WINDCREST
TEXAS

AGENDA
CITY OF WINDCREST, TEXAS

REGULAR CITY COUNCIL MEETING

April 3, 2017

6:00 P.M.

NOTICE IS HEREBY GIVEN THAT A REGULAR WINDCREST CITY COUNCIL MEETING WILL BE HELD AT WINDCREST CITY HALL, 8601 MIDCROWN, WINDCREST, TEXAS ON THE 3rd DAY OF APRIL 2017 STARTING AT 6:00 P.M. DURING THE MEETING THE FOLLOWING SUBJECTS WILL BE CONSIDERED AND THE COUNCIL MAY TAKE ACTION ON ANY OF THE LISTED SUBJECTS.

THE CITY COUNCIL RESERVES THE OPTION TO RECESS THE MEETING DURING THE EVENING OF APRIL 3, 2017 AND TO RECONVENE THE MEETING ON THE FOLLOWING DAY, APRIL 4, 2017 AT 9:00 A.M. AT THE WINDCREST CITY HALL, 8601 MIDCROWN, WINDCREST, TEXAS.

IT IS ANTICIPATED THAT MEMBERS OF OTHER CITY BOARDS, COMMISSIONS AND COMMITTEES MAY ATTEND THE MEETING IN NUMBERS THAT MAY CONSTITUTE A QUORUM OF SUCH OTHER CITY BOARDS, COMMISSIONS AND COMMITTEES, SO THAT NOTICE IS HEREBY GIVEN THAT THE MEETING IS ALSO A MEETING OF THE OTHER CITY BOARDS, COMMISSIONS AND COMMITTEES WHOSE MEMBERS ARE IN ATTENDANCE. THE MEMBERS OF THE OTHER CITY BOARDS, COMMISSIONS AND COMMITTEES MAY PARTICIPATE IN DISCUSSIONS WHICH OCCUR AT THE MEETING, BUT NO ACTION WILL BE TAKEN BY THE OTHER BOARDS, COMMISSIONS AND COMMITTEES WHOSE MEMBERS ARE IN ATTENDANCE.

REQUEST ALL PAGERS AND CELL PHONES BE TURNED OFF, EXCEPT EMERGENCY ON-CALL PERSONNEL. CITIZENS ARE ASKED TO REFRAIN FROM TALKING DURING COUNCIL PROCEEDINGS.

Ordinance No. 2016-618B(O) establishes certain protocols for City Council meetings.
At all City Council, City Commission or City Board meetings, the agenda shall include a "citizens to be heard" item. It is suggested that Citizens wishing to speak during this item sign in on the sign up roster prior to the meeting. During "Citizens to be Heard", citizens may address the City Council on topics not on the agenda for no more than three (3) minutes. In addition to the foregoing, citizens shall also have the opportunity to address the City Council during consideration of posted agenda items for no more than six (6) minutes. Each citizen shall therefore have the opportunity to address the City Council for a total of nine (9) minutes. This does not include any responses from the body. The six (6) minutes time limit authorized herein

may not be transferred to another speaker in whole or in part. The presiding Officer or his/her designee will assign a Time Keeper to each meeting. The Time Keeper will maintain strict compliance of the six (6) minute rule, stopping speakers who exceed the allotted time. As authorized by Section 551.042 of the Texas Government Code, a city official may make a statement of specific factual information in response to an inquiry made by a member of the public or a recitation of existing city policy. Any deliberation of or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent meeting. Any question posed by a Citizen, Council Member, Board Member or Commission Member for which an answer is not available at a meeting shall be answered by a member of the staff or Presiding Officer at the next regular meeting of the Body, if an answer is reasonably available and prudent. If the information is sensitive, staff will seek advice from the City Attorney.

Meeting Chair: please remind each participant in your meeting that they must speak into a microphone; the recording is the Official Minutes of your meeting and all who speak must be recorded. All guest speakers and citizens to be heard must speak from podium. Please interrupt speakers during meeting if you recognize that they are not speaking into microphone and have them do so.

I. Call to Order, Pledge of Allegiance, Invocation and Announcement

II. Citizens to be Heard

1. Citizens may address the City Council on topics not on the agenda for no more than three (3) minutes.

2. In addition to the foregoing, citizens shall also have the opportunity to address the City Council during consideration of posted agenda items for no more than six (6) minutes.

3. A City Official may make a statement of specific factual information in response to an inquiry made by a member of the public, or a recitation of existing policy in response to an inquiry made by a member of the public.

III. Proclamation

Mayor will read a proclamation declaring April 9–15, 2017, as National Public Safety Telecommunicator's Week.

IV. Presentations

1. City Council will receive a presentation from Walt Busby regarding the development on Eisenhauer Road.

2. City Council will receive a presentation from Pattillo, Brown & Hill, L.L.P., to present the results of the FY 2015/2016 City of Windcrest Audit.

V. Discuss and Act

City Council will review, discuss and may take action to accept the results of the FY 2015/2016 City of Windcrest Audit. *Rafael Castillo, Jr., City Manager and Don Hakala, MFO requested* (Att. 1)

VI. Ordinances

"In conjunction with the first reading of an ordinance, a motion should be made to either "reject the proposed ordinance" or "to forward the proposed ordinance to a subsequent City Council meeting for final adoption at its second reading".

City Council will review, discuss and may take action to consider amending the Windcrest Zoning Code to address residential short-term rental uses of real property. **First Reading** *CCM Jim Shelton, Mike Brenan, City Attorney and Police Chief Al Ballew requested* (Ref 08.05.15 P&Z http://windcresttx.granicus.com/MediaPlayer.php?view_id=8&clip_id=1546 // 08.17.15 RCCM http://windcresttx.granicus.com/MediaPlayer.php?view_id=8&clip_id=1551) (Att. 2)

VII. Resolutions

City Council will review, discuss and may take action on Resolution No. 2017-621(R), a resolution authorizing the purchase and installation of the DXC access control system by Superior Alarms for a total price of $22,372.83 and authorizing the City Manager to negotiate and execute a contract for such purchase. Discussion may include future court security and technology projects. (Att. 3)

VIII. Discuss & Act

1. City Council will receive an update on the status of the Fire Chief Selection Committee.

2. City Council will review, discuss and may take action on filling a member vacancy as well as an alternate member vacancy on the Board of Adjustment. *Rafael Castillo, Jr., and Kelly Rodriguez, City Secretary requested* (12.05.16 RCCM http://windcresttx.granicus.com/MediaPlayer.php?view_id=8&clip_id=1813)

3. City Council will review, discuss and may take action on the Parks and Recreation Commission vacancy. *Rafael Castillo, Jr., and Kelly Rodriguez, City Secretary requested*

IX. General Announcements & Future Agenda Items Requested

Per Ordinance No. 618, repealing Ordinance No. 593; Section 9: Every agenda shall include an item entry granting a member the opportunity to propose an item for consideration of future agendas for Regular or Special Meetings. Any member may request the inclusion of such items at any meeting.

X. Adjournment

The City Council reserves the right to retire into executive session whenever it is considered necessary and legally justified under the Texas Government Code, Subchapter D, Sections 551.071 et. seq. including, but not limited to, consultation with attorney, real property, prospective gifts, personnel matters, exclusion of witness, security devices, and economic development matters.

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the City Council of the City of Windcrest is a true and correct copy of said Notice and was posted on the bulletin board at City Hall of said City in a convenient place to the public and said Notice was posted more than seventy-two hours prior to the meeting on April 3, 2017.

By: Kelly Rodriguez **, City Secretary**

In compliance with the Americans With Disabilities Act, the City of Windcrest Council Chambers are wheelchair accessible, and accessible parking spaces are available. The City of Windcrest will provide for reasonable accommodations for persons attending City Council meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please contact Kelly Rodriguez, City Secretary, at 210-655-0022 ext. 2150 or Fax 210-655-8776.

I certify that the attached notice and agenda of items to be considered by the City Council was removed by me from the City Hall bulletin board on the ____ April, 2017.

_____ Title: _____

CITY OF
WINDCREST, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2016

Prepared by:

The Finance Department

PB&H

PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

CITY OF
WINDCREST, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2016

Prepared by:

The Finance Department

CITY OF WINDCREST, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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CITY OF WINDCREST, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

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INTRODUCTORY SECTION

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CITY OF WINDCREST

CITY OFFICIALS

SEPTEMBER 30, 2016

Mayor	Alan Baxter
Mayor Pro-Tem	Kimberly Wright
City Council	Gerd E. Jacobi Jim Shelton Pamela Dodson Matt Vandenberg
City Manager	Rafael Castillo
Attorney	Mike Brenan

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FINANCIAL SECTION

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PB&H

PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the City Council
City of Windcrest, Texas

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing 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 financial statements are free from material misstatement.

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AICPA
Governmental Audit Quality Center

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Windcrest, Texas, as of September 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in net pension liability and related ratios and schedule of employer contributions on pages 5 – 12 and 48 – 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Windcrest, Texas' basic financial statements. The introductory section and combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2017, on our consideration of the City's internal control over financial reporting and on 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 that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 15, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's Discussion and Analysis

As management of the City of Windcrest, Texas, (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2016.

Financial Highlights

- The City's total combined net position was $13,650,971 at September 30, 2016.
- During the year, the City's change in net position was an increase of $303,384 for governmental activities and a decrease of $56,402 for business-type activities.
- The City's general fund reported a year-end fund balance of $2,451,808, an increase of $436,994 from the previous year. This unassigned fund balance represents 40% of general fund expenditures for the year (4.8 months).
- The City's garbage utility fund experienced another operating loss this year as total net position decreased $56,402, leaving a deficit net position of $177,409 in this fund.
- Total revenues for the City increased 9% from the previous year and total expenses increased 4%.

Overview of the Financial Statements

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

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statement of net position presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and animal control. The business-type activities of the City are comprised of garbage utilities.

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

The government-wide financial statements can be found on pages 13-16 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City'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 14 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, the capital projects fund, and the debt service fund, which are considered to be major funds. Data from the other 11 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining fund statements section of the report.

The basic governmental fund financial statements can be found on pages 17-22 of this report.

Proprietary Funds. The City maintains one type of proprietary fund. 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 garbage utility operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 23-25 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-45 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI). The City adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. Also presented as RSI is information concerning the City's pension plan. Required supplementary information can be found on pages 46-48 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the RSI. Combining fund statements can be found on pages 49-54 of this report.

Government-Wide Financial Analysis

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $13,650,971 (net position). Of this amount, $2,100,168 (15%) (unrestricted net position) may be used to meet the ongoing obligations to citizens and creditors.

City's Net Position
As of September 30, 2016
(With comparative totals as of September 30, 2015)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current Assets:						
Cash and cash equivalents	$ 2,152,431	$ 2,163,096	$ 26,414	$ -	$ 2,178,845	$ 2,163,096
Receivables, net	791,504	1,004,990	124,602	93,876	916,106	1,098,866
Due from component unit	182,000	182,000	-	-	182,000	182,000
Internal balances	168,976	130,265	(168,976)	(130,265)	-	-
Total Current Assets	3,294,911	3,480,351	(17,960)	(36,389)	3,276,951	3,443,962
Non-Current Assets:						
Land	347,050	267,050	-	-	347,050	267,050
Buildings and improvements	2,287,315	2,376,690	-	-	2,287,315	2,376,690
Improvements other than buildings	12,144,163	11,702,211	-	-	12,144,163	11,702,211
Furniture and equipment	4,353,330	4,335,630	-	-	4,353,330	4,335,630
Less accumulated depreciation	(8,660,611)	(7,723,222)	-	-	(8,660,611)	(7,723,222)
Total Non-Current Assets	10,471,247	10,958,359	-	-	10,471,247	10,958,359
Total Assets	13,766,158	14,438,710	(17,960)	(36,389)	13,748,198	14,402,321
Deferred outflows related to pensions	623,361	194,294	-	-	623,361	194,294
Current Liabilities:						
Accounts payable and other current liabilities	621,778	815,723	159,449	84,618	781,227	900,341
Total Current Liabilities	621,778	815,723	159,449	84,618	781,227	900,341
Non-Current Liabilities:						
Due within one year	33,823	25,890	-	-	33,823	25,890
Due in more than one year	695,955	264,831	-	-	695,955	264,831
Total Non-Current Liabilities	729,778	290,721	-	-	729,778	290,721
Total Liabilities	1,351,556	1,106,444	159,449	84,618	1,511,005	1,191,062
Deferred inflows of resources	92,705	1,564	-	-	92,705	1,564
Net Position:						
Net investment in capital assets	11,354,369	10,958,359	-	-	11,354,369	10,958,359
Restricted	196,434	158,409	-	-	196,434	158,409
Unrestricted	2,277,577	2,408,228	(177,409)	(121,007)	2,100,168	2,287,221
Total Net Position	$ 13,828,380	$ 13,524,996	$(177,409)	$(121,007)	$ 13,650,971	$ 13,403,989

By far, the largest portion of the City's net position, $11,354,369 (83%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending.

A small portion of the City's net position (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $2,100,168 is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors.

During the year ended September 30, 2016, the City's total net position increased by $246,982. Total revenues were $7,889,284 and expenses were $7,642,302. A significant portion (76%) of the City's revenues came from taxes, 22% came from grants and charges for services, while the remaining amount came from investment earnings and other miscellaneous revenues.

The following table indicates changes in net position for the governmental and business-type activities for the City as of September 30, 2016, compared to 2015.

