



COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

City of Dalworthington Gardens, Texas

For the Year Ended
September 30, 2020

Issued By
Finance Department
Kay Day, Finance Director
Doreen Summerall, Finance Assistant

City of Dalworthington Gardens, Texas

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CITY OF DALWORTHINGTON GARDENS

March 11, 2021

To the Honorable Mayor, Members of the Governing Council and Citizens of the City of Dalworthington Gardens,

We are pleased to submit the Comprehensive Annual Financial Report of the City of Dalworthington Gardens, Texas for the year ended September 30, 2020. The purpose of the report is to provide the Council, staff, our citizens, bondholders and other interested parties with detailed information reflecting the City's financial condition.

The responsibility for the accuracy and reliability of the data, as well as completeness and fairness of this report, including all disclosures, rests with the City. To the best of our knowledge and belief the enclosed data is accurate in all material respects, and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

State Law requires the City's basic financial statements to be audited by an independent certified public accountant. The goal of the independent audit is to provide reasonable assurances that the financial statements of the City of Dalworthington Gardens for the fiscal year ended September 30, 2020 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

BrooksWatson & Co., Certified Public Accountants, performed the required audit and have issued an unmodified ("clean") opinion on the City of Dalworthington Garden's financial statements for the year ended September 30, 2020. The independent auditor's report is included in the financial section of this report.

THE REPORT

This Comprehensive Annual Financial Report (CAFR) is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, listing of principal City Officials, an organizational chart of the City, and a City map.



CITY OF DALWORTHINGTON GARDENS

The financial section includes the independent auditor's report on the basic financial statements, a Management Discussion and Analysis (MD&A), as well as the basic financial statements and combining individual fund statements and schedules. The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The City's MD&A can be found immediately following the independent auditor's report. The financial section is prepared in accordance with generally accepted accounting principles for governments as prescribed by the Governmental Accounting Standards Board (GASB) and other professional associations, as applicable.

The statistical section consists of a number of tables that contain data primarily compiled from City records and financial statements from the last ten years. The tables in the statistical section include revenues, expenditures, operations, and other information related to the activities of the City.

PROFILE OF THE GOVERNMENT

The community was established in 1934 as a subsistence homestead project during the Great Depression under the authority of the National Industrial Recovery Act as part of the Subsistence Homesteads Division. The purpose of the homestead program was to help families attain a better standard of living through a combination of part-time industrial employment and subsistence agriculture. Dalworthington Gardens was one of five such projects located in Texas. Its inclusion in the group was at the suggestion of Eleanor Roosevelt, who happened upon the area while visiting the Fort Worth family of a friend of President Roosevelt's son Elliot. Of the five sites selected for this program, Dalworthington "colony" as it was originally called, is the only one still in existence today. Since it has been in constant operation from its inception, it maintains its original zoning regulations, which allow subsistence farming and livestock on any lots over one half acre that remain owned and occupied from the time the zoning was first put into effect. Thus, one can see small, older frame homes with livestock on their lot, near and even adjacent to large modern homes with values in excess of one million dollars. The community's name is a portmanteau of the names of the three anchor cities of the Metroplex: Dallas Fort Worth, and Arlington.

The City of Dalworthington Gardens was incorporated July 19, 1949 under the general laws of the State of Texas and operates as a Type A general law municipality with the aldermanic form of government. The legislative authority of the City is vested in a six-member council elected at large (a mayor and five aldermen) for staggered two-year terms on the first Saturday in May. All members serve without compensation. The Mayor and City Council also serve as the board of the Crime Control and Prevention District.



CITY OF DALWORTHINGTON GARDENS

The Mayor and City Council appoint the City Administrator, the Director of Public Safety and the Municipal Court Judge. The Mayor is the Chief Executive Officer of the City and is responsible for the day-to-day operations of the City.

The city is predominately a residential community of approximately 1.84 square miles, which is the combined land area of 1.8 square miles and water area of .04 square miles. The City is located in east central Tarrant County, between I-30 and I-20, which are major interstate links between Dallas and Fort Worth. It is part of the "Metroplex" of North Central Texas, which includes the cities of Dallas and Fort Worth. The City of Dalworthington Gardens is bordered to the north by the Town of Pantego, both of which are surrounded by the City of Arlington. The City lies approximately 11.5 miles from downtown Fort Worth, 25.1 miles from downtown Dallas, and 21 miles from Dallas/Fort Worth International Airport.

The City provides a full range of services including public safety (police, fire and emergency medical services), municipal court, construction and maintenance of streets, parks and recreation, planning and zoning, economic development, and general administrative services. In addition to general governmental activities, the City provides water, sewer, and sanitation services. Tarrant Regional Water District (TRWD) provides water to the City of Fort Worth and the City of Arlington who, in turn, provides water to the City of Dalworthington Gardens. Sewage treatment is provided by the City of Arlington, Republic Services provides sanitation collection, and HHW Solutions provides household hazardous waste collection.

There are no colleges or universities present in the City. However, University of Texas at Arlington (UTA) is very close to the City. The City is also served by the Tarrant County College District which has campuses located in the surrounding cities. The City lies within the Arlington Independent School District (AISD) and is served by Key Elementary School, Gunn Junior High School, and Arlington High School. In addition to the AISD public schools, the city has two private schools, Arlington Classic Academy and The Montessori Academy. There are numerous private schools in the neighboring towns of Pantego and Arlington.

In Texas, school district boundaries do not always follow city and county boundaries because all aspects of the school district government apparatus, including school district boundaries are separated from the city and county government. In the cases of Dalworthington Gardens, no Independent School District was ever established. The proximity of the already established Arlington ISD led to the entirety of the Dalworthington Gardens being served by the AISD since the middle of the 20th century.



CITY OF DALWORTHINGTON GARDENS

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The City's accounting records for general governmental operation are maintained on a modified accrual basis with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's proprietary activities are maintained on the accrual basis.

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

In addition to the system of internal controls, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance of legal provisions embodied in the annual appropriated budget adopted by the City Council. Budgetary controls are exercised at the departmental level. If necessary, the original adopted budget is amended throughout the year.

LOCAL ECONOMY

The City of Dalworthington Gardens is located in the Dallas-Fort Worth-Arlington Metro Area. The primary revenue source for the city is derived from Ad-Valorem (property) taxes. Property assessed values, not including exemptions, have increased 32.8% between fiscal year 2011 to 2020, with assessed values including exemptions increasing 27.1% during the same time period. The median home value in 2019 for the city was \$516,885 compared to \$253,900 in the Dallas-Fort Worth-Arlington Metro Area. The median age in the city as of 2019 was 52.3 compared to 35.2 in the Dallas-Fort Worth-Arlington Metro Area.

Dalworthington Gardens number of homes by value estimates in 2019:

- \$50,000 to \$199,999 91
- \$200,000 to \$299,999 88
- \$300,000 to \$499,999 211
- \$500,000 to \$999,999 248
- \$1,000,000 or more 18



CITY OF DALWORTHINGTON GARDENS

The primary jobs held by residents in the City of Dalworthington Gardens are:

- Sales & Related Occupations
- Top Executive & Management Occupations
- Health Diagnosing & Treating Practitioners & Other Technical Occupations
- Legal Occupations
- Computer & Mathematical Occupations

Dalworthington Gardens compared to Texas state average:

- Median household income **above** state average
- Median house value **significantly above** state average
- Unemployed percentage **significantly below** state average
- Median age **significantly above** state average
- Foreign-born population percentage **below** state average
- Renting percentage **below** state average
- Length of stay since moving in **significantly above** state average
- Number of rooms per house **significantly above** state average
- Percentage of population with a bachelor's degree or higher **significantly above** state average

For population 25 years and over in Dalworthington Gardens

- High school or higher: 97.6%
- Bachelor's degree or higher: 51.5%
- Graduate or professional degree: 23.0%
- Unemployed: 2.7%
- Mean travel time to work (commute): 24.1 minutes

REGIONAL ECONOMIC CONDITION AND OUTLOOK

Texas Service Sector Outlook Survey

According to the Texas Business Outlook Survey (TBOS) published January 26, 2021, activity in the Texas service sector was generally flat in January. The revenue index, a key measure of state service sector conditions, fell from 5.5 in December to .8 in January, indicating a leveling out of activity.

Labor market indicators suggest slower employment growth and little change in the hours worked in January. The employment index dropped over four points to 1.6, while the part-time employment index was mostly unaffected at .6. The hours worked index was likewise flat at 1.6.



CITY OF DALWORTHINGTON GARDENS

Price pressures remained stable in January, while wage pressures increased. The selling prices index and input prices index were stable from December at 6.2 and 22.1, respectively. The wages and benefits index increased three points to 11.9, its highest value in nearly a year.

Business respondents' beliefs regarding future business activity were slightly less hopeful compared with December. The future general business activity index fell two points to 23.2, while the future revenue index dropped nearly four points to 38.2, though still well above its 2020 average. Other indexes of future service sector activity such as employment decreased but remained firmly optimistic, suggesting expectations of stronger activity in the first half of the year.

Texas Retail Sector Outlook Survey

Retail sales activity leveled out in January, according to business executives responding to the survey. The sales index, a key measure of state retail activity, fell from 2.9 to -1.0, with nearly 30 percent of respondents noting decreased sales compared with December. Inventories declined, with the inventory index falling over four points to -2.9.

Retail labor market indicators suggest a slight increase in employment and workweek length compared with December. The employment index increased to 1.5, while the part-time index fell from 3.0 to 1.7. The hours worked index rose nearly five points to 1.7, pointing to slight improvement in employee working hours.

Retailers' insights of broader business conditions were approximately the same in January as the end of 2020. The general business activity index rebounded over 11 points to -0.4, while the company outlook index was mostly unaffected at -1.9. The outlook uncertainty index rose about four points to 3.9 suggesting some net increase in respondents' uncertainty.

Retail price and wage pressures eased slightly in January. The wages and benefits index fell from 7.1 to 5.3, with nearly 15 percent of contacts noting increased wages, compared with 9 percent reporting decreases. The selling prices index decreased over three points to 19.8, while the input prices index fell just slightly from 36.3 – its highest level since 2018 – to 35.1.

Despite softness in recent activity, retailers relayed hopefulness for the future in January. The future general business activity index remained elevated at 20.8, while the future sales index fell slightly from 32.6 in December to 29.3 in January. Other indexes of future retail activity such as employment were mixed but remained optimistic, pointing to expectations of a solid rebound in 2021.



CITY OF DALWORTHINGTON GARDENS

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

Unrestricted fund balance in the general fund at year end was 29% of total general fund expenditures. This amount was slightly above the policy guidelines set by the Council for reserve balances, which is 90 days of the annual general fund budgeted expenditures, 25%. The Council has set a goal to achieve a target reserve balance of 180 days, 50%.

For financial stability, the City of Dalworthington Garden's strategic plan envisions covering operations without gas revenue, investing in repair & renewing/replacing infrastructure with cash, preferably with a means that does not raise the tax rate, and increasing cash reserves to six months of operations, with a goal of maintaining this reserve level.

For capital and infrastructure improvements, the City of Dalworthington Garden's strategic plan goals are to build a new & inspiring City Hall which is set to be completed in April 2021, to maintain/create a savings account for infrastructure long term, to purchase a new fire truck which the City has done through a capital lease in September 2020, and to find a way to maintain Pappy Elkins Lake. One way the City is building funding to use for street infrastructure is through a quarter cent sales tax approved by voters in 2018.

Other major goals from the City's strategic plan include educational excellence by partnering with existing schools; improving the appearance of the city through beautification and being an award winning city; maintaining operational excellence through all departments; and multiple economic development initiatives. The City currently has a large focus on economic development and has created goals for promoting planned development areas that need improvement, funding various economic development opportunities, entertaining incentive programs for businesses, revitalization of the northern business area of the city, continuing business outreach, and exploring opportunities for unique retail.

RELEVANT FINANCIAL POLICIES

The City of Dalworthington Gardens has adopted a comprehensive set of financial policies. The City of Dalworthington Gardens has a policy that requires the adoption of a balanced annual operating budget (i.e., estimated recurring revenues equal to or in excess of recurring expenditures). In addition, non-recurring or depleting revenue sources, such as a one-time revenue remittance of fund balance in excess of policy can only be budgeted/used to fund non-recurring expenditures, such as capital purchases or capital improvement projects and must be approved by Council. This will ensure that recurring expenditures are not funded by non-recurring sources.



CITY OF DALWORTHINGTON GARDENS

ACKNOWLEDGEMENTS

The preparation of this report could not be accomplished without the dedicated services of the City's staff. We wish to thank all City of DalwORTHINGTON GARDENS departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the Mayor and the Council for their unfailing support for maintaining the highest standards in professionalism in the management of the City of DalwORTHINGTON GARDENS' finances.

Respectfully submitted,

Lola Hazel

Lola Hazel
City Administrator

Kay Day

Kay Day
Finance Director



**CITY OF DALWORTHINGTON GARDENS, TEXAS
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2020**

GOVERNING BODY

Elected Officials

Mayor
Alderman Place 1
Alderman Place 2
Alderman Place 3
Alderman Place 4/Mayor Pro-Tem
Alderman Place 5

Laurie Bianco
John King
Steve Lafferty
Cathy Stein
Ed Motley
Joe Kohn

ADMINISTRATION

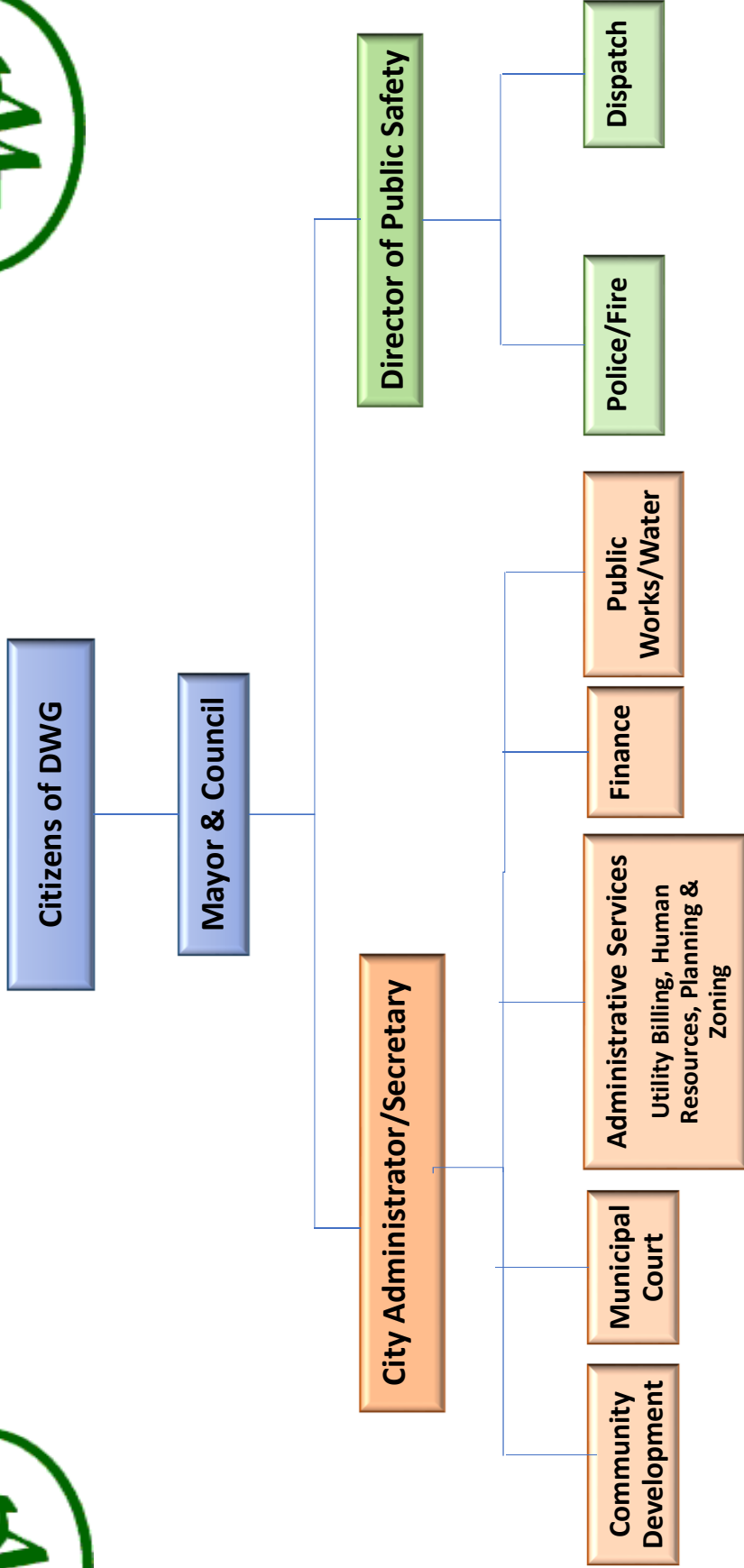
City Officials

City Administrator/Secretary
Director of Public Safety
Director of Finance
Municipal Court Administrator
Community Development Director
Public Works Superintendent

