipal Court Building Security	Hotel Tax	Recreation	4B Debt Service 1996	4B Debt Service 2005	Total Nonmajor Governmental Funds
\$ 140,993	\$ 118,866	\$ 64,515	\$ 38,813	\$ 158,325	\$ 3,836,036
-	5,392	15,759	-	-	21,727
-	-	-	-	-	282,173
<u>\$ 140,993</u>	<u>\$ 124,258</u>	<u>\$ 80,274</u>	<u>\$ 38,813</u>	<u>\$ 158,325</u>	<u>\$ 4,139,936</u>
\$ -	\$ -	33,940	\$ -	\$ -	\$ 89,166
-	-	22,070	-	-	33,656
-	-	56,010	-	-	122,822
-	-	-	38,813	158,325	197,138
-	-	-	-	-	1,630,357
140,993	124,258	-	-	-	41,777
-	-	-	-	-	140,993
-	-	-	-	-	124,258
-	-	-	-	-	695,333
-	-	-	-	-	175,469
-	-	-	-	-	987,525
-	-	24,264	-	-	24,264
<u>140,993</u>	<u>124,258</u>	<u>24,264</u>	<u>38,813</u>	<u>158,325</u>	<u>4,017,114</u>
<u>\$ 140,993</u>	<u>\$ 124,258</u>	<u>\$ 80,274</u>	<u>\$ 38,813</u>	<u>\$ 158,325</u>	<u>\$ 4,139,936</u>

**CITY OF WYLIE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE- NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	SPECIAL REVENUE FUNDS				
	4B Sales Tax Revenue	Park Acquisition and Improvement	Fire Training Center	Fire Development Fees	Municipal Court Technology
REVENUES					
Sales taxes	\$ 1,523,401	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	208,000	-	-	-
Service fees	-	-	34,299	-	-
Court fees	-	-	-	-	9,109
Interest income	2,262	1,109	278	1,453	58
Miscellaneous income	62	-	512	120,005	-
Total revenues	1,525,725	209,109	35,089	121,458	9,167
EXPENDITURES					
Current:					
Public safety	-	-	21,824	-	-
Community service	432,668	111,158	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	432,668	111,158	21,824	-	-
Excess (deficiency) of revenues over (under) expenditures	1,093,057	97,951	13,265	121,458	9,167
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	(1,075,775)	-	-	-	-
Total other financing sources (uses)	(1,075,775)	-	-	-	-
Net change in fund balances	17,282	97,951	13,265	121,458	9,167
Fund balances, October 1	1,613,075	597,382	162,204	866,067	32,610
Fund balances, September 30	<u>\$ 1,630,357</u>	<u>\$ 695,333</u>	<u>\$ 175,469</u>	<u>\$ 987,525</u>	<u>\$ 41,777</u>

EXHIBIT B-2

DEBT SERVICE FUNDS

Municipal Court Building Security	Hotel Tax	Recreation	4B Debt Service 1996	4B Debt Service 2005	Total Nonmajor Governmental Funds
\$ -	\$ 52,131	\$ -	\$ -	\$ -	\$ 1,575,532
-	-	-	-	-	208,000
-	-	532,182	-	-	566,481
6,838	-	-	-	-	15,947
217	138	-	118	438	6,071
100	-	-	-	-	120,679
<u>7,155</u>	<u>52,269</u>	<u>532,182</u>	<u>118</u>	<u>438</u>	<u>2,492,710</u>
-	-	-	-	-	21,824
-	-	1,020,778	-	-	1,564,604
-	-	-	105,000	225,000	330,000
-	-	-	39,427	193,977	233,404
-	-	1,020,778	144,427	418,977	2,149,832
<u>7,155</u>	<u>52,269</u>	<u>(488,596)</u>	<u>(144,309)</u>	<u>(418,539)</u>	<u>342,878</u>
-	-	510,775	145,000	420,000	1,075,775
-	-	-	-	-	(1,075,775)
-	-	510,775	145,000	420,000	-
7,155	52,269	22,179	691	1,461	342,878
133,838	71,989	2,085	38,122	156,864	3,674,236
<u>\$ 140,993</u>	<u>\$ 124,258</u>	<u>\$ 24,264</u>	<u>\$ 38,813</u>	<u>\$ 158,325</u>	<u>\$ 4,017,114</u>

**CITY OF WYLIE, TEXAS
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
 4B SALES TAX REVENUE FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT C-1

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Sales taxes	\$ 1,299,056	\$ 1,364,056	\$ 1,523,401	\$ 159,345
Interest income	4,000	4,000	2,262	(1,738)
Miscellaneous income	-	-	62	62
Total revenues	<u>1,303,056</u>	<u>1,368,056</u>	<u>1,525,725</u>	<u>157,669</u>
EXPENDITURES				
Current				
Community service				
4B Parks	353,252	318,252	262,365	55,887
4B Recreation	229,160	229,160	170,303	58,857
Total Community Service	<u>582,412</u>	<u>547,412</u>	<u>432,668</u>	<u>114,744</u>
Total expenditures	<u>582,412</u>	<u>547,412</u>	<u>432,668</u>	<u>114,744</u>
Excess of revenues over expenditures	<u>720,644</u>	<u>820,644</u>	<u>1,093,057</u>	<u>272,413</u>
Other financing uses				
Transfers out	(565,000)	(565,000)	(1,075,775)	(510,775)
Total other financing uses	<u>(565,000)</u>	<u>(565,000)</u>	<u>(1,075,775)</u>	<u>(510,775)</u>
Net change in fund balances	155,644	255,644	17,282	(238,362)
Fund balances, October 1	1,613,075	1,613,075	1,613,075	-
Fund balances, September 30	<u>\$ 1,768,719</u>	<u>\$ 1,868,719</u>	<u>\$ 1,630,357</u>	<u>\$ (238,362)</u>

**CITY OF WYLIE, TEXAS
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
 PARK ACQUISITION AND IMPROVEMENT
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT C-2

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 208,000	\$ 208,000
Interest income	-	-	1,109	1,109
Total revenues	<u>-</u>	<u>-</u>	<u>209,109</u>	<u>209,109</u>
EXPENDITURES				
Current				
Community service				
Park acquisition - west zone	45,000	45,000	39,575	5,425
Park acquisition - central zone	34,103	34,103	31,112	2,991
Park acquisition - east zone	70,000	70,000	40,471	29,529
Total expenditures	<u>149,103</u>	<u>149,103</u>	<u>111,158</u>	<u>37,945</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(149,103)</u>	<u>(149,103)</u>	<u>97,951</u>	<u>247,054</u>
Net change in fund balances	(149,103)	(149,103)	97,951	247,054
Fund balances, October 1	<u>597,382</u>	<u>597,382</u>	<u>597,382</u>	<u>-</u>
Fund balances, September 30	<u>\$ 448,279</u>	<u>\$ 448,279</u>	<u>\$ 695,333</u>	<u>\$ 247,054</u>

**CITY OF WYLIE, TEXAS
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
 FIRE TRAINING CENTER
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT C-3