Changes in the City's Net Position

As of September 30, 2016

(With comparative totals as of September 30, 2015)

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
REVENUES						
Program Revenues:						
Charges for services	$ 904,278	$ 932,247	$ 827,629	$ 794,974	$ 1,731,907	$ 1,727,221
Operating grants and contributions	35,766	131,393	-	-	35,766	131,393
General Revenues:						
Property taxes	1,752,353	1,663,170	-	-	1,752,353	1,663,170
Other taxes	4,242,834	3,686,309	-	-	4,242,834	3,686,309
Investment earnings	1,454	1,928	3	2	1,457	1,930
Other	124,967	90,538	-	-	124,967	90,538
TOTAL REVENUES	7,061,652	6,505,585	827,632	794,976	7,889,284	7,300,561
EXPENSES						
General government	2,614,526	2,446,960	-	-	2,614,526	2,446,960
Public safety	2,914,177	2,930,406	-	-	2,914,177	2,930,406
Public works	1,059,032	989,595	-	-	1,059,032	989,595
Animal control	170,533	133,379	-	-	170,533	133,379
Interest on long-term debt	-	505	-	-	-	505
Garbage	-	-	884,034	852,474	884,034	852,474
TOTAL EXPENSES	6,758,268	6,500,845	884,034	852,474	7,642,302	7,353,319
Changes in net assets	303,384	4,740	(56,402)	(57,498)	246,982	(52,758)
Transfers In (Out)	-	79,049	-	(79,049)	-	-
Increase (decrease) in net position	303,384	83,789	(56,402)	(136,547)	246,982	(52,758)
Net position - beginning	13,524,996	13,454,755	(121,007)	15,540	13,403,989	13,470,295
Prior period adjustment (Note II. K.)	-	(13,548)	-	-	-	(13,548)
Net position - ending	$ 13,828,380	$ 13,524,996	$(177,409)	$(121,007)	$ 13,650,971	$ 13,403,989

Governmental Activities. Key elements of changes in governmental activities from the prior year follow:

- Total revenues increased by $556,067 , primarily due to an increase in property tax revenues and sales tax revenues.

- Total expenses increased by $257,423, with the largest increase in general government expenses.

Property tax rates decreased to $0.3341, all of which was allocated to operations. Property taxes levied changed from $1,645,009 in 2015 to $1,776,119 in 2016, an increase of $131,110.

The following table presents the net cost of each of the City's largest functions (total costs less program revenues). The net cost is funded by general revenues, which primarily include taxes.

Net Cost of Select City Functions

	Net Cost of Services	
	2016	2015
General government	$(2,222,312)	$(2,154,163)
Public safety	(2,366,347)	(2,159,563)
Public works	(1,059,032)	(989,595)
Animal control	(170,533)	(133,379)
Garbage utility	(56,405)	(57,500)

The net expense of all governmental activities this year before general revenues was ($5,818,224). This net expense was funded by general revenues of $6,121,608.

Business Type Activities. Revenues of the City's business-type activities (garbage utility) were $827,629 and expenses were $884,034, yielding an operating loss of $56,405. The net position of the garbage utility ended the year with a deficit of $177,409. The City plans to eliminate this deficit in future years with an increase in rates.

Financial Analysis of the City's Funds

Revenues from governmental fund types totaled $7,131,230, an increase of $672,393 from the prior year. Governmental revenues are comprised of property taxes, sales taxes, hotel occupancy taxes, franchise taxes, licenses, permits, fines, charges for services, grants, interest and miscellaneous revenue. Expenditures totaled $7,053,147, an increase of $734,308 over the prior year.

General Fund Budgetary Highlights

Over the course of the year, the City had numerous budget adjustments.

Final actual revenues were $375,037 more than final budgeted revenues.

Final actual expenditures were $268,059 less than final budgeted expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of 2016, the City had invested $11,354,369 in a broad range of capital assets, including land, equipment, buildings, improvements, and vehicles, net of accumulated depreciation. This amount represents a net increase (including additions, deductions, and depreciation) of $396,010 over last year.

More detailed information about the City's capital assets is presented in the Note II. D. to the financial statements.

City's Capital Assets

	Governmental Activities	
	2016	2015
Land	$ 347,050	$ 267,050
Construction in progress	883,122	-
Buildings and improvements	2,287,315	2,376,690
Improvements other than buildings	12,144,163	11,702,211
Furniture and equipment	4,353,330	4,335,630
Total	20,014,980	18,681,581
Total accum. depreciation	(8,660,611)	(7,723,222)
Net capital assets	$ 11,354,369	$ 10,958,359

Long Term Debt. At year end, the primary government had no outstanding bonds or capital leases. More detailed information about the City's debt is presented in Note II. F. to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following factors were considered in developing the 2016-2017 budget:

- 2016-2017 General Fund budgeted revenues available for appropriation are $6,482,489.
- 2016-2017 General Fund budgeted expenditures are $7,235,049.
- The ad valorem tax rate (property tax rate) for fiscal year 2016-2017 is budgeted with a decrease of 8% at $.3080930 of taxable assessed valuation. This is a total decrease of 32.81% in tax rates since FY 2011-2012, at 0.436495.
- There are many capital improvements projects budgeted including the continuation of upgrades to various parks, facilities and improvements to the streets and alleys within the City.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the City's finances and to show the City's accountability to its taxpayers. If you have any questions about this report or need additional information, contact:

Rafael Castillo Jr.
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City of Windcrest
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BASIC
FINANCIAL STATEMENTS

CITY OF WINDCREST, TEXAS

STATEMENT OF NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 2,152,431	$ 26,414	$ 2,178,845
Receivables (net of allowance for uncollectibles):			
Taxes	611,194	-	611,194
Fines	145,528	-	145,528
Accounts	34,782	124,602	159,384
Due from component unit	182,000	-	182,000
Internal balances	168,976	(168,976)	-
Capital assets:			
Land	347,050	-	347,050
Construction in progress	883,122	-	883,122
Buildings and improvements	2,287,315	-	2,287,315
Improvements other than buildings	12,144,163	-	12,144,163
Furniture and equipment	4,353,330	-	4,353,330
Less: accumulated depreciation	(8,660,611)	-	(8,660,611)
Total capital assets	11,354,369	-	11,354,369
Total assets	14,649,280	(17,960)	14,631,320
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	623,361	-	623,361
Total deferred outflows of resources	623,361	-	623,361
LIABILITIES			
Accounts payable	250,084	145,468	395,552
Accrued liabilities	183,851	-	183,851
Due to other governments	187,843	13,981	201,824
Due to primary government	-	-	-
Noncurrent liabilities:			
Due within one year	33,823	-	33,823
Due in more than one year	695,955	-	695,955
Total liabilities	1,351,556	159,449	1,511,005
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	92,705	-	92,705
Total deferred inflows of resources	92,705	-	92,705
NET POSITION			
Net investment in capital assets	11,354,369	-	11,354,369
Restricted for:			
Debt service	5,283	-	5,283
Other purposes	191,151	-	191,151
Crime control and prevention	-	-	-
Unrestricted	2,277,577	(177,409)	2,100,168
Total net position	$ 13,828,380	$(177,409)	$ 13,650,971

The accompanying notes are an integral part of these financial statements.

Component Units	
Economic Development Corporation	Crime Control and Prevention District
$ 480,538	$ 621,743
91,933	122,811
-	-
-	-
-	-
-	-
-	-
-	-
3,350	-
-	-
-	398,101
(2,066)	(118,011)
1,284	280,090
573,755	1,024,644
-	44,917
-	44,917
1,252	9,718
2,613	-
14,468	-
145,000	37,000
132,406	1,002
312,009	46,591
607,748	94,311
-	6,795
-	6,795
1,284	280,090
-	-
-	-
-	688,365
(35,277)	-
$(33,993)	$ 968,455

CITY OF WINDCREST, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government			
GOVERNMENTAL ACTIVITIES:			
General government	$ 2,614,526	$ 369,214	$ 23,000
Public safety	2,914,177	535,064	12,766
Public works	1,059,032	-	-
Animal control	170,533	-	-
Total governmental activities	6,758,268	904,278	35,766
BUSINESS-TYPE ACTIVITIES:			
Garbage utility	884,034	827,629	-
Total business-type activities	884,034	827,629	-
Total primary government	7,642,302	1,731,907	35,766
Component Units			
Economic Development Corporation	194,456	-	30,000
Crime Control and Prevention District	416,956	-	-
Total component units	$ 611,412	$ -	$ 30,000

General Revenues:
- Taxes:
  - Property, levied for general purposes
  - Sales
  - Hotel occupancy
  - Franchise
  - Mixed beverage
- Investment earnings
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

Net (Expense) Revenue and Changes in Net Positon					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Economic Development Corporation	Crime Control and Prevention District
$(2,222,312)	$ -	$(2,222,312)		
(2,366,347)	-	(2,366,347)		
(1,059,032)	-	(1,059,032)		
(170,533)	-	(170,533)		
(5,818,224)	-	(5,818,224)		
-	(56,405)	(56,405)		
-	(56,405)	(56,405)		
(5,818,224)	(56,405)	(5,874,629)		
			(164,456)	-
			-	(416,956)
			$(164,456)	$(416,956)
1,752,353	-	1,752,353	-	-
3,430,481	-	3,430,481	571,747	773,140
147,727	-	147,727	-	-
625,850	-	625,850	-	-
38,776	-	38,776	-	-
1,454	3	1,457	386	44
124,967	-	124,967	-	-
-	-	-	-	-
6,121,608	3	6,121,611	572,133	773,184
303,384	(56,402)	246,982	407,677	356,228
13,524,996	(121,007)	13,403,989	(441,670)	612,227
$ 13,828,380	$(177,409)	$ 13,650,971	$(33,993)	$ 968,455

CITY OF WINDCREST, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	General	Debt Service
ASSETS		
Cash and investments	$ 1,879,481	$ 440
Receivables (net of allowances for uncollectibles):		
Accounts	180,310	-
Taxes	503,451	4,843
Due from component units	182,000	-
Due from other funds	483,541	-
Total assets	3,228,783	5,283
LIABILITIES		
Accounts payable	240,966	-
Accrued liabilities	183,851	-
Due to other funds	-	-
Due to other governments	173,284	-
Total liabilities	598,101	-
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	33,346	4,843
Unavailable revenue - fines	145,528	-
Total deferred inflows of resources	178,874	4,843
FUND BALANCES		
Restricted	-	440
Unassigned	2,451,808	-
Total fund balances	2,451,808	440
Total liabilities, deferred inflows of resources and fund balances	$ 3,228,783	$ 5,283

The accompanying notes are an integral part of these financial statements.

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
$ 42,605	$ 229,905	$ 2,152,431
-	-	180,310
91,933	10,967	611,194
-	-	182,000
-	-	483,541
134,538	240,872	3,609,476
2,495	6,623	250,084
-	-	183,851
271,467	43,098	314,565
14,559	-	187,843
288,521	49,721	936,343
-	-	38,189
-	-	145,528
-	-	183,717
-	191,151	191,591
(153,983)	-	2,297,825
(153,983)	191,151	2,489,416
$ 134,538	$ 240,872	$ 3,609,476

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CITY OF WINDCREST, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS

TO THE STATEMENT OF NET POSITION

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Total fund balances - governmental funds balance sheet	$	2,489,416
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets (net of accumulated depreciation) used in governmental funds are not financial resources and, therefore, are not reported in the funds.		11,354,369
Long-term liabilities (net pension liability and compensated absences), are not due and payable in the current period and, therefore, are not reported in the funds.	(	729,778)
Deferred outflows of resources and deferred inflows of resources related to pensions are not reported in the funds.		530,656
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		183,717
Net position of governmental activities - statement of net position	$	13,828,380

The accompanying notes are an integral part of these financial statements.

CITY OF WINDCREST, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	General	Debt Service
REVENUES		
Taxes:		
Property	$ 1,756,051	$ -
Sales	2,858,734	-
Franchise	625,850	-
Hotel occupancy	-	-
Mixed beverage	38,776	-
Fines and fees	569,629	-
License and permits	250,292	-
Intergovernmental	23,000	-
Charges for services	118,922	-
Donations	-	-
Investment earnings	842	-
Miscellaneous	124,967	-
Total revenues	6,367,063	-
EXPENDITURES		
Current:		
General government	2,212,328	-
Public safety	2,448,864	-
Public works	896,126	-
Animal control	144,119	-
Capital outlay	368,632	-
Total expenditures	6,070,069	-
Excess (deficiency) of revenues over (under) expenditures	296,994	-
OTHER FINANCING SOURCES (USES):		
Transfers in	140,000	-
Transfers out	-	-
Total other financing sources (uses)	140,000	-
Net change in fund balances	436,994	-
Fund balance - beginning	2,014,814	440
Fund balance - ending	$ 2,451,808	$ 440

The accompanying notes are an integral part of these financial statements.

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 1,756,051
571,747	-	3,430,481
-	-	625,850
-	147,727	147,727
-	-	38,776
-	31,315	600,944
-	-	250,292
-	8,571	31,571
-	-	118,922
-	4,195	4,195
30	582	1,454
-	-	124,967
571,777	192,390	7,131,230
-	-	2,212,328
-	5,642	2,454,506
-	-	896,126
-	-	144,119
968,713	8,723	1,346,068
968,713	14,365	7,053,147
(396,936)	178,025	78,083
-	-	140,000
-	(140,000)	(140,000)
-	(140,000)	-
(396,936)	38,025	78,083
242,953	153,126	2,411,333
$(153,983)	$ 191,151	$ 2,489,416

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CITY OF WINDCREST, TEXAS

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Net change in fund balances - total governmental funds	$	78,083
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report all 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 reconciling item represents the amount by which capital outlays exceeded depreciation in the current period.		396,010
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This reconciling item reflects the net of such expenses.	(	101,131)
Some revenues in the statement of activities do not provide current financial resources and are not included in the governmental funds.	(	69,578)
Change in net position of governmental activities - statement of activities	$	303,384

The accompanying notes are an integral part of these financial statements.

CITY OF WINDCREST, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-Type Activities
	Garbage Utility
ASSETS	
Current assets:	
Cash and investments	$ 26,414
Accounts receivable (net of allowance for uncollectibles)	124,602
Total assets	151,016
LIABILITIES	
Current liabilities:	
Accounts payable	145,468
Due to other funds	168,976
Due to other governments	13,981
Total liabilities	328,425
NET POSITION	
Unrestricted	(177,409)
Total net position	$(177,409)

The accompanying notes are an integral part of these financial statements.