Lola Hazel
Greg Petty
Kay Day
Sandra Ma
Gary Harsley
Jeff Chasteen

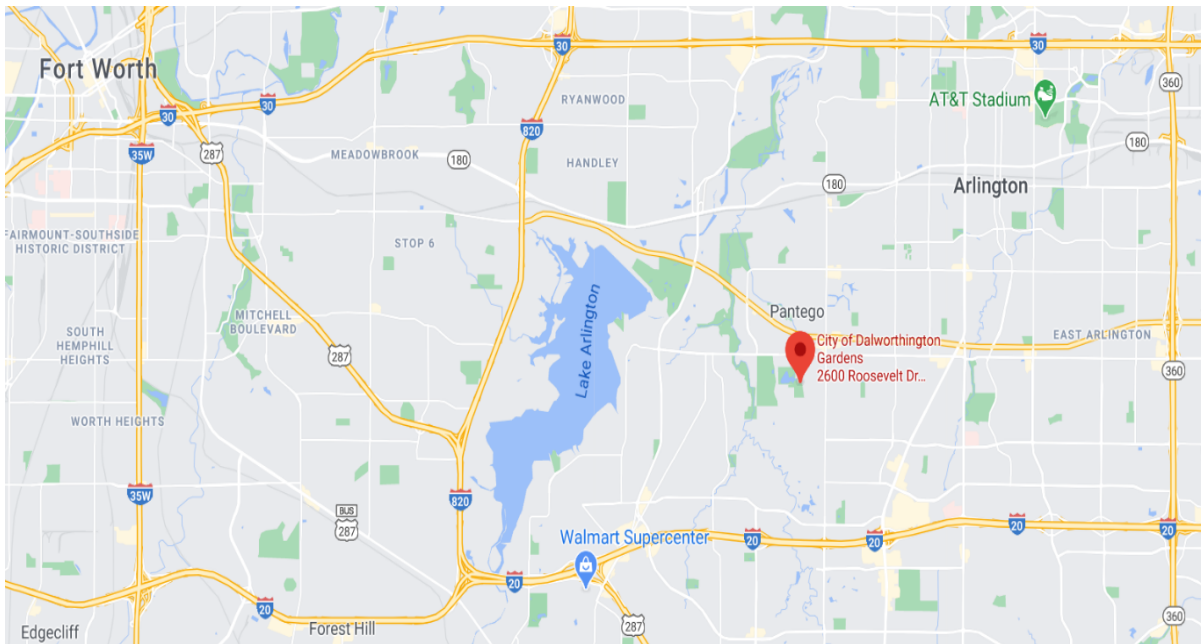
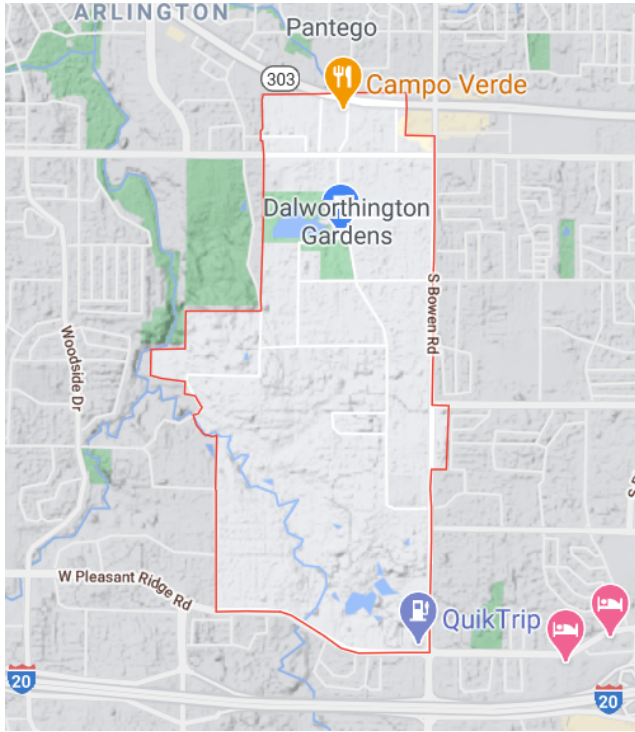


City of Dalworthington Gardens





CITY OF DALWORTHINGTON GARDENS CITY MAPS



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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Dalworthington Gardens, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dalworthington Gardens, Texas (the "City"), as of and for the year ended September 30, 2020, 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

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

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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, each major fund, and the aggregate remaining fund information of the City as of September 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the period 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, pension plan information, and OPEB liability information schedules 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's City of Dalworthington Gardens' basic financial statements. The items listed in the table of contents as other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information noted above is the responsibility of management and was derived from and relates 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
March 11, 2021

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***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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City of Dalworthington Gardens, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2020

As management of the City of Dalworthington Gardens, Texas (the "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, 2020. We encourage readers to consider the information presented here in conjunction with additional information contained in this report.

Financial Highlights

- The City's total combined net position was \$3,548,592 at September 30, 2020. Of this there is an unrestricted net position balance of negative \$1,174,314.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$3,727,574, a decrease of \$14,014.
- As of the end of the year, the unassigned fund balance of the general fund was \$1,041,670 or 29% of total general fund expenditures.
- The City had an overall increase in net position of \$1,252,731.
- The City closed the year with a net pension liability of \$2,129,864.

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 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 information on all of the City's assets and liabilities. The difference between the two is 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. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

City of Dalworthington Gardens, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2020

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, police, fire, public works, park and recreation, and economic development. The business-type activities of the City include water, sewer, and solid waste operations.

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, use fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

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

The City maintains ten 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, parks and recreation facility development fund, capital projects fund, debt service fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

City of Dalworthington Gardens, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2020

Proprietary Funds

The City maintains one 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 water distribution, wastewater collection, water construction operations and sanitation services. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

Notes to 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.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI) and Other Supplementary Information (OSI). The required RSI includes a budgetary comparison schedule for the general fund, and the parks & recreation facility development fund, schedule of changes in the net pension liability and related ratios and schedule of employer contributions for the Texas Municipal Retirement System, and the OPEB liability schedules. The OSI includes a budgetary comparison schedule for the debt service fund, all individual nonmajor governmental funds, proprietary fund and a proprietary schedule of services and rates. The RSI and OSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City, assets exceed liabilities by \$3,548,592 as of September 30, 2020, in the primary government.

The largest portion of the City's net position, \$3,390,671, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

City of Dalworthington Gardens, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2020

The following table reflects the condensed Statement of Net Position:

| | 2020 | | | 2019 | | |
|---------------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|
| | Governmental | Business-Type | Total | Governmental | Business-Type | Total |
| | Activities | Activities | | Activities | Activities | |
| Current and | | | | | | |
| other assets | \$ 4,890,564 | \$ 601,316 | \$ 5,491,880 | \$ 4,026,184 | \$ 493,403 | \$ 4,519,587 |
| Capital assets, net | 4,999,301 | 2,522,167 | 7,521,468 | 3,837,961 | 2,128,576 | 5,966,537 |
| Internal balances | - | - | - | 158,954 | (158,954) | - |
| Total Assets | 9,889,865 | 3,123,483 | 13,013,348 | 8,023,099 | 2,463,025 | 10,486,124 |
| Deferred Outflows | | | | | | |
| of Resources | 263,163 | 46,440 | 309,603 | 476,422 | 84,074 | 560,496 |
| Other liabilities | 1,399,498 | 335,167 | 1,734,665 | 424,450 | 284,378 | 708,828 |
| Long-term liabilities | 6,835,087 | 676,535 | 7,511,622 | 7,115,302 | 404,679 | 7,519,981 |
| Total Liabilities | 8,234,585 | 1,011,702 | 9,246,287 | 7,539,752 | 689,057 | 8,228,809 |
| Deferred Inflows | | | | | | |
| of Resources | 448,862 | 79,210 | 528,072 | 443,658 | 78,292 | 521,950 |
| Net Position: | | | | | | |
| Net investment in | | | | | | |
| capital assets | 1,283,471 | 2,107,200 | 3,390,671 | 842,275 | 2,128,576 | 2,970,851 |
| Restricted | 1,144,354 | 187,881 | 1,332,235 | 916,781 | - | 916,781 |
| Unrestricted | (958,244) | (216,070) | (1,174,314) | (1,242,945) | (348,826) | (1,591,771) |
| Total Net Position | \$ 1,469,581 | \$ 2,079,011 | \$ 3,548,592 | \$ 516,111 | \$ 1,779,750 | \$ 2,295,861 |

Current and other assets of governmental activities increased by \$864,380. The majority of this increase was due to funding of \$499,157 into a fire truck capital lease escrow account and \$115,339 increase in the Street Sales Tax fund. Capital assets increased by \$1,554,931 due primarily to the fire truck addition, construction in progress for city hall construction, and the meter project.

City of Dalworthington Gardens, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2020

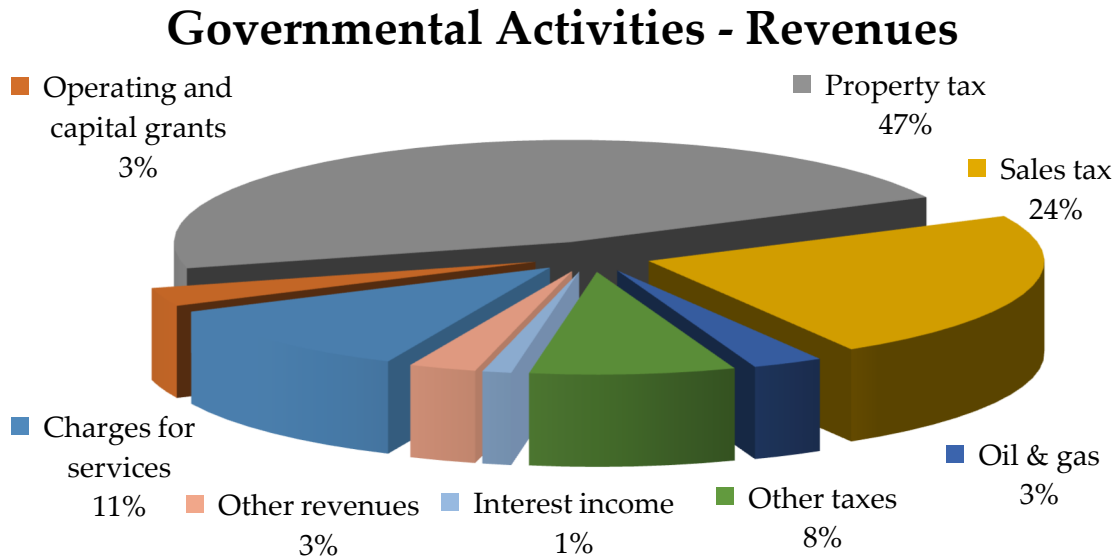
Statement of Activities:

The following table provides a summary of the City's changes in net position:

| | For the Year Ended September 30, 2020 | | | For the Year Ended September 30, 2019 | | |
|----------------------------------|---------------------------------------|-----------------------------|-----------------------|---------------------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | Primary Government | Governmental Activities | Business-Type Activities | Primary Government |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Services | \$ 479,231 | \$ 1,940,032 | \$ 2,419,263 | \$ 594,749 | \$ 1,658,820 | \$ 2,265,569 |
| Grants and capital contributions | 125,487 | 126,665 | 252,152 | - | - | - |
| General revenues: | | | | | | |
| Property tax | 1,993,889 | - | 1,993,889 | 1,900,957 | - | 1,900,957 |
| Sales tax | 1,008,013 | - | 1,008,013 | 841,944 | - | 841,944 |
| Other taxes | 355,690 | - | 355,690 | 376,434 | - | 376,434 |
| O&G revenue | 123,088 | - | 123,088 | 202,527 | - | 202,527 |
| Interest income | 50,268 | 1,651 | 51,919 | 99,595 | 4,248 | 103,843 |
| Other revenues | 117,123 | 40,310 | 157,433 | 126,374 | 36,656 | 151,030 |
| Total Revenues | 4,252,789 | 2,108,658 | 6,361,447 | 4,142,580 | 1,699,724 | 5,842,304 |
| Expenses | | | | | | |
| General | 348,346 | - | 348,346 | 324,896 | - | 324,896 |
| Public safety | 2,218,488 | - | 2,218,488 | 2,178,548 | - | 2,178,548 |
| Public works | 259,123 | - | 259,123 | 294,305 | - | 294,305 |
| Community development | 195,897 | - | 195,897 | 213,510 | - | 213,510 |
| Parks and recreation | 120,630 | - | 120,630 | 116,303 | - | 116,303 |
| Interest | 156,835 | 9,974 | 166,809 | 160,193 | 5,114 | 165,307 |
| Utilities | - | 1,799,423 | 1,799,423 | - | 1,783,487 | 1,783,487 |
| Total Expenses | 3,299,319 | 1,809,397 | 5,108,716 | 3,287,755 | 1,788,601 | 5,076,356 |
| Change in Net Position | | | | | | |
| Before Transfers | 953,470 | 299,261 | 1,252,731 | 854,825 | (88,877) | 765,948 |
| Transfers | - | - | - | (4,151) | 4,151 | - |
| Total | - | - | - | (4,151) | 4,151 | - |
| Change in Net Position | 953,470 | 299,261 | 1,252,731 | 850,674 | (84,726) | 765,948 |
| | 516,111 | 1,779,750 | 2,295,861 | (334,563) | 1,864,476 | 1,529,913 |
| Ending Net Position | \$ 1,469,581 | \$ 2,079,011 | \$ 3,548,592 | \$ 516,111 | \$ 1,779,750 | \$ 2,295,861 |

City of Dalworthington Gardens, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2020

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

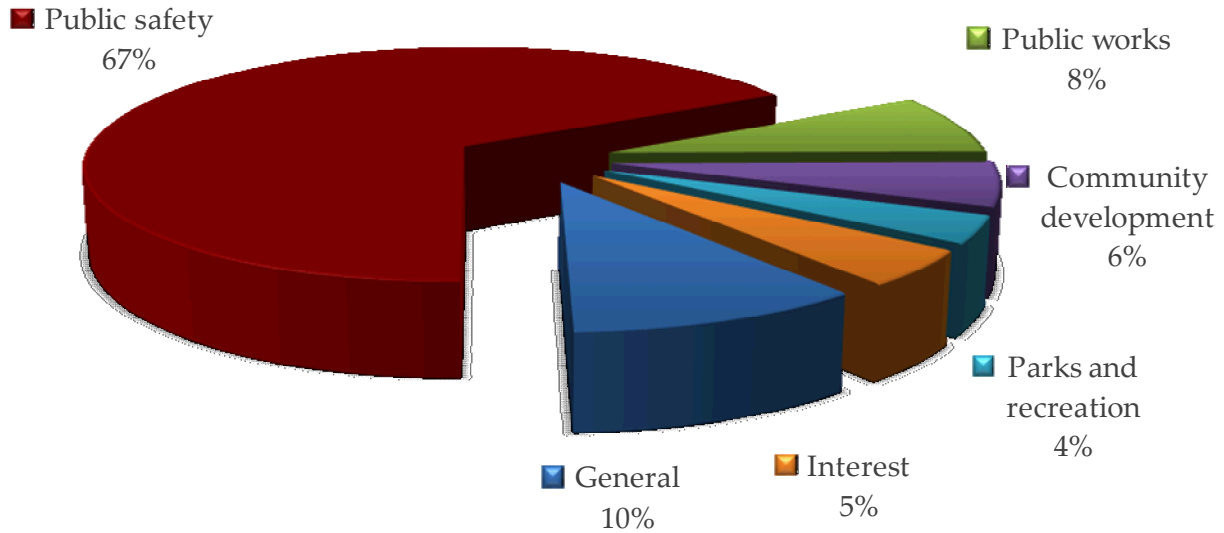


For the year ended September 30, 2020, revenues from governmental activities totaled \$4,252,789. Property tax, sales tax, franchise taxes, and charges for services are the City's largest revenue sources. Grants and contributions increased by \$125,487, which consist of \$85,784 received from Tarrant County for the 45th CDBG contributions and \$39,703 received from CARES Act funding to reimburse for COVID-19 related expenditures. Sales taxes increased by \$166,069 or 20% due to an increase in on-line sales, liquor store sales and a full year of taxes on residential gas and electricity utility receipts. Interest income decreased by \$49,327 or 50% primarily due to the Federal Reserve cutting interest rates in an attempt to keep the economic expansion from slowing down due to effects related to the coronavirus pandemic. Oil & gas revenue decreased by \$79,439 or 39% primarily due to a decline in production. All other revenues remained relatively stable when compared to the previous year.