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Service fees	\$ 35,000	\$ 35,000	\$ 34,299	\$ (701)
Interest income	-	-	278	278
Miscellaneous income	-	-	512	512
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>35,089</u>	<u>89</u>
EXPENDITURES				
Current				
Public safety				
Fire training center	<u>18,325</u>	<u>98,960</u>	<u>21,824</u>	<u>77,136</u>
Total public safety	<u>18,325</u>	<u>98,960</u>	<u>21,824</u>	<u>77,136</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,675</u>	<u>(63,960)</u>	<u>13,265</u>	<u>77,225</u>
Net change in fund balances	16,675	(63,960)	13,265	77,225
Fund balances, October 1	<u>162,204</u>	<u>162,204</u>	<u>162,204</u>	<u>-</u>
Fund balances, September 30	<u><u>\$ 178,879</u></u>	<u><u>\$ 98,244</u></u>	<u><u>\$ 175,469</u></u>	<u><u>\$ 77,225</u></u>

**CITY OF WYLIE, TEXAS
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
 MUNICIPAL COURT TECHNOLOGY FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT C-4

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Court fees	\$ 20,000	\$ 20,000	\$ 9,109	\$ (10,891)
Interest income	170	170	58	(112)
Total revenues	<u>20,170</u>	<u>20,170</u>	<u>9,167</u>	<u>(11,003)</u>
EXPENDITURES				
Current				
Public safety	-	-	-	-
Total public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>20,170</u>	<u>20,170</u>	<u>9,167</u>	<u>(11,003)</u>
Net change in fund balances	20,170	20,170	9,167	(11,003)
Fund balances, October 1	<u>32,610</u>	<u>32,610</u>	<u>32,610</u>	-
Fund balances, September 30	<u>\$ 52,780</u>	<u>\$ 52,780</u>	<u>\$ 41,777</u>	<u>\$ (11,003)</u>

**CITY OF WYLIE, TEXAS
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
 MUNICIPAL COURT BUILDING SECURITY FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT C-5

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Court fees	\$ 12,000	\$ 12,000	\$ 6,838	\$ (5,162)
Interest income	350	350	217	(133)
Miscellaneous income	-	-	100	100
Total revenues	<u>12,350</u>	<u>12,350</u>	<u>7,155</u>	<u>(5,195)</u>
EXPENDITURES				
Current				
Public safety	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total public safety	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess of revenues over expenditures	<u>7,350</u>	<u>7,350</u>	<u>7,155</u>	<u>(195)</u>
Net change in fund balances	7,350	7,350	7,155	(195)
Fund balances, October 1	<u>133,838</u>	<u>133,838</u>	<u>133,838</u>	<u>-</u>
Fund balances, September 30	<u>\$ 141,188</u>	<u>\$ 141,188</u>	<u>\$ 140,993</u>	<u>\$ (195)</u>

**CITY OF WYLIE, TEXAS
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
 HOTEL TAX FUND
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT C-6

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Sales taxes	\$ 38,000	\$ 38,000	\$ 52,131	\$ 14,131
Interest income	100	100	138	38
Total revenues	38,100	38,100	52,269	14,169
EXPENDITURES				
Current				
Public safety				
Fire training center	-	-	-	-
Total public safety	-	-	-	-
Excess of revenues over expenditures	38,100	38,100	52,269	14,169
Net change in fund balances	38,100	38,100	52,269	14,169
Fund balances, October 1	71,989	71,989	71,989	-
Fund balances, September 30	<u>\$ 110,089</u>	<u>\$ 110,089</u>	<u>\$ 124,258</u>	<u>\$ 14,169</u>

**CITY OF WYLIE, TEXAS
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
 4B DEBT SERVICE 1996 FUND
 DEBT SERVICE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT D-1

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest income	\$ -	\$ -	\$ 118	\$ 118
Total revenues	<u>-</u>	<u>-</u>	<u>118</u>	<u>118</u>
EXPENDITURES				
Debt service				
Principal	105,000	105,000	105,000	-
Interest and fiscal charges	39,431	39,431	39,427	4
Total debt service	<u>144,431</u>	<u>144,431</u>	<u>144,427</u>	<u>4</u>
Total expenditures	<u>144,431</u>	<u>144,431</u>	<u>144,427</u>	<u>4</u>
Deficiency of revenues under expenditures	<u>(144,431)</u>	<u>(144,431)</u>	<u>(144,309)</u>	<u>122</u>
Other financing sources				
Transfers in	145,000	145,000	145,000	-
Total other financing sources	<u>145,000</u>	<u>145,000</u>	<u>145,000</u>	<u>-</u>
Net changes in fund balances	<u>569</u>	<u>569</u>	<u>691</u>	<u>122</u>
Fund balances, October 1	38,122	38,122	38,122	-
Fund balances, September 30	<u>\$ 38,691</u>	<u>\$ 38,691</u>	<u>\$ 38,813</u>	<u>\$ 122</u>

**CITY OF WYLIE, TEXAS
 BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
 4B DEBT SERVICE 2005 FUND
 DEBT SERVICE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2011**

EXHIBIT D-2

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Interest income	\$ -	\$ -	\$ 438	\$ 438
Total revenues	<u>-</u>	<u>-</u>	<u>438</u>	<u>438</u>
EXPENDITURES				
Debt service				
Principal	225,000	225,000	225,000	-
Interest and fiscal charges	194,278	194,278	193,977	301
Total debt service	<u>419,278</u>	<u>419,278</u>	<u>418,977</u>	<u>301</u>
Total expenditures	<u>419,278</u>	<u>419,278</u>	<u>418,977</u>	<u>301</u>
Deficiency of revenues under expenditures	<u>(419,278)</u>	<u>(419,278)</u>	<u>(418,539)</u>	<u>739</u>
Other financing sources				
Transfers in	420,000	420,000	420,000	-
Total other financing sources	<u>420,000</u>	<u>420,000</u>	<u>420,000</u>	<u>-</u>
Net changes in fund balances	722	722	1,461	739
Fund balances, October 1	156,864	156,864	156,864	-
Fund balances, September 30	<u>\$ 157,586</u>	<u>\$ 157,586</u>	<u>\$ 158,325</u>	<u>\$ 739</u>

STATISTICAL SECTION

CITY OF WYLIE, TEXAS STATISTICAL SECTION TABLE OF CONTENTS

This is part of the City of Wylie's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

<u>Contents</u>	<u>Table #s</u>
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1-5
Revenue Capacity These tables contain information to help the reader assess the City's two most significant local revenue sources, the property and sales taxes.	6-12
Debt Capacity These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	13-17
Economic and Demographic Information These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	18-19
Operating Information These tables 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.	20-22

Source: Unless otherwise noted, the information in these labels is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2003: tables pressing government-wide information include information beginning in that year.