CITY OF WINDCREST, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-Type Activities
	Garbage Utility
OPERATING REVENUES:	
Charges for services:	
Commercial customer charges	$ 416,217
Residential customer charges	380,568
Miscellaneous	30,844
Total operating revenues	827,629
OPERATING EXPENSES:	
Contracted services - commercial sanitation	400,404
Contracted services - residential sanitation	469,040
Other	14,590
Total operating expenses	884,034
Operating loss	(56,405)
NONOPERATING REVENUES:	
Investment earnings	3
Total nonoperating revenues	3
Change in net position	(56,402)
Total net position - beginning	(121,007)
Total net position - ending	$(177,409)

The accompanying notes are an integral part of these financial statements.

CITY OF WINDCREST, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-Type Activities
	Garbage Utility
Cash flows from operating activities:	
Receipts from customers	$ 796,903
Payments to suppliers and service providers	(809,203)
Net cash used by operating activities	(12,300)
Cash flows from noncapital financing activities:	
Payments from other funds	38,711
Net cash provided by noncapital financing activities	38,711
Cash flows from investing activities:	
Interest on investments	3
Net increase in cash and cash equivalents	26,414
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	26,414
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	(56,405)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Decrease (increase) in receivables	(30,726)
Increase (decrease) in accounts payable	75,191
Increase (decrease) in due to other governments	(360)
Net cash used by operating activities	$(12,300)

The accompanying notes are an integral part of these financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of Windcrest, Texas (the City) relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America ("GAAP") applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB") and the American Institute of Certified Public Accounts in the publication entitled State and Local Governments - Audit and Accounting Guide. The more significant accounting policies of the City are described below:

A. Description of Government-Wide Financial Statements

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

B. Reporting Entity

The City is a governed by an elected mayor and five-member governing council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The City has no blended component units. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Discretely Presented Component Units

The Windcrest Economic Development Corporation (the Corporation) was created pursuant to state law on September 25, 1998, to act on behalf of the City for the promotion, development and enhancement of economic development within the City. The Corporation is governed by seven members who are appointed by and serve at the pleasure of the City Council.

The Corporation is fiscally dependent on the City because it receives predominantly all of its revenue from the City's sales taxes. Separate financial statements for the Corporation can be obtained by contacting the Corporation located at 8601 Midcrown Drive, Windcrest, Texas 76522.

The Windcrest Crime Control and Prevention District (the District) was created for the promotion, development, and enhancement of crime control and prevention within the City on September 20, 2004. The District was established under state law to allow the collection of $0.0025 sales tax revenue to supplement the Windcrest Police Department. The District is governed by six members who are appointed by and serve at the pleasure of the City Council.

The District is fiscally dependent on the City because it receives predominantly all of its revenue from the City's sales taxes. Separate financial statements for the District are not issued.

C. Basis of Presentation – Government-Wide Financial Statements

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

As discussed earlier, the City has two discretely presented component units that are shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are eliminations of charges that would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the City:

The City reports the following major governmental funds:

The ***General Fund*** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. 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 improvements costs that are not paid through other funds are paid from this fund.

The ***Debt Service Fund*** accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term obligations of governmental funds.

The ***Capital Projects Fund*** accounts for the acquisition or construction of infrastructure and building projects being financed from bond proceeds, grants, and transfers from other funds.

The City reports the following major enterprise fund:

The ***Garbage Utility Fund*** accounts for the provision of residential and commercial garbage collection services.

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

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

E. Measurement Focus and Basis of Accounting

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

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

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

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

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

F. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. Actual expenditures may not legally exceed appropriations at the fund level.

G. Assets, Liability, Deferred Outflows and Inflows of Resources, Net Position/Fund Balance and Revenues

1. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits, savings accounts, and investments with original maturities of three (3) months or less from the date of acquisition.

2. Investments

At September 30, 2016, the City's investments are comprised of local government investment pools and certificates of deposit.

The City's investments in pools are 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

3. Property Taxes Receivable

Property taxes are levied by October 1, on the assessed value listed as of the prior January 1 for all real and business personal property located in the City in conformity with the Texas Property Code. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure payments of all taxes, penalties, and interest ultimately imposed.

Tax collections are, at times, prorated between the general fund and debt service fund based on the tax rate approved by the City Council. For the year ended September 30, 2016, the general fund rate was $0.3409. There was no levy for the debt service fund.

Allowances for uncollectible tax receivables are based on historical collections.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and the fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of $2,500 or more and an estimated useful life of three (3) years or more. Such assets are recorded at historical cost as purchased or constructed. Donated capital assets are recorded at acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the donation date.

The cost of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized. When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

Infrastructure assets acquired prior to October 1, 2003, are not reported in the financial statements.

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

Assets	Years
Building improvements	5 - 50
Improvements other than buildings	20 - 50
Vehicles	3 - 10
Furniture and equipment	3 - 10

6. Pensions

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

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.

- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

- Difference in actuarial assumptions in calculating the net pension liability – This difference is deferred and amortized using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, deferred inflows or resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The City has two types of items, one of which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second type is the difference between expected and actual economic experience in calculating the net pension liability. This difference is deferred and amortized using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

8. Compensated Absences

The City permits full-time employees to accumulate earned but unused vacation pay benefits up to certain limits. Upon resignation, the employee may receive pay for any unused accrued vacation provided the employee gives two weeks written notice of the resignation and is not subject to discharge for misconduct. Liabilities for compensated absences are recognized in the fund financial statements to the extent the liabilities have matured (i.e. are due for payment) and recognized as a long term liability in the government-wide financial statements. The general fund generally liquidates the liability when it matures.

Unused sick leave may be accumulated to certain limits; however, in the event of termination, reimbursement to the employee is not made for accumulated sick leave; therefore, a liability does not exist at September 30, 2016.

9. Long-term Obligations

In the government-wide financial statements and proprietary funds in the fund financials statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

10. Net Position Flow Assumptions

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

It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

11. Fund Balance Flow Assumptions

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

12. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has authorized the Finance Director or City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally need to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The City's goal is to achieve and maintain an unassigned fund balance in the general fund equal to 30% of the current year's expenditures. At September 30, 2016, the general fund's unassigned fund balance is $2,451,808, which equals 40.39% of the current year's expenditures.

13. Program Revenues

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

14. Sales and Use Taxes

The City's sales and use tax is currently levied at 2.00%. The sales and use tax is allocated as follows: 1.25% to the City's general fund; .25% to the City's capital projects fund; .25% to the District; and, .25% to the Corporation.

15. Use of Estimates

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

II. DETAILED NOTES

A. Deposits and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Deposits are exposed to custodial credit risk if they are not insured or collateralized. As of September 30, 2016, the bank balances per various financial institutions were $3,114,685. The City's deposits are not exposed to custodial credit risk since all deposits are fully collateralized less an amount insured by the FDIC.

At September 30, 2016, investments are comprised of the following:

	Maturity	Rating	Value
Local Governmental Investment Pools			
TexPool	42 days	AAAm	$ 142,885
LoneStar	31 days	AAAm	107,653

The City's investments in local government investment pools are measured at net asset value (NAV).

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the weighted average maturities of investment pools to less than 12 months.

Credit Risk. In accordance with the City's investment policy, investments in investment pools must be rated at least AAA, AAAm, or its equivalent.

B. Accounts Receivable

Accounts receivable at September 30, 2016 were as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Garbage Utility Fund	Discretely Presented Component Units	Total
Receivables:						
Taxes	$ 508,866	$ 5,463	$ 91,933	$ -	$ 214,744	$ 821,006
Fines	582,111	-	-	-	-	582,111
Utilities	-	-	-	212,390	-	212,390
Miscellaneous	34,782	-	-	-	-	34,782
Component unit	182,000	-	-	-	-	182,000
Gross receivables	1,307,759	5,463	91,933	212,390	214,744	1,832,289
Less: allowance for uncollectible	(441,998)	(620)	-	(87,788)	-	(530,406)
Net total receivables	$ 865,761	$ 4,843	$ 91,933	$ 124,602	$ 214,744	$ 1,301,883

C. Due To/From Other Funds

At September 30, 2016, the due to/from other fund balances represent temporary short-term loans to other funds as a result of overdraws of pooled cash. All balances are expected to be paid back within one year. The following is a summary of interfund receivables at year-end:

	Due from Other Funds	Due to Other Funds
General Fund		
Capital Projects Fund	$ 271,467	$ -
Nonmajor Governmental Funds	43,098	-
Garbage Utility Fund	168,976	-
Capital Projects Fund		
General Fund	-	271,467
Nonmajor Governmental Funds		
General Fund	-	43,098
Garbage Utility Fund		
General Fund	-	168,976
Total	$ 483,541	$ 483,541

D. Capital Assets

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

	October 1, 2015	Additions	Deletions	September 30, 2016
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 267,050	$ 80,000	$ -	$ 347,050
Construction in progress	-	883,122	-	883,122
Total Capital Assets, Not Being Depreciated	267,050	963,122	-	1,230,172
Capital Assets, Being Depreciated:				
Buildings and improvements	2,376,690	-	(89,375)	2,287,315
Improvements other than buildings	11,702,211	441,952	-	12,144,163
Furniture and equipment	4,335,630	28,359	(10,659)	4,353,330
Total Capital Assets, Being Depreciated	18,414,531	470,311	(100,034)	18,784,808
Less Accumulated Depreciation for:				
Buildings and improvements	(1,569,062)	(109,973)	-	(1,679,035)
Improvements other than buildings	(2,717,360)	(572,893)	-	(3,290,253)
Furniture and equipment	(3,436,800)	(316,062)	61,539	(3,691,323)
Total Accumulated Depreciation	(7,723,222)	(998,928)	61,539	(8,660,611)
Total Capital Assets, Being Depreciated, Net	10,691,309	(528,617)	(38,495)	10,124,197
Governmental Activities Capital Assets, Net	$ 10,958,359	$ 434,505	$(38,495)	$ 11,354,369

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

General government	$ 424,914
Public safety	403,153
Public works	147,189
Animal control	23,672
Total Depreciation Expense	$ 998,928

Discretely Presented Component Units

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

	October 1, 2015	Additions	Deletions	September 30, 2016
Discretely Presented Component Units:				
Capital Assets, Being Depreciated:				
Buildings and improvements	$ 60,780	$ -	$ (57,430)	$ 3,350
Furniture and equipment	360,323	57,142	(19,364)	398,101
Total Capital Assets, Being Depreciated	421,103	57,142	(76,794)	401,451
Less Accumulated Depreciation for:				
Buildings and improvements	(60,780)	(670)	59,384	(2,066)
Furniture and equipment	(98,823)	(38,552)	19,364	(118,011)
Total Accumulated Depreciation	(159,603)	(39,222)	78,748	(120,077)
Total Capital Assets, Being Depreciated, Net	261,500	17,920	1,954	281,374
Discretely Presented Component Units Capital Assets, Net	$ 261,500	$ 17,920	$ 1,954	$ 281,374

Depreciation expense was charged to functions/programs of the discretely presented component units as follows:

Public safety	$ 38,552
Economic development	670
Total Depreciation Expense	$ 39,222

E. Transfers

Transfers during the year ended September 30, 2016, were:

	Transfers In	Transfers Out
General Fund:		
Nonmajor funds	$ 140,000	$ -
Nonmajor funds:		
General Fund	-	140,000
Total	$ 140,000	$ 140,000

The primary purpose of this interfund transfer was to support expenditures of one fund in accordance with the authority established for the transferring fund.

F. Long-Term Liabilities

Loan Payable – Discretely Presented Component Unit

During fiscal year 2011, the City of Windcrest Economic Development Corporation obtained a Texas Leverage Fund (TLF) loan from the Office of the Governor Economic Development and Tourism Division in the amount of $1,600,000 for the purpose of building a road for handling the increased employment traffic to the Rackspace location in the City. The interest rate is variable based on the federal funds rate plus 3%. The loan has a first lien on economic development sales and use tax receipts. The final maturity on the loan is January 1, 2020.

A summary of changes in the loan payable for the year ended September 30, 2016 follows:

Balance -- October 1, 2014	$ 554,393
Retired	(109,978)
Balance -- September 30, 2015	$ 444,415
Due Within One Year	$ 132,406

Annual debt service requirements to maturity for the loan payable follows:

Year Ending September 30,	Principal	Interest	Total Requirements
2017	$ 132,406	$ 12,328	$ 144,734
2018	126,678	8,282	134,960
2019	130,857	4,103	134,960
2020	54,474	415	54,889
Total	$ 444,415	$ 25,128	$ 469,543

Changes in Compensated Absences and Net Pension Liability

	Balance October 1, 2015	Issued / Additions	Retired / Payments	Balance September 30, 2016	Due Within One Year
Governmental Activities:					
Compensated absences	$ 112,564	$ 525,042	$(490,548)	$ 147,058	$ 33,823
Net pension liability	178,157	475,681	(71,637)	582,201	-
Total	$ 290,721	$ 1,000,723	$(562,185)	$ 729,259	$ 33,823
Discretely Presented Component Units:					
Compensated absences	$ 6,943	$ 22,569	$(25,155)	$ 4,357	$ 1,002
Net pension liability	13,616	34,871	(5,251)	43,236	-
Total	$ 20,559	$ 57,440	$(30,406)	$ 47,593	$ 1,002

G. Defined Benefit Pension Plan

Plan Description

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

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

Benefits Provided

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

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

Plan provisions for the City are as follows:

Employee Deposit Rate	6%
Matching Ratio (City to Employee)	1.5 to 1
Years Required for Vesting	5
Service Retirement Eligibility (Expressed as Age / Years of Service)	60 / 5, 0 / 20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to Retirees)	70% of CPI Repeating

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	41
Inactive employees entitled to but not yet receiving benefits	60
Active employees	56
	157

Contributions

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

Employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 7.24 and 7.44% in calendar years 2015 and 2016, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2016, were $202,494, and were equal to the required contributions.