City of Dalworthington Gardens, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2020

This graph shows the governmental function expenses of the City:

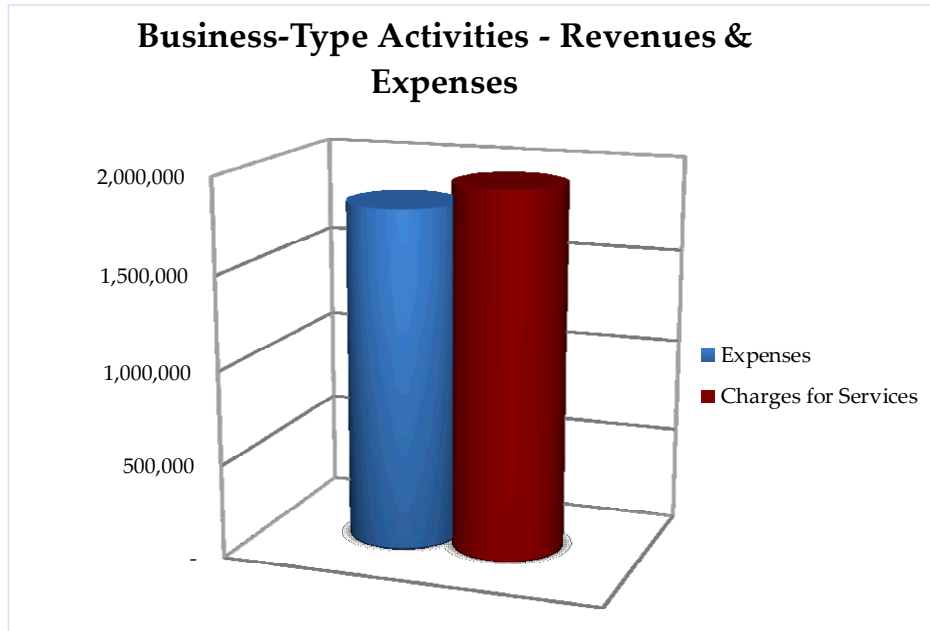
Governmental Activities - Expenses



For the year ended September 30, 2020, expenses for governmental activities totaled \$3,299,319. This represents an increase of \$11,564 or 0.4% from the prior year, which is considered minimal. The City's largest functional expense is public safety of \$2,218,488, which increased by 2% over the prior year, which is consistent with inflation.

City of Dalworthington Gardens, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2020

Business-type activities are shown comparing operating costs to revenues generated by related services.



For the year ended September 30, 2020, charges for services by business-type activities totaled \$1,940,032. This is an increase of \$281,212 or 17%, from the previous year. Utility rates were increased in August 2019, which resulted in an additional ten months of revenue in the current year. Additionally, there was an increase in utility consumption in the current year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

As of the end of the year the general fund reflected a total fund balance of \$1,104,865. Unassigned fund balance totaled \$1,041,670 as of year-end or 29% of total expenditures for the year. There was an overall increase in general fund balance of \$176,897 from the prior year. The increase was primarily a result of lease proceeds during the year for escrow funds received to pay for a fire truck.

City of Dalworthington Gardens, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2020

The parks and recreation facility development fund had an ending fund balance of \$581,220, an increase of \$27,855 from the prior year.

The debt service fund had an ending fund balance of \$86,046 at year-end for an increase of \$10,571. Total principal and interest payments made during the year were \$135,000 and \$168,038, respectively.

The capital projects fund had an ending fund balance of \$1,524,730, a decrease of \$376,721 from the prior year.

There was an overall decrease in governmental fund balance of \$14,014 from the prior year.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The final budget included amendments to the original budget to decrease revenue by \$52,000, increase expenditures by \$547,764, and increase other financing sources (uses) by \$495,707. Revenues were decreased due to oil and gas revenues being less than predicted based on market factors, and interest income being below expectations due to lower than anticipated interest rates. Expenditures and other financing sources increased primarily due to the acquisition and financing of a new fire truck.

There was a total positive revenue variance of \$17,808 and a positive expenditure variance of \$72,014 for the year. The positive revenue variance was primarily due to positive variances in property taxes, sales taxes, intergovernmental revenues, offset by a negative variance in municipal court, interest income, and oil and gas mineral rights revenues. The positive expenditure variance was primarily due to a positive variance in general government, public works, and court of \$27,925, \$17,821 and \$12,665, respectively. The total budget variance was a positive variance of \$94,415.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$4,999,301 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$2,522,167 in a variety of capital assets and infrastructure, net of accumulated depreciation.

City of Dalworthington Gardens, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2020

Major capital asset events during the current year include the following:

- New City Hall engineering and construction costs of \$354,235 during the year.
- 45th Community Development Block Grant (CDBG) Ambassador Row engineering and construction costs of \$121,890 for the general fund street portion and \$114,023 for the enterprise water system.
- Purchase of new Spartan Fire Truck for \$660,948.
- Purchase of 20 SCBA's with charging stations for the fire department for \$155,954.
- Purchase of 2 Chevrolet Tahoes for the police department for \$98,629.
- Purchase of a Chevrolet 1500 Crew Cab for the Water Department for \$38,024.
- Purchase of new AMI water meter and infrastructure system for the water department for \$414,713.
- Purchase of 911 Recorder Phone System for the dispatch department for \$24,426.
- Purchase of Toughbooks for DPS officers for \$46,289.

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

LONG-TERM DEBT

At the end of the current year, the City had total bonds, notes, and leases outstanding of \$5,336,443. During the year, the City's payments on long-term debt were \$158,790. During the year, the City issued new capital leases totaling \$921,871. More detailed information about the City's long-term liabilities is presented in note IV.E. to the financial statements,

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of Dalworthington Gardens and improving services provided to their public citizens. The City no longer depends on an infinite resource of Oil & Gas well royalties to fund maintenance & operation costs. This resource has been committed to increase operating reserves, one-time large capital purchases and pay off debt.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Dalworthington Gardens' finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Finance Director, 2600 Roosevelt Drive, Dalworthington Gardens, Texas 76016.



FINANCIAL STATEMENTS

City of Dalworthington Gardens, Texas

STATEMENT OF NET POSITION (Page 1 of 2)

September 30, 2020

| | Primary Government | | |
|--|----------------------------|-----------------------------|--------------|
| | Governmental Activities | Business-Type Activities | Total |
| <u>Assets</u> | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 2,292,602 | \$ 925 | \$ 2,293,527 |
| Restricted cash | 2,306,662 | 268,341 | 2,575,003 |
| Receivables, net | 259,907 | 325,870 | 585,777 |
| Prepays | 31,393 | 6,180 | 37,573 |
| Total Current Assets | 4,890,564 | 601,316 | 5,491,880 |
| Capital assets: | | | |
| Non-depreciable | 932,710 | 109,201 | 1,041,911 |
| Net depreciable capital assets | 4,066,591 | 2,412,966 | 6,479,557 |
| Total Noncurrent Assets | 4,999,301 | 2,522,167 | 7,521,468 |
| Total Assets | 9,889,865 | 3,123,483 | 13,013,348 |
| <u>Deferred Outflows of Resources</u> | | | |
| Pension | 252,805 | 44,612 | 297,417 |
| OPEB | 10,358 | 1,828 | 12,186 |
| Total Deferred Outflows of Resources | 263,163 | 46,440 | 309,603 |

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2020

| | Primary Government | | Total |
|---|----------------------------|-----------------------------|--------------|
| | Governmental Activities | Business-Type Activities | |
| <u>Liabilities</u> | | | |
| Current liabilities: | | | |
| Accounts payable and accrued liabilities | 1,018,248 | 174,590 | 1,192,838 |
| Unearned revenue | 79,025 | - | 79,025 |
| Accrued interest payable | 28,584 | 9,184 | 37,768 |
| Customer deposits | - | 63,838 | 63,838 |
| Long-term debt due within one year | 216,396 | 78,863 | 295,259 |
| Compensated absences, current | 57,245 | 8,692 | 65,937 |
| Total Current Liabilities | 1,399,498 | 335,167 | 1,734,665 |
| Noncurrent liabilities: | | | |
| Long-term debt due in more than a year | 4,948,992 | 343,851 | 5,292,843 |
| Net pension liability | 1,810,384 | 319,480 | 2,129,864 |
| OPEB liability | 69,351 | 12,238 | 81,589 |
| Compensated absences, noncurrent | 6,360 | 966 | 7,326 |
| Total Noncurrent Liabilities | 6,835,087 | 676,535 | 7,511,622 |
| Total Liabilities | 8,234,585 | 1,011,702 | 9,246,287 |
| <u>Deferred Inflows of Resources</u> | | | |
| Pension | 443,433 | 78,252 | 521,685 |
| OPEB | 5,429 | 958 | 6,387 |
| Total Deferred Inflows of Resources | 448,862 | 79,210 | 528,072 |
| <u>Net Position</u> | | | |
| Net investment in capital assets | 1,283,471 | 2,107,200 | 3,390,671 |
| Restricted | 1,144,354 | 187,881 | 1,332,235 |
| Unrestricted | (958,244) | (216,070) | (1,174,314) |
| Total Net Position | \$ 1,469,581 | \$ 2,079,011 | \$ 3,548,592 |

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2020

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government | | | | |
| Governmental Activities | | | | |
| General government | \$ 348,346 | \$ - | \$ 8,112 | \$ - |
| Public safety | 2,218,488 | 404,773 | 23,772 | - |
| Public works | 259,123 | - | 7,819 | 85,784 |
| Parks and recreation | 120,630 | - | - | - |
| Community development | 195,897 | 74,458 | - | - |
| Interest and fiscal charges | 156,835 | - | - | - |
| Total Governmental Activities | 3,299,319 | 479,231 | 39,703 | 85,784 |
| Business-Type Activities | | | | |
| Water, Sewer, & Sanitation | 1,809,397 | 1,940,032 | 46,619 | 80,046 |
| Total Business-Type Activities | 1,809,397 | 1,940,032 | 46,619 | 80,046 |
| Total Primary Government | \$ 5,108,716 | \$ 2,419,263 | \$ 86,322 | 165,830 |

General Revenues:

Taxes

Property tax

Sales tax

Franchise and local taxes

Oil and gas mineral rights

Interest income

Other revenues

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

| Primary Government | | |
|------------------------------------|-------------------------------------|---------------------|
| Governmental Activities | Business-Type Activities | Total |
| \$ (340,234) | \$ - | \$ (340,234) |
| (1,789,943) | - | (1,789,943) |
| (165,520) | - | (165,520) |
| (120,630) | - | (120,630) |
| (121,439) | - | (121,439) |
| (156,835) | - | (156,835) |
| <u>(2,694,601)</u> | <u>-</u> | <u>(2,694,601)</u> |
| - | 257,300 | 257,300 |
| <u>-</u> | <u>257,300</u> | <u>257,300</u> |
| <u>(2,694,601)</u> | <u>257,300</u> | <u>(2,437,301)</u> |
| 1,993,889 | - | 1,993,889 |
| 1,008,013 | - | 1,008,013 |
| 355,690 | - | 355,690 |
| 123,088 | - | 123,088 |
| 50,268 | 1,651 | 51,919 |
| 117,123 | 40,310 | 157,433 |
| <u>3,648,071</u> | <u>41,961</u> | <u>3,690,032</u> |
| 953,470 | 299,261 | 1,252,731 |
| 516,111 | 1,779,750 | 2,295,861 |
| <u>\$ 1,469,581</u> | <u>\$ 2,079,011</u> | <u>\$ 3,548,592</u> |

City of Dalworthington Gardens, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2020

| | <u>General</u> | <u>Parks and Recreation Facility Development</u> | <u>Capital Projects</u> | <u>Debt Service</u> |
|--|---------------------|--|-----------------------------|-------------------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 1,288,959 | \$ 563,774 | \$ - | \$ 86,046 |
| Restricted cash | 579,260 | - | 1,706,633 | - |
| Receivables, net | 166,877 | 20,342 | - | 11,730 |
| Prepays | 25,171 | 2,362 | - | - |
| Total Assets | \$ 2,060,267 | \$ 586,478 | \$ 1,706,633 | \$ 97,776 |
| <u>Liabilities</u> | | | | |
| Accounts payable and accrued liabilities | \$ 822,390 | \$ 5,258 | \$ 181,903 | \$ - |
| Unearned revenue | 79,025 | - | - | - |
| Total Liabilities | 901,415 | 5,258 | 181,903 | - |
| <u>Deferred Inflows of Resources</u> | | | | |
| Unavailable revenue - property taxes | 53,987 | - | - | 11,730 |
| <u>Fund Balances</u> | | | | |
| Nonspendable: | | | | |
| Prepaid items | 25,171 | - | - | - |
| Restricted for: | | | | |
| Parks and recreation | - | 581,220 | - | - |
| Special revenue | - | - | - | - |
| Capital improvements | - | - | 1,524,730 | - |
| Debt service | - | - | - | 86,046 |
| CARES Act Relief Fund | 38,024 | - | - | - |
| Unassigned reported in: | | | | |
| General fund | 1,041,670 | - | - | - |
| Total Fund Balances | 1,104,865 | 581,220 | 1,524,730 | 86,046 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 2,060,267 | \$ 586,478 | \$ 1,706,633 | \$ 97,776 |

See Notes to Financial Statements.

| Nonmajor Governmental Funds | Total Governmental Funds |
|--|---|
| \$ 353,823 | \$ 2,292,602 |
| 20,769 | 2,306,662 |
| 60,958 | 259,907 |
| 3,860 | 31,393 |
| \$ 439,410 | \$ 4,890,564 |

| | |
|----------|--------------|
| \$ 8,697 | \$ 1,018,248 |
| - | 79,025 |
| 8,697 | 1,097,273 |

| | |
|---|--------|
| - | 65,717 |
|---|--------|

| | |
|---------|-----------|
| - | 25,171 |
| - | 581,220 |
| 430,713 | 430,713 |
| - | 1,524,730 |
| - | 86,046 |
| - | 38,024 |
| - | 1,041,670 |
| 430,713 | 3,727,574 |

| | |
|------------|--------------|
| \$ 439,410 | \$ 4,890,564 |
|------------|--------------|

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City of Dalworthington Gardens, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2020

| | |
|--|------------------|
| Fund Balances - Total Governmental Funds | \$ 3,727,574 |
| Adjustments for the Statement of Net Position: | |
| Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds. | |
| Capital assets - non-depreciable | 932,710 |
| Capital assets - net depreciable | 4,066,591 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds. | |
| Property tax receivable | 65,717 |
| Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expenditure) until then. | |
| Pension contributions | 218,872 |
| Pension assumptions | 33,933 |
| OPEB contributions | 313 |
| OPEB difference between assumptions and actual | 10,045 |
| Deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. | |
| Pension economic experience | (263,749) |
| Pension investment (gains) losses | (179,684) |
| OPEB difference in expected and actual experience | (5,429) |
| Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds. | |
| Accrued interest | (28,584) |
| Compensated absences | (63,605) |
| Long term debt due within one year | (216,396) |
| Long term debt due in more than one year | (4,948,992) |
| Net pension liability | (1,810,384) |
| OPEB liability | (69,351) |
| Net Position of Governmental Activities \$ | 1,469,581 |

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended September 30, 2020

| | <u>General</u> | <u>Parks and Recreation Facility Development</u> | <u>Capital Projects</u> | <u>Debt Service</u> |
|--|---------------------|--|-----------------------------|-------------------------|
| <u>Revenues</u> | | | | |
| Property tax | \$ 1,664,078 | \$ - | \$ - | \$ 311,668 |
| Sales tax | 506,785 | 125,516 | - | - |
| Franchise and local taxes | 355,690 | - | - | - |
| License and permits | 74,458 | - | - | - |
| Fines and forfeitures | 374,937 | - | - | - |
| Oil and gas mineral rights | 123,088 | - | - | - |
| Interest income | 20,224 | 8,086 | 16,680 | 1,941 |
| Intergovernmental | 38,503 | - | - | - |
| Other revenues | 99,240 | 365 | - | - |
| Total Revenues | 3,257,003 | 133,967 | 16,680 | 313,609 |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Community development | 196,780 | - | - | - |
| Municipal court | 186,967 | - | - | - |
| General government | 344,117 | - | - | - |
| Police | 1,565,054 | - | - | - |
| Fire | 1,144,494 | - | - | - |
| Public works | 117,618 | - | - | - |
| Parks and recreation | - | 108,779 | - | - |
| Capital outlay | - | - | 393,401 | - |
| Debt Service: | | | | |
| Principal | 23,790 | - | - | 135,000 |
| Interest and fiscal charges | 1,586 | - | - | 168,038 |
| Total Expenditures | 3,580,406 | 108,779 | 393,401 | 303,038 |
| Excess of Revenues | | | | |
| Over (Under) Expenditures | (323,403) | 25,188 | (376,721) | 10,571 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Capital lease issuance | 499,157 | - | - | - |
| Proceeds from sale of capital | 14,593 | 2,667 | - | - |
| Transfers out | (13,450) | - | - | - |
| Transfers in | - | - | - | - |
| Total Other Financing (Sources) | 500,300 | 2,667 | - | - |
| Net Change in Fund Balances | 176,897 | 27,855 | (376,721) | 10,571 |
| Beginning fund balances | 927,968 | 553,365 | 1,901,451 | 75,475 |
| Ending Fund Balances | \$ 1,104,865 | \$ 581,220 | \$ 1,524,730 | \$ 86,046 |

See Notes to Financial Statements.

| Nonmajor Governmental Funds | Total Governmental Funds |
|--|---|
| \$ - | \$ 1,975,746 |
| 375,712 | 1,008,013 |
| - | 355,690 |
| - | 74,458 |
| 29,836 | 404,773 |
| - | 123,088 |
| 3,337 | 50,268 |
| 1,200 | 39,703 |
| 258 | 99,863 |
| 410,343 | 4,131,602 |
| - | 196,780 |
| - | 186,967 |
| - | 344,117 |
| 104,261 | 1,669,315 |
| - | 1,144,494 |
| 2,841 | 120,459 |
| - | 108,779 |
| 169,300 | 562,701 |
| - | 158,790 |
| 7 | 169,631 |
| 276,409 | 4,662,033 |
| 133,934 | (530,431) |
| - | 499,157 |
| - | 17,260 |
| - | (13,450) |
| 13,450 | 13,450 |
| 13,450 | 516,417 |
| 147,384 | (14,014) |
| 283,329 | 3,741,588 |
| \$ 430,713 | \$ 3,727,574 |

