

RULE 15c2-12 FILING COVER SHEET

This cover sheet is sent with all submissions made to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository) and any applicable State Information Depository, pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER:

Issuer's Name: City of Decatur, Texas

Issue(s):

\$6,090,000 Tax & Waterworks & Sewer System Revenue Certificate. Of Obligation, Series 2008

\$6,349,000 Tax & Waterworks & Sewer System Surplus Revenue Refunding Bonds, Series 2011

\$3,475,000 Tax & Waterworks & Sewer System Surplus Revenue Refunding Bonds, Series 2013

Filing Format **Electronic** (number of pages attached) **Paper** (number of pages attached)

If information is also available on the Internet, give URL: _____

CUSIP* number(s), if available, of Issuer: 243320

FINANCIAL & OPERATING DATA DISCLOSURE INFORMATION**WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)**

A. X Annual Financial Information and Operating Data pursuant to Rule 15c2-12
(Financial information and operating data should not be filed with the MSRB.)

Fiscal Period Covered: September 30, 2014-September 30, 2015

B. X Audited Financial Statements or CAFR pursuant to Rule 15c2-12

Fiscal Period Covered: September 30, 2014-September 30, 2015

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature /s/ Murphy Davis, Sr. President/CFA Date March 31, 2016

Name Murphy Davis Sr. Title Financial Advisor

Employer Sentry Management, Inc

Address 5 Eureka Circle Suite E City Wichita Falls State TX Zip Code 76308

Telephone 940-696-2100 Fax 940-696-2810

Email Address Murphy@sentrymanagement.com Issuer Web Site Address: www.decaturtx.org

CITY OF DECATUR, TEXAS

Tax & Waterworks & Sewer System Surplus Revenue Cert. Of Oblig., Series 2008

<u>Maturing</u>	<u>Principal</u>	<u>Cusip</u>
2016	\$ 265,000	243320FJ2
2017	280,000	243320FK9
2018	290,000	243320FL7
2019	300,000	243320FM5
2020	315,000	243320FN3
2021	325,000	243320FP8
2022	340,000	243320FQ6
2023	355,000	243320FR4
2024	370,000	243320FS2
2025	385,000	243320FT0
2026	405,000	243320FU7
2027	425,000	243320FV5
2028	<u>440,000</u>	243320FW3
	<u>\$ 4,495,000</u>	

Source: City of Decatur, Texas Audited Financial Statement, 9-30-15

Tax & Waterworks & Sewer System Surplus Revenue Refunding Bonds, Series 2011

<u>Maturing</u>	<u>Principal</u>	<u>Cusip</u>
2016	\$ 725,000	243320GB8
2017	750,000	243320GC6
2018	770,000	243320GD4
2019	800,000	243320GE2
2020	<u>825,000</u>	243320GF9
	<u>\$ 3,870,000</u>	

Source: City of Decatur, Texas Audited Financial Statement, 9-30-15

Tax & Waterworks & Sewer System Surplus Revenue Refunding Bonds, Series 2013

<u>Maturing</u>	<u>Principal</u>	<u>Cusip</u>
2016	315,000	243320GH5
2017	330,000	243320GJ1
2018	335,000	243320GK8
2019	335,000	243320GL6
2020	350,000	243320GM4
2021	360,000	243320GN2
2022	365,000	243320GP7
2023	380,000	243320GQ5
2024	390,000	243320GR3
	<u>\$ 3,160,000</u>	

Source: City of Decatur, Texas Audited Financial Statement, 9-30-15

CONTINUING DISCLOSURE INFORMATION
CITY OF DECATUR, TEXAS
15C2-12 Filing FY2015

\$6,090,000 Tax & Waterworks & Sewer System Revenue Cert. Of Oblig., Series 2008
 \$6,349,000 Tax & Waterworks & Sewer System Surplus Revenue Refunding Bonds, Series 2011
 \$3,475,000 Tax & Waterworks & Sewer System Surplus Revenue Refunding Bonds, Series 2013