**CITY OF WYLIE, TEXAS
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS (UNAUDITED)**

	<u>2003</u>	<u>2004</u>	<u>Fiscal Year 2005</u>
Governmental Activities			
Invested in Capital Assets, Net of Related Debt	\$ 55,109,795	\$ 62,317,301	\$ 72,335,440
Restricted	7,714,394	4,103,955	6,412,687
Unrestricted	(962,448)	7,178,450	7,914,730
Total Governmental Activities Net Assets	<u>61,861,741</u>	<u>73,599,706</u>	<u>86,662,857</u>
Business-type Activities			
Invested in Capital Assets, Net of Related Debt	18,425,639	20,801,795	25,207,269
Restricted	9,750,823	12,626,787	12,739,448
Unrestricted	3,300,191	3,680,724	5,175,119
Total Business-type Activities Net Assets	<u>31,476,653</u>	<u>37,109,306</u>	<u>43,121,836</u>
Primary Government			
Invested in Capital Assets, Net of Related Debt	73,535,434	83,119,096	97,542,709
Restricted	17,465,217	16,730,742	19,152,135
Unrestricted	2,337,743	10,859,174	13,089,849
Total Primary Government Net Assets	<u>93,338,394</u>	<u>110,709,012</u>	<u>129,784,693</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003. This information is presented using the accrual basis of accounting.

TABLE 1

2006	2007	2008	2009	2010	2011
\$ 73,959,342	\$ 80,156,749	\$ 81,535,501	\$ 87,367,632	\$ 92,652,726	\$ 96,233,296
9,702,583	4,748,476	-	-	157,135	290,576
5,266,581	11,225,518	16,778,998	18,364,466	19,795,514	18,292,357
<u>88,928,506</u>	<u>96,130,743</u>	<u>98,314,499</u>	<u>105,732,098</u>	<u>112,605,375</u>	<u>114,816,229</u>
31,205,119	36,564,901	37,155,724	37,166,408	38,013,180	37,576,095
11,926,132	8,738,654	7,460,624	7,338,139	5,470,351	4,260,021
6,181,593	7,424,351	9,393,691	9,820,167	11,356,977	14,359,344
<u>49,312,844</u>	<u>52,727,906</u>	<u>54,010,039</u>	<u>54,324,714</u>	<u>54,840,508</u>	<u>56,195,460</u>
105,164,461	116,721,650	118,691,225	124,534,040	130,665,906	133,809,391
21,628,715	13,487,130	7,460,624	7,338,139	5,627,486	4,550,597
11,448,174	18,649,869	26,172,689	28,184,633	31,152,491	32,651,701
<u>138,241,350</u>	<u>148,858,649</u>	<u>152,324,538</u>	<u>160,056,812</u>	<u>167,445,883</u>	<u>171,011,689</u>

**CITY OF WYLIE, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST NINE FISCAL YEARS (UNAUDITED)**

	Fiscal Year		
	2003	2004	2005
Expenses			
Governmental Activities:			
General Government	\$ 2,946,474	\$ 3,360,719	\$ 3,490,621
Public Safety	4,868,978	5,898,710	7,437,298
Urban development	723,553	839,258	958,368
Streets	2,888,760	3,507,891	4,012,471
Community service	1,866,710	2,118,200	2,348,580
Interest on Long-Term Debt	897,371	836,290	1,030,375
Total Governmental Activities Expenses	<u>14,191,846</u>	<u>16,561,068</u>	<u>19,277,713</u>
Business-type Activities			
Utility	<u>5,294,510</u>	<u>5,155,675</u>	<u>7,926,463</u>
Total Business-type Activities Expenses	<u>5,294,510</u>	<u>5,155,675</u>	<u>7,926,463</u>
Total Primary Government Expenses	<u>\$ 19,486,356</u>	<u>\$ 21,716,743</u>	<u>\$ 27,204,176</u>
Program Revenues			
Governmental Activities:			
Charges for Services:			
General Government	\$ 1,130,651	\$ 1,399,332	\$ 1,522,104
Public safety	592,041	779,785	1,071,140
Urban development	2,150,919	1,986,683	1,689,979
Community service	115,180	107,242	130,434
Operating Grants and Contributions	67,139	42,088	61,271
Capital Grants and Contributions	<u>339,992</u>	<u>10,902,894</u>	<u>12,462,144</u>
Total Governmental Activities Program Revenues	<u>4,395,922</u>	<u>15,218,024</u>	<u>16,937,072</u>
Business-type Activities:			
Charges for Services:			
Utility	5,864,532	6,776,232	7,876,859
Capital Grants and Contributions	<u>3,763,980</u>	<u>3,863,745</u>	<u>5,945,267</u>
Total Business-type Activities Program Revenues	<u>9,628,512</u>	<u>10,639,977</u>	<u>13,822,126</u>
Total Primary Government Programs Revenues	<u>14,024,434</u>	<u>25,858,001</u>	<u>30,759,198</u>
Net (Expense)/Revenue			
Governmental Activities	\$ (9,795,924)	\$ (1,343,044)	\$ (2,340,641)
Business-type Activities	433,402	5,484,302	5,895,663
Total Primary Government Net Expense	<u>(5,461,922)</u>	<u>4,141,258</u>	<u>3,555,022</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003. This information is presented using the accrual basis of accounting.

TABLE 2

2006	2007	2008	2009	2010	2011
\$ 4,144,882	\$ 4,027,017	\$ 5,861,991	\$ 3,485,356	\$ 6,479,482	\$ 3,621,127
8,003,798	10,029,670	10,502,873	11,585,582	11,859,042	13,694,425
862,184	1,083,316	1,061,318	1,178,655	1,193,068	1,254,722
4,578,339	4,631,177	4,871,088	6,761,308	4,263,064	5,493,677
2,651,744	3,074,976	3,248,168	3,325,813	3,292,045	4,965,762
1,751,355	2,795,083	3,068,061	4,872,366	5,163,908	4,795,423
<u>21,992,302</u>	<u>25,641,239</u>	<u>28,613,499</u>	<u>31,209,080</u>	<u>32,250,609</u>	<u>33,825,136</u>
8,843,954	9,495,460	10,219,481	10,338,152	10,494,419	10,566,621
<u>8,843,954</u>	<u>9,495,460</u>	<u>10,219,481</u>	<u>10,338,152</u>	<u>10,494,419</u>	<u>10,566,621</u>
<u>\$ 30,836,256</u>	<u>\$ 35,136,699</u>	<u>\$ 38,832,980</u>	<u>\$ 41,547,232</u>	<u>\$ 42,745,028</u>	<u>\$ 44,391,757</u>
\$ 1,862,104	\$ 2,176,853	\$ 2,192,056	\$ 2,164,172	\$ 2,255,866	\$ 2,221,163
946,408	1,034,296	1,011,893	1,257,771	1,257,540	1,376,734
1,748,000	1,400,515	1,043,266	558,461	652,839	637,805
221,299	209,254	313,050	252,003	250,086	747,321
37,731	372,503	405,557	264,209	474,576	217,790
8,411,904	5,958,047	2,200,423	5,731,359	6,494,706	1,663,223
<u>13,227,446</u>	<u>11,151,468</u>	<u>7,166,245</u>	<u>10,227,975</u>	<u>11,385,613</u>	<u>6,864,036</u>
8,832,061	8,041,284	9,508,602	10,172,309	11,088,925	12,580,923
5,148,706	4,019,494	1,154,027	51,500	-	-
<u>13,980,767</u>	<u>12,060,778</u>	<u>10,662,629</u>	<u>10,223,809</u>	<u>11,088,925</u>	<u>12,580,923</u>
<u>27,208,213</u>	<u>23,212,246</u>	<u>17,828,874</u>	<u>20,451,784</u>	<u>22,474,538</u>	<u>19,444,959</u>
\$ (8,764,856)	\$ (14,489,771)	\$ (21,447,254)	\$ (20,981,105)	\$ (20,864,996)	\$ (26,961,100)
5,136,813	2,565,318	443,148	(114,343)	594,506	2,014,302
<u>(3,628,043)</u>	<u>(11,924,453)</u>	<u>(21,004,106)</u>	<u>(21,095,448)</u>	<u>(20,270,490)</u>	<u>(24,946,798)</u>