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City of Dalworthington Gardens, 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, 2020

Amounts reported for governmental activities in the statement of activities are different because:

| | | |
|---|----|----------|
| Net changes in fund balances - total governmental funds | \$ | (14,014) |
|---|----|----------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | | |
|--|--|-----------|
| Capital outlay | | 1,444,612 |
| Depreciation expense | | (369,056) |
| Capital assets contributed from county | | 85,784 |

| | | |
|--|--|--------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | 18,143 |
|--|--|--------|

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.

| | | |
|------------------------|--|---------|
| Compensated absences | | (1,861) |
| Accrued interest | | (110) |
| Pension expense | | 122,756 |
| OPEB expense reduction | | (5,323) |

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

| | | |
|-------------------------|--|-----------|
| Capital lease issuance | | (499,157) |
| Principal payments | | 158,790 |
| Amortization of premium | | 12,906 |

| | | |
|--|-----------|----------------|
| Change in Net Position of Governmental Activities | \$ | 953,470 |
|--|-----------|----------------|

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2020

| | Water, Sewer & Sanitation |
|--|--|
| <u>Assets</u> | |
| <u>Current Assets</u> | |
| Cash and cash equivalents | \$ 925 |
| Restricted cash | 268,341 |
| Prepaid expenses | 6,180 |
| Receivables, net | 325,870 |
| Total Current Assets | 601,316 |
| <u>Noncurrent Assets</u> | |
| Capital assets: | |
| Non-depreciable | 109,201 |
| Net depreciable capital assets | 2,412,966 |
| Total Noncurrent Assets | 2,522,167 |
| Total Assets | 3,123,483 |
| <u>Deferred Outflows of Resources</u> | |
| Pension | 44,612 |
| OPEB | 1,828 |
| Total Deferred Outflows of Resources | 46,440 |
| <u>Liabilities</u> | |
| <u>Current Liabilities</u> | |
| Accounts payable and accrued liabilities | 174,590 |
| Customer deposits | 63,838 |
| Accrued interest | 9,184 |
| Compensated absences, current | 8,692 |
| Long-term debt due within one year | 78,863 |
| Total Current Liabilities | 335,167 |
| <u>Noncurrent Liabilities</u> | |
| Net pension liability | 319,480 |
| OPEB liability | 12,238 |
| Compensated absences, noncurrent | 966 |
| Long-term debt, noncurrent | 343,851 |
| Total Liabilities | 1,011,702 |
| <u>Deferred Inflows of Resources</u> | |
| Pension | 78,252 |
| OPEB | 958 |
| Total Deferred Inflows of Resources | 79,210 |
| <u>Net Position</u> | |
| Net investment in capital assets | 2,107,200 |
| Restricted | 187,881 |
| Unrestricted | (216,070) |
| Total Net Position | \$ 2,079,011 |

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas

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

For the Year Ended September 30, 2020

| | | <u>Water, Sewer & Sanitation</u> |
|---|----|--|
| <u>Operating Revenues</u> | | |
| Water sales | \$ | 1,094,007 |
| Sewer revenue | | 623,972 |
| Refuse collection | | 186,636 |
| Other revenue | | 35,417 |
| Total Operating Revenues | | <u>1,940,032</u> |
| <u>Operating Expenses</u> | | |
| Cost of water | | 530,603 |
| Cost of sewer | | 310,224 |
| Cost of refuse | | 164,809 |
| Personnel | | 346,581 |
| Material, utilities & maintenance | | 90,835 |
| Contracted and other services | | 166,062 |
| Depreciation | | 163,986 |
| Total Operating Expenses | | <u>1,773,100</u> |
| Operating Income (Loss) | | <u>166,932</u> |
| <u>Nonoperating Revenues (Expenses)</u> | | |
| Investment income | | 1,651 |
| Liability Forgiveness | | 40,310 |
| Intergovernmental | | 46,619 |
| Loss on disposition of capital assets | | (26,323) |
| Interest expense | | (9,974) |
| Total Nonoperating Revenues (Expenses) | | <u>52,283</u> |
| Income (Loss) Before Capital Contributions and Transfers | | 219,215 |
| Capital contributions | | <u>80,046</u> |
| Change in Net Position | | 299,261 |
| Beginning net position | | <u>1,779,750</u> |
| Ending Net Position | \$ | <u><u>2,079,011</u></u> |

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 1 of 2) For the Year Ended September 30, 2020

| | Water, Sewer & Sanitation |
|---|--|
| <u>Cash Flows from Operating Activities</u> | |
| Receipts from customers | \$ 1,920,379 |
| Payments to suppliers and contractors | (1,432,465) |
| Payments to employees | (371,332) |
| Net Cash Provided (Used) by Operating Activities | 116,582 |
| <u>Cash Flows from Noncapital and Financing Activities</u> | |
| Operating grants | 46,619 |
| Net Cash Provided (Used) by Capital Financing Activities | 46,619 |
| <u>Cash Flows from Capital and Financing Activities</u> | |
| Purchase of capital assets | (583,900) |
| Capital grants | 80,046 |
| Proceeds from issuance of debt | 422,714 |
| Interest paid | (790) |
| Net Cash Provided (Used) by Capital Financing Activities | (81,930) |
| <u>Cash Flows from Investing Activities</u> | |
| Interest on investments | 1,651 |
| Net Cash Provided by Investing Activities | 1,651 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 82,922 |
| Beginning cash, cash equivalents, and restricted cash | 186,344 |
| Ending Cash, Cash Equivalents, and Restricted Cash | \$ 269,266 |

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUND (Page 2 of 2) For the Year Ended September 30, 2020

| | <u>Water, Sewer & Sanitation</u> |
|--|--|
| <u>Reconciliation of Operating Income (Loss)</u> | |
| <u>to Net Cash (Used) by Operating Activities</u> | |
| Operating Income (Loss) | \$ 166,932 |
| Adjustments to reconcile operating income to net cash used: | |
| Depreciation | 163,986 |
| Changes in Operating Assets and Liabilities: | |
| (Increase) Decrease in: | |
| Accounts receivable | (23,679) |
| Prepaid expenses | (1,312) |
| Deferred outflows of resources: OPEB | (1,777) |
| Deferred outflows of resources: Pension | 40,065 |
| Increase (Decrease) in: | |
| Accounts payable and accrued liabilities | (9,666) |
| Customer deposits | 4,026 |
| Compensated absences | (4,027) |
| Net pension liability | (62,277) |
| OPEB liability | 3,001 |
| Deferred intflows of resources - OPEB | (285) |
| Deferred intflows of resources - pension | 549 |
| Due to other funds | (158,954) |
| Net Cash Provided (Used) by Operating Activities | \$ 116,582 |

Schedule of Non-Cash Capital and Related Financing Activities

| | |
|-----------------------------------|-------------|
| Liability forgiven by vendor | \$ 40,310 |
| Loss on capital asset disposition | \$ (26,323) |

See Notes to Financial Statements.

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City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Dalworthington Gardens, Texas, Texas (the “City”) was incorporated on July 19, 1949 under Title 28, Revised Civil Statutes of Texas, 1928, Chapters 1-10, as amended, relating to cities and towns. The City operates under an aldermanic form of government and provides the following services as authorized by the general laws of the State of Texas as a duly incorporated general law City and subsequent City ordinances; public safety (police and fire), highway and streets, sanitation, water and sewer, public improvements, planning and zoning, and general administrative services.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. The accompanying financial statements present the government and its component units, entities for which the government 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.

Blended component units. The City’s Parks and Recreation Facility Development Corporation is governed by the City Council. Although it is legally separate from the City, the Parks and Recreation Facility Development Corporation is reported as a special revenue fund as if it were part of the primary government because its board is substantially the same as the City’s governing City Council.

The Dalworthington Gardens Crime Control and Prevention District is a special purpose district that collects sales tax within its boundaries for the purpose of controlling and preventing crime. The District’s board consists of the City Council and is reported as a special revenue fund as if it were part of the primary government.

B. Financial Statement Presentation

These financial statements include implementation of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Requirements of the statement include the following:

- A Management’s Discussion and Analysis (MD&A) section providing an analysis of the City’s overall financial position and results of operations;

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

- Financial statements prepared using full accrual accounting for all of the City's activities;
- A change in the fund financial statements to focus on the major funds.

GASB Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position and a statement of activities. It requires the classification of net position into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets**—This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted**—This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted**—This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information about the City as a whole. These statements include all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients for goods or services offered by the programs and grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, such as taxes and investment earnings, are presented as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. In the fund financial statements, the accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The government reports the following major governmental funds:

Governmental Funds

Governmental funds are those funds through which most governmental functions are typically financed.

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, court, community development, police, fire, and public works.

Debt Service Fund

The debt service fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of governmental funds. The primary source of revenue for debt service is local property taxes.

Capital Projects Fund

The capital projects fund accounts for the acquisition and construction of the government's major capital projects, other than those financed by proprietary funds.

Parks and Recreation Facilities Development Corporation

This Corporation was created to implement the General Park Facilities Development Plan. This shall be done in coordination with the necessary contracting parties to research, develop, prepare, finance, and implement this plan. The primary source of revenues for this fund is sales taxes.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its enterprise funds as presented by GASB. The proprietary fund types used by the City include enterprise funds.

The government reports the following major enterprise fund:

Water, Sewer, & Sanitation Fund

This fund is used to account for the provision of water, sewer & garbage services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer distribution systems, water collection systems, and contract garbage services. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

D. Measurement Focus and Basis of Accounting

The government-wide statements of net position and statements of activities and all proprietary funds are accounted for on a flow of economic resources measurement focus, accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operations of these activities are included on the balance sheet. Proprietary fund equity consists of net position. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and component units are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing resources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The City utilizes the modified accrual basis of accounting in the governmental fund type and component units. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current period. Revenues susceptible to accrual include charges for services and interest on temporary investments.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

Property taxes, sales taxes, franchise taxes, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Under modified accrual accounting, expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for interest on general long-term debt, which is recognized when due.

The accrual basis of accounting is used for the proprietary fund types. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable, and expenses in the accounting period in which they are incurred and become measurable.

The statements of net position, statements of activities, and financial statements of proprietary fund types are presented on the accrual basis of accounting. Under this method of accounting, revenues are recognized in the accounting period in which they are earned, and expenses in the accounting period in which they are incurred.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexSTAR, are reported using the pools' share price.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

- Obligations of the U.S. Government
- Direct obligations of the State of Texas or its agencies
- Obligations of states, agencies, counties, cities, and other political subdivisions
- Fully collateralized certificates of deposit
- No-load money market mutual funds
- Statewide investment pools

2. Fair Value Measurement

The City has applied Governmental Accounting Standards Board (“GASB”) Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds” in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as “due to/from component unit/primary government.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

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

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Property Taxes

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 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Penalties are calculated after February 1 up to the date collected by the City. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as individual assets or a group of similar items with a cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

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

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

| Asset Description | Estimated Useful Life |
|--------------------------------|------------------------------|
| Vehicles | 3 to 5 years |
| Furniture and office equipment | 3 to 5 years |
| Machinery & equipment | 3 to 25 years |
| Infrastructure | 10 to 50 years |
| Water and sewer system | 10 to 75 years |
| Buildings and improvements | 15 to 30 years |

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. An example is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

7. Net Position Flow Assumption

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

8. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government'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.

9. 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 government 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 government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government 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

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

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 government for specific purposes but do not meet the criteria to be classified as committed. The governing body (City Council) has by resolution authorized the finance director to assign fund balance. The 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 have 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.

10. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation balances and banked compensation time gained through working overtime. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

11. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable, capital leases, and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed as incurred.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

12. Pensions

For purposes of measuring the net pension liability (asset), 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.

13. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

14. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, "the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, debt service, parks and recreation facility development, crime control and prevention, special revenue, and utility funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the department level. No funds can be transferred or added to a budgeted item without Council approval. The budgeted revenues and expenditures for the general fund were amended during the current fiscal year. The final budgeted revenues were decreased compared to the original budget. The final budgeted expenditures were increased compared to the original budget. Appropriations lapse at the end of the year.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

The City has implemented procedures to ensure budgetary compliance. No expenditure can be made unless there is a budget available or an approved budget amendment has been submitted. Department head and management will review the budget variances on a regular basis and the budget will be amended if necessary.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As stated in I.E.1., the City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. The City's investments in 2a7-like pools such as TexStar are included in this category. Although the City's investments in TexStar and LOGIC are available for immediate withdrawal, disclosure of the pool's weighted average maturity and bond rating are required. The City had the following deposits considered to be cash and cash equivalents at year end:

| <u>Investment Type</u> | <u>Carrying Value</u> | <u>Weighted Average Maturity Days</u> |
|-------------------------|-----------------------|---|
| TexStar investment pool | 2,002,791 | 44 |
| LOGIC investment pool | 821,328 | 52 |
| Total fair value | <u>\$ 2,824,119</u> | |

Interest rate risk In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed one year; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency, No-load money market mutual funds registered and regulated by the SEC and must maintain a stable net asset value of \$1.00 per share, Certificates of deposits which are fully FDIC insured or collateralized from a depository institution doing business in the State of Texas, not to exceed 5 years to stated maturity, and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

service. As of September 30, 2020, the City's investment in TexSTAR and LOGIC was rated AAAM by Standard & Poor's.

Custodial credit risk – In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2020, the market values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexSTAR

The Texas Short Term Asset Reserve Fund ("TexSTAR") is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. TexSTAR was created in April 2002 by contract among its participating governmental units and is governed by a board of directors. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. act as co-administrators, providing investment management services, participant services, and marketing, respectively. JPMorgan Chase Bank and/or its subsidiary, J.P. Morgan Investor Services, Inc., provide custodial, transfer agency, fund accounting, and depository services. There were no limitations or restrictions on withdrawals.

TexSTAR operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR uses amortized cost rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in TexSTAR are the same as the value of TexSTAR shares.

LOGIC

Local Government Investment Cooperative ("LOGIC") was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Public Funds Investment Act allows eligible local governments, state agencies, and nonprofit corporations of the State of Texas to jointly invest their funds in permitted investments.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

LOGIC's governing body is a five-member Board of Directors comprised of employees, officers or elected officials of participant Government Entities or individuals who do not have a business relationship with the Cooperative and are qualified to advise it. A maximum of two advisory board members represent the Co-Administrators of the Cooperative. At September 30, 2020, the fair value of the position in LOGIC approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

B. Receivables

The following comprise receivable balances of the primary government at year end:

| | General | Parks and Recreation Facility Development | Debt Service | Nonmajor Governmental | Water, Sewer & Sanitation | Total |
|----------------|-------------------|---|------------------|--------------------------|------------------------------|-------------------|
| Taxes | | | | | | |
| Property taxes | \$ 54,033 | \$ - | \$ 11,730 | \$ - | \$ - | \$ 65,763 |
| Sales taxes | 82,206 | 20,342 | - | 60,958 | - | 163,506 |
| Franchise tax | 5,822 | - | - | - | - | 5,822 |
| Oil and gas | 18,935 | - | - | - | - | 18,935 |
| Accounts | 6,581 | - | - | - | 418,971 | 425,552 |
| Allowance | (700) | - | - | - | (93,101) | (93,801) |
| Total | \$ 166,877 | \$ 20,342 | \$ 11,730 | \$ 60,958 | \$ 325,870 | \$ 585,777 |

C. Interfund Transactions

Transfers between the primary government funds during the current fiscal year were as follows:

| Transfer In | Transfer Out | Amount |
|-----------------------|--------------|------------------|
| Nonmajor governmental | General | \$ 13,450 |
| | | <u>\$ 13,450</u> |

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

D. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

| | Beginning Balances | Increases | Decreases/ Reclassifications | Ending Balances |
|---|-----------------------|---------------------|---------------------------------|---------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 291,438 | \$ - | \$ - | \$ 291,438 |
| Construction in progress | 278,440 | 490,715 | (127,883) | 641,272 |
| Total capital assets not being depreciated | 569,878 | 490,715 | (127,883) | 932,710 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 714,974 | - | - | 714,974 |
| Vehicles and equipment | 2,488,235 | 1,039,681 | (83,782) | 3,444,134 |
| Infrastructure | 4,950,445 | - | 127,883 | 5,078,328 |
| Total capital assets being depreciated | 8,153,654 | 1,039,681 | 44,101 | 9,237,436 |
| Less accumulated depreciation | | | | |
| Buildings and improvements | 460,783 | 21,077 | - | 481,860 |
| Vehicles and equipment | 1,966,056 | 180,512 | (83,782) | 2,062,786 |
| Infrastructure | 2,458,732 | 167,467 | - | 2,626,199 |
| Total accumulated depreciation | 4,885,571 | 369,056 | (83,782) | 5,170,845 |
| Net capital assets being depreciated | 3,268,083 | 670,625 | 127,883 | 4,066,591 |
| Total capital assets | \$ 3,837,961 | \$ 1,161,340 | \$ - | \$ 4,999,301 |

Depreciation was charged to governmental functions as follows:

| | |
|---|-------------------|
| Community Development | \$ 8,494 |
| General government | 13,792 |
| Public safety | 161,090 |
| Public works | 153,420 |
| Parks and recreation | 32,260 |
| Total Governmental Activities Depreciation Expense | \$ 369,056 |

Construction Commitments

The City has construction projects outstanding as of September 30, 2020. These projects consist of a new city hall and street improvement projects. The city hall project has a contractual commitment of \$269,060 spent to date and \$1,087,263 of commitment remaining.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

A summary of changes in business-type activities capital assets for the year end was as follows:

| | <u>Beginning Balances</u> | <u>Increases</u> | <u>Decreases/ Reclassifications</u> | <u>Ending Balances</u> |
|--|-------------------------------|--------------------------|---|----------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 109,201 | \$ - | \$ - | \$ 109,201 |
| Construction in progress | 5,305 | 114,023 | (119,328) | - |
| Total capital assets not being depreciated | <u>114,506</u> | <u>114,023</u> | <u>(119,328)</u> | <u>109,201</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 1,118 | - | - | 1,118 |
| Water and sewer system improvements | 5,681,170 | 414,714 | 39,098 | 6,134,982 |
| Vehicles and equipment | 334,326 | 55,163 | (92,674) | 296,815 |
| Total capital assets being depreciated | <u>6,016,614</u> | <u>469,877</u> | <u>(53,576)</u> | <u>6,432,915</u> |
| Less accumulated depreciation | | | | |
| Buildings and improvements | 1,118 | - | - | 1,118 |
| Water and sewer system improvements | 3,695,287 | 153,036 | (53,907) | 3,794,416 |
| Vehicles and equipment | 306,139 | 10,950 | (92,674) | 224,415 |
| Total accumulated depreciation | <u>4,002,544</u> | <u>163,986</u> | <u>(146,581)</u> | <u>4,019,949</u> |
| Net capital assets being depreciated | <u>2,014,070</u> | <u>305,891</u> | <u>93,005</u> | <u>2,412,966</u> |
| Total capital assets | <u><u>\$ 2,128,576</u></u> | <u><u>\$ 419,914</u></u> | <u><u>\$ (26,323)</u></u> | <u><u>\$ 2,522,167</u></u> |

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

E. Long-term Debt

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended. In general, the City uses the debt service fund to liquidate governmental long-term liabilities.