ASSESSED VALUATION

TABLE 1

2014/2015 Total Market Valuation of Taxable Property		\$	749,182,956
Less Exemptions:			
Local, Optional Over-65 and/or Disabled Homestead	\$		2,543,840
Disabled and Deceased Veterans' Exemptions	\$		323,060
Production Loss	\$		26,056,710
10% Residential Cap	\$		117,200
Freeport	\$		26,949,264
Pollution Control	\$		633,180
Other	\$		95,333,016
Total:		\$	151,956,270
2014/2015 Net Taxable Assessed Valuation (100% of Actual)		\$	597,226,686

Source: Wise County Appraisal District and City of Decatur, Tx.

The difference in the Appraised Value is how the Software Vendor treats the exemptions that are prorated on or off during the year. The software vendor has had several discussions with the state regarding this issue in the past but no real solution has emerged. Requested Software vendor to please visit with them again to reach some solution.

GENERAL OBLIGATION BONDED DEBT

TABLE 2

General Obligation Debt Outstanding:

Tax & Waterworks & Sewer System Surplus Revenue Refunding Bonds, Series 2013		\$	3,160,000
Tax & Waterworks & Sewer System Surplus Revenue Refunding Bonds, Series 2011 (51% Self-Supporting)*			3,870,000
Tax & Waterworks & Sewer System Revenue Cert. Of Oblig., Series 2008			4,495,000
Total General Obligation Debt Outstanding:		\$	11,525,000
Total Debt Outstanding:		\$	11,525,000
Less-Self Supporting Debt (EDC):			(1,973,700) *
Total Net General Obligation Debt Outstanding:		\$	9,551,300
Net General Obligation Debt to Net Assessed Valuation			1.75%
Net Assessed Valuation		\$	597,226,686

Estimated Population			6339
Per Capita Assessed Valuation	\$		94,215

Source: City of Decatur, Tx.

CONTINUING DISCLOSURE INFORMATION
CITY OF DECATUR
15C-12 FILING

201-2015 PRINCIPAL TAXPAYERS

TABLE 3

<u>Name</u>	<u>Type of Business</u>	<u>Net Taxable Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Poco Graphite, Inc.	Manufacturing	\$ 17,502,870	2.93%
James Wood Motors	Auto Retail	\$ 10,982,160	1.83%
Wal-Mart Estate Trust	Retail	\$ 9,783,230	1.64%
Burlington Resources O & G	Oil and Gas	\$ 9,777,650	1.63%
Devon Energy	Oil & Gas	\$ 9,192,770	1.54%
Wal-Mart Stores	Retail	\$ 8,755,940	1.47%
Poco Graphite, Inc	Manufacturing	\$ 7,969,580	1.33%
BAAG Management	Hotel/Motel	\$ 7,119,660	1.19%
Lowe's Home Center	Retail	\$ 6,440,300	1.08%
Oncor Electric Delivery Co.	Electric	\$ 6,221,180	1.05%
		Total	15.69%
		<u>\$ 93,745,340</u>	

Net Assessed Valuation \$ 597,226,686

Source: Wise County Appraisal District and City of Decatur, Tx

PROPERTY TAX RATES

TABLE 4

<u>Tax Year</u>	<u>Net Taxable Assessed Valuation</u>	<u>Tax Rate</u>	<u>Tax Levy</u>	<u>Current</u>	<u>Total</u>	<u>Year Ended</u>
2010-11	\$ 580,704,098	0.6400	\$ 3,712,619	98.87%	99.67%	9-30-11
2011-12	\$ 582,818,787	0.6630	\$ 3,859,401	99.33%	101.07%	9-30-12
2012-13	\$ 592,069,713	0.6630	\$ 3,925,422	99.43%	100.35%	9-30-13
2013-14	\$ 592,421,659	0.6730	\$ 3,986,998	99.54%	99.94%	9-30-14
2014-15	\$ 597,226,686	0.7030	\$ 4,198,504	99.28%	99.93%	9-30-15