Net Pension Liability

The City's net pension liability (NPL) was measured as of December 31, 2015, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	100.0%	

Discount Rate

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2014	$ 7,595,664	$ 7,403,891	$ 191,773
Changes for the year:			
Service cost	328,283	-	328,283
Interest	533,422	-	533,422
Change of benefit terms	-	-	-
Difference between expected and actual experience	(142,145)	-	(142,145)
Changes of assumptions	69,964	-	69,964
Contributions - employer	-	190,467	(190,467)
Contributions - employee	-	161,451	(161,451)
Net investment income		10,925	(10,925)
Benefit payments, including refunds of employee contributions	(278,972)	(278,972)	-
Administrative expenses	-	(6,654)	6,654
Other changes	-	(329)	329
Net changes	510,552	76,888	433,664
Balance at 12/31/2015	$ 8,106,216	$ 7,480,779	$ 625,437

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Current Single Rate Assumption (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	$ 1,882,130	$ 625,437	$(385,095)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at *www.tmrs.com*.

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

For the year ended September 30, 2016, the City recognized pension expense of $285,209.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 99,500
Changes in actuarial assumptions	48,503	-
Difference between projected and actual investment earnings	458,805	-
Contributions subsequent to the measurement date	160,970	-
Total	$ 668,278	$ 99,500

$160,970 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Sept. 30,	
2016	$ 96,245
2017	96,739
2018	113,355
2019	101,469

H. Other Post-Employment Benefits

Group-term Life Insurance

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

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

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

The City's contribution to the TMRS SDBF for the years September 30, 2016, 2015, and 2014 were $5,192, $4,481, and $4,640, respectively, which equaled the required contributions for each year. Therefore, the City does not have an OPEB liability at September 30, 2016.

I. Risk Management

The City is exposed to various risks of loss related to torts; theft of and damage to property, and destruction of assets; public officials' errors and omissions; bodily injury and property damage; injury to employees and natural disasters. The City contracts with the Texas Municipal League (TML) to provide insurance coverage for identified risks. TML is a multi-government group that provides for a combination of modified self-insurance and stop-loss coverage. Contributions are set annually by TML and liability to the City is generally limited to the contributed amounts. There were no significant reductions in coverage in the past fiscal year and settlements did not exceed insurance coverage for each of the past three fiscal years.

J. Commitments and Contingencies

Commitments

In 2007, the City of Windcrest entered into an agreement with the City of San Antonio, Texas, under which the City of San Antonio released an area from its jurisdiction and allowed for the City of Windcrest to accept and annex the area into the municipal limits of the City of Windcrest. The boundary change agreement provides for the sharing of future tax revenues on the annexed area for the next 30 years. Under the terms of the agreement, the City of San Antonio and the City of Windcrest each receive 50% of the local sales taxes due to the City of Windcrest and distributed by the State Comptroller for taxable business activity conducted in the annexed area. For the fiscal year ended September 30, 2016, the amount of the local sales taxes due to the City of San Antonio under this agreement amounted to $1,303,424.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF WINDCREST, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

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

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Taxes	$ 5,011,506	$ 5,011,506	$ 5,279,411	$ 267,905
Licenses and permits	211,987	211,987	250,292	38,305
Intergovernmental	23,000	23,000	23,000	-
Charges for services	129,304	129,304	118,922	(10,382)
Fines	546,854	546,854	569,629	22,775
Investment earnings	675	675	842	167
Miscellaneous	68,700	68,700	124,967	56,267
Total revenues	5,992,026	5,992,026	6,367,063	375,037
EXPENDITURES				
Current:				
General government	2,276,607	2,276,607	2,212,328	64,279
Public safety	2,546,766	2,546,766	2,448,864	97,902
Public works	918,673	977,450	896,126	81,324
Animal control	153,905	153,905	144,119	9,786
Capital outlay	383,400	383,400	368,632	14,768
Total expenditures	6,279,351	6,338,128	6,070,069	268,059
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(287,325)	(328,024)	296,994	643,096
OTHER FINANCING SOURCES (USES)				
Transfers in	253,817	253,817	140,000	(113,817)
Total other financing sources (uses)	253,817	253,817	140,000	(113,817)
NET CHANGE IN FUND BALANCE	(33,508)	(74,207)	436,994	511,201
FUND BALANCE, BEGINNING	2,014,814	2,014,814	2,014,814	-
FUND BALANCE, ENDING	$ 1,981,306	$ 1,940,607	$ 2,451,808	$ 511,201

CITY OF WINDCREST, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Plan Year	2014	2015
A. Total pension liability		
Service Cost	$ 275,134	$ 328,283
Interest (on the Total Pension Liability)	494,716	533,422
Difference between expected and actual experience	(2,409)	(142,145)
Change of assumptions	-	69,964
Benefit payments, including refunds of employee contributions	(203,164)	(278,972)
Net change in total pension liability	564,277	510,552
Total pension liability - beginning	7,031,387	7,595,664
Total pension liability - ending (a)	$ 7,595,664	$ 8,106,216
B. Plan fiduciary net position		
Contributions - employer	$ 164,263	$ 190,467
Contributions - employee	155,633	161,451
Net investment income	394,581	10,925
Benefit payments, including refunds of employee contributions	(203,164)	(278,972)
Administrative expenses	(4,119)	(6,654)
Other	(339)	(329)
Net change in plan fiduciary net position	506,855	76,888
Plan fiduciary net position - beginning	6,897,036	7,403,891
Plan fiduciary net position - ending (b)	$ 7,403,891	$ 7,480,779
C. Net pension liability - ending (a) - (b)	$ 191,773	$ 625,437
D. Plan fiduciary net position as a percentage of total pension liability	97.48%	92.28%
E. Covered employee payroll	$ 2,593,878	$ 2,690,844
F. Net pension liability as a percentage of covered employee payroll	7.39%	23.24%

CITY OF WINDCREST, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM

SCHEDULE OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Fiscal Year	2014	2015	2016
Actuarial determined contribution	$ 158,359	$ 183,726	$ 202,494
Contributions in relation to the actuarially determined contribution	158,359	183,726	202,494
Contribution deficiency (excess)	-	-	-
Covered employee payroll	2,441,898	2,667,358	2,809,689
Contributions as a percentage of covered employee payroll	6.10%	9.28%	7.21%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information There were no benefit changes during the year.

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COMBINING FUND STATEMENTS

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CITY OF WINDCREST, TEXAS

SPECIAL REVENUE FUNDS DESCRIPTIONS

Special Revenue Funds are used to account for specific revenues where expenditures are legally restricted for particular purposes. Funds included in the Special Revenue Funds category that are non-major are described below.

School Crossing Guard Fund – used to account for revenues restricted by the State to provide for school crossing guards and maintenance of school zones.

Assets Seizure and Forfeitures (Federal) Fund – used to account for revenues provided by police seizures restricted by the Federal government to provide crime prevention and detection.

Assets Seizure and Forfeitures (State) Fund – used to account for revenues provided by police seizures restricted by the State government to provide crime prevention and detection.

County Fire Contributions Fund – used to account for funds provided by Bexar County to offset expenditures incurred in providing fire protection outside the City limits.

Police Donations Fund – used to account for donations provided for police protection within the City.

Police Education and Training Fund – used to account for L.E.O.S.E. funds received from the State to be used for police education and training.

Roosevelt Scholarships Fund – used to account for donations from the Windfest Family Fund Day to provide for a scholarship to be awarded to a graduating Roosevelt High School senior.

Court Technology Fund – used to account for fees assessed for the purpose of improving technology.

Building Security Fund – used to account for fees assessed for providing security to City facilities.

Hotel/ Motel Tax Fund – used to account for hotel occupancy taxes. These taxes may be used only to promote tourism and the convention and hotel industry.

Friends to Animal Control Fund – used to account for the trap and release program within the City for the feral cat. Donations are accepted and the City matches the donations 1 to 1 up to $2,000.

CITY OF WINDCREST, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	School Crossing Guard	Asset Seizure and Forfeitures (Federal)	Asset Seizure and Forfeitures (State)	County Fire Contributions
ASSETS				
Cash and investments	$ 44,616	$ 1,089	$ 1,222	$ 3,946
Taxes receivable	-	-	-	-
Total assets	44,616	1,089	1,222	3,946
LIABILITIES				
Accounts payable	-	71	380	-
Due to other funds	-	-	-	3,027
Total liabilities	-	71	380	3,027
FUND BALANCES				
Restricted	44,616	1,018	842	919
Total fund balances	44,616	1,018	842	919
Total liabilities and fund balances	$ 44,616	$ 1,089	$ 1,222	$ 3,946

Police Donations	Police Education and Training	Roosevelt Scholarships	Court Technology	Building Security	Hotel/Motel Tax
$ 3,370	$ 2,655	$ 4,092	$ 92,438	$ 27,709	$ 46,101
-	-	-	-	-	10,967
3,370	2,655	4,092	92,438	27,709	57,068
-	-	-	6,172	-	-
1,152	-	-	-	-	38,919
1,152	-	-	6,172	-	38,919
2,218	2,655	4,092	86,266	27,709	18,149
2,218	2,655	4,092	86,266	27,709	18,149
$ 3,370	$ 2,655	$ 4,092	$ 92,438	$ 27,709	$ 57,068

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CITY OF WINDCREST, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	Friends to Animal Control	Total Nonmajor Governmental Funds
ASSETS		
Cash and investments	$ 2,667	$ 229,905
Taxes receivable	-	10,967
Total assets	2,667	240,872
LIABILITIES		
Accounts payable	-	6,623
Due to other funds	-	43,098
Total liabilities	-	49,721
FUND BALANCES		
Restricted	2,667	191,151
Total fund balances	2,667	191,151
Total liabilities and fund balances	$ 2,667	$ 240,872

CITY OF WINDCREST, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	School Crossing Guard	Asset Seizure and Forfeitures (Federal)	Asset Seizure and Forfeitures (State)	County Fire Contributions
REVENUES				
Taxes:				
Hotel occupancy	$ -	$ -	$ -	$ -
Intergovernmental	6,377	-	-	-
Fines and fees	-	-	-	-
Donations	-	-	-	-
Investment earnings	565	-	-	-
Total revenues	6,942	-	-	-
EXPENDITURES				
Current:				
Public safety	194	1,500	-	-
Capital outlay	460	1,076	380	-
Total expenditures	654	2,576	380	-
Excess (deficiency) of revenues over (under) expenditures	6,288	(2,576)	(380)	-
OTHER FINANCING USES				
Transfers out	-	-	-	-
Total other financing uses	-	-	-	-
Net change in fund balances	6,288	(2,576)	(380)	-
Fund balance - beginning	38,328	3,594	1,222	919
Fund balance - ending	$ 44,616	$ 1,018	$ 842	$ 919

Police Donations	Police Education and Training	Roosevelt Scholarships	Court Technology	Building Security	Hotel/Motel Tax
$ -	$ -	$ -	$ -	$ -	$ 147,727
-	2,194	-	-	-	-
-	-	-	17,895	13,420	-
4,095	-	-	-	-	-
-	-	-	3	-	14
4,095	2,194	-	17,898	13,420	147,741
2,596	1,352	-	-	-	-
635	-	-	6,172	-	-
3,231	1,352	-	6,172	-	-
864	842	-	11,726	13,420	147,741
-	-	-	-	-	(140,000)
-	-	-	-	-	(140,000)
864	842	-	11,726	13,420	7,741
1,354	1,813	4,092	74,540	14,289	10,408
$ 2,218	$ 2,655	$ 4,092	$ 86,266	$ 27,709	$ 18,149

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CITY OF WINDCREST, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Friends to Animal Control	Total Nonmajor Governmental Funds
REVENUES		
Taxes:		
Hotel occupancy	$ -	$ 147,727
Intergovernmental	-	8,571
Fines and fees	-	31,315
Donations	100	4,195
Investment earnings	-	582
Total revenues	100	192,390
EXPENDITURES		
Current:		
Public safety	-	5,642
Capital outlay	-	8,723
Total expenditures	-	14,365
Excess (deficiency) of revenues over (under) expenditures	100	178,025
OTHER FINANCING USES		
Transfers out	-	(140,000)
Total other financing uses	-	(140,000)
Net change in fund balances	100	38,025
Fund balance - beginning	2,567	153,126
Fund balance - ending	$ 2,667	$ 191,151

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GOVERNMENT AUDITING STANDARDS REPORT

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PB&H
PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

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

To the Honorable Mayor and
Members of the City Council
City of Windcrest, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Windcrest, Texas, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 15, 2017.