**CITY OF WYLIE, TEXAS
GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS
LAST NINE FISCAL YEARS (UNAUDITED)**

	Fiscal Year		
	2003	2004	2005
Net (Expense)/Revenue			
Governmental Activities	\$ (9,795,924)	\$ (1,343,044)	\$ (2,340,641)
Business-type Activities	4,334,002	5,484,302	5,895,663
Total Primary Government Net Expense	<u>(5,461,922)</u>	<u>4,141,258</u>	<u>3,555,022</u>
Governmental Revenues and Other Changes in Net Assets			
Governmental Activities:			
Taxes			
Property Taxes	6,748,379	8,226,158	9,744,962
Sales Taxes	1,513,254	2,130,573	2,668,983
Franchise Taxes	1,363,395	1,712,695	1,454,975
Unrestricted Investment Earnings	188,379	146,679	439,481
Miscellaneous Income	35,914	25,698	558,401
Gain (loss) on disposal of capital assets	6,207	-	-
Transfers	492,125	570,239	479,942
Total Governmental Activities	<u>10,347,653</u>	<u>12,812,042</u>	<u>15,346,744</u>
Business-type Activities:			
Investment Earnings	227,486	191,258	441,638
Miscellaneous Income	61,564	131,494	129,796
Gain (loss) on disposal of capital assets	-	-	193,305
Transfers	(492,125)	(570,239)	(479,942)
Total Business-type Activities	<u>(203,075)</u>	<u>(247,487)</u>	<u>284,797</u>
Total Primary Government	<u>\$ 10,144,578</u>	<u>\$ 12,564,555</u>	<u>\$ 15,631,541</u>
Change in Net Assets			
Governmental Activities	\$ 551,729	\$ 11,468,998	\$ 13,006,103
Business-type Activities	4,130,927	5,236,815	6,180,640
Total Primary Government	<u>\$ 4,682,656</u>	<u>\$ 16,705,813</u>	<u>\$ 19,186,743</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003. This information is presented using the accrual basis of accounting.

TABLE 3

2006	2007	2008	2009	2010	2011
\$ (8,764,856)	\$ (14,489,771)	\$ (21,447,254)	\$ (20,981,105)	\$ (20,864,996)	\$ (26,961,100)
5,136,813	2,565,318	443,148	(114,343)	594,506	2,014,302
<u>(3,628,043)</u>	<u>(11,924,453)</u>	<u>(21,004,106)</u>	<u>(21,095,448)</u>	<u>(20,270,490)</u>	<u>(24,946,798)</u>
11,232,673	13,100,185	15,540,800	20,391,128	20,649,388	20,706,218
3,308,755	3,575,795	3,892,994	3,933,650	4,086,686	4,632,860
1,941,805	1,739,883	1,963,797	2,391,509	2,226,420	2,278,805
1,406,561	2,687,320	1,926,928	924,047	212,547	94,894
469,580	152,518	215,192	297,601	118,547	536,216
-	(13,693)	34,396	10,769	(5,315)	18,526
447,137	450,000	450,000	450,000	450,000	904,435
<u>18,806,511</u>	<u>21,692,008</u>	<u>24,024,107</u>	<u>28,398,704</u>	<u>27,738,273</u>	<u>29,171,954</u>
821,375	1,125,117	786,986	299,563	169,925	141,682
315,329	174,627	40,082	579,455	201,363	96,740
-	-	-	-	-	6,663
<u>(447,137)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>(904,435)</u>
689,567	849,744	377,068	429,018	(78,712)	(659,350)
<u>\$ 19,496,078</u>	<u>\$ 22,541,752</u>	<u>\$ 24,401,175</u>	<u>\$ 28,827,722</u>	<u>\$ 27,659,561</u>	<u>\$ 28,512,604</u>
\$ 10,041,655	\$ 7,202,237	\$ 2,576,853	\$ 7,417,599	\$ 6,873,277	\$ 2,210,854
5,826,380	3,415,062	820,216	314,675	515,794	1,354,952
<u>\$ 15,868,035</u>	<u>\$ 10,617,299</u>	<u>\$ 3,397,069</u>	<u>\$ 7,732,274</u>	<u>\$ 7,389,071</u>	<u>\$ 3,565,806</u>

**CITY OF WYLIE, TEXAS
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2002	2003	2004	2005
General Fund				
Reserved	\$ 281,746	\$ 27,156	\$ 27,156	\$ 66,650
Nonspendable				
Restricted				
Committed				
Unassigned				
Unreserved	<u>2,427,547</u>	<u>3,358,463</u>	<u>3,358,463</u>	<u>4,426,413</u>
Total General Fund	<u>\$ 2,709,293</u>	<u>\$ 3,385,619</u>	<u>\$ 3,385,619</u>	<u>\$ 4,493,063</u>
All Other Governmental Funds				
Reserved	\$ 504,533	\$ 652,595	\$ 652,595	\$ 799,229
Nonspendable				
Restricted				
Committed				
Unassigned				
Unreserved, Reported in:				
Special Revenue Funds	553,365	923,291	923,291	1,651,712
Debt Service Funds	-	-	-	-
Capital Projects Funds	<u>8,485,096</u>	<u>7,124,117</u>	<u>7,124,117</u>	<u>5,565,400</u>
Total All Other Governmental Funds	<u>\$ 9,542,994</u>	<u>\$ 8,700,003</u>	<u>\$ 8,700,003</u>	<u>\$ 8,016,341</u>

(1) The increase in fund balance was due to unspent bond proceeds from an issuance during the periods indicated for capital projects.

(2) The City implemented GASB No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" which impacted both the classifications of funds and classification of and balances within funds.

TABLE 4

(1)		(1)			(2)
2006	2007	2008	2009	2010	2011
\$ 193,791	\$ 541,028	\$ 188,255	\$ 146,428	\$ 153,389	\$ -
					154,354
					-
					128,512
					10,095,757
<u>5,923,979</u>	<u>7,486,053</u>	<u>8,878,326</u>	<u>9,917,733</u>	<u>8,305,011</u>	<u>-</u>
<u>\$ 6,117,770</u>	<u>\$ 8,027,081</u>	<u>\$ 9,066,581</u>	<u>\$ 10,064,161</u>	<u>\$ 8,458,400</u>	<u>\$ 10,378,623</u>
\$ 1,193,142	\$ 319,576	\$ 634,477	\$ 595,319	\$ 656,402	\$ -
					32,345,329
					1,882,591
					-
1,619,655	2,363,046	2,861,942	3,845,934	5,308,220	-
-	-	-	-	194,986	-
<u>39,960,132</u>	<u>35,075,726</u>	<u>85,908,035</u>	<u>67,875,143</u>	<u>44,082,553</u>	<u>-</u>
<u>\$ 42,772,929</u>	<u>\$ 37,758,348</u>	<u>\$ 89,404,454</u>	<u>\$ 72,316,396</u>	<u>\$ 50,242,161</u>	<u>\$ 34,227,920</u>