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due within One Year |
|--|----------------------|-------------------|---------------------|---------------------|-----------------------------------|
| Governmental Activities: | | | | | |
| Bonds, notes and other payables: | | | | | |
| Combination Tax and Revenue Certificate of Obligation | \$ 1,480,000 | \$ - | \$ (55,000) | \$ 1,425,000 | \$ 60,000 |
| General Obligation Refunding & Improvement Bonds | 3,045,000 | - | (80,000) | 2,965,000 | 80,000 |
| Deferred amounts: | | | | | |
| For issuance premiums | 264,565 | - | (12,906) | 251,659 | - |
| | 4,789,565 | - | (147,906) | 4,641,659 | 140,000 |
| Other liabilities: | | | | | |
| Capital lease | 48,362 | 499,157 | (23,790) | 523,729 | 76,396 |
| Total Governmental Activities | \$ 4,837,927 | \$ 499,157 | \$ (171,696) | \$ 5,165,388 | \$ 216,396 |
| Long-term liabilities due in more than one year | | | | \$ 4,948,992 | |

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The following is a summary of changes in the City's total business-type long-term liabilities for the year ended.

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due within One Year |
|--|----------------------|-------------------|-------------|-------------------|-----------------------------------|
| Business-Type Activities: | | | | | |
| Other liabilities: | | | | | |
| Capital lease | \$ - | \$ 422,714 | \$ - | \$ 422,714 | \$ 78,863 |
| Total Governmental Activities | \$ - | \$ 422,714 | \$ - | \$ 422,714 | \$ 78,863 |
| Long-term liabilities due in more than one year | | | | \$ 343,851 | |

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

Long-term debt at year end was comprised of the following debt issues:

| | Governmental Activities | Business - Type Activities | Total |
|---|----------------------------|----------------------------------|--------------|
| General Obligation Bonds: | | | |
| \$3,190,000 Refunding & Improvement Bond, Series 2017, due in installments through 2042, interest at 2-4.25% | \$ 2,965,000 | \$ - | \$ 2,965,000 |
| Total General Obligation bonds | \$ 2,965,000 | \$ - | \$ 2,965,000 |
| Certificates of Obligation: | | | |
| \$1,755,000 Certificates of Obligation, Series 2014, due in annual installments through 2034, interest at 2-4% | \$ 1,425,000 | \$ - | \$ 1,425,000 |
| Total Certificates of Obligation | \$ 1,425,000 | \$ - | \$ 1,425,000 |
| Deferred amounts: | | | |
| Issuance premium | \$ 251,659 | \$ - | \$ 251,659 |
| Total Deferred Amounts | \$ 251,659 | \$ - | \$ 251,659 |
| Capital leases, | | | |
| due in annual installments through 2030, interest at 3-4% | 523,729 | 422,714 | 946,443 |
| Total Debt | \$ 5,165,388 | \$ 422,714 | \$ 5,588,102 |

Total governmental activities capital assets acquired through capital leases had balances as of September 30, 2020 for cost, accumulated depreciation, and carrying value of \$1,148,481, \$390,076, and \$758,405, respectively. Depreciation expense recognized on these assets during the year ended September 30, 2020 was \$74,966.

Total business-type activities capital assets acquired through capital leases had balances as of September 30, 2020 for cost, accumulated depreciation, and carrying value of \$414,713, \$3,456, and \$411,257, respectively. Depreciation expense recognized on these assets during the year ended September 30, 2020 was \$3,456.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

The annual requirements to amortize governmental activities debt issues outstanding at year ending were as follows:

| Year ending September 30, | General Obligation | | 2014 C.O. Bond | | Capital Lease | |
|------------------------------|---------------------|---------------------|---------------------|-------------------|-------------------|------------------|
| | Refunding Bond | | Principal | Interest | Principal | Interest |
| | Principal | Interest | | | | |
| 2021 | \$ 80,000 | \$ 113,162 | \$ 60,000 | \$ 51,625 | \$ 76,396 | \$ 4,916 |
| 2022 | 80,000 | 111,562 | 60,000 | 49,825 | 45,066 | 10,870 |
| 2023 | 85,000 | 109,912 | 60,000 | 48,025 | 46,161 | 8,775 |
| 2024 | 85,000 | 107,787 | 60,000 | 46,225 | 47,282 | 8,653 |
| 2025 | 50,000 | 105,762 | 100,000 | 44,125 | 48,431 | 7,504 |
| 2026 | 50,000 | 104,262 | 105,000 | 40,625 | 49,608 | 6,328 |
| 2027 | 55,000 | 102,412 | 105,000 | 36,950 | 50,814 | 5,122 |
| 2028 | 55,000 | 100,212 | 110,000 | 33,275 | 52,048 | 3,887 |
| 2029 | 60,000 | 97,912 | 115,000 | 29,425 | 53,313 | 2,623 |
| 2030 | 60,000 | 95,512 | 120,000 | 25,400 | 54,610 | 1,327 |
| 2031 | 60,000 | 93,112 | 125,000 | 21,200 | - | - |
| 2032 | 65,000 | 90,612 | 130,000 | 16,200 | - | - |
| 2033 | 65,000 | 88,012 | 135,000 | 11,000 | - | - |
| 2034 | 70,000 | 85,312 | 140,000 | 5,600 | - | - |
| 2035 | 220,000 | 79,512 | - | - | - | - |
| 2036 | 230,000 | 70,512 | - | - | - | - |
| 2037 | 240,000 | 61,112 | - | - | - | - |
| 2038 | 250,000 | 51,312 | - | - | - | - |
| 2039 | 260,000 | 41,112 | - | - | - | - |
| 2040 | 270,000 | 30,175 | - | - | - | - |
| 2041 | 280,000 | 18,487 | - | - | - | - |
| 2042 | 295,000 | 6,269 | - | - | - | - |
| | <u>\$ 2,965,000</u> | <u>\$ 1,764,034</u> | <u>\$ 1,425,000</u> | <u>\$ 459,500</u> | <u>\$ 523,729</u> | <u>\$ 60,005</u> |

The annual requirements to amortize business-type activities debt issues outstanding at year ending were as follows:

| Year ending September 30, | Capital Lease | |
|------------------------------|-------------------|------------------|
| | Principal | Interest |
| 2021 | \$ 78,863 | \$ 14,702 |
| 2022 | 81,606 | 11,959 |
| 2023 | 84,444 | 9,121 |
| 2024 | 87,381 | 6,184 |
| 2025 | 90,420 | 3,145 |
| | <u>\$ 422,714</u> | <u>\$ 45,111</u> |

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

Certificate of Obligation Bond, Series 2014; due in annual installments through August 1, 2034, bearing interest ranging from 2% to 4% payable February 1 and August 1.

General Obligation Refunding & Revenue Bond, Series 2017; due in semi-annual installments through February 1, 2042, bearing interest ranging from 2.0% to 4.25% payable February 1 and August 1.

Capital leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset.

F. Other Long-term Liabilities

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general and enterprise funds to liquidate compensated absences.

| | Beginning Balance | Additions | Reductions | Ending Balance | Amounts Due Within One Year |
|---------------------------------------|----------------------|------------------|--------------------|-------------------|-----------------------------------|
| Governmental Activities: | | | | | |
| Compensated Absences | \$ 61,744 | \$ 52,498 | \$ (50,637) | \$ 63,605 | \$ 57,245 |
| Total Governmental Activities | \$ 61,744 | \$ 52,498 | \$ (50,637) | \$ 63,605 | \$ 57,245 |
| Business-Type Activities: | | | | | |
| Compensated Absences | \$ 13,685 | \$ 10,721 | \$ (14,748) | \$ 9,658 | \$ 8,692 |
| Total Business-Type Activities | \$ 13,685 | \$ 10,721 | \$ (14,748) | \$ 9,658 | \$ 8,692 |

G. Fund Equity

The City records fund balance/net position restrictions on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

The following is a list of fund balances/net position restricted by law or the City and commitments made by City Council:

| | <u>Restricted</u> |
|-----------------------------------|----------------------------|
| Parks and recreation | \$ 581,220 |
| Municipal court security | 22,052 * |
| Municipal court automation | 109,276 * |
| Park donations | 20,769 |
| Public safety seizures | 12,173 * |
| Crime control prevention district | 88,043 * |
| Street sales tax | 178,400 |
| Debt service | 86,046 |
| CARES Act Relief Fund | 38,024 |
| Capital improvements | 1,524,730 |
| Total | <u><u>\$ 2,660,733</u></u> |

* Restricted by enabling legislation

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the City participates along with over 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does not anticipate that it will have an arbitrage liability.

D. Pension Plans

Texas Municipal Retirement System

1. Plan Description

The City of Dalworthington Gardens, Texas participates as one of 887 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.

2. 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.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

| | <u>Plan Year 2019</u> | <u>Plan Year 2018</u> |
|--|-----------------------|-----------------------|
| Employee deposit rate | 7% | 7% |
| Matching ratio (city to employee) | 2 to 1 | 2 to 1 |
| Years required for vesting | 5 | 5 |
| Service retirement eligibility (expressed as age / years of service) | 60/5, 0/20 | 60/5, 0/20 |
| Updated service credit | 100% | 100% |
| Annuity increase (to retirees) | 70% of CPI | 70% of CPI |

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

| | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------|
| Inactive employees or beneficiaries currently receiving benefits | 15 | 12 |
| Inactive employees entitled to but not yet receiving benefits | 25 | 26 |
| Active employees | 26 | 26 |
| Total | 66 | 64 |

3. Contributions

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

Employees for the City of Dalworthington Gardens, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Dalworthington Gardens, Texas were 21.36% and 20.99% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$357,853 and were equal to the required contributions.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

4. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------------------|---|
| Inflation | 2.5% per year |
| Overall payroll growth | 2.75% 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 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2019, valuation were based on the results of actuarial experience studies. Except for healthy post-retirement mortality and the mortality assumption used to develop certain Annuity Purchase Rates (APRs), the current actuarial assumptions were developed from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 through December 31, 2018. The APRs currently used by the System to annuitize member's account balances at retirement were updated based on the 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.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. 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

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

(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 of 2.5%. 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).

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2019 are summarized in the following table:

| Asset Class | Target Allocation | Rate of Return (Arithmetic) |
|-----------------------|--------------------------|--|
| Domestic Equity | 17.5% | 4.30% |
| International Equity | 17.5% | 6.10% |
| Core Fixed Income | 10.0% | 1.00% |
| Non-Core Fixed Income | 20.0% | 3.39% |
| Real Return | 10.0% | 3.78% |
| Real Estate | 10.0% | 4.44% |
| Absolute Return | 10.0% | 3.56% |
| Private Equity | 5.0% | 7.75% |
| 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.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

Sensitivity of the Net Pension Liability (Asset) 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 (asset) 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 5.75% | Current Single Rate Assumption 6.75% | 1% Increase 7.75% |
|----------------------|---|----------------------|
| \$ 3,723,637 | \$ 2,129,864 | \$ 867,497 |

Changes in the Net Pension Liability

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) – (b) |
|---|--------------------------------|------------------------------------|------------------------------------|
| Balance at 12/31/18 | \$ 8,601,823 | \$ 6,056,779 | \$ 2,545,044 |
| Changes for the year: | | | |
| Service Cost | 296,221 | - | 296,221 |
| Interest (on the Total Pension Liab.) | 578,828 | - | 578,828 |
| Difference between expected and actual experience | 42,318 | - | 42,318 |
| Changes of assumptions | 51,678 | - | 51,678 |
| Contributions – employer | - | 340,726 | (340,726) |
| Contributions – employee | - | 111,661 | (111,661) |
| Net investment income | - | 937,288 | (937,288) |
| Benefit payments, including refunds of emp. contributions | (349,415) | (349,415) | - |
| Administrative expense | - | (5,291) | 5,291 |
| Other changes | - | (159) | 159 |
| Net changes | 619,630 | 1,034,810 | (415,180) |
| Balance at 12/31/19 | \$ 9,221,453 | \$ 7,091,589 | \$ 2,129,864 |

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.tmr.com.

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

For the year ended September 30, 2020, the City recognized pension expense of \$213,436.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

At September 30, 2020, 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 | \$ - | \$ (310,292) |
| Changes in assumptions | 39,922 | |
| Investment gains (inflows) or losses | | |
| outflows | - | (211,393) |
| Contributions subsequent to the measurement date | 257,495 | - |
| Total | \$ 297,417 | \$ (521,685) |

The City reported \$257,495 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Plan year ended December 31: | |
|---|---------------------|
| 2020 | \$ (182,791) |
| 2021 | (168,983) |
| 2022 | (27,038) |
| 2023 | (102,951) |
| 2023 | - |
| Thereafter | - |
| Total | \$ (481,763) |

Supplemental Death Benefits Fund

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

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

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

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.

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|----|
| Inactive employees or beneficiaries currently receiving benefits | 13 |
| Inactive employees entitled to but not yet receiving benefits | 5 |
| Active employees | 26 |
| Total | 44 |

The City's contributions to the TMRS SDBF for the years ended 2020, 2019, and 2018 were \$509, \$422, and \$311 respectively, which equaled the required contributions each year. The required contribution rates for the retiree for 2020 and 2019 was 0.03%, and 2018 was 0.02%, respectively.

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2019, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

| | |
|--|---|
| Inflation | 2.5% per year |
| Overall payroll growth | 3.5% to 11.5%, including inflation per year |
| Discount rate | 2.75% |
| Retirees' share of benefit-related costs | \$0 |
| Administrative expenses | |

All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully nerational basis with Scale UMP. For disabled annuitants, the 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2020

year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 2.75%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

| 1% Decrease 1.75% | Current Single Rate Assumption 2.75% | 1% Increase 3.75% |
|----------------------|---|----------------------|
| \$ 102,921 | \$ 81,589 | \$ 65,733 |

Changes in the Total OPEB Liability:

| | Total OPEB Liability |
|---|-------------------------|
| Balance at 12/31/18 | \$ 61,580 |
| Changes for the year: | |
| Service Cost | 3,350 |
| Interest | 2,338 |
| Difference between expected and actual experience | 300 |
| Changes of assumptions | 14,500 |
| Benefit payments | (479) |
| Net changes | 20,009 |
| Balance at 12/31/19 | \$ 81,589 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2030, the City recognized OPEB expense of \$6,770.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2020

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Difference between expected and actual experience | \$ - | \$ (6,387) |
| Changes in assumptions | 11,818 | - |
| Contributions after the measurement date | 368 | - |
| Total | \$ 12,186 | \$ (6,387) |

The City reported \$368 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2021.