Source: City of Decatur, Tx and Audited Financial Statement 9-30-2015

TAX RATE DISTRIBUTION

TABLE 5

	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
Maintenance & Operations	0.4911	0.4675	0.4721	0.4631	0.4247
Interest & Sinking Fund	<u>0.2119</u>	<u>0.2055</u>	<u>0.1909</u>	<u>0.1999</u>	<u>0.2153</u>
TOTAL	0.7030	0.6730	0.6630	0.6630	0.6400

Source: City of Decatur, Tx./Audited Financial Statement 9-30-2015

CONTINUING DISCLOSURE INFORMATION
CITY OF DECATUR, TEXAS

MUNICIPAL SALES TAX

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TABLE 6

The Issuer has adopted the provision of Chapter 321, as amended, Texas Tax Code. In addition, some issuers are subject to a property tax relief and/or an economic and industrial development tax. The voters of the City approved sales tax for the benefit of economic development on August 8, 1992, with collections beginning January 1, 1993.

The Corporation for Economic Development for the City of Decatur, Texas (the "EDC") has agreed to provide funds to the City to cover the debt cost for a proportional amount of the Certificates up to \$3.7 million, which would be approximately \$318,847 per year on average, for the purpose of constructing a civic/convention center for the City. The voters approved such category of expenditure in January 1998 and also approved a category of expenditure for "park and recreation facilities". The contractual agreement between the City and the EDC has not yet been drafted. The only other obligation of the EDC, at this time, is the contribution of approximately \$332,700 per year on average to be applied to the debt service for the Series 1993 Certificates of Obligation, of which contribution is with regard to the City's wastewater treatment plant. The EDC may enter into additional commitments in the future.

Net collections of sales tax on a calendar year basis are shown in the table below.

Calendar Year	Total Collected	1.00% City	0.50% Economic Dev.
2010-11	\$ 3,834,733.12	\$ 2,485,340.27	\$ 1,242,670.13
2011-12	\$ 3,898,718.65	\$ 2,578,715.00	\$ 1,289,358.00
2012-13	\$ 3,990,278.08	\$ 2,696,215.00	\$ 1,348,108.00
2013-14	\$ 4,063,897.96	\$ 2,675,743.00	\$ 1,337,871.00
2014-15	\$ 3,979,860.89	\$ 2,658,836.33	\$ 1,329,418.15

Source: State Comptroller's Office of the State of Texas and information from the Issuer.

CONTINUING DISCLOSURE INFORMATION
CITY OF DECATUR, TEXAS
15C-12 FILING

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

TABLE 7

	<u>2014-2015</u>
Revenues:	
Ad Valorem Taxes, Penalties and Interest	\$ 2,959,065
Sales Taxes	2,658,842
Franchise, Occupancy and Other Taxes	990,812
Interest on Investments	3,707
Federal Programs	-
Civic Center	649,810
Building permits and Inspection Fees	251,515
Court and Police	572,037
Other	<u>470,604</u>
Total Revenues	8,556,392
Expenditures	
General Government	\$ 1,266,320
Airport Department	132,163
Main Street Department	136,094
Fire Department	1,130,429
Police Department	2,111,389
Animal Control Department	74,386
Street Department	953,272
Library Department	491,043
Tax and Corporation Court	234,090
Park Department	444,237
Planning Services Department	350,186
Inspection Services	338,875
Cemetery Department	71,719
Civic Center	903,923
Economic Development	-
Emergency Management	15,561
Capital Expenditures	25,753
Debt Service	327,445
	-
Total Expenditures	<u>9,006,885</u>
Excess (Deficiency) of Revenues Over Expenditures	(450,493)
Other Financing Sources (Uses)	
Operating Transfer In	\$ <u>398,763</u>
Total Other Sources	\$ <u>398,763</u>
Other Financing (Uses)	
Operating Transfer Out	\$ <u>-</u>
Total Other Financing Sources	\$ <u>-</u>
Change in Fund Balance	(51,730)
Fund Balance at the Beginning of the Year	\$ <u>1,045,649</u>
Fund Balance at the End of the Year	\$ <u>993,919</u>