**CITY OF WYLIE, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	2002	2003	2004	2005
Revenues				
Ad valorem taxes	\$ 5,549,904	\$ 6,789,129	\$ 8,173,918	\$ 9,754,037
Sales taxes	1,425,506	1,513,254	2,130,572	2,668,983
Franchise fees	958,066	1,062,766	1,382,731	1,407,351
Licenses and permits	1,131,544	1,708,903	1,522,039	1,260,963
Intergovernmental	365,316	360,135	532,857	773,875
Service fees	1,643,429	1,563,150	1,964,910	2,094,474
Court fees	484,920	426,637	419,272	427,892
Interest income	225,386	188,379	146,679	439,481
Miscellaneous income	162,866	353,940	143,896	840,676
Total Revenues	<u>11,946,937</u>	<u>13,966,293</u>	<u>16,416,874</u>	<u>19,667,732</u>
Expenditures				
General Government	2,946,905	3,067,478	3,380,349	3,767,483
Public Safety	4,120,896	4,761,956	5,773,019	7,751,414
Urban development	711,194	707,450	827,281	953,570
Streets	2,210,787	721,335	1,213,454	1,345,498
Community Service	1,438,312	1,906,459	2,094,914	8,554,999
Capital Outlay	-	1,479,178	3,865,797	4,178,917
Debt Service				
Principal	1,096,743	1,190,889	1,326,449	1,404,888
Interest and fiscal charges	746,970	875,384	850,877	769,876
Bond issuance costs	-	-	-	176,219
Total Expenditures	<u>13,271,807</u>	<u>14,710,129</u>	<u>19,332,140</u>	<u>28,902,864</u>
Excess of Revenues				
Over (Under) Expenditures	<u>(1,324,870)</u>	<u>(743,836)</u>	<u>(2,915,266)</u>	<u>(9,235,132)</u>
Other Financing Sources (Uses)				
Transfers In	771,430	1,149,708	1,011,756	1,188,604
Transfers Out	(351,430)	(909,784)	(690,465)	(943,847)
Issuance of long-term debt	2,750,000	-	-	13,798,337
Premium on bonds issued	-	-	-	160,796
Discount on bonds issued	-	-	-	(84,614)
Payment to refunded bond escrow agent	-	-	-	-
Sale of capital assets	-	6,207	-	(1,866,358)
Total Other Financing				
Sources (Uses)	<u>3,170,000</u>	<u>246,131</u>	<u>321,291</u>	<u>12,252,918</u>
Net Change in Fund Balances	<u>1,845,130</u>	<u>(497,705)</u>	<u>(2,593,975)</u>	<u>3,017,786</u>
Debt Service as a Percentage of Noncapital Expenditures	13.9%	15.6%	14.1%	9.5%

TABLE 5

	2006	2007	2008	2009	2010	2011
\$	11,207,753	\$ 13,094,757	\$ 15,530,285	\$ 20,310,022	\$ 20,649,075	\$ 20,746,031
	3,308,755	3,575,794	3,892,994	3,933,650	4,086,686	4,632,860
	1,893,383	1,908,984	2,045,205	2,136,664	2,060,000	2,280,283
	1,319,956	1,056,919	1,857,614	1,060,595	1,083,184	1,354,135
	443,124	784,350	1,558,929	2,485,357	6,765,997	1,595,509
	2,322,030	2,557,315	2,767,258	2,670,068	2,786,282	3,325,419
	617,288	587,250	547,987	427,246	425,439	342,592
	1,406,562	2,687,318	1,882,079	913,799	210,314	94,894
	859,269	1,361,511	644,793	562,751	439,558	781,392
	<u>23,378,120</u>	<u>27,614,198</u>	<u>30,727,144</u>	<u>34,500,152</u>	<u>38,506,535</u>	<u>35,153,115</u>
	4,169,819	11,542,571	6,927,392	5,442,300	5,794,116	7,071,914
	8,892,087	9,357,139	10,244,272	11,042,607	12,991,765	13,170,413
	859,697	1,080,324	1,026,260	1,135,299	1,161,850	1,247,257
	1,548,675	1,470,049	1,587,208	1,620,193	1,189,434	1,033,150
	2,789,512	3,026,580	3,303,805	3,117,542	2,893,696	4,433,358
	2,190,857	873,016	5,924,706	19,900,621	30,662,779	15,891,919
	1,554,007	1,511,412	1,975,248	3,627,903	3,458,337	3,375,238
	1,109,257	3,324,640	2,725,301	5,156,180	5,091,403	4,853,660
	154,417	75,387	247,318	-	225,807	-
	<u>23,268,328</u>	<u>32,261,118</u>	<u>33,961,510</u>	<u>51,042,645</u>	<u>63,469,187</u>	<u>51,076,909</u>
	<u>109,792</u>	<u>(4,646,920)</u>	<u>(3,234,366)</u>	<u>(16,542,493)</u>	<u>(24,962,652)</u>	<u>(15,923,794)</u>
	1,293,280	2,951,221	2,834,249	2,597,809	4,019,027	4,761,221
	(1,546,049)	(2,123,361)	(2,384,249)	(2,147,809)	(3,569,027)	(2,972,489)
	36,229,000	4,793,155	55,625,000	-	8,264,548	-
	200,697	34,739	238,069	-	3,892	-
	-	(34,364)	-	-	-	-
	-	(3,971,472)	-	-	(7,435,784)	-
	-	(13,693)	-	2,015	-	41,044
	<u>36,176,928</u>	<u>1,636,225</u>	<u>56,313,069</u>	<u>452,015</u>	<u>1,282,656</u>	<u>1,829,776</u>
	<u>36,286,720</u>	<u>(3,010,695)</u>	<u>53,078,703</u>	<u>(16,090,478)</u>	<u>(23,679,996)</u>	<u>(14,094,018)</u>
	13.4%	15.6%	17.6%	32.9%	27.3%	25.2%

**CITY OF WYLIE, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 6

<u>Fiscal Year</u>	<u>Ad Valorem Taxes</u>	<u>Sales Taxes</u>	<u>Franchise Taxes</u>	<u>Total</u>
2002	5,549,904	1,425,506	958,066	7,933,476
2003	6,789,129	1,513,254	1,062,766	9,365,149
2004	8,173,918	2,130,572	1,382,731	11,687,221
2005	9,754,037	2,668,983	1,407,351	13,830,371
2006	11,207,753	3,308,755	1,893,383	16,409,891
2007	13,094,757	3,575,794	1,908,984	18,579,535
2008	15,530,285	3,892,994	2,045,205	21,468,484
2009	20,310,022	3,933,650	2,136,664	26,380,336
2010	20,649,075	4,086,686	2,060,000	26,795,761
2011	20,746,031	4,632,860	2,280,283	27,659,174
Percent Change 2002-2011	\$ 15,196,127 373.8%	\$ 3,207,354 325.0%	\$ 1,322,217 238.0%	\$ 19,725,698 348.6%