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended December 31: | |
|--------------------------------|-----------------|
| 2020 | \$ 1,082 |
| 2021 | 1,082 |
| 2022 | 1,082 |
| 2023 | 236 |
| 2024 | 1,949 |
| Thereafter | - |
| | \$ 5,431 |

E. Subsequent Events

There were no material subsequent events through March 11, 2021, the date the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION

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City of Dalworthington Gardens, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2020

| | Original Budget | Final Budget | General | Variance with Final Budget Positive (Negative) |
|---|--------------------|------------------|---------------------|---|
| Revenues | | | | |
| Property tax | \$ 1,679,817 | \$ 1,660,817 | \$ 1,664,078 | \$ 3,261 |
| Sales tax | 421,056 | 421,056 | 506,785 | 85,729 |
| Franchise and local taxes | 368,921 | 368,921 | 355,690 | (13,231) |
| License and permits | 71,915 | 71,915 | 74,458 | 2,543 |
| Municipal court | 474,700 | 474,700 | 374,937 | (99,763) |
| Oil and gas mineral rights | 150,000 | 125,000 | 123,088 | (1,912) |
| Interest income | 36,500 | 28,500 | 20,224 | (8,276) |
| Intergovernmental | - | - | 38,503 | 38,503 |
| Other revenues | 88,286 | 88,286 | 99,240 | 10,954 |
| Total Revenues | 3,291,195 | 3,239,195 | 3,257,003 | 17,808 |
| Expenditures | | | | |
| Current: | | | | |
| Community development | 207,475 | 205,224 | 196,780 | 8,444 |
| Municipal court | 196,870 | 199,632 | 186,967 | 12,665 |
| General government | 432,990 | 372,042 | 344,117 | 27,925 |
| Police | 1,750,517 | 1,567,550 | 1,565,054 | 2,496 |
| Fire | 377,894 | 1,147,157 | 1,144,494 | 2,663 |
| Public works | 113,534 | 135,439 | 117,618 | 17,821 |
| Debt service | | | | |
| Principal | 23,790 | 23,790 | 23,790 | - |
| Interest and fiscal charges | 1,586 | 1,586 | 1,586 | - |
| Total Expenditures | 3,104,656 | 3,652,420 | 3,580,406 | 72,014 |
| Other Financing Sources (Uses) | | | | |
| Proceeds from sale of capital assets | 10,000 | 10,000 | 14,593 | 4,593 |
| Proceeds from capital lease | - | 499,157 | 499,157 | - |
| Transfers in | - | - | - | - |
| Transfers out | (10,000) | (13,450) | (13,450) | - |
| Total Other Financing Sources (Uses) | - | 495,707 | 500,300 | 4,593 |
| Net Change in Fund Balance | \$ 186,539 | \$ 82,482 | 176,897 | \$ 94,415 |
| Beginning fund balance | | | 927,968 | |
| Ending Fund Balance | | | \$ 1,104,865 | |

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

See Notes to Financial Statements.

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City of Dalworthington Gardens, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARKS AND RECREATION FACILITY DEVELOPMENT FUND
For the Year Ended September 30, 2020

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Parks and Recreation Facility Development</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|---------------------|--|---|
| <u>Revenues</u> | | | | |
| Sales tax | \$ 103,839 | \$ 103,839 | \$ 125,516 | \$ 21,677 |
| Other revenues | 64,554 | - | 365 | 365 |
| Interest income | 10,200 | 10,200 | 8,086 | (2,114) |
| Total Revenues | <u>178,593</u> | <u>114,039</u> | <u>133,967</u> | <u>19,928</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Parks and recreation | 208,889 | 111,791 | 108,779 | 3,012 |
| Total Expenditures | <u>208,889</u> | <u>111,791</u> | <u>108,779</u> | <u>3,012</u> |
| Revenues Over (Under) | <u>(30,296)</u> | <u>2,248</u> | <u>25,188</u> | <u>22,940</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Proceeds from sale | - | - | 2,667 | 2,667 |
| Transfers in | 20,548 | - | - | - |
| Total Other Financing Sources | <u>20,548</u> | <u>-</u> | <u>2,667</u> | <u>2,667</u> |
| Net Change in Fund Balance | <u>\$ (9,748)</u> | <u>\$ 2,248</u> | 27,855 | <u>\$ 25,607</u> |
| Beginning fund balance | | | 553,365 | |
| Ending Fund Balance | | | <u>\$ 581,220</u> | |

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended December 31,

| | ¹ 12/31/2019 | 12/31/2018 |
|---|-------------------------|---------------------|
| Total pension liability | | |
| Service cost | \$ 296,220 | \$ 266,612 |
| Interest | 578,828 | 586,613 |
| Differences between expected and actual experience | 42,318 | (608,873) |
| Changes in assumptions | 51,678 | - |
| Benefit payments, including refunds of participant contributions | (349,415) | (399,577) |
| Net change in total pension liability | 619,629 | (155,225) |
| Total pension liability - beginning | 8,601,823 | 8,757,048 |
| Total pension liability - ending (a) | 9,221,452 | 8,601,823 |
| Plan fiduciary net position | | |
| Contributions - employer | \$ 340,726 | \$ 327,290 |
| Contributions - members | 111,661 | 108,631 |
| Net investment income (loss) | 937,288 | (186,186) |
| Benefit payments, including refunds of participant contributions | (349,415) | (399,577) |
| Administrative expenses | (5,291) | (3,595) |
| Other | (159) | (188) |
| Net change in plan fiduciary net position | 1,034,810 | (153,625) |
| Plan fiduciary net position - beginning | 6,056,778 | 6,210,403 |
| Plan fiduciary net position - ending (b) | \$ 7,091,588 | \$ 6,056,778 |
| Fund's net pension liability (asset) - ending (a) - (b) | \$ 2,129,864 | \$ 2,545,045 |
| Plan fiduciary net position as a percentage of the total pension liability | 76.90% | 70.41% |
| Covered payroll | 1,595,158 | 1,551,874 |
| Fund's net position as a percentage of covered payroll | 133.52% | 164.00% |

Notes to schedule:

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

| | <u>12/31/2017</u> | <u>12/31/2016</u> | <u>12/31/2015</u> | <u>12/31/2014</u> |
|----|-------------------|---------------------|---------------------|---------------------|
| \$ | 265,078 | \$ 282,630 | \$ 277,028 | \$ 265,704 |
| | 553,489 | 525,093 | 513,667 | 481,756 |
| | 25,994 | (60,072) | (94,934) | (136,520) |
| | - | - | 18,672 | - |
| | (309,626) | (326,752) | (225,598) | (95,888) |
| | <u>534,935</u> | <u>420,899</u> | <u>488,835</u> | <u>515,052</u> |
| | <u>8,222,113</u> | <u>7,801,214</u> | <u>7,312,379</u> | <u>6,797,327</u> |
| | <u>8,757,048</u> | <u>8,222,113</u> | <u>7,801,214</u> | <u>7,312,379</u> |
| \$ | 345,843 | \$ 355,310 | \$ 354,059 | \$ 325,816 |
| | 109,991 | 113,311 | 110,496 | 107,327 |
| | 739,082 | 328,786 | 6,820 | 232,020 |
| | (309,626) | (326,752) | (225,598) | (95,888) |
| | (3,828) | (3,711) | (4,153) | (2,421) |
| | (194) | (200) | (205) | (199) |
| | <u>881,268</u> | <u>466,744</u> | <u>241,419</u> | <u>566,655</u> |
| | <u>5,329,135</u> | <u>4,862,391</u> | <u>4,620,972</u> | <u>4,054,317</u> |
| \$ | <u>6,210,403</u> | <u>\$ 5,329,135</u> | <u>\$ 4,862,391</u> | <u>\$ 4,620,972</u> |
| \$ | <u>2,546,645</u> | <u>\$ 2,892,978</u> | <u>\$ 2,938,823</u> | <u>\$ 2,691,407</u> |
| | 70.92% | 64.81% | 62.33% | 63.19% |
| \$ | 1,571,297 | \$ 1,618,726 | \$ 1,578,510 | \$ 1,516,714 |
| | 162.07% | 178.72% | 186.18% | 177.45% |

City of Dalworthington Gardens, Texas
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN
For the Years Ended:

| | ¹ <u>9/30/2020</u> | <u>9/30/2019</u> | <u>9/30/2018</u> |
|---|-------------------------------|-------------------|-------------------|
| Actuarially determined employer contributions | \$ 357,853 | \$ 329,285 | \$ 331,898 |
| Contributions in relation to the actuarially determined contribution | <u>\$ 357,853</u> | <u>\$ 329,285</u> | <u>\$ 331,898</u> |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - |
| Annual covered payroll | \$ 1,696,592 | \$ 1,546,926 | \$ 1,555,187 |
| Employer contributions as a percentage of covered payroll | 21.09% | 21.29% | 21.34% |

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percentage of Payroll, Closed |
| Remaining Amortization Period | 26 years |
| Asset Valuation Method | 10 Year smoothed market; 12% soft corridor |
| Inflation | 2.5% |
| Salary Increases | 3.50% to 11.50% including inflation |
| Investment Rate of Return | 6.75% |
| Retirement Age | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018 |
| Mortality | Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP. |

Other Information:

Notes There were no benefit changes during the year.

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

| <u>9/30/2017</u> | <u>9/30/2016</u> | <u>9/30/2015</u> |
|-------------------|-------------------|-------------------|
| \$ 350,145 | \$ 346,656 | \$ 334,267 |
| <u>\$ 350,145</u> | <u>\$ 346,656</u> | <u>\$ 334,267</u> |
| \$ - | \$ - | \$ - |
| \$ 1,592,059 | \$ 1,569,560 | \$ 1,514,074 |
| 21.99% | 22.09% | 22.08% |

City of Dalworthington Gardens, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM

Year Ended December 31,

| | ¹ <u>2019</u> | <u>2018</u> |
|--|--------------------------|-------------------------|
| Total OPEB liability | | |
| Service cost | \$ 3,350 | \$ 2,638 |
| Interest | 2,338 | 2,424 |
| Changes of assumptions | 14,500 | (5,439) |
| Differences in expected and actual experience | 300 | (9,789) |
| Benefit payments, including refunds of participant contributions | (479) | (310) |
| Net changes | <u>20,009</u> | <u>(10,476)</u> |
| Total OPEB liability - beginning | <u>61,580</u> | <u>72,056</u> |
| Total OPEB liability - ending (a) | <u><u>\$ 81,589</u></u> | <u><u>\$ 61,580</u></u> |
| | | |
| Covered payroll | \$ 1,595,158 | \$ 1,551,874 |
| Total OPEB Liability as a percentage of covered payroll | 5.11% | 3.97% |

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

2017

\$ 2,200
2,349
6,623
-

(314)
10,858
61,198
\$ 72,056

\$ 1,571,297
4.59%

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OTHER SUPPLEMENTARY INFORMATION

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City of Dalworthington Gardens, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2020

| | <u>Original and Final Budget</u> | <u>Debt Service</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|--------------------------------------|-------------------------|---|
| <u>Revenues</u> | | | |
| Property tax | \$ 316,756 | \$ 311,668 | \$ (5,088) |
| Interest income | 4,000 | 1,941 | (2,059) |
| Total Revenues | <u>320,756</u> | <u>313,609</u> | <u>(7,147)</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Debt service | | | |
| Principal | 135,000 | 135,000 | - |
| Interest and fiscal charges | 168,038 | 168,038 | - |
| Total Expenditures | <u>303,038</u> | <u>303,038</u> | <u>-</u> |
| Revenues Over (Under) Expenditures | <u>17,718</u> | <u>10,571</u> | <u>(7,147)</u> |
| Net Change in Fund Balance | <u>\$ 17,718</u> | 10,571 | <u>\$ (7,147)</u> |
| Beginning fund balance | | <u>75,475</u> | |
| Ending Fund Balance | | <u>\$ 86,046</u> | |

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CRIME CONTROL AND PREVENTION DISTRICT
For the Year Ended September 30, 2020

| | Original Budget | Final Budget | Crime Control and Prevention | Variance with Final Budget Positive (Negative) |
|--|----------------------------|---------------------|---|---|
| Revenues | | | | |
| Sales tax | \$ 207,678 | \$ 207,678 | \$ 250,195 | \$ 42,517 |
| Interest income | 200 | 200 | 525 | 325 |
| Total Revenues | 207,878 | 207,878 | 250,720 | 42,842 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 69,534 | 69,534 | 78,478 | (8,944) |
| Capital outlay | 169,000 | 180,500 | 157,770 | 22,730 |
| Debt Service: | | | | |
| Interest | - | - | 7 | (7) |
| Total Expenditures | 238,534 | 250,034 | 236,255 | 13,779 |
| Revenues Over (Under) | (30,656) | (42,156) | 14,465 | 56,621 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 10,000 | 10,000 | 13,450 | 3,450 |
| Total Other Financing (Sources) | 10,000 | 10,000 | 13,450 | 3,450 |
| Net Change in Fund Balance | \$ (20,656) | \$ (32,156) | 27,915 | \$ 60,071 |
| Beginning fund balance | | | 60,128 | |
| Ending Fund Balance | | | \$ 88,043 | |

Notes to Other Supplementary Information

- Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT SECURITY FUND
For the Year Ended September 30, 2020

| | Original and Final Budget | Muni. Court Security | Variance with Final Budget Positive (Negative) |
|---|--------------------------------------|---------------------------------|---|
| <u>Revenues</u> | | | |
| Fines and forfeitures | \$ 10,000 | \$ 10,080 | \$ 80 |
| Interest income | 500 | 258 | (242) |
| Total Revenues | 10,500 | 10,338 | (162) |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Public safety | 1,893 | 1,267 | 626 |
| Total Expenditures | 1,893 | 1,267 | 626 |
| Revenues Over (Under) Expenditures | 8,607 | 9,071 | 464 |
| Net Change in Fund Balance | \$ 8,607 | 9,071 | \$ 464 |
| Beginning fund balance | | 12,981 | |
| Ending Fund Balance | | \$ 22,052 | |

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT AUTOMATION FUND
For the Year Ended September 30, 2020

| | Original and Final Budget | Muni. Court Automation | Variance with Final Budget Positive (Negative) |
|---|--------------------------------------|-----------------------------------|---|
| <u>Revenues</u> | | | |
| Fines and forfeitures | \$ 14,000 | \$ 11,086 | \$ (2,914) |
| Interest income | 4,200 | 1,535 | (2,665) |
| Intergovernmental | - | 1,200 | 1,200 |
| Total Revenues | 18,200 | 13,821 | (4,379) |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Public safety | 21,953 | 21,730 | 223 |
| Total Expenditures | 21,953 | 21,730 | 223 |
| Revenues Over (Under) Expenditures | (3,753) | (7,909) | (4,156) |
| Net Change in Fund Balance | \$ (3,753) | (7,909) | \$ (4,156) |
| Beginning fund balance | | 117,185 | |
| Ending Fund Balance | | \$ 109,276 | |

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARK DONATIONS FUND
For the Year Ended September 30, 2020

| | Original and Final Budget | Park Donations | Variance with Final Budget Positive (Negative) |
|---|------------------------------|-------------------|---|
| <u>Revenues</u> | | | |
| Interest income | - | \$ 224 | 224 |
| Total Revenues | - | 224 | 224 |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Parks and recreation | - | - | - |
| Total Expenditures | - | - | - |
| Revenues Over (Under) Expenditures | - | 224 | 224 |
| Net Change in Fund Balance | \$ - | 224 | \$ 224 |
| Beginning fund balance | | 20,545 | |
| Ending Fund Balance | | \$ 20,769 | |

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC SAFETY SEIZURES FUND
For the Year Ended September 30, 2020

| | <u>Original and Final Budget</u> | <u>Public Safety Seizures</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|---|--------------------------------------|-----------------------------------|---|
| <u>Revenues</u> | | | |
| Fines and forfeitures | \$ - | \$ 8,670 | \$ 8,670 |
| Total Revenues | <u>-</u> | <u>8,670</u> | <u>8,670</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Public safety | - | 2,786 | (2,786) * |
| Total Expenditures | <u>-</u> | <u>2,786</u> | <u>(2,786)</u> |
| Revenues Over (Under) Expenditures | <u>-</u> | <u>5,884</u> | <u>5,884</u> |
| Net Change in Fund Balance | <u>\$ -</u> | <u>5,884</u> | <u>\$ 5,884</u> |
| Beginning fund balance | | <u>6,289</u> | |
| Ending Fund Balance | | <u>\$ 12,173</u> | |

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles
2. *Expenditures exceeded appropriations at the legal level of control.