Source: City of Decatur, Tx, and Audited Financial Statement 9-30-2015

CONTINUING DISCLOSURE INFORMATION
CITY OF DECATUR, TEXAS
15C-12 FILING

2014-2015 WATER RATES
(Based on Monthly Billing)

TABLE 8

<u>Residential</u>	\$21.50 Base
0 - 2,000 Gallons	\$2.02 Per 1,000 gallons + Base
2,001 - 8,000	\$4.50 Per 1,000 gallons + Base
8,001 - 20,000	\$5.16 Per 1,000 gallons + Base
20,001 - 50,000	\$5.93 Per 1,000 gallons + Base
50,001 + gallons	\$6.83 Per 1,000 gallons + Base
 <u>Commercial</u>	 \$26.50 Base
0 - 2,000 Gallons	\$2.60 Per 1,000 gallons + Base
2,001 - 8,000	\$4.68 Per 1,000 gallons + Base
8,001 - 20,000	\$5.15 Per 1,000 gallons + Base
20,001 - 50,000	\$5.67 Per 1,000 gallons + Base
50,001 + gallons	\$6.22 Per 1,000 gallons + Base

Source: City of Decatur, Tx

2014-2015 PRINCIPAL WATER CUSTOMERS

TABLE 9

<u>Name of Customer</u>	<u>Average Monthly Consumption (Gals.)</u>	<u>Average Monthly Bill</u>
Wise Regional Hospital	\$ 1,764,167	\$ 11,518
Poco Graphite	1,521,667	9,753
Decatur Independent School District	905,917	6,661
Wise County Jail	905,917	6,661
Senior Health Care & Rehab	502,500	3,213
Crestview Apt	404,167	3,140
Eagle Ridge Apts	385,167	2,472
The Hills Nursing Home	338,083	2,084
5C Real Estate	315,417	1,996
TX HP Decatur LLC	191,583	1,389
 Total	 <u>\$ 7,234,585</u>	 <u>\$ 48,887</u>

Source: City of Decatur, Tx

2014-2015 CUSTOMER COUNT

Table 10

	<u>2014-2015</u>	<u>2013-2014</u>	<u>2012-2013</u>	<u>2011-2012</u>	<u>2010-2011</u>
Water	2,453	2,412	2,387	2,376	2,368
Sewer	2,309	2,201	2,171	2,154	2,134

Source: City of Decatur, Tx

CONTINUING DISCLOSURE INFORMATION
CITY OF DECATUR, TEXAS
15C-12 FILING

2014-2015 SEWER RATES

TABLE 11

(Based on Monthly Billing)

	<u>Residential</u>		<u>Commercial</u>
	\$21.50	Base	\$27.50 Base
First 2,000 Gallons	\$2.02	Per 1,000 Gallons + Base	\$2.60 Per 1,000 Gallons + Base
2,001 + Gallons	\$2.77	Per 1,000 Gallons + Base	\$3.55 Per 1,000 Gallons + Base
20,001 - 50,000+ Gallons	\$2.82	Per 1,000 Gallons + Base	\$3.62 Per 1,000 Gallons + Base

Source: City of Decatur, Tx

2014-2015 PRINCIPAL SEWER CUSTOMERS

TABLE 12

<u>Name of Customer</u>	<u>Average Monthly Bill</u>
Wise Regional Hospital	\$ 4,125.64
Poco Graphite	3,944.34
Wise County Jail	1,431.55
5C Real Estate Mgt	1,290.69
Decatur Independent School District	1,229.50
Senior Health Care & Rehab	1,219.80
Crestview Apts	1,192.72
The Hills Nursing Home	968.51
Eagle Ridge Apts	799.14
SHIV Lodging	<u>676.201</u>
Total	<u>\$ 16,878.09</u>

Source: City of Decatur, Tx

INVESTMENT POLICIES - Current Investments

TABLE 13

As of September 30, 2015, the City's investable funds of \$2,558,215 were invested in Certificates of Deposits.