Internal Control over Financial Reporting

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

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

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Waco, Texas 76710
254.772.4901
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HOUSTON, TX
281.671.6259

RIO GRANDE VALLEY, TX
956.544.7778

TEMPLE, TX
254.791.3460

ALBUQUERQUE, NM
505.266.5904

AICPA
Governmental Audit Quality Center

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

Compliance and Other Matters

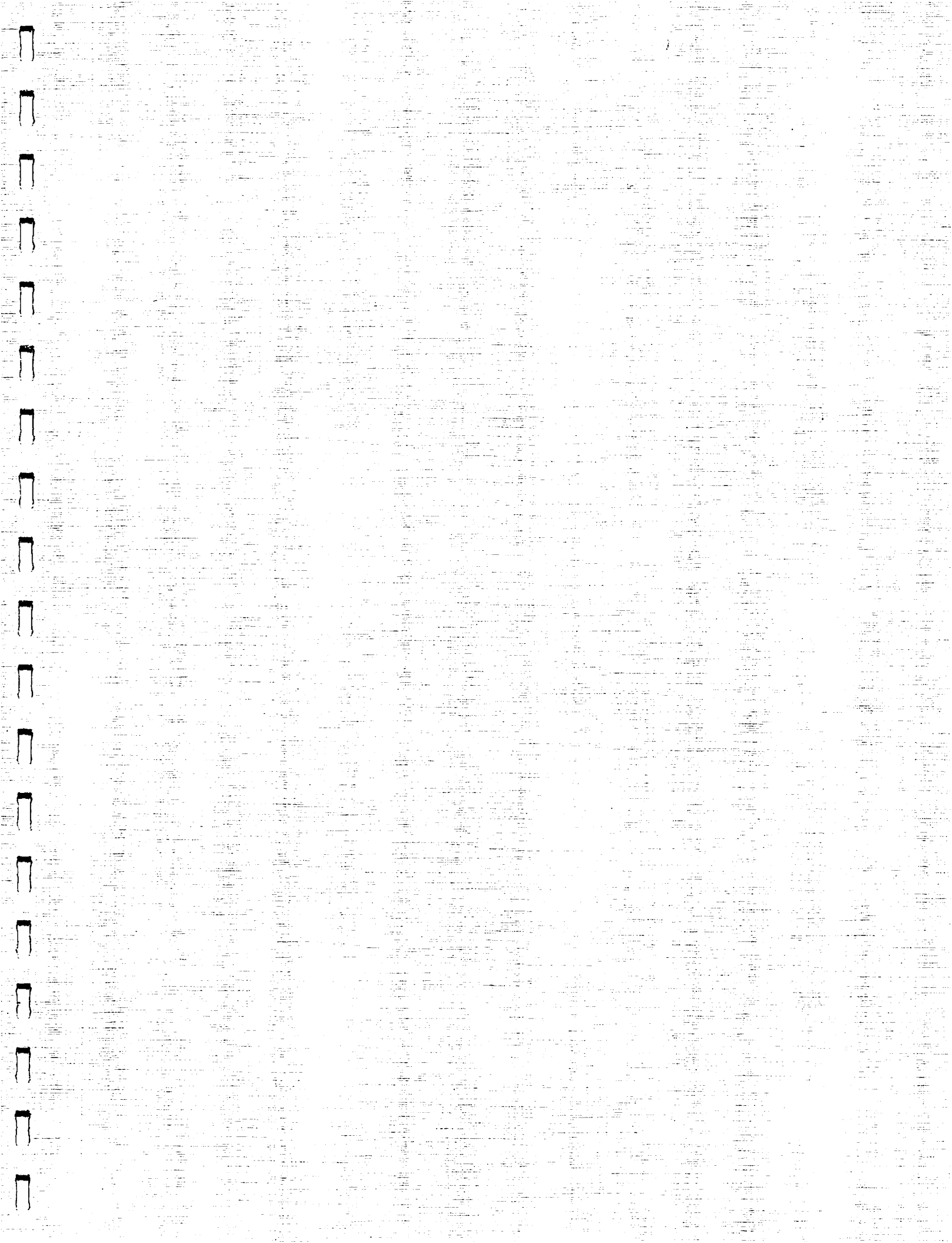
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

Purpose of this Report

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

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 15, 2017



WINDCREST
TEXAS

ORDINANCE NO. 2017-753(O)

AN ORDINANCE AMENDING CHAPTER 113 OF THE CODE OF ORDINANCES OF THE CITY OF WINDCREST, TEXAS BY REGULATING RESIDENTIAL SHORT TERM RENTAL UNITS IN THE CITY OF WINDCREST

WHEREAS, the City of Windcrest is primarily a city of fine residential neighborhoods wherein families reside in peace and safety, children attend neighborhood schools, residents vote based upon their residential location, residents receive their mail there and their identification documents indicate that they are part of the neighborhood there; and

WHEREAS, the Zoning Code authorizes single-family dwellings in the "R-1 One-Family Dwelling District"; and

WHEREAS, Single-Family Dwelling is defined as a building having accommodations for and occupied exclusively by one family; and

WHEREAS, the Zoning Code does not authorize the public to obtain sleeping accommodations in exchange for compensation for short periods of time in the R-1 One-Family Dwelling District so that any such use is not authorized in said zoning district; and

WHEREAS, the City of Windcrest desires to establish guidelines to protect the citizens and public from certain types of residential rental practices in the R-1 One-Family Dwelling District and the R-2 Duplex and Apartment District; and

WHEREAS, these regulations are established for the purposes of promoting safety and the general welfare; and

WHEREAS, the Planning and Zoning Commission, after a public meeting was held by it on August 6, 2015, recommended that Chapter 113 of the City Code of the City of Windcrest be amended by the City Council of the City of Windcrest; and

WHEREAS, the City Council at a public meeting held by it on August 17, 2015 received said recommendation from the Planning and Zoning Commission and, after considering said recommendation and hearing the proponents and opponents to said recommendation, is of the opinion that such regulations be adopted.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WINDCREST, TEXAS that, Chapter 113, Zoning, Division 1, Section 113-5, Definitions, of the Code of Ordinances of the City of Windcrest, Texas is hereby amended by adopting a new definition as follows:

"*Residential short-term rental unit* means a residential dwelling or accessory building,

including a single-family dwelling unit, duplex, apartment, residential condominium unit or other residential real estate improvement, in which the public may obtain sleeping accommodations in exchange for compensation for a period of less than ninety (90) consecutive days on a temporary or transient basis. Any use described in this definition shall be considered a commercial use of real property."

NOW, THEREFORE, BE IT FURTHER ORDAINED BY THE CITY COUNCIL OF THE CITY OF WINDCREST, TEXAS that, Chapter 113, Zoning, Division 2, of the Code of Ordinances of the City of Windcrest, Texas is hereby amended by adopting the following subsection:

"**Sec. 113-117. Residential short-term rental units prohibited.**

The use of any real property in the R-1 One-Family Dwelling District for a residential short-term rental unit is prohibited."

NOW, THEREFORE, BE IT FURTHER ORDAINED BY THE CITY COUNCIL OF THE CITY OF WINDCREST, TEXAS that, Chapter 113, Zoning, Division 3, of the Code of Ordinances of the City of Windcrest, Texas is hereby amended by adopting the following subsection:

"**Sec. 113-126. Residential short-term rental units prohibited.**

The use of any real property in the R-2 Duplex and Apartment District for a residential short-term rental unit is prohibited."

That, in the event any provision of this Ordinance is held to be invalid, it is the intention of the City Council that the remaining parts of this ordinance shall be of full force and effect.

That, this Ordinance shall become effective five (5) days after its publication.

PASSED AND APPROVED, on the ____ day of _____, 2017 at a regular meeting of the City Council of the City of Windcrest, Texas which meeting was held in compliance with the Open Meetings Act, Tex. Gov't Code, §551.001, et.seq. at which meeting a quorum was present and voting.

_____
Alan Baxter, Mayor

ATTEST:

_____
Kelly Rodriguez, City Secretary

APPROVED:

_____
Michael S. Brenan, City Attorney

WINDCREST
TEXAS

City Council Agenda Item Report

April 3, 2017

Contact – Kelly Rodriguez / Chief Ballew
krodriguez@windcrest-tx.gov / aballew@windcrest-tx.gov

Resolution 2017-621(R)

SUBJECT: Deliberation and possible action on a resolution authorizing the purchase and installation of the DXC access control system by Superior Alarms for a total price of $22,372.83 and authorizing the City Manager to negotiate and execute a contract for such purchase

---

1. BACKGROUND/HISTORY

The court is always striving to enhance the technology of the court as well as the safety.

2. FINDINGS/CURRENT ACTIVITY

Currently there are different codes to punch in on the various doors to enter the court administrative offices, the holding areas in which prisoners are magistrated and other city offices. These codes are changed frequently and passing along and keeping up with the changes becomes inefficient for staff. The swipe cards will allow the Judge, court personnel and all other City Staff access to specific areas and record such entries with the swipe of a card. No numbers will have to be memorized and no access will be granted to unauthorized individuals ensuring the saftey of our staff.

3. FINANCIAL IMPACT - $22,372.83

This cost is funded by the Court Technology fund which spenditures are authorized by the Municipal Court Judge.

4. ACTION OPTIONS/RECOMMENDATION

Staff recommends the purchase and installation of the DXC access control system by Superior Alarms.

600 Ash Avenue- P.O. Drawer 3097
McAllen, TX 78501
State Lic. B4881 - Fire Lic. ACR-86318-816
Tel. (956) 682-6005 - Fax 213-1179

We send the police there in a hurry!

January 23, 2017.
Claudia Carrera
City of Windcrest
8601 Midcrown Dr
Windcrest, TX 78239
Tel. 210-655-0022
ccarrera@windcrest-tx.gov

Swipe cards.

10-Door Access Control System Revision 3

Reference : Buy Board Contract # 498-15

Scope of Work: 10 Door Access Control System City Police/Fire Department Bldg
Superior Alarms is to provide labor services and materials to install the access control system as shown on Drawing (Doors as listed below). The DSX access control system will have a total of 10 doors. 5 doors will each have 1-maglock, 1-door status switch, 1-card reader and 1-no-touch request to exit button. 2 doors (Admin/Water District and Chambers/Post Office entrance double doors) will have the same set-up except with 2 maglocks. 3 doors (Patrol Room Hallway, Patrol Room Exit and Sally Port) will have 2-card readers, 1- maglock and 1-door contact (set-up for card read in and card read out). The DSX control panels and power supplies will be located in the Server Room. The work station and printer/badging system will be located in the City Manager's Office. All cabling will be installed above the ceiling grid. Superior Alarms will provide the DSX software and training. Customer will provide an existing workstation with Widows 7 (or greater) opertating system. 100 access cards will be included with the printer/badging system.

List of Doors

1 Front Entrance Double Doors between Admin and Water District (1-Card Reader, 2-Maglocks).
2 Admin Offices Door (1-Card Reader)
3 Hallway Door leading to Mayor's Office (1-Card Reader)
4 Double entrance doors between Chambers and Post Office (1-Card Reader, 2-Maglocks)
conf. — 5 Records Room Door. (1-Card Reader)
6 Police Hallway Door (1-Card Reader)
7 Dispatch Door (1-Card Reader)
8 Patrol Room Hallway Door (2-Card Readers) — 1
9 Patrol Room Exit Door (2-Card Readers)
10 Sally Port Door (2-Card Readers)

Customer is responsible for 120VAC electrical power connections and network connection to control panels located in Server Room.
Note: No permit will be required for the installation of this project as per the City of Windcrest.

Price Total: $22,372.83 Labor: $5,135.00 Material: $17,237.83 Taxes: Exempt

Acceptance of Proposal

We agree to the above system design and the terms listed below, and authorize Superior Alarms to begin work. We also agree to sign a commercial sales agreement. Electrical Contractor to provide all conduit, back boxes & a dedicated 120vac where required. No allowances or contingency monies are provided with this estimate.

Payment Method: **Progressive Draws-Purchase Order**

_____ _____

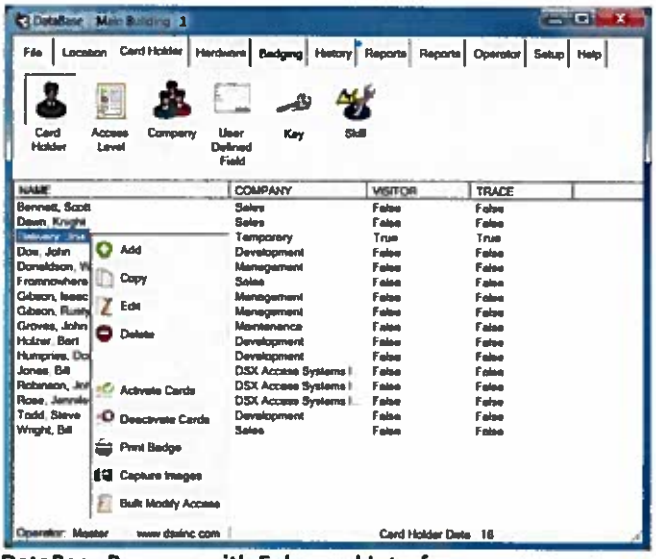
Authorization: Date:

Contact:
Roger Rea,
956-682-6005 (office)
956-655-1989 (mobile)
956-213-1278 (fax)
r.rea@superioralarms.com

DSX Access Control®

Microsoft Access™ and SQL Server™ Editions

DSX is a powerful access control and system monitoring application that harnesses the power of the Windows™ desktop and server operating systems. DSX combines Point Monitoring and Access Control with Photo ID Badging, Time and Attendance, Alarm Graphics, DVR/NVR Integration, Elevator Control, Alarm Email/Text Message Notification, HazMat / Emergency Lockdown, FIPS/TWIC card compatibility, and Integrated Lockset Management. DSX incorporates extensive features and flexibility in one package.



DataBase Program with Enhanced Interface

The new User Interface of DSX has a more organized and simplified approach to database management. Tabs at the top of the screen show the different categories of data and function. Select the tab of interest and you will see Icons for the different items in that collection. A simple right click on the data in the list window shows you the commands provide by your password permissions. This application has all of the capabilities of prior versions with an Enhanced User Interface.

There are two Editions of Software. DSX comes standard with a Microsoft Access database engine. DSX SQL is designed to work with Microsoft SQL Server as the database engine. Microsoft SQL Server is user supplied. Both editions of DSX have similar features and capabilities.

DSX can support your access control needs from a single PC or multi-user LAN to an Enterprise Solution with SQL Server as the database engine. The system utilizes TCP/IP network communications to provide user interaction and real time monitoring to the workstation PC's located anywhere on the LAN or WAN. DSX is scalable and able to grow with you.

Workstation – Real Time Interface

I/O monitoring and control is achieved through animated icons that depict the real time status of each input or output. I/O points can also be assigned to an Override Group allowing for multiple inputs and outputs to be monitored and controlled from a single icon. Password protection allows for operator specific capabilities at each workstation. Scheduled Overrides can be assigned to individual Inputs and Outputs as well as Override Groups. These schedules allow operators to quickly assign time and date sensitive instructions determining the open/secure and armed state of the outputs and inputs. The Workstation program keeps you in the "know and in control".