TABLE 7

**CITY OF WYLIE, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS (UNAUDITED)**

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2002	726,859,995	141,791,206	145,359,599	48,290,835	965,719,965	0.7150
2003	908,488,917	238,191,077	71,440,440	61,618,003	1,156,502,431	0.7050
2004	1,150,987,305	278,236,963	68,178,047	67,507,524	1,429,894,791	0.6950
2005	1,337,824,710	318,619,349	60,064,348	76,422,118	1,640,086,289	0.6950
2006	1,542,236,827	263,505,829	136,669,956	84,931,166	1,857,481,446	0.7068
2007	1,764,303,848	288,951,716	146,785,364	89,947,174	2,110,093,754	0.7333
2008	1,851,412,088	320,559,885	154,813,362	94,519,658	2,232,265,677	0.8989
2009	1,681,490,233	317,876,320	159,911,022	98,352,452	2,060,925,123	0.8989
2010	1,849,191,950	350,209,595	121,853,139	98,637,590	2,222,617,094	0.8989
2011	1,878,899,878	301,701,482	109,890,564	94,582,252	2,195,909,672	0.8989

**CITY OF WYLIE, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 8

Fiscal Year	City Direct Rates			Overlapping Rates				Total Direct & Overlapping Rates
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Wylie Independent School District	Community Independent School District	Collin County	Collin County Community College District	
2002	0.503896	0.211104	0.715000	1.5609	1.4301	0.2500	0.0928	4.0488
2003	0.534042	0.170958	0.705000	1.6100	1.5375	0.2500	0.0920	4.1945
2004	0.555908	0.139092	0.695000	1.7200	1.6200	0.2500	0.0919	4.3769
2005	0.561947	0.133053	0.695000	1.8000	1.6700	0.2500	0.0906	4.5056
2006	0.561950	0.144830	0.706780	1.7250	1.5400	0.2400	0.0878	4.2996
2007	0.561950	0.171300	0.733250	1.3900	1.4950	0.2425	0.0877	3.9484
2008	0.561950	0.336950	0.898900	1.5100	1.4950	0.2425	0.0865	4.2329
2009	0.550220	0.348680	0.898900	1.5100	1.4950	0.2425	0.0865	4.2329
2010	0.600850	0.298050	0.898900	1.6400	1.4950	0.2425	0.0863	4.3627
2011	0.600153	0.298747	0.898900	1.6400	1.4950	0.2400	0.0863	4.3602

(1) Source: Central appraisal District of Colling County web site (www.collincad.org).

(2) Although the Community Independent School District is included in the above presentation, less than one per cent of the City of Wylie lies within this taxing jurisdiction.

(3) Basis for property tax rate is per \$100 of taxable valuation.

**CITY OF WYLIE, TEXAS
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND TEN YEARS AGO (UNAUDITED)**

TABLE 9

Taxpayer	2011			2001		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Sanden International	\$ 43,522,220	1	1.98%	\$ 48,400,365	1	6.03%
Woodbridge Dallas Associates LLC	22,000,000	2	1.00%	-		
Oncor Electric Delivery Company	19,497,101	3	0.89%	-		
Woodbridge Crossing LP	19,209,984	4	0.87%	-		
Target Corporation	15,095,723	5	0.69%	-	2	0.00%
Sanden International (USA) INC	14,952,726	6	0.68%	22,152,568		
Wal-Mart Real Estate Business	12,675,502	7	0.58%	-		
Best Circuit Boards INC	11,227,903	8	0.51%	-	10	0.00%
Cascades Apartments LTD	10,800,000	9	0.49%	-		
Holland Hitch of Tx INC	10,745,531	10	0.49%	11,421,226	3	1.42%
Yes Companies LLC	10,524,645	11	0.48%	-		
Atrium Companies INC	10,194,282	12	0.46%	3,503,895		
GTE Southwest INC	10,029,420	13	0.46%	-		
Sooners Group LP	8,113,912	14	0.37%	-		
Windough (DE) LP	7,060,012	15	0.32%	-		
Wal-Mart Stores Texas LLC	6,355,908	16	0.29%	-		
Westdale Rustic Oaks LTD	5,996,380	17	0.27%	-		
Target Corporation	5,541,026	18	0.25%	-		
BBV Texas Development LLC	5,493,360	19	0.25%	-		
ABS TX Investor LP	5,200,000	20	0.24%	-		
Total	\$ 254,235,635			\$ 85,478,054		

(1) Source: Central Appraisal District of Collin County.

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

TABLE 10

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	5,551,269	5,413,295	97.51%	82,696	5,495,991	99.00%
2003	6,900,461	6,567,156	95.17%	136,594	6,703,750	97.15%
2004	8,229,415	8,029,289	97.57%	74,574	8,103,863	98.47%
2005	10,041,005	9,524,055	94.85%	159,178	9,683,233	96.44%
2006	11,161,901	10,989,996	98.46%	157,412	11,147,408	99.87%
2007	12,963,905	12,821,056	98.90%	1	12,821,057	98.90%
2008	15,262,086	15,241,892	99.87%	1	15,241,893	99.87%
2009	20,125,509	19,783,368	98.30%	120,195	19,903,563	98.90%
2010	20,597,372	20,304,072	98.58%	168,467	20,472,539	99.39%
2011	20,462,978	19,981,812	97.65%	103,598	20,085,410	98.15%

**CITY OF WYLIE, TEXAS
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS (UNAUDITED)**

TABLE 11

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Construction	\$ 76,359	\$ 66,974	\$ 83,892	\$ 197,405	\$ 263,942	\$ 237,532	\$ 262,065	\$ 245,608	\$ 254,197	\$ 261,823
Manufacturing	133,461	120,075	149,177	143,017	125,161	35,303	39,580	167,054	172,896	178,083
Transportation, Communications	114,753	117,531	412,117	381,744	520,844	574,246	502,877	449,408	465,124	488,077
Wholesale Trade	16,022	29,525	29,152	23,060	87,671	129,301	216,300	82,703	85,595	88,038
Retail Trade	921,257	921,521	1,068,919	1,201,192	1,364,324	1,756,930	1,591,815	1,980,495	2,049,752	2,176,245
Other	726,762	843,448	1,187,665	1,735,330	2,155,410	2,113,517	2,698,777	2,268,075	2,347,389	2,350,324
Total	\$ 1,988,614	\$ 2,099,074	\$ 2,930,922	\$ 3,681,748	\$ 4,517,352	\$ 4,846,829	\$ 5,311,414	\$ 5,193,344	\$ 5,374,954	\$ 5,542,590

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of revenue. The tax liability includes the City sales tax rate of one percent and the blended component unit rate of one-half percent.