Source: City of Decatur, Tx, Audited Financial Statement 9-30-2015

CONTINUING DISCLOSURE INFORMATION
CITY OF DECATUR, TEXAS
15C-12 FILING

CLASSIFICATION OF ASSESSED VALUATION

Table 14

2014-2015

Total Market Value of Taxable Property Before 10% Cap On Residence Homesteads \$ 653,886,830

<u>Category</u>	<u>2013-2014</u>	<u>% of Total</u>
Real, Residential, Single-Family	\$202,132,077	30.94%
Real, Residential, Multi-Family	7,418,220	1.14%
Real, Vacant Lots/Tracts	7,133,680	1.09%
Real, Acreage (Land Only)	26,158,860	4.00%
Farm & Ranch Improvements	149,040	0.02%
Real, Rural Farm Land Not Qualified For Open Spaces	5,934,340	0.91%
Real, Commercial and Industrial	231,417,949	35.42%
Real Minerals Oil and Gas	29,737,380	4.55%
Real & Tangible, Personal Utilities	17,749,510	2.72%
Tangible Personal Property, Business	107,956,550	16.52%
Mobile Homes	653,570	0.10%
Tangible Personal Property, Other	1,179,400	0.18%
Special Inventory	15,678,450	2.40%
Total Appraised Value *	\$ 653,299,026	100.00%
Less Exemptions:		
Local, Optional Over-65 and/or Disabled Homestead	\$2,543,840	
Disabled and Deceased Veterans' Exemptions	<u>\$323,060</u>	
Production Loss	<u>\$26,056,710</u>	
10% Residential Cap	<u>\$117,200</u>	
Freeport	<u>\$26,949,264</u>	
Pollution Control	<u>\$633,180</u>	
Other	<u>\$36,890</u>	
 Total:	 <u>\$ 56,660,144</u>	
 Net Taxable Assessed Valuation	 <u>\$ 597,226,686</u>	

Source: Wise County Appraisal District and City of Decatur, Tx

The difference in the Appraised Value is how the Software Vendor treats the exemptions that are prorated on or off during the year. The software vendor has had several discussions with the state regarding this issue in the past but no real solution has emerged. Requested Software vendor to please visit with them again to reach some solution.

CONTINUING DISCLOSURE INFORMATION
CITY OF DECATUR, TEXAS
15C-12 FILING

Tax & Waterworks & Sewer System Surplus Revenue Cert. Of Oblig., Series 2008

TABLE 15

FISCAL YEAR ENDING 30-Sep	PRINCIPAL AMOUNT	INTEREST	DEBT SERVICE
2016	\$ 265,000	\$ 184,902	\$ 449,902
2017	280,000	174,003	454,003
2018	290,000	162,603	452,603
2019	300,000	150,803	450,803
2020	315,000	138,424	453,424
2021	325,000	125,302	450,302
2022	340,000	111,418	451,418
2023	355,000	96,733	451,733
2024	370,000	81,235	451,235
2025	385,000	64,906	449,906
2026	405,000	47,622	452,622
2027	425,000	29,256	454,256
2028	440,000	9,900	449,900
	<u>\$ 4,495,000</u>	<u>\$ 1,377,107</u>	<u>\$ 5,872,107</u>

Source: City of Decatur, Texas Audited Financial Statement, 9-30-15

Tax & Waterworks & Sewer System Surplus Revenue Refunding Bonds, Series 2011

TABLE 16

FISCAL YEAR ENDING 30-Sep	PRINCIPAL AMOUNT	INTEREST	DEBT SERVICE
2016	\$ 725,000	\$ 117,201	\$ 842,201
2017	750,000	95,075	845,075
2018	770,000	70,350	840,350
2019	800,000	42,875	842,875
2020	825,000	14,437	839,437
	<u>\$ 3,870,000</u>	<u>\$ 339,938</u>	<u>\$ 4,209,938</u>

Source: City of Decatur, Texas Audited Financial Statement, 9-30-15

Tax & Waterworks & Sewer System Surplus Revenue Refunding Bonds, Series 2013

TABLE 17

FISCAL YEAR ENDING 30-Sep	PRINCIPAL AMOUNT	INTEREST	DEBT SERVICE
2016	315,000	78,500	393,500
2017	330,000	72,050	402,050
2018	335,000	65,400	400,400
2019	335,000	58,700	393,700
2020	350,000	50,100	400,100
2021	360,000	39,450	399,450
2022	365,000	28,575	393,575
2023	380,000	17,400	397,400
2024	390,000	5,850	395,850
	<u>\$ 3,160,000</u>	<u>\$ 416,025</u>	<u>\$ 3,576,025</u>

*Includes accrued interest of \$2,687.36 from Series 2013 Bonds.