Graphic Map showing Real Time Status Icons

Graphic maps display the true real time status of assigned inputs and outputs. Maps also allow the operator to perform manual overrides of the inputs and outputs in real time.

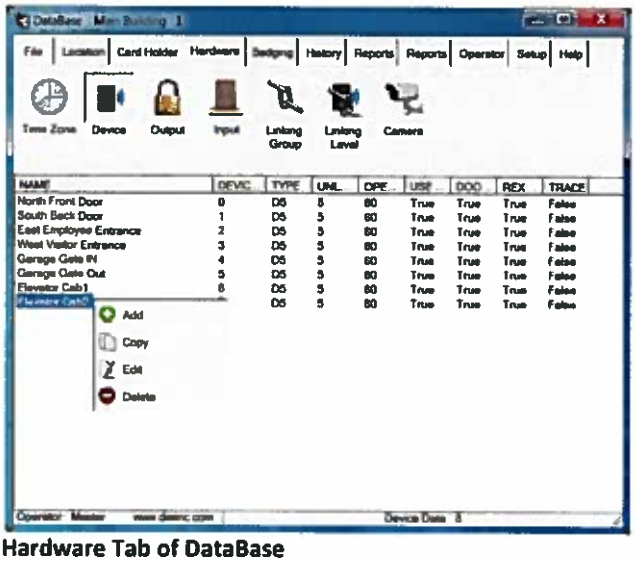
DSX Access Control®

Microsoft Access™ and SQL Server™ Editions

DSX has the ability to integrate with over 20 different DVR and NVR systems. This integration allows stored and live video from the DVR to be accessed within the DSX software. All video is transmitted across a network connection. Remote Viewing Interface features vary based on make and model of DVR/NVR system. Check our website to see compatibilities.

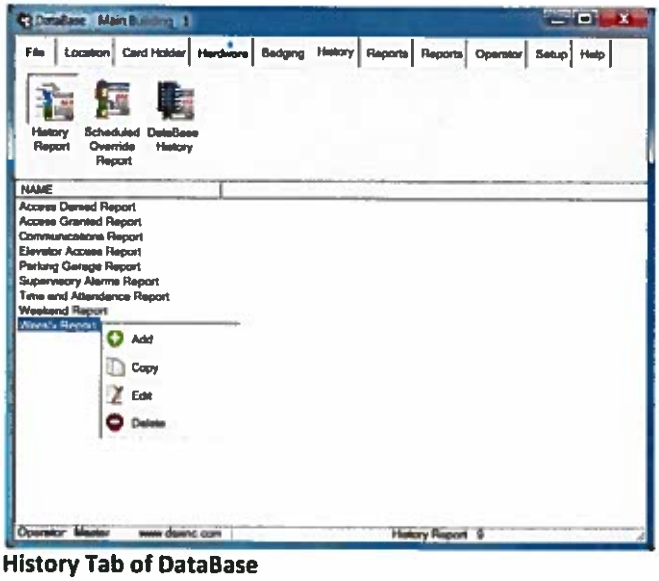
DVR Viewing Interface

DSX has strong linking capabilities that allow for any card, input or output in a location to link (interlock) with any other input, output, or time zone in that location. This allows for complex applications such as Elevator Control, Handicap-Doors, First Man In, Man Trap, Manager First, Two Man Rule, Time Zone/Access Level Control, Virtual Outputs, Clean Up Timers, Lock/Bell Schedules, and Emergency Lockdown. These linking applications are simply programmed under the Hardware Tab and require no additional equipment.



Hardware Tab of DataBase

Custom History reports can be defined choosing any combination of locations, doors, events, and cardholders providing as general or specific a report as needed. The reports can be previewed before printing and can be sent to a local printer or any printer on the LAN. Report configurations can be saved and run at any time. History reports can be preconfigured and automatically run up to twice a day each day of the week and even Emailed from the workstation they were created on. Numerous custom reports can be saved.



History Tab of DataBase

Photo ID Badging is an integral compliment of all versions of DSX. The DSX system can produce photo ID badges for employees and visitors. The system allows the user to create badge backgrounds (templates) on which digital images and card holder data is imposed when the card is printed. This exceptional feature that comes standard for no additional charge allows photos to be imported or captured out of a live feed from a high resolution USB connected Camera with remote control.

Badge templates are created using "What You See Is What You Get" drag and drop tools with new features such as transparent backgrounds, image ghosting, text centering, text shrink to fit, right alignment, bring to front - send to back layering, and rotation to any degree. The ability to create unlimited badge templates allows for all departments and user groups to have unique badges. Single sided or two sided color and monochrome badges can be printed one at a time or in a batch mode. A print preview feature displays the assembled badge prior to printing with some last minute adjustments available.

DSX Access Control®

Microsoft Access™ and SQL Server™ Editions

DSX Software Specifications and Features:

Microsoft Access or SQL Server Editions
32,000 Locations
128 Doors / Readers per location
50,000 Access Codes per location
32,000 Time Zones with 3 Holiday overrides each
32,000 Access Levels
32,000 Inputs / 32,000 Outputs
32,000 Companies
32,000 Holidays
99 User Defined Fields
32,000 System Operators and 32,000 Password Profiles
32,000 ASCII Output Messages
999 Operator Comments
32,000 Graphic Alarm Maps
32,000 Custom Action Messages
Import Graphic Alarm Maps of 21 file types
250 + Card Reader, Keypad format compatibility
FIPS/TWIC Card Compatibility up to 17 digits
Time and Attendance
Guard Tour / Visitor Management
DVR/NVR Integration
Auto Incremental Downloads (changes only)
Floor Select Elevator Control and Reporting
High Level Elevator Control Interface/Report
After Hours HVAC Zone Control
Global Input/Output Linking
Global Code to Input/Output Linking
4 Zone Global Anti-Passback w/Hard, Soft, and Timed
Integral Database Backup and Restoration System –Access only
Auto-Backup procedure/ Backup to any storage media
Integral Custom Report Generator w/Report Pre-viewing
Schedule Automatic History Reports / Email using SMTP
"Who Is In" One Button Report including Input Activated
Card Holder "Photo Roster" Report
Code Tracing - Reader and User selectable
Regional Time Zones for Workstations and Remote Sites
Fail Safe or Fail Secure Relay Action
Icons for Input Normal/Abnormal, Output on On/Off states
Direct, Dial-up Modem, and TCP/IP Panel Communications
DSX-LAN(M) Interface w/ Modem Backup Communications
Limit Number of Card Uses 1-10,000 / Card Disable Reader
TCP/IP Network Protocol support
Integral Photo ID Badging and Photo Verification w/Image Auto/Manual Image Recall
Workstation Event Filtering
Operator Audit Trail
Alarm Echo - Offsite Alarm Monitoring / Remote Control
Multiple De-activate Dates for Cards
New SoftKey replaces USB Hasp Features Key

Continued....

Auto Incrementing Badge Number
Threat Level Management
Global Access Level Manager
Unlimited Access Levels Per Card Holder
Date Controlled Temporary Access Levels
Card Use It or Lose It automatic deactivation by Company
Precision Start Times and Dates for Card Activation
Precision Stop Times and Dates for Card De-activation
Card Holder Biometric Enrollment Export
Embedded Hot Links in Action Messages
Multiple Dates on Scheduled Overrides
Time Zones controlled with Linking Logic
Hot-Swap Backup Communications Server – SQL only
Hidden & Predefined User Defined Fields
Alarm Email Notification / Text Messaging
Comm Server (CS.exe) runs as a Service
Bulk modification to Card Holder assigned Access Levels
AES Encryption from Comm Server to all Controllers
AES Encryption from Comm Server to all Workstations
Startup Map (always displayed) + Custom Map Sizes
Device Locator- shows which Access Levels contain a Device

DSX Badge System Features:

Digital Camera Pan and Tilt
Batch Card Printing
Image / Signature Importing
Live Image Capture USB Webcam No Features Key Required
Transparent Backgrounds
Multiple Images for each Person
Image Cropping and Editing / Auto Image Editing
Rotate Text and BarCodes
Encode Magstripe Track 1, 2, 3 with equipped card printer
Manual Image Recall by Clicking on Card Read Event
Auto Image Recall by Device, up to two time zones each
Generates 3 of 9 and interleave 2 of 5 Barcodes, 43, 128
Single Sided/Double Sided Badges/ CR-80 to CR-100 Card
Color and/or Black and White Badges
Text Centering / Shrink to Fit text and data fields
Right Alignment / Text Underlining
Font and Text Color selection for each printed field
WYSIWYG + XY Coordinates
File Import using Digital Camera
Resize Image and Maintain Aspect Ratio
Shapes with custom colors available
Name field concatenation
Image Ghosting
Bring to Front / Send to Back Layering
Auto Badge Template selection
Card Holder Photo Roster Report

DSX Access Control®

Microsoft Access™ and SQL Server™ Editions

Integrated Locksets:

Schlage - AD Series Wireless and Hardwired Locksets Controlled by DSX-L85 Software or DSX Controllers. DSX-L85 Supports LAN and USB communications. Lockset Features Supported - Standard, Curfew Classroom/Storeroom, Office, Privacy, and Apartment.

Integration Partners:

Allegion / Schlage™ provides Hardwired and Wireless Integrated Locksets managed by DSX-L85 Software. www.allegion.com

EasyLobby®, has an integration module that seamlessly integrates DSX and EasyLobby's SVM (Secure Visitor Management) software. www.easylobby.com

Integrated Biometrics™ integrates the TRU650 biometric fingerprint reader with the DSX Access control system. www.integratedbiometrics.com

Identity One™ is a global biometric solution provider with a seamless interface to DSX. www.identityone.net

Jolly Technologies™ has an integrated visitor management system using Jolly's Lobby Track and the DSX Access Control System. www.jollytech.com

Que Accounting™ Inc. is a long time partner of DSX and has Time and Attendance, Job Costing, Visitor Management, and several other Custom Applications. www.queacct.com

Video Imaging Components:

DSX CamKit = USB Badging Webcam, Remote Control, USB Cables, and power adapter.
All components have a 1-year warranty.

Camera Specifications:

Motorized pan, tilt and zoom
USB video class (UVC) supported applications
Full HD 1080p
Camera and remote control
10-foot range remote control
Pan, tilt and zoom
Carl Zeiss Optics with 9 point auto focus
78-degree field of view
180-degree pan, 55-degree tilt
USB 2.0 compliant
8-foot USB cable
8-foot universal power adapter
9-inch extender stem for elevation
Windows 7, XP, and Vista

Printers:

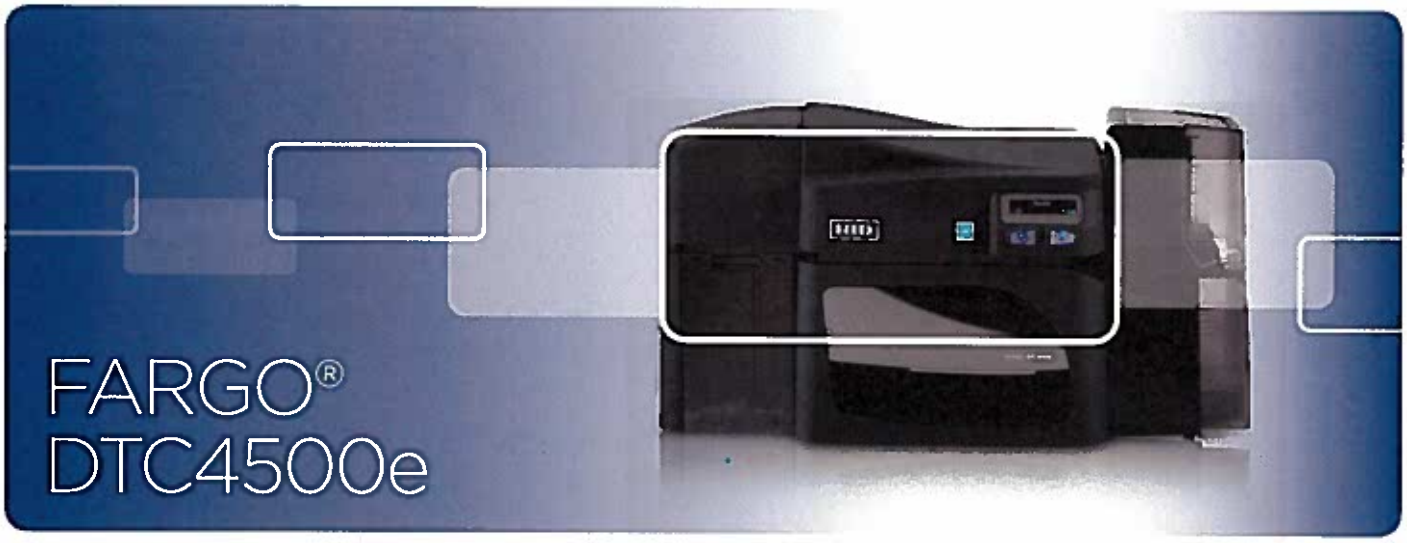
DSX prints to any Windows™ compatible direct card printer such as Zebra and Fargo.