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
STREET SALES TAX FUND
For the Year Ended September 30, 2020

| | Original and Final Budget | Sales Tax | Variance with Final Budget Positive (Negative) |
|---|--------------------------------------|------------------|---|
| <u>Revenues</u> | | | |
| Sales tax | \$ 103,839 | \$ 125,517 | \$ 21,678 |
| Interest income | 500 | 1,053 | 553 |
| Total Revenues | 104,339 | 126,570 | 22,231 |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Public works | 28,470 | 2,841 | 25,629 |
| Capital Outlay | 11,530 | 11,530 | - |
| Total Expenditures | 40,000 | 14,371 | 25,629 |
| Revenues Over (Under) Expenditures | 64,339 | 112,199 | 47,860 |
| Net Change in Fund Balance | \$ 64,339 | 112,199 | \$ 47,860 |
| Beginning fund balance | | 66,201 | |
| Ending Fund Balance | | \$ 178,400 | |

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PROPRIETARY FUND

For the Year Ended September 30, 2020

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Proprietary Fund</u> | <u>Variance with Final Budget</u> |
|---|----------------------------|---------------------|-----------------------------|---------------------------------------|
| Revenues | | | | |
| Water sales | \$ 1,061,668 | \$ 1,061,668 | \$ 1,087,678 | \$ 26,010 |
| Sewer revenue | 623,380 | 623,380 | 623,712 | 332 |
| Refuse collection | 187,588 | 187,588 | 186,636 | (952) |
| Other revenue | 39,928 | 39,928 | 42,006 | 2,078 |
| Total Operating Revenues | <u>1,912,564</u> | <u>1,912,564</u> | <u>1,940,032</u> | <u>27,468</u> |
| Expenditures | | | | |
| Current: | | | | |
| Cost of water | 562,892 | 533,703 | 530,603 | 3,100 |
| Cost of Sewer | 354,469 | 346,810 | 310,224 | 36,586 |
| Cost of Refuse | 162,670 | 164,809 | 164,809 | - |
| Personnel | 346,712 | 347,197 | 346,581 | 616 |
| Material, utilities & maintenance | 63,302 | 114,705 | 90,835 | 23,870 |
| Contracted & other services | 313,521 | 364,756 | 166,062 | 198,694 |
| Capital Outlay | 226,064 | 583,948 | 583,899 | 49 |
| Total Operating Expenses | <u>2,029,630</u> | <u>2,455,928</u> | <u>2,193,013</u> | <u>262,915</u> |
| Operating Income (Loss) | (117,066) | (543,364) | (252,981) | 290,383 |
| Nonoperating Revenues (Expenses) | | | | |
| Intergovernmental | - | 46,619 | 46,619 | - |
| Investment income | 4,500 | 3,500 | 1,651 | (1,849) |
| Lease Proceeds | - | 422,714 | 422,714 | - |
| Liability Forgiveness | - | 40,310 | 40,310 | - |
| Interest expense | (4,800) | (9,825) | (9,974) | (149) |
| Loss on asset disposition | - | (26,323) | (26,323) | - |
| Total Nonoperating Revenues (Expenses) | <u>(300)</u> | <u>476,995</u> | <u>474,997</u> | <u>(1,998)</u> |
| Income (Loss) Before Capital Contributions and Transfers | (117,366) | (66,369) | 222,016 | 288,385 |
| Transfers Out | (14,583) | - | - | - |
| Capital contributions | - | 80,046 | 80,046 | - |
| Net Change in Net Position | <u>\$ (131,949)</u> | <u>\$ 13,677</u> | 302,062 | <u>\$ 288,385</u> |
| Beginning fund balance | | | 1,779,750 | |
| Ending Net Position-modified | | | 2,081,812 ¹ | |
| Lease proceeds | | | (422,714) | |
| Capital expenses | | | 583,899 | |
| Depreciation | | | (163,986) | |
| Ending Net Position | | | <u>\$ 2,079,011</u> | |

¹ Comparison schedule presented on modified accrual basis

City of Dalworthington Gardens, Texas

SCHEDULE OF SERVICES AND RATES

For the Year Ended September 30, 2020

(Unaudited)

1. Services provided by the City: Retail Water & Sewer

Garbage and Household Hazardous Waste (HHW) provided by 3rd party and billed by the City.

2. Retail water rates based on 5/8 x 3/4" meter

Most prevalent type of meter: 5/8 x 3/4"

| <u>Water:</u> | <u>Minimum Charge</u> | <u>Minimum Usage</u> | <u>Maximum Gallons</u> | <u>Flat Rate (Y/N)</u> | <u>Rate per 1k gallons > min</u> |
|-------------------|-----------------------|----------------------|------------------------|------------------------|-------------------------------------|
| Residential | \$30 | 2,000 | N/A | Y | \$4.00 |
| Commercial | \$55 | 2,000 | N/A | Y | \$4.00 |
| <u>Sewer:</u> | | | | | |
| Residential | \$25 | 2,000 | 15,000 | Y | \$3.75 |
| Commercial | \$55 | 2,000 | N/A | Y | \$3.75 |

City employs winter averaging for sewer usage? No

Total charges per 10,000 gallons of residential usage:

| | <u>Water</u> | <u>Sewer</u> |
|----|--------------|--------------|
| \$ | 62 | 55 |

| <u>Monthly Rate</u> | <u>Garbage</u> | <u>HHW</u> |
|-------------------------|----------------|------------|
| Residential | \$16.53 | \$1.00 |
| Commercial hand-collect | \$20.62 | N/A |

3. Total water consumption (in thousands) during the fiscal year:

| | |
|---|---------|
| Gallons pumped into system: | 214,234 |
| Billed gallons to customers and flushing gallons: | 199,695 |
| Water accountability ratio: | 93.2% |

4. Retail water connections within the City as of the fiscal year end.

| <u>Meter Size</u> | <u>Total Connections</u> | <u>Active Connections</u> |
|-------------------------|--------------------------|---------------------------|
| 5/8" x 3/4" | 631 | 623 |
| 1" | 385 | 381 |
| 1 1/2" | 28 | 28 |
| 2" | 31 | 29 |
| Total Water Connections | 1,075 | 1,061 |

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***COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES***

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NONMAJOR GOVERNMENTAL FUNDS

MUNICIPAL COURT SECURITY FUND

The Municipal Court Security Fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for municipal court security.

MUNICIPAL COURT AUTOMATION FUND

The Municipal Court Automation Fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for municipal court automation.

PARK DONATIONS FUND

The Park Donations Fund accounts for grants restricted for City parks.

PUBLIC SAFETY SEIZURES FUND

The Public Safety Seizures Fund accounts for police seizures that are still involved in the court system.

CRIME CONTROL AND PREVENTION DISTRICT FUND

This is a special purpose district that collects sales tax within its boundaries for the purpose of controlling and preventing crime.

STREET SALES TAX FUND

The Street Sales Tax Fund accounts for the proceeds of 1/4% sales tax to be used for street repair projects.

City of Dalworthington Gardens, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2020

| | Municipal Court Security | Municipal Court Automation | Park Donations | Public Safety Seizures |
|---|--------------------------------|----------------------------------|-------------------|---------------------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 22,052 | \$ 105,630 | \$ - | \$ 12,173 |
| Restricted cash | - | - | 20,769 | - |
| Receivables, net | - | - | - | - |
| Prepaid expenses | - | 3,860 | - | - |
| Due from other funds | - | - | - | - |
| Total Assets | \$ 22,052 | \$ 109,490 | \$ 20,769 | \$ 12,173 |
| <u>Liabilities</u> | | | | |
| Accounts payable and accrued liabilities | - | 214 | - | - |
| Total Liabilities | - | 214 | - | - |
| <u>Fund Balances</u> | | | | |
| Restricted | 22,052 | 109,276 | 20,769 | 12,173 |
| Total Fund Balances | 22,052 | 109,276 | 20,769 | 12,173 |
| Total Liabilities and Fund Balances | \$ 22,052 | \$ 109,490 | \$ 20,769 | \$ 12,173 |

| Crime Control & Prevention | Street Sales Tax | Total |
|---|-----------------------------|-------------------|
| \$ 51,172 | \$ 162,796 | \$ 353,823 |
| - | - | 20,769 |
| 40,616 | 20,342 | 60,958 |
| - | - | 3,860 |
| - | - | - |
| <u>\$ 91,788</u> | <u>\$ 183,138</u> | <u>\$ 439,410</u> |
| | | |
| 3,745 | 4,738 | 8,697 |
| <u>3,745</u> | <u>4,738</u> | <u>8,697</u> |
| | | |
| 88,043 | 178,400 | 430,713 |
| <u>88,043</u> | <u>178,400</u> | <u>430,713</u> |
| | | |
| <u>\$ 91,788</u> | <u>\$ 183,138</u> | <u>\$ 439,410</u> |

City of Dalworthington Gardens, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

| | <u>Municipal Court Security</u> | <u>Municipal Court Automation</u> | <u>Park Donations</u> | <u>Public Safety Seizures</u> |
|---|---|---|---------------------------|-----------------------------------|
| <u>Revenues</u> | | | | |
| Sales tax | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | 10,080 | 11,086 | - | 8,670 |
| Interest income | - | 1,535 | 224 | - |
| Intergovernmental | - | 1,200 | - | - |
| Other Income | 258 | - | - | - |
| Total Revenues | <u>10,338</u> | <u>13,821</u> | <u>224</u> | <u>8,670</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| Public safety | 1,267 | 21,730 | - | 2,786 |
| Public works | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Interest | - | - | - | - |
| Total Expenditures | <u>1,267</u> | <u>21,730</u> | <u>-</u> | <u>2,786</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers in | - | - | - | - |
| Total Other financing sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 9,071 | (7,909) | 224 | 5,884 |
| Beginning fund balances | 12,981 | 117,185 | 20,545 | 6,289 |
| Ending Fund Balances | <u>\$ 22,052</u> | <u>\$ 109,276</u> | <u>\$ 20,769</u> | <u>\$ 12,173</u> |

| Crime Control & Prevention | Street Sales Tax | Total |
|---|-----------------------------|-------------------|
| \$ 250,195 | \$ 125,517 | \$ 375,712 |
| - | - | 29,836 |
| 525 | 1,053 | 3,337 |
| - | - | 1,200 |
| - | - | 258 |
| <u>250,720</u> | <u>126,570</u> | <u>410,343</u> |
| 78,478 | - | 104,261 |
| - | 2,841 | 2,841 |
| 157,770 | 11,530 | 169,300 |
| 7 | - | 7 |
| <u>236,255</u> | <u>14,371</u> | <u>276,409</u> |
| 13,450 | - | 13,450 |
| 13,450 | - | 13,450 |
| 27,915 | 112,199 | 147,384 |
| 60,128 | 66,201 | 283,329 |
| <u>\$ 88,043</u> | <u>\$ 178,400</u> | <u>\$ 430,713</u> |

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STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

| <u>Contents</u> | Pages |
|--|--------------|
| <i>Financial Trends</i> | 110-119 |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | |
| <i>Revenue Capacity</i> | 120-127 |
| These schedules contain information to help the reader assess the City's most significant local revenue source, property tax. | |
| <i>Debt Capacity</i> | 128-132 |
| These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | |
| <i>Demographic and Economic Information</i> | 133-134 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. | |
| <i>Operating Information</i> | 135-139 |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | |

City of Dalworthington Gardens, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

| | 2011 | 2012 | 2013 | 2014 |
|--|--------------|--------------|--------------|--------------|
| Governmental Activities | | | | |
| Net investment in | | | | |
| capital assets | \$ 1,051,085 | \$ 1,354,820 | \$ 1,035,882 | \$ 1,566,193 |
| Restricted | 461,028 | 717,454 | 621,720 | 726,479 |
| Unrestricted | 1,401,390 | 1,251,463 | 1,843,415 | 1,055,031 |
| Total Governmental | | | | |
| Net Position | \$ 2,913,503 | \$ 3,323,737 | \$ 3,501,017 | \$ 3,347,703 |
| Business-type Activities | | | | |
| Net investment in | | | | |
| capital assets | \$ 1,784,293 | \$ 1,397,347 | \$ 1,728,648 | \$ 1,632,261 |
| Restricted | 333,879 | - | - | - |
| Unrestricted | 75,550 | 864,796 | 352,164 | 282,863 |
| Total Business-type Activities Net Position | \$ 2,193,722 | \$ 2,262,143 | \$ 2,080,812 | \$ 1,915,124 |
| Primary Government | | | | |
| Net investment in | | | | |
| capital assets | \$ 2,835,378 | \$ 2,752,167 | \$ 2,764,530 | \$ 3,198,454 |
| Restricted | 794,907 | 717,454 | 621,720 | 726,479 |
| Unrestricted | 1,476,940 | 2,116,259 | 2,195,579 | 1,337,894 |
| Total Primary Government Net Position | \$ 5,107,225 | \$ 5,585,880 | \$ 5,581,829 | \$ 5,262,827 |

| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 1,550,369 | \$ 1,397,164 | \$ 158,570 | \$ 670,317 | \$ 842,275 | \$ 1,283,471 |
| 677,142 | 747,893 | 857,671 | 729,051 | 916,781 | 1,144,354 |
| <u>(1,176,014)</u> | <u>(1,949,562)</u> | <u>(1,951,528)</u> | <u>(1,743,036)</u> | <u>(1,242,945)</u> | <u>(958,244)</u> |
| <u>\$ 1,051,497</u> | <u>\$ 195,495</u> | <u>\$ (935,287)</u> | <u>\$ (343,668)</u> | <u>\$ 516,111</u> | <u>\$ 1,469,581</u> |
| \$ 1,500,419 | \$ 1,371,368 | \$ 2,213,593 | \$ 2,266,376 | \$ 2,128,576 | \$ 2,107,200 |
| - | - | - | - | - | 187,881 |
| <u>(176,613)</u> | <u>(623,207)</u> | <u>(285,441)</u> | <u>(361,590)</u> | <u>(348,826)</u> | <u>(216,070)</u> |
| <u>\$ 1,323,806</u> | <u>\$ 748,161</u> | <u>\$ 1,928,152</u> | <u>\$ 1,904,786</u> | <u>\$ 1,779,750</u> | <u>\$ 2,079,011</u> |
| \$ 3,050,788 | \$ 2,768,532 | \$ 2,372,163 | \$ 2,936,693 | \$ 2,970,851 | \$ 3,390,671 |
| 677,142 | 747,893 | 857,671 | 729,051 | 916,781 | 1,332,235 |
| <u>(1,352,627)</u> | <u>(2,572,769)</u> | <u>(2,236,969)</u> | <u>(2,104,626)</u> | <u>(1,591,771)</u> | <u>(1,174,314)</u> |
| <u>\$ 2,375,303</u> | <u>\$ 943,656</u> | <u>\$ 992,865</u> | <u>\$ 1,561,118</u> | <u>\$ 2,295,861</u> | <u>\$ 3,548,592</u> |

City of Dalworthington Gardens, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

| | 2011 | 2012 | 2013 | 2014 |
|--|----------------|----------------|----------------|----------------|
| Expenses | | | | |
| Governmental activities: | | | | |
| Community Development | \$ | \$ | \$ | \$ |
| General government | 944,000 | 785,607 | 985,501 | 822,839 |
| Public Safety | 1,775,408 | 1,824,727 | 1,735,647 | 1,820,837 |
| Public works | 289,779 | 375,514 | 409,102 | 482,299 |
| Parks and recreation | 40,205 | | | |
| Interest and fiscal charges | 64,964 | 69,272 | 49,893 | 164,227 |
| Total governmental activities | 3,114,356 | 3,055,120 | 3,180,143 | 3,290,202 |
| Business-type activities: | | | | |
| Water, Sewer, & Sanitation | 1,439,457 | 1,299,955 | 1,303,696 | 1,505,826 |
| Total business-type activities | 1,439,457 | 1,299,955 | 1,303,696 | 1,505,826 |
| Total primary government | \$ 4,553,813 | \$ 4,355,075 | \$ 4,483,839 | \$ 4,796,028 |
| Program Revenues | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| Community Development | \$ - | \$ - | \$ - | \$ - |
| General government | 86,492 | 82,722 | 115,978 | 69,747 |
| Public Safety | 865,702 | 777,358 | 944,803 | 775,168 |
| Capital & operating grants & contributions | - | - | - | - |
| Total governmental activities | 952,194 | 860,080 | 1,060,781 | 844,915 |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Water, Sewer, & Sanitation | 1,487,297 | 1,378,205 | 1,251,831 | 1,381,330 |
| Capital & operating grants & contributions | - | - | - | - |
| Total business-type activities | 1,487,297 | 1,378,205 | 1,251,831 | 1,381,330 |
| Total primary government | \$ 2,439,491 | \$ 2,238,285 | \$ 2,312,612 | \$ 2,226,245 |
| Net (Expense)/Revenue | | | | |
| Governmental activities | \$ (2,162,162) | \$ (2,195,040) | \$ (2,119,362) | \$ (2,445,287) |
| Business-type activities | 47,840 | 78,250 | (51,865) | (124,496) |
| Total primary government | \$ (2,114,322) | \$ (2,116,790) | \$ (2,171,227) | \$ (2,569,783) |

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ | \$ | \$ | \$ | \$ | \$ |
| 1,060,768 | 863,364 | 779,597 | 640,615 | 213,510 | 195,897 |
| 2,109,499 | 2,184,652 | 2,123,033 | 2,029,993 | 324,896 | 348,346 |
| 450,297 | 1,000,728 | 416,975 | 360,568 | 2,178,548 | 2,218,488 |
| | 114,229 | 105,100 | 189,202 | 294,305 | 259,123 |
| 66,443 | 79,751 | 244,947 | 165,508 | 116,303 | 120,630 |
| <u>3,687,007</u> | <u>4,242,724</u> | <u>3,669,652</u> | <u>3,385,886</u> | <u>3,287,755</u> | <u>3,299,319</u> |
| 1,628,878 | 1,906,406 | 1,669,094 | 1,755,314 | 1,788,601 | 1,809,397 |
| <u>1,628,878</u> | <u>1,906,406</u> | <u>1,669,094</u> | <u>1,755,314</u> | <u>1,788,601</u> | <u>1,809,397</u> |
| <u>\$ 5,315,885</u> | <u>\$ 6,149,130</u> | <u>\$ 5,338,746</u> | <u>\$ 5,141,200</u> | <u>\$ 5,076,356</u> | <u>\$ 5,108,716</u> |
| \$ | \$ | \$ | \$ | \$ | \$ |
| - | - | - | - | 85,294 | 74,458 |
| 64,832 | 165,018 | 198,685 | 97,791 | - | - |
| 744,341 | 561,564 | 533,399 | 532,338 | 521,455 | 404,773 |
| - | 120,000 | - | 477,253 | - | 125,487 |
| <u>809,173</u> | <u>846,582</u> | <u>732,084</u> | <u>1,107,382</u> | <u>606,749</u> | <u>604,718</u> |
| 1,236,177 | 1,330,579 | 1,669,699 | 1,752,416 | 1,658,820 | 1,940,032 |
| - | - | - | - | - | 126,665 |
| <u>1,236,177</u> | <u>1,330,579</u> | <u>1,669,699</u> | <u>1,752,416</u> | <u>1,658,820</u> | <u>2,066,697</u> |
| <u>\$ 2,045,350</u> | <u>\$ 2,177,161</u> | <u>\$ 2,401,783</u> | <u>\$ 2,859,798</u> | <u>\$ 2,265,569</u> | <u>\$ 2,671,415</u> |
| \$ | \$ | \$ | \$ | \$ | \$ |
| (2,877,834) | (3,396,142) | (2,937,568) | (2,278,504) | (2,681,006) | (2,694,601) |
| (392,701) | (575,827) | 605 | (2,898) | (129,781) | 257,300 |
| <u>\$ (3,270,535)</u> | <u>\$ (3,971,969)</u> | <u>\$ (2,936,963)</u> | <u>\$ (2,281,402)</u> | <u>\$ (2,810,787)</u> | <u>\$ (2,437,301)</u> |