Source: City of Decatur, Tx, Audited Financial Statement 9-30-2015

CONTINUING DISCLOSURE INFORMATION
CITY OF DECATUR, TEXAS
15C-12 FILING

TOTAL UNLIMITED TAX BOND DEBT SERVICE OUTSTANDING

Table 18

FISCAL YEAR ENDING 30-Sep	PRINCIPAL AMOUNT	INTEREST	DEBT SERVICE
2016	\$ 1,305,000	\$ 380,603	\$ 1,685,603
2017	1,360,000	341,128	1,701,128
2018	1,395,000	298,353	1,693,353
2019	1,435,000	252,378	1,687,378
2020	1,490,000	202,961	1,692,961
2021	685,000	164,752	849,752
2022	705,000	139,993	844,993
2023	735,000	114,133	849,133
2024	760,000	87,085	847,085
2025	385,000	64,906	449,906
2026	405,000	47,622	452,622
2027	425,000	29,256	454,256
2028	440,000	9,900	449,900
	<u>\$ 11,525,000</u>	<u>\$ 2,133,070</u>	<u>\$ 13,658,070</u>

Source: City of Decatur, Texas Audited Financial Statement, 9-30-15

The Corporation for Economic Development of the City of Decatur, Texas has entered into a capital lease agreement in the original amount of \$1,500,000 to fund water and sewer line infrastructure improvements at the industrial park. The lease is payable in semi-annual installments of \$69,276 beginning July 31, 2006. The City has the option to purchase the infrastructure improvements for the amount of the remaining principal balance plus 1% of the remaining principal balance. The lease is collateralized by a pledge of sales tax revenue. The City retains all risk of loss with respect to the infrastructure improvements. At the conclusion of the lease the City will own the infrastructure improvements. The stated interest rate on the lease is 4.495%.

Capital Lease Obligation (Industrial Park)

TABLE 19

FISCAL YEAR ENDING 30-Sep	PRINCIPAL AMOUNT	INTEREST	DEBT SERVICE
2016	\$ 109,719	\$ 28,832	\$ 138,551
2017	114,707	23,845	138,552
2018	119,921	18,631	138,552
2019	125,371	13,179	138,550
2020-2021	<u>198,824</u>	<u>9,004</u>	<u>207,828</u>
	<u>\$ 668,542</u>	<u>\$ 93,491</u>	<u>\$ 762,033</u>

Source: City of Decatur, Tx, Audited Financial Statement 9-30-2015

The City of Decatur, Texas has entered into a capital lease agreement in the original amount of \$296,740 to purchase wastewater equipment. The lease is payable in annual installments of \$64,023 beginning January 15, 2014. The City has the option to purchase the equipment for one dollar (\$1) at the end of the lease. The lease is collateralized by the value of the equipment. The net book value of the equipment was \$222,555 at September 30, 2015. The stated interest rate on the lease is 3.125%.

Capital Lease Obligation (Wastewater Equipment)

TABLE 20

FISCAL YEAR ENDING 30-Sep	PRINCIPAL AMOUNT	INTEREST	DEBT SERVICE
2016	\$ 53,823	\$ 10,200	\$ 64,023
2017	60,202	3,821	64,023
2018	<u>62,083</u>	<u>1,940</u>	<u>64,023</u>
	<u>\$ 176,108</u>	<u>\$ 15,961</u>	<u>\$ 192,069</u>

Source: City of Decatur, Tx, Audited Financial Statement 9-30-2015