PC Requirements:

CPUs Minimums	**Application**
Pentium 2.8 GHz Dual Core (or better)	Host PC for single PC, single location, or LAN workstation for single location system.
Pentium 2.3 GHz Dual Core (or better)	LAN Comm Server or File Server for single location, or workstation for multi-location system.
Pentium 3.3GHz Dual Core (or better)	LAN Comm Server and/or combination File Server for multi-location.
Memory Minimums	**Application**
4G	Basic System, Single PC
4 – 8 G	Multi-Location Comm Server
Drive Minimums	**Application**
CD/DVD 16x or better	Software Installation
1G Hard Drive Space minimum	Basic System requires 50M
LAN Communications	**Application**
Adapter 10/100Mbit or better	100M is recommended
Requires TCP/IP Protocol	127.0.0.1 for no LAN
Comm Server	Static IP Address
LAN Modules	Static IP Address
Comm Server to Controller	UDP - ports 4000 to 5000
Comm Server to Workstation	TCP - ports 22223 / 22224
Sound	**Application**
Windows™ sound card.	WAV files for input alarms.
Backup Gear	**Application**
Windows™ compatible Backup gear.	DSX can send backups to logical drive. DSX SQL uses SQL Server for backups.
Modem	**Application**
DSX External dial-up	DSX only supports DSX modems
Serial Ports	**Application**
DSX-USB Comm Adapter	USB to RS-232 / RS-485.
Client Operating Systems	**DSX Version**
Windows™ 8-8.1 Pro	3.7 / 4.7 and higher
Windows™ 8-8.1 Pro 64 bit	3.7 / 4.7 and higher
Windows™ 7 Pro Svc Pack 1	3.7 / 4.7 and higher
Windows™ 7 Pro 64 SVC Pack 1	3.7 / 4.7 and higher
Windows™ XP Pro Svc Pack 3	3.5 / 4.5 and higher
The Comm Server Program	Operates on Desktop or Server
Server Operating Systems	**DSX Versions**
Server 2003	3.5 / 4.5 and higher
Server 2008	3.7 / 4.7 and higher
Server 2008 R2	3.7 / 4.7 and higher
Server 2012	3.10/4.10 and higher
Server Operating Systems	Require Active Directory.
SQL Server	**DSX Versions**
SQL 2005	3.7 / 4.7 and higher
SQL 2008	3.7 / 4.7 and higher
SQL 2008 R2	3.7 / 4.7 and higher
SQL 2012	3.10 / 4.10 and higher
SQL 2012	requires additional configuration

CARD PRINTING & ENCODING

FARGO® DTC4500e



The DTC4500e offers field-upgradeable options for migration to higher levels of security in the future:

- A Wi Fi accessory for Ethernet-enabled printers, allowing you to print anywhere, anytime.
- An optional iCLASS SE® encoder that enables your printer to be compatible with the HID secure identity ecosystem. This includes the ability to program the HID PACS data in the printer. The encoder provides an additional layer of security to your identity program by allowing for processing of Secure Identity Object (SIO) data, and enabling the printer to become a Trusted Identity Platform (TIP) endpoint.
- Card lamination for applying over laminates to produce highly-secure cards that resist forgery and increase card durability. Unique, dual-sided simultaneous lamination saves time with increased throughput.
- A dual-sided printing module that enables you to add additional company or cardholder information and security features, such as duplicate photos and digital signature.
- Technology encoding modules encode data for magnetic stripe, proximity, contact and/or contactless technology cards, such as iCLASS SE® and MIFARE which enable access control or other applications.

DIRECT-TO-CARD PRINTER

- **High-volume performance** – Built for organizations requiring robust, high-volume printing every day. Standard features include high-capacity ribbon supplies and dual-input card hoppers that allow for maximum card input capacity and management of multiple card types.
- **End-to-End Control, Flexibility and Security** – The optional iCLASS SE® encoder (part of the iCLASS SE open encoder platform) can be fully integrated into your printer, allowing you to create, encode (read/write) and manage your secure credentials from start-to-finish. Design personalized ID badges locally and then program them to work with your current physical access control system (PACS), streamlining your ordering, inventory management, and issuance processes.
- **Highly versatile** – The modular design enables organizations to build on their investment by adding field-upgradeable modules for dual-sided printing, lamination and technology card encoding.
- **Maximum protection** – Protect blank card stock and printed/encoded cards with optional locking card hoppers.
- **Earth friendly** – ENERGY STAR® certified for efficient energy consumption and eco-friendly (ECO) refill ribbons.

The versatility of the DTC4500e is unsurpassed. Driven by an extremely robust and reliable print engine, this high-volume printer delivers speed, power and versatility rolled into one.

High-capacity ribbons enable the DTC4500e to print twice as many full-color cards as most printers before the ribbon has to be changed, providing continuous high-quality card printing and encoding.

The DTC4500e combines high security and convenience to easily print what you need, including:

- Built-in security with password-protected printer operation and fluorescent panel printing for a cost-effective and dynamic increase in card security.
- SmartScreen™ graphical display provides easy-to-follow prompts so you'll always know printer status.
- Standard dual-input card hopper increases capacity or management of multiple card types.
- Easily integrates into existing IT infrastructures through the built-in Ethernet and USB connection, allowing for centralized or remote ID card issuance.
- FARGO Workbench™ diagnostic utility facilitates printer maintenance. Its Color Assist™ tool matches spot colors, ensuring accurate prints of graphics, such as company logos.
- Increase security with optional locking card hoppers.
- Fully compatible with Asure ID® card personalization software for badge design, database management and technology card encoding, as well as EasyLobby® Secure Visitor Management solutions.

The FARGO® DTC4500e is built with Genuine HID® technology and is fully interoperable with other products in the HID ecosystem, enabling organizations to leverage their existing technology investments.

SPECIFICATIONS

Print Method	Dye sublimation / resin thermal transfer
Resolution	300 dpi (11.8 dots/mm) continuous tone
Colors	Up to 16.7 million / 256 shades per pixel
Print Ribbon Options	▪ Full-color with resin black and overlay panel, YMCKO*, 500 prints, more economical and eco-friendly refill ribbon for cartridge (ECO only) ▪ Full-color half-panel with resin black and overlay panel, YMCKO*, 850 prints, ECO only ▪ Full-color with two resin black panels and overlay panel, YMCKOK*, 500 prints, ECO only ▪ Full-color with fluorescing, resin black and overlay panel, YMCFKO*, 500 prints, ECO only ▪ Full-color with fluorescing, two resin black panels and overlay panel, YMCFKOK*, 400 prints, ECO only ▪ Full-color with two resin black panels and overlay panel, YMCKK*, 500 prints, ECO only ▪ Resin black and overlay panel, KO*, 1250 prints, ECO only ▪ Dye-sublimation black and overlay panel, BO*, 1250 prints, ECO only ▪ Resin black (standard and premium), 3000 prints, ECO only ▪ Resin green, blue, red, white, silver and gold, 2000 prints, ECO only ▪ Rewrite technology - no ribbon required
Print Speed**	6 seconds per card (K*); 8 seconds per card (KO*); 16 seconds per card (YMCKO*); 24 seconds per card (YMCKOK*)
Accepted Standard Card Sizes	CR-80 (3.375" L x 2.125" W / 85.6 mm L x 54 mm W); CR-79 Adhesive Back (3.313" L x 2.063" W / 84.1 mm L x 52.4 mm W)
Print Area	CR-80 edge-to-edge (3.36" L x 2.11" W / 85.3 mm L x 53.7 mm W); CR-79 (3.3" L x 2.04" W / 83.8 mm L x 51.8 mm W)
Accepted Card Thickness	Print only: .009" - .040" / 9 mil - 40 mil / .229 mm - 1.016 mm; print / lamination: .030" - .040" / 30 mil - 40 mil / .762 mm - 1.02 mm
Accepted Card Types	PVC or polyester cards with polished PVC finish; monochrome resin required for 100% polyester cards; optical memory cards with PVC finish; rewrite
Input Hopper Card Capacity	Dual-input card hopper (200 cards)
Output Hopper Card Capacity	Up to 100 cards (.030" / .762 mm)
Reject Hopper Card Capacity	Up to 100 cards (.030" / .762 mm) - same-side input/output card hopper or lamination module required
Card Cleaning	Card cleaning roller integrated into ribbon cartridge; cleaning roller is automatically replaced with each ribbon change
Memory	32 MB RAM
Software Drivers	Windows® XP / Windows Vista® (32 bit & 64 bit) / Server 2003 & 2008 / Windows® 7 / Windows® 8 (32 bit & 64 bit) / MAC OS X 10.5/10.6/10.7/10.8 / Linux***
Interface	USB 2.0 and Ethernet with internal print server
Operating Temperature	65° to 80° F / 18° to 27° C
Humidity	20-80% non-condensing
Dimensions	Single-sided printer: 9.8" H x 18.1" W x 9.2" D / 249 mm H x 460 mm W x 234 mm D Dual-sided printer: 9.8" H x 18.7" W x 9.2" D / 249 mm H x 475 mm W x 234 mm D Printer + lam: 18.9" H x 18.7" W x 9.2" D / 480 mm H x 475 mm W x 234 mm D
Weight	Single-sided printer: 9 lbs / 4.1 Kg; dual-sided printer: 11 lbs / 5 Kg; printer + lam: 20 lbs / 9.1 Kg
Agency Listings	Safety: UL 60950-2, CSA C22.2 (60950-07), and CE; EMC: FCC Class A, CE (EN 55022 Class A, EN 55024), CCC, BSMI, KC
Environmental Features	All configurations without a lamination module are ENERGY STAR® qualified printers
Supply Voltage	100-240Vac, 50-60Hz, 1.6 Amps max.
Supply Frequency	50 Hz / 60 Hz
Warranty	Printer - three years; Printhead - three years, unlimited pass with UltraCard®
Encoding Options	Supported smart card and magnetic stripe technologies: 125 kHz (HID Prox) reader; 13.56 MHz (iCLASS® Standard/SE/SR/Seos, MIFARE Classic®, MIFARE Plus®, MIFARE DESFire®, MIFARE DESFire® EV1, ISO 14443 A/B, ISO 15693) read/write encoder; contact smart card encoder reads from and writes to all ISO7816 1/2/3/4 memory and microprocessor smart cards (T=0, T=1) as well as synchronous cards; ISO magnetic stripe encoding, dual high- and low-coercivity, tracks 1, 2 and 3
Supported Access Control Credential Programming	iCLASS® Standard/SE/SR/Seos, MIFARE Classic™, MIFARE DESFire® EV1, HID Prox
Options	Single wire Ethernet and USB 2.0 interface for inline printing and encoding (note: single wire Ethernet encoding is only available for iCLASS®, MIFARE®, and contact smart card encoding); Ethernet-enabled printer supports wireless accessory; dual-sided printing module; same-side input/output card hopper; locking card input/output hopper; smart card encoding modules (contact/contactless); magnetic stripe encoding module; printer cleaning kit; Ethernet with internal print server; secure proprietary consumables system
Software	Swift ID™ embedded badging application, FARGO Workbench™ diagnostic utility with Color Assist™ spot-color matching
Display	User friendly, SmartScreen™ graphical display
Printer Security	Printer access password protected

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* Indicates the ribbon type and the number of ribbon panels printed where Y=yellow, M=magenta, C=cyan, K=resin black, O=overlay, B=dye sublimation black

** Print speed indicates an approximate print speed and is measured from the time a card drops into the output hopper to the time the next card drops into the output hopper. Print speeds do not include encoding time or the time needed for the PC to process the image. Process time is dependent on the size of the file, the CPU, amount of RAM and the amount of available resources at the time of the print

***Linux versions: Ubuntu 12.04, Debian 7.0, Fedora 18, Mandriva 2011, Red Hat 6.4, Open Suse 12.3

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2013-10-18-fargo-dtc4500e-printer-ds-en PLT-01771

Inet Security and Surveillance, Inc.

Inet Security and Surveillance, Inc.
9706 Interstate 35 N
San Antonio, TX 78233

(210)822-6400
steve@inetsas.com
www.inetsas.com

Estimate

Date	Estimate #
02/27/2017	1066530

Exp. Date
05/31/2017

Address
Claudia Carrera City of Windcrest 8601 Midcrown Dr. Windcrest, Texas 78239 US

Ship Via
Delivered

Activity			Amount
• This estimate is for INET to provide, install and configure 1 [illegible] control point for the City of Windcrest offices at 8601 Midcrown Drive.			
• ACS OnSite ACS5008-S Two (2) Reader Ethernet Control Panel (includes chassis enclosures and enclosure lock; will accommodate three expansion boards) 1 - Internal Power Supply (Does not support power for electronic locks), Plug-in Transformer, 12v 7.0 Ah Sealed Lead Acid Battery	1	2,980.00	2,980.00T
• Brivo Two Door Expansion Board	4	599.00	2,396.00T
• Brivo Expansion Panel with Power Supply and Battery	1	599.00	599.00T
• Electromagnetic lock with 1200lbs Holding Force, 12-24 VDC	3	349.00	1,047.00T
• HES 12/24 Volt No Cut Electric Strike	4	349.00	1,396.00T
• 12/24V user select-able output, Fire Alarm Interface,	2	559.00	1,118.00T
• HID MultiClass Proximity Reader	13	399.00	5,187.00T
• Kantech Request-To-Exit PIR	3	159.00	477.00T
• Access Control Cable Plenum Rated	1000	1.65	1,650.00T
• Door Hardware as needed to include storeroom function cylindrical lock sets and door closer as needed.	10	225.00	2,250.00T
• Professional Installation and setup	1	4,960.00	4,960.00T
• HID GLOBAL ASSA ABLOY HID 2000PGGMN 200X ICLASS CARD FOR DIRECT IMAGE & THERMAL TRANSFER (100 PACK)	1	490.00	490.00T
• www.brivo.com			

Continue to the next page

Activity	Quantity	Rate	Amount
• NOTES AND ASSUMPTIONS: A. All installation labor, final connections, and testing shall be performed during normal business hours of Monday through Friday 8:00 AM to 5:30 PM. B. Standard 1-year warranty applies to equipment supplied by Inet Security and Surveillance, Inc. C. Standard 1-year warranty applies to labor supplied by Inet Security and Surveillance, Inc. D. Supply and installation of conduit or wire mold, except where noted herein, furnished with pull lines is not included. E. Provision of space for and a suitable operating environment for any electronic equipment in field locations as well as, equipment at the monitoring/control location is not included and is responsibility of the customer. F. Additional Materials and/or Work: Data for the preparation of the proposal is based on existing site conditions and/or site plans and blueprints available to Inet Security and Surveillance, Inc. at the time the proposal was prepared. Any changes in site conditions and/or blue-prints which occur after proposal preparation that may have cost and/or operational impact will be subject to a change order which may be above or below the original proposal (contract) price G. Lightning Protection: Equipment furnished and installed by Inet Security and Surveillance, Inc. is provided with the equipment manufacturer's standard lightning and/or transient protection. NO GUARANTEE IS PROVIDED AGAINST EQUIPMENT AND/OR SYSTEM DAMAGE DUE TO EITHER LIGHTNING AND/OR LINE POWER TRANSIENTS. H. EXISTING DEVICES: If applicable, existing field devices which are re-used are assumed to be in satisfactory operating condition. Troubleshooting and/or repair of existing devices will be performed by Inet Security and Surveillance, Inc. on a time and material basis. I. Appropriate furniture or shelving of equipment is not included unless otherwise noted in the Scope of Work provide by Inet Security and Surveillance, Inc. • CLIENT RESPONSIBILITIES: 1. Network configuration and support from the customer s IT department 2. All 120VAC electrical requirements to INET provided equipment shall be provided and installed by others to INET specified locations. 3. All LAN connections and phone line cross-connects to INET provided equipment shall be provided and installed by others. 4. The customer is required to provide a single point of contact for all project communications and decisions. Timely responses are required to meet project timelines and budgets. 5. Client will provide IP address for all INET provided networked equipment. 6. Client is responsible for the installation of a fire relay above Access Control panel for maglock dropout in the event of fire per National Fire Code.			