**CITY OF WYLIE, TEXAS
 DIRECT AND OVERLAPPING SALES TAX REVENUE
 LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 12

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Wylie Economic Development Corporation</u>	<u>Collin County</u>
2002	1.50%	0.50%	0.00%
2003	1.50%	0.50%	0.00%
2004	1.50%	0.50%	0.00%
2005	1.50%	0.50%	0.00%
2006	1.50%	0.50%	0.00%
2007	1.50%	0.50%	0.00%
2008	1.50%	0.50%	0.00%
2009	1.50%	0.50%	0.00%
2010	1.50%	0.50%	0.00%
2011	1.50%	0.50%	0.00%

Note: The City sales tax rate includes the City sales tax rate of one percent and the blended component unit rate of one-half percent

**CITY OF WYLIE, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 13

Fiscal Year	General Bonded Debt			Other Governmental Activities Debt			
	General Obligation Bonds	Combination Tax/Revenue Bonds	Certificates of Obligation	Tax Revenue Bonds	Contractual Obligations	Loans and Obligation	Capital Leases
2002	15,294,286	1,509,130	365,000	1,400,000	-	370,000	-
2003	14,490,946	1,281,580	270,000	1,335,000	-	285,000	-
2004	13,656,341	1,049,736	170,000	1,265,000	-	195,000	-
2005	19,325,556	6,225,000	65,000	1,190,000	-	100,000	33,064
2006	53,613,889	6,010,000	-	1,115,000	841,659	-	16,097
2007	52,738,155	5,790,000	-	1,035,000	1,462,690	-	-
2008	89,883,965	22,560,000	-	945,000	1,286,832	-	-
2009	87,287,620	21,855,000	-	850,000	1,055,074	-	-
2010	85,590,000	21,590,000	-	750,000	882,101	-	71,677
2011	83,255,000	20,750,000	-	645,000	786,862	-	36,499

Fiscal Year	Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita (2)
	General Obligation Bonds	Water Revenue Bonds	Contractual Obligations	Capital Leases			
2002	3,235,735	6,040,870	-	672,813	28,887,834	5.60%	1,574
2003	3,074,072	5,603,420	-	522,578	26,862,596	4.50%	1,258
2004	2,903,677	5,155,264	-	360,724	24,755,742	3.30%	947
2005	3,699,444	3,615,000	-	356,890	34,609,954	3.91%	1,161
2006	3,226,111	3,460,000	1,157,710	185,000	69,625,466	6.70%	2,110
2007	10,516,845	3,300,000	1,057,000	-	75,899,690	7.55%	2,300
2008	9,941,234	3,125,000	930,964	-	128,672,795	10.24%	3,354
2009	9,327,381	2,940,000	844,002	-	124,159,077	9.51%	3,242
2010	11,125,000	-	729,665	-	120,738,443	10.14%	3,096
2011	10,360,000	-	610,067	-	116,443,428	9.07%	2,811

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) See the Demographic and Economic Statistics table on page 98 for population data.

**CITY OF WYLIE, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 14

Fiscal Year	General Bonded Debt Outstanding			Percentage Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation	Total		
2002	18,530,021	365,000	\$ 15,659,286	2.98%	937
2003	17,565,018	270,000	\$ 14,760,946	1.70%	804
2004	16,560,018	170,000	\$ 13,826,341	1.28%	648
2005	23,025,000	65,000	\$ 19,390,556	1.80%	742
2006	56,840,000	-	\$ 53,613,889	3.51%	1,796
2007	63,255,000	-	\$ 82,738,155	2.50%	1,485
2008	99,825,199	-	\$ 89,883,765	4.03%	2,343
2009	96,615,001	-	\$ 87,287,620	3.87%	2,279
2010	96,715,000	-	\$ 85,590,000	3.85%	2,195
2011	93,615,000	-	\$ 93,615,000	4.26%	2,260

**CITY OF WYLIE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
(UNAUDITED)**

TABLE 15

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt Repaid with Property Taxes			
Wylie Independent School District	\$ 245,490,551	(1) 56.47%	\$ 138,628,514
Community Independent School District	12,244,330	(1) 0.42%	51,426
Collin County	379,530,964	(1) 2.67%	10,133,477
Collin County	41,748,370	(1) 2.67%	1,114,681
Subtotal, Overlapping Debt			<u>149,928,098</u>
City Direct Debt		(2)	83,255,000
Total Direct and Overlapping Debt			<u><u>233,183,098</u></u>
Ratio of Direct and Overlapping Bonded Debt to Taxable Assessed Valuation			10.62%
Per Capita Direct and Overlapping Debt			\$ 5,629

(1) Source: First Southwest Company

(2) Excludes self supported debt

(3) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Wylie, 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 residents and businesses 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.

(4) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the various government's taxable assessed value that is within the government's boundaries and dividing it by the total taxable assessed value.

**CITY OF WYLIE, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 16

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 135,497,032	\$ 155,220,182	\$ 184,161,840	\$ 234,374,571	\$ 790,054,078	\$ 790,054,078	\$ 790,054,078	\$ 790,054,078	\$ 790,054,078	\$ 790,054,078
Total Net Debt Applicable to Limit	22,427,338	15,833,191	14,515,653	25,077,022	53,613,889	53,613,889	53,613,889	87,287,620	85,590,000	83,255,000
Legal Debt Margin	<u>113,069,694</u>	<u>139,386,991</u>	<u>169,646,187</u>	<u>209,297,549</u>	<u>736,440,189</u>	<u>736,440,189</u>	<u>736,440,189</u>	<u>702,766,458</u>	<u>704,464,078</u>	<u>706,799,078</u>
Total Net Debt Applicable to the Limit As a percentage of Debt Limit	16.55%	10.20%	7.88%	10.70%	6.79%	6.79%	6.79%	11.05%	10.83%	10.54%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ 2,195,909,672
Debt Limit (10%) of Assessed Value)	219,590,967
Debt Applicable to Limit:	
General Obligation Bonds	83,255,000
Less: Amount Set Aside for Repayment of General Obligation Debt	<u>(7,706,656)</u>
Total Net Debt applicable to Limit	<u>75,548,344</u>
Legal Debt Margin	<u>\$ 144,042,623</u>

(1) Under state law, the City of Wylie, Texas' outstanding general obligation debt should not exceed ten percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by the amount set aside for repaying general obligation bonds.

**CITY OF WYLIE, TEXAS
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 17

Fiscal Year	<u>Water Revenue Bond</u>		Net Available Revenue	<u>Debt Service (3)</u>		Total	Coverage
	Utility Service Charges (1)	Less: Operating Expenses (2)		Principal	Interest		
2002	4,789,856	2,636,705	2,153,151	90,000	163,411	253,411	8.50
2003	5,864,531	3,833,370	2,031,161	135,000	203,808	338,808	6.00
2004	6,776,234	3,674,258	3,101,976	140,000	198,981	338,981	9.15
2005	7,876,858	6,411,920	1,464,938	145,000	190,322	335,322	4.37
2006	8,832,060	6,925,231	1,906,829	155,000	181,339	336,339	5.67
2007	8,041,284	7,614,530	426,754	160,000	657,090	817,090	0.52
2008	9,508,602	8,217,466	1,291,136	175,000	712,223	887,223	1.46
2009	10,172,309	8,380,779	1,791,530	185,000	582,293	767,293	2.33
2010	11,088,925	8,588,542	2,500,383	195,000	534,756	729,756	3.43
2011	12,580,923	8,713,780	3,867,143	290,000	420,927	710,927	5.44

(1) Includes total operating revenue of the Utility Enterprise Fund

(2) Includes operating expenses of the Utility Enterprise Fund, less depreciation expense.

(3) Debt service requirements includes principal and interest payments on revenue bonds.