Acceptance requires one half of total bid amount in advance and the remaining balance upon completion. Products and Services not listed in this bid document will be billed at the time of completion. All products listed carry a minimum one year manufacturers warranty unless otherwise noted. Labor is warranted by Inet for 120 days from the date of service.

SubTotal	$24,550.00
Tax (0%)	$0.00
Total	$24,550.00

Accepted By

Accepted Date

A & B Security Integration

Market Analysis | **City of Windcrest**

Date: 10/25/2016

Bill To:	City of Windcrest 8601 Midcrown San Antonio, TX 78239
Attn:	Claudia Carrera
Phone No.:	
Fax No.:	

Payment To:	A and B Security Integration 8602 Cinnamon Creek Dr. Apt.711 San Antonio,TX 78240
Attn:	
Fax No.:	
Phone No.:	201.753.8671

PO No.:		**Requested By:**	Claudia Carrera
Job Name:	9 Reader installation	**Terms:**	See SOW SA16050
Job No.:		**Due Date:**	

Material

Qty.	Manufacture	Part No.	Description	Unit Price	Ext. Price
7			600LB maglocks	$105.00	$735.00
9			Request to Exit Motion	$71.00	$639.00
9			Request to Exit timer Button	$108.00	$972.00
9			Prox Reader	$199.00	$1,791.00
2			Z-brackets	$75.00	$150.00
1			12/24VDC power supply for door equipment	$245.00	$245.00
1			Ccure 900 Starter Kit w/16 reader site server	$9,406.00	$9,406.00
1			Monitor	$230.00	$230.00
1			iStar Power Supply	$545.00	$545.00
1			**Cable:**	$495.00	$495.00
1			**Hardware**	$175.00	$175.00
					$0.00
			Equipment Sub Total		$15,383.00

Scope of Work/Service Work

See SOW SA16050

Service/Labor Cost	$7,408.00
Project Management	$0.00
Engineering/Programming	$0.00
Training	$0.00
Labor Sub Total	$7,408.00
Sub-Total	$22,791.00
Tax	$1,880.26
	$0.00
Grand Total	$22,791.00

Past due balance will be subject to an interest charge of 5% per 30 days billing cycle.
Warranty for new parts 30 days and will be replaced at no cost, labor 90 days.

A & B Security Integration | **Market Analysis** | **City of Windcrest**

Date: 10/25/2016

Bill To:	City of Windcrest 8601 Midcrown San Antonio, TX 78239
Attn:	Claudia Carrera
Phone No.:	
Fax No.:	

Payment To:	A and B Security Integration 8602 Cinnamon Creek Dr. Apt.711 San Antonio,TX 78240
Attn:	
Fax No.:	
Phone No.:	201.753.8671

PO No.:		**Requested By:**	Claudia Carrera
Job Name:	9 Reader installation	**Terms:**	See SOW Sa16050
Job No.:		**Due Date:**	

Material

Qty.	Manufacture	Part No.	Description	Unit Price	Ext. Price
1			FARGO DTC4250e printer	$2,590.00	$2,590.00
2			Printer ribbons 250 images each	$170.00	$340.00
1			Adhesive overlays-500	$175.00	$175.00
1			Badging camera	$1,728.00	$1,728.00
1			Printer cleaning kit	$63.00	$63.00
1			500 lot ct. Badges	$1,041.00	$1,041.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
					$0.00
			Equipment Sub Total		$5,937.00

Scope of Work/Service Work

See SOW SA16050

Service/Labor Cost	$0.00
Project Management	$0.00
Engineering/Programming	$0.00
Training	$0.00
Labor Sub Total	$0.00
Sub-Total	$5,937.00
Tax	$489.80
	$0.00
Grand Total	$5,937.00

Past due balance will be subject to an interest charge of 5% per 30 days billing cycle.
Warranty for new parts 30 days and will be replaced at no cost, labor 90 days.

SOW: SA16050
City of Windcrest
8601 Midcrown, Windcrest, TX. 78239
The following will be covered under this Scope of Work.

The installation contractor, A & B Security Integration, will provide material listed and labor only covered under Market Analysis SA16050 for customer, City of Windcrest. Any new services or material needed by contractor for this job, will require a change order request from customer. Customer insures all current installed equipment that will be utilize, is in good working condition. All equipment found damage on site will be the sole responsibility of customer to be replaced at a cost.

- **Install, program, integrate and test full function of 9 readers; 9 REX motions; 9 REX timer buttons; 7 mag-locks.**
- **Installation of CCure 9000 Starter kit Program into new security server and monitor.**
- **1 – 16 reader iStar Ultra panel with lock power**
- **1 – Fargo Badge Printer and kit; 1 – Badging camera; 500 Badge lot.**

Note: Existing wires of current door mag locks will be utilize and integrated with new access control system. Customer will provide 2 network IP addresses for new security server and iStar panel. Customer will provide a secure area and wall space within the building to install 1 iStar control panel and 2 power supplies.

Others will remove all existing cypher locks and install door handle sets to doors that will be control by the CCure 9000 system.

Provisional: if any existing wires that will be utilize for the security system is damaged, unusable due to cable specification or in need of extra wires, for new intercom system. All addition cable, material and labor will be covered under a Change Order and will all be an addition to final cost under this SOW.

Installation Labor and Material Warranty

Only material listed under, Market Analysis HCB Intercom and the installation labor of the material listed will only be covered. Equipment damage by acts of God or misused will not be covered under this warranty. Any adjustments or modification needed, after sign off, to equipment installed by contractor will be covered under a service call charge.

Labor – 1 Year
Materials – 90 days

Total Cost of Project SA16050

$28,728.00

Payment Terms

A mobilization deposit in the amount of $14,364.00 to proceed in ordering and obtaining material.

A remaining balance payment of $14,364.00 within 30 days, upon sign off and completion date of job.

Note: If jobs goes beyond 30 days from initial start, due to scheduling or any other unknown reason beyond contractor's control. A secondary payment of $7,182.00 will be made and paid upon request. With the remaining balance, $7,182.00 paid within 30 days of completion date of job.

GENERAL TERMS AND CONDITIONS:

1. Prices are for equipment as listed only, unless otherwise specified herein.
2. Because of condition beyond our control, this quotation is effective only for a period of thirty (30) days from date above.
3. The Warranty shall not apply if adjustment, repair, parts replacement or system modification, additions or deletion accomplished other than A&B Security Integration.
4. Computers and monitor, unless specified, are not included.
5. 120VAC, 20 amp dedicated circuit(s) are to be provided by others, unless specified.
6. All work to be performed during normal working hours, unless specified for an additional fee.
7. Signing and dating of this contract initializes the beginning of the job covered under SOW SA16050.

Thank You,
A&B Security Integration
TX LIC. B15986
Robert Esparza
President

X _____

Authorized Manager:

X _____

Date:

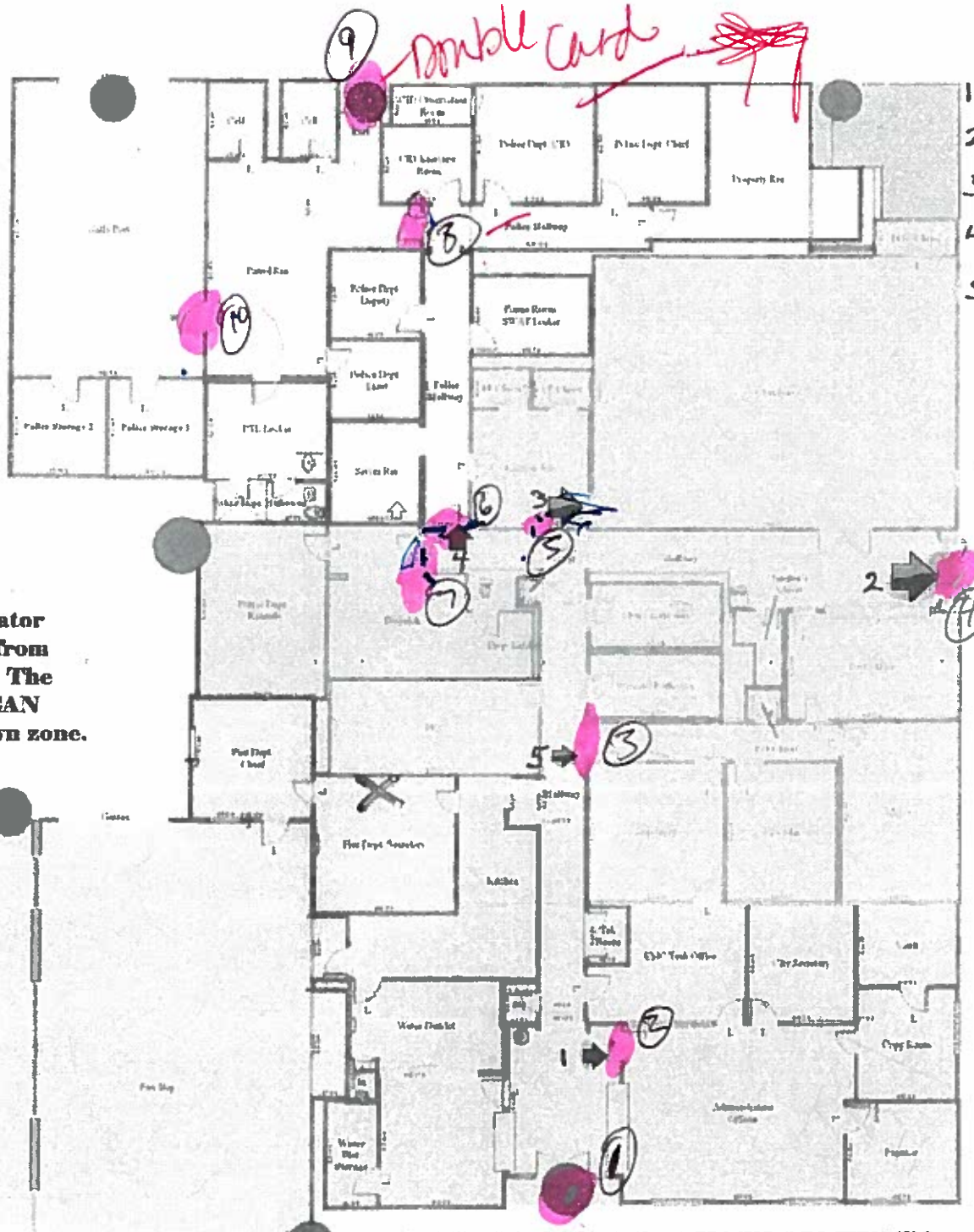
EMERGENCY EVACUATION EXITS

● Indicates Fire EXIT for the corresponding color

X YOU ARE HERE

EXIT out the primary fire exit for the color zone you are in. Secondary and Tertiary EXITS are the adjacent color zones.

EXCEPTION: The Generator room can only be accessed from the outside of the building. The Purple and Orange zones CAN NOT exit through the Brown zone.



EMERGENCY EVACUATION EXITS

WINDCREST TEXAS

City of Windcrest | 8601 Midcrown | Windcrest, Texas 78239 | 210.655.0022 | www.ci.windcrest.tx.gov

WINDCREST
TEXAS

RESOLUTION NUMBER 2017-621(R)

A RESOLUTION AUTHORIZING THE PURCHASE AND INSTALLATION OF THE DXC ACCESS CONTROL SYSTEM BY SUPERIOR ALARMS FOR A TOTAL PRICE OF $22,372.83 AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A CONTRACT FOR SUCH PURCHASE

WHEREAS, it will enhance the safety of the employees and court technology of the City of Windcrest to purchase and install the DXC access control system from Superior Alarms; and

WHEREAS, the City Council of the City of Windcrest wishes to authorize the purchase of the DXC access control system to be installed by Superior Alarms in accordance with purchasing guidelines.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Windcrest, Texas, that:

1. The purchase and installation of the DXC access control system and installation by Superior Alarms for a total price of $22,372.83 is approved.

2. The City Manager is authorized to negotiate and execute a contract with Superior Alarms for such purchase.

3. Total cost for the access control system and installation is $22, 372.83 to come from the City of Windcrest Municipal Court Technology Fund as authorized by the City of Windcrest Municipal Court Judge.

DULY PASSED AND APPROVED, on the 3rd day of April, 2017 at a regular meeting of the City Council of the City of Windcrest, Texas, which meeting was held in compliance with the Open Meetings Act, Tex. Gov't. Code, §551.001, et. seq. at which meeting a quorum was present and voting.

CITY OF WINDCREST, TEXAS

_____

Alan Baxter, Mayor

ATTEST:

_____
Kelly Rodriguez, City Secretary

APPROVED:

_____
Mike Brenan, City Attorney