**CITY OF WYLIE, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Population (1)	18,350	21,350	26,150	29,800
Personal Income	\$ 58,607	\$ 67,215	\$ 70,049	\$ 72,570
Per Capita Personal Income	\$ 28,132	\$ 27,951	\$ 28,716	\$ 29,738
Median Age	32.7	32.8	32.8	33.0
Education Level in Years of Schooling (2)				
Less than high school graduate	14.2%	14.2%	14.2%	14.2%
High school graduate (or equivalent)	26.6%	26.6%	26.6%	26.6%
Some college/associate's degree	37.4%	37.4%	37.4%	37.4%
Bachelor's degree	17.0%	17.0%	17.0%	17.0%
Masters, professional, or doctorate	4.8%	4.8%	4.8%	4.8%
School Enrollment	5,718	6,266	7,903	8,948
Unemployment (3)	7.7%	6.9%	5.2%	4.3%

(1) Population estimate from North Central Texas council of Governments, as modified by City staff estimates.

(2) Education per the 2000 U.S. Census.

(3) Unemployment rates from the Texas Workforce Commission website (www.twc.state.tx.us).

TABLE 18

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
33,000	35,400	38,360	38,300	39,000	41,427
\$ 75,181	\$ 77,624	\$ 79,962	\$ 83,476	\$ 85,002	\$ 84,101
\$ 31,511	\$ 31,813	\$ 32,771	\$ 34,082	\$ 30,534	\$ 30,983
33.6	33.9	32.3	33.7	34.3	32.3
14.2%	14.2%	14.2%	14.2%	14.2%	16.1%
26.6%	26.6%	26.6%	26.6%	26.6%	23.5%
37.4%	37.4%	37.4%	37.4%	37.4%	28.5%
17.0%	17.0%	17.0%	17.0%	17.0%	24.5%
4.8%	4.8%	4.8%	4.8%	4.8%	6.7%
9,800	10,739	11,369	11,349	11,970	12,549
4.5%	3.6%	5.2%	8.3%	7.2%	7.9%

**CITY OF WYLIE, TEXAS
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

TABLE 19

Employer	2011			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wylie ISD	1,596	1	21.14%	656	2	11.71%
Sanden International	670	2	8.88%	1,000	1	17.85%
NTMWD	465	3	6.16%	279	5	4.98%
Extruders	400	4	5.30%	325	4	5.80%
Wal-Mart	360	5	4.77%	-	-	0.00%
City of Wylie	258	6	3.42%	94	8	1.68%
Target	223	7	2.95%	-	-	0.00%
Global Innovation	187	8	2.48%	-	-	0.00%
Home Depot	150	9	1.99%	-	-	0.00%
Holland USA	142	10	1.88%	223	6	3.98%
Total	4,451		58.97%	2,577		46.00%

**CITY OF WYLIE, TEXAS
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 20

Function/Program	Full-Time Equivalent Employees as of Year End									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Management Services	7	7	8	8	10	12	13	13	13	13
Finance	6	6	6	6	5	5	5	5	5	8
Development Services	-	-	-	-	-	-	-	-	-	-
Planning	3	3	3	3	3	4	4	4	4	5
Building	7	7	8	9	9	9	9	8	8	8
Other	4	3	3	4	4	5	6	7	7	7
Police										
Officers	23	26	28	35	38	43	47	49	49	48
Civilian	3	4	5	5	5	7	7	5	5	7
Fire										
Firefighters and Officers	26	27	29	30	30	36	42	41	41	41
Civilians	1	1	1	2	2	2	2	2	2	3
Animal Control	2	2	3	3	4	4	4	4	4	4
Dispatch	7	7	8	10	10	12	12	12	12	11
Streets	6	8	8	11	11	11	11	11	11	11
Other Public Works										
Engineering	3	3	3	4	4	4	4	4	4	3
Other	11	11	11	13	13	13	13	13	13	13
Parks and Recreation	14	18	20	23	23	23	24	27	29	38
Library	6	6	6	7	8	8	9	12	12	21
Water	9	11	10	11	11	11	11	11	11	11
Wastewater	-	-	4	5	5	5	5	5	5	5
EDC	2	1	1	1	1	2	2	2	2	2
Total	140	151	165	190	196	216	230	234	237	258

**CITY OF WYLIE, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)**

Function/Program	2002	2003	2004	2005
General Government				
Building Permits Issued	974	1,430	1,282	1,203
Building Permits Value (thousands)	\$ 149,262	\$ 189,835	\$ 173,349	\$ 145,748
Police				
Physical Arrests	732	720	741	706
Violations Issued	5,200	4,301	3,966	3,044
Warrants Issued	715	230	378	1,664
Fire				
Emergency Responses	1,312	1,658	1,698	1,935
Fires Extinguished	108	138	164	209
Inspections	329	445	596	527
Other Public Works				
Street Resurfacing (miles)	1	4	5	-
Potholes Repaired	-	-	-	216
Parks and Recreation				
Athletic Field Permits Issued	-	-	25	34
Community Center Admissions	-	14,280	19,044	20,349
Baseball/Softball Fields	8	8	8	9
Soccer/Football Fields	14	14	14	16
Library				
Volumes in Collection	44,000	46,166	47,251	49,393
Water				
New Connections	974	1,430	1,282	1,020
Water Main Breaks	21	26	17	16
Average Daily Consumption (gallons)	2,382,036	3,049,411	3,487,193	4,076,730

TABLE 21

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
1,100	703	500	253	291	241
\$ 170,732	\$ 127,663	\$ 102,151	\$ 150,000	\$ 254,669	\$ 210,487
923	1,536	1,280	1,215	1,121	1,197
6,068	5,681	4,917	3,492	3,555	2,479
1,062	1,287	1,235	575	841	636
2,107	2,502	2,607	2,723	2,960	2,871
172	51	126	78	71	69
549	1,203	1,275	905	1,111	1,078
5	5	4	2	2	1
240	170	50	50	50	221
18	41	-	106	220	213
14,173	15,351	14,273	14,987	14,630	14,451
9	9	10	18	18	18
16	16	16	20	20	20
50,393	49,951	47,708	47,507	47,417	47,417
1,100	711	240	104	104	269
24	5	18	19	19	13
3,991,080	3,738,551	3,682,780	3,760,000	4,007,763	4,600,000

**CITY OF WYLIE, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE 22

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function/Program										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	3	3	3
Other Public Works										
Streets (miles)	76	114	114	127	127	133	135	136	136	187
Alleys (miles)	-	6	6	12	12	12	13	13	13	40
Traffic Signals	3	10	10	10	10	10	11	14	14	14
Parks and Recreation										
Acreage	213	224	239	279	541	621	632	672	668	668
Playgrounds	8	8	9	11	11	11	11	12	12	12
Community Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	100	8	108	110	110	116	119	119	119	145
Fire Hydrants	800	1,084	1,242	1,242	1,242	1,388	1,464	1,500	1,500	1,500
Number of service connections	6,591	7,901	8,841	9,645	9,645	10,155	10,395	10,500	10,500	11,984
Wastewater										
Sanitary Sewers (miles)	108	114	114	123	130	136	141	141	141	165
Education Wylie ISD										
Campuses in Wylie	8	9	11	12	13	17	17	18	18	19