City of Dalworthington Gardens, Texas

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

(accrual basis of accounting)

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| General Revenues | | | | |
| Governmental activities: | | | | |
| Taxes: | | | | |
| Property taxes | \$ 789,694 | \$ 863,466 | \$ 858,985 | \$ 842,617 |
| Sales taxes | 246,703 | 778,877 | 614,248 | 726,602 |
| Franchise taxes | 698,071 | 377,860 | 372,173 | 401,536 |
| Oil and gas mineral rights | 576,735 | 490,436 | 348,765 | 227,154 |
| Interest Income | 1,642 | 542 | 333 | 135 |
| Other revenue | 76,946 | 74,934 | 58,694 | 73,332 |
| Gain (loss) on sale of assets | - | - | - | 13,660 |
| Transfers, net | 129,504 | - | 43,444 | 41,324 |
| Total governmental activities | <u>2,519,295</u> | <u>2,586,115</u> | <u>2,296,642</u> | <u>2,326,360</u> |
| Business-type activities: | | | | |
| Interest Income | - | 545 | 335 | 132 |
| Other Income | - | - | - | - |
| Transfers, net | (129,504) | - | (43,444) | (41,324) |
| Total business-type activities | <u>(129,504)</u> | <u>545</u> | <u>(43,109)</u> | <u>(41,192)</u> |
| Total primary government | <u>\$ 2,389,791</u> | <u>\$ 2,586,660</u> | <u>\$ 2,253,533</u> | <u>\$ 2,285,168</u> |
| Change in Net Position | | | | |
| Governmental activities | \$ 357,133 | \$ 391,075 | \$ 177,280 | \$ (118,927) |
| Business-type activities | (81,664) | 78,795 | (94,974) | (165,688) |
| Total primary government | <u>\$ 275,469</u> | <u>\$ 469,870</u> | <u>\$ 82,306</u> | <u>\$ (284,615)</u> |

| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 848,431 | \$ 857,678 | \$ 927,715 | \$ 1,252,733 | \$ 1,900,957 | \$ 1,993,889 |
| 784,902 | 768,334 | 772,811 | 790,310 | 841,944 | 1,008,013 |
| 378,440 | 371,677 | 365,243 | 345,480 | 376,434 | 355,690 |
| 650,113 | 497,937 | 397,197 | 306,034 | 202,527 | 123,088 |
| 102 | 1,313 | 6,747 | 55,662 | 99,595 | 50,268 |
| 47,051 | 43,201 | 109,080 | 115,035 | 114,374 | 117,123 |
| 7,000 | - | - | - | - | - |
| 37,200 | - | (838,644) | 56,691 | (4,151) | - |
| <u>2,753,239</u> | <u>2,540,140</u> | <u>1,740,149</u> | <u>2,921,945</u> | <u>3,531,680</u> | <u>3,648,071</u> |
| 100 | 182 | 174 | 2,401 | 4,248 | 1,651 |
| - | - | 226,939 | 42,967 | 36,656 | 40,310 |
| (37,200) | - | 838,644 | (56,691) | 4,151 | - |
| <u>(37,100)</u> | <u>182</u> | <u>1,065,757</u> | <u>(11,323)</u> | <u>45,055</u> | <u>41,961</u> |
| <u>\$ 2,716,139</u> | <u>\$ 2,540,322</u> | <u>\$ 2,805,906</u> | <u>\$ 2,910,622</u> | <u>\$ 3,576,735</u> | <u>\$ 3,690,032</u> |
| \$ (124,595) | \$ (856,002) | \$ (1,197,419) | \$ 643,441 | \$ 850,674 | \$ 953,470 |
| (429,801) | (575,645) | 1,066,362 | (14,221) | (84,726) | 299,261 |
| <u>\$ (554,396)</u> | <u>\$ (1,431,647)</u> | <u>\$ (131,057)</u> | <u>\$ 629,220</u> | <u>\$ 765,948</u> | <u>\$ 1,252,731</u> |

City of Dalworthington Gardens, Texas

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

| | 2011 | 2012 | 2013 | 2014 |
|------------------------------------|--------------|--------------|--------------|--------------|
| General fund: | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - |
| Nonspendable | - | - | - | 500 |
| Restricted | - | - | - | - |
| Committed | - | 209,017 | 209,017 | 209,017 |
| Unassigned | 1,451,742 | 1,585,533 | 1,792,670 | 964,207 |
| Total general fund | \$ 1,451,742 | \$ 1,794,550 | \$ 2,001,687 | \$ 1,173,724 |
| | | | | |
| All other governmental funds: | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - |
| Restricted | 461,028 | 717,454 | 621,720 | 2,557,844 |
| Assigned | - | - | - | - |
| Unassigned | - | (117) | - | - |
| Total all other governmental funds | \$ 461,028 | \$ 717,337 | \$ 621,720 | \$ 2,557,844 |

| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 500 | 500 | 6,453 | 12,872 | 20,707 | 25,171 |
| - | - | - | - | - | 38,024 |
| - | - | - | - | 100,091 | - |
| 925,874 | 651,537 | 564,248 | 502,075 | 807,170 | 1,041,670 |
| <u>\$ 926,374</u> | <u>\$ 652,037</u> | <u>\$ 570,701</u> | <u>\$ 514,947</u> | <u>\$ 927,968</u> | <u>\$ 1,104,865</u> |

| | | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2,655,226 | 1,373,090 | 3,863,864 | 3,356,447 | 2,813,620 | 2,622,709 |
| - | - | - | - | - | - |
| - | (105,820) | - | - | - | - |
| <u>\$ 2,655,226</u> | <u>\$ 1,267,270</u> | <u>\$ 3,863,864</u> | <u>\$ 3,356,447</u> | <u>\$ 2,813,620</u> | <u>\$ 2,622,709</u> |

City of Dalworthington Gardens, Texas

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

| | 2011 | 2012 | 2013 | 2014 |
|--|------------|------------|------------|--------------|
| Revenues | | | | |
| Property Tax | \$ 789,694 | 831,381 | 845,639 | 838,889 |
| Sales Tax | 698,071 | 778,877 | 614,248 | 726,602 |
| Franchise Tax | 246,703 | 377,860 | 372,173 | 401,536 |
| Licenses and permits | 86,492 | 82,722 | 115,978 | 69,747 |
| Fines and forfeitures | 865,702 | 777,358 | 944,803 | 775,168 |
| Oil and gas mineral rights | 576,735 | 490,436 | 348,765 | 227,154 |
| Interest Income | 1,642 | 542 | 333 | 135 |
| Ingovernmental | - | - | - | - |
| Other revenue | 76,946 | 74,934 | 58,694 | 73,332 |
| Total Revenues | 3,341,985 | 3,414,110 | 3,300,633 | 3,112,563 |
| Expenditures | | | | |
| Community development | - | - | - | - |
| Court | - | - | - | - |
| General government | 839,141 | 703,081 | 721,509 | 749,043 |
| Police | - | - | - | - |
| Fire | - | - | - | - |
| Public safety | 1,627,412 | 1,631,004 | 1,664,033 | 1,706,867 |
| Public works | 279,258 | 262,282 | 246,544 | 359,286 |
| Parks and recreation | - | - | - | - |
| Debt service | - | - | - | - |
| Principal | 80,000 | 85,000 | 85,000 | 870,000 |
| Interest | 64,964 | 59,655 | 59,510 | 53,969 |
| Bond issuance costs | - | - | - | 85,692 |
| Capital outlay | 331,037 | 145,345 | 455,961 | 35,834 |
| Total Expenditures | 3,221,812 | 2,886,367 | 3,232,557 | 3,860,691 |
| Revenues over (under) expenditures | 120,173 | 527,743 | 68,076 | (748,128) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 274,463 | - | 43,444 | 41,324 |
| Transfers (out) | (144,959) | - | - | - |
| Sale of capital assets | - | - | - | 13,600 |
| Capital lease issuance | - | - | - | - |
| Bond issuance | - | - | - | 1,755,000 |
| Premium on bonds issued | - | - | - | 80,692 |
| Payment to refunded bond escrow agent | - | - | - | - |
| Total other financing sources | 129,504 | - | 43,444 | 1,890,616 |
| Special items | - | - | - | - |
| Net Change in Fund Balances | \$ 249,677 | \$ 527,743 | \$ 111,520 | \$ 1,142,488 |
| Ratio of total debt service expenditures to noncapital expenditures | 5.28% | 5.57% | 5.49% | 35.86% |

¹ This amount was included in general government through 2018.

² This amount was included in public safety through 2018.

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------|-----------------------|---------------------|---------------------|------------------------|--------------------|
| 848,431 | 852,341 | 919,865 | 1,253,459 | \$ 1,914,963 | \$ 1,975,746 |
| 784,902 | 768,334 | 772,811 | 790,310 | 841,944 | 1,008,013 |
| 378,440 | 371,677 | 365,243 | 345,480 | 376,474 | 355,690 |
| 64,832 | 165,018 | 198,685 | 97,791 | 85,294 | 74,458 |
| 744,341 | 561,564 | 533,399 | 532,338 | 521,455 | 404,773 |
| 650,113 | 497,937 | 397,197 | 306,034 | 202,527 | 123,088 |
| 102 | 1,313 | 6,747 | 55,662 | 99,595 | 50,268 |
| - | - | - | - | - | 39,703 |
| 47,051 | 43,201 | 109,080 | 95,706 | 104,674 | 99,863 |
| <u>3,518,212</u> | <u>3,261,385</u> | <u>3,303,027</u> | <u>3,476,780</u> | <u>4,146,926</u> | <u>4,131,602</u> |
| - | - | - | - | 261,829 ¹ | 196,780 |
| - | - | - | - | 204,417 ² | 186,967 |
| 886,252 | 850,674 | 760,351 | 650,840 | 321,313 | 344,117 |
| - | - | - | - | 1,717,893 ² | 1,669,315 |
| - | - | - | - | 344,490 ² | 1,144,494 |
| 1,954,582 | 2,035,209 | 1,966,425 | 2,034,194 | - | - |
| 351,090 | 429,314 | 285,412 | 249,487 | 176,260 | 120,459 |
| - | 84,407 | 84,988 | 194,151 | 119,356 | 108,779 |
| - | - | - | - | - | - |
| 163,922 | 164,016 | 146,377 | 226,117 | 234,363 | 158,790 |
| 82,852 | 83,786 | 71,118 | 185,223 | 175,740 | 169,631 |
| - | - | 145,434 | - | - | - |
| 273,682 | 1,276,272 | 574,795 | 539,033 | 747,914 | 562,701 |
| <u>3,712,380</u> | <u>4,923,678</u> | <u>4,034,900</u> | <u>4,079,045</u> | <u>4,303,575</u> | <u>4,662,033</u> |
| (194,168) | (1,662,293) | (731,873) | (602,265) | (156,649) | (530,431) |
| 199,752 | - | 39,631 | 344 | 18,200 | 13,450 |
| (162,552) | - | (53,525) | (344) | (18,200) | (13,450) |
| 7,000 | - | - | 21,729 | 15,700 | 17,260 |
| - | - | - | 93,699 | - | 499,157 |
| - | - | 3,190,000 | - | - | - |
| - | - | 221,790 | - | - | - |
| - | - | (291,698) | - | - | - |
| <u>44,200</u> | <u>-</u> | <u>3,106,198</u> | <u>115,428</u> | <u>15,700</u> | <u>516,417</u> |
| <u>\$ (149,968)</u> | <u>\$ (1,662,293)</u> | <u>\$ 2,374,325</u> | <u>\$ (486,837)</u> | <u>\$ (140,949)</u> | <u>\$ (14,014)</u> |
| 7.73% | 7.29% | 11.72% | 13.15% | 13.04% | 8.71% |

City of Dalworthington Gardens, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

| Tax Year | Fiscal Year | Less: Tax | | | Total Taxable Assessed Value | Total Direct Tax Rate |
|----------|-------------|----------------|-------------------|-----------------|------------------------------|-----------------------|
| | | Real Property | Personal Property | Exempt Property | | |
| 2010 | 2011 | \$ 316,106,959 | \$ 15,922,755 | \$ 26,043,535 | 305,986,179 | \$ 0.262739 |
| 2011 | 2012 | 316,564,624 | 28,065,054 | 24,955,666 | 319,674,012 | 0.262739 |
| 2012 | 2013 | 319,867,719 | 37,821,284 | 26,055,073 | 331,633,930 | 0.262739 |
| 2013 | 2014 | 323,390,167 | 34,280,285 | 28,409,169 | 329,261,283 | 0.262739 |
| 2014 | 2015 | 328,808,531 | 31,625,059 | 29,218,745 | 331,214,845 | 0.262739 |
| 2015 | 2016 | 328,842,354 | 42,424,789 | 29,842,333 | 341,424,810 | 0.253670 |
| 2016 | 2017 | 352,186,109 | 33,871,005 | 34,961,026 | 351,096,088 | 0.273979 |
| 2017 | 2018 | 369,269,881 | 31,173,880 | 38,700,845 | 361,742,916 | 0.374379 |
| 2018 | 2019 | 382,181,474 | 32,193,757 | 44,515,540 | 369,859,691 | 0.580000 |
| 2019 | 2020 | 409,861,360 | 31,093,796 | 52,036,145 | 388,919,011 | 0.580000 |

Note: Tax rates per \$100 of assessed valuation.

Source: City of Dalworthington Gardens Budget Document.
Tarrant Appraisal District Tax Roll Summary Reports

City of Dalworthington Gardens, Texas

WATER UTILITY REVENUE AND CONSUMPTION

Last Nine Fiscal Years

| <u>Fiscal Year</u> | <u>Billed Revenue</u> | <u>Bill Consumption Gallons '000</u> | <u>Rate per Gallon</u> | <u>Average Monthly Customers</u> |
|--------------------|-----------------------|--------------------------------------|------------------------|----------------------------------|
| 2012 | \$ 795,559 | 223,068 | \$ 3.57 | 1,025 |
| 2013 | 757,778 | 206,509 | 3.67 | 1,029 |
| 2014 | 876,487 | 206,987 | 4.23 | 1,035 |
| 2015 | 729,098 | 186,962 | 3.90 | 1,039 |
| 2016 | 761,456 | 179,592 | 4.24 | 1,045 |
| 2017 | 927,123 | 181,183 | 5.12 | 1,052 |
| 2018 | 1,051,017 | 209,225 | 5.02 | 1,058 |
| 2019 | 896,685 | 160,311 | 5.59 | 1,058 |
| 2020 | 1,119,895 | 197,380 | 5.67 | 1,064 |

Note: Years will continue to be added until 10 years of comparison is listed, information prior to 2012 not available

Data based on monthly billings, excluding yearend accruals

Volume rate provides 1-2000 gallons included in minimum charge

Source: City Billing System

City of Dalworthington Gardens, Texas

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

| Fiscal Year | City Direct Rates | | | Overlapping Rates | | | Total Direct and Overlapping Rates |
|-------------|-------------------------|--------------------|-------------------|---------------------------------------|----------------|----------------------------------|------------------------------------|
| | Operating & Maintenance | Interest & Sinking | Total Direct Rate | Arlington Independent School District | Tarrant County | Tarrant County Hospital District | |
| 2011 | \$ 0.208819 | \$ 0.053920 | \$ 0.262739 | \$ 1.335000 | \$ 0.264000 | \$ 0.137640 | \$ 2.227276 |
| 2012 | 0.213324 | 0.049415 | 0.262739 | 1.301000 | 0.264000 | 0.148970 | 2.204606 |
| 2013 | 0.213324 | 0.049415 | 0.262739 | 1.301000 | 0.264000 | 0.148970 | 2.204606 |
| 2014 | 0.212133 | 0.050606 | 0.262739 | 1.292170 | 0.264000 | 0.149500 | 2.196306 |
| 2015 | 0.205490 | 0.057249 | 0.262739 | 1.292170 | 0.264000 | 0.149500 | 2.196306 |
| 2016 | 0.200492 | 0.053178 | 0.253670 | 1.412952 | 0.264000 | 0.149500 | 2.308019 |
| 2017 | 0.237827 | 0.036152 | 0.273979 | 1.390080 | 0.254000 | 0.144730 | 2.290686 |
| 2018 | 0.287827 | 0.086552 | 0.374379 | 1.368670 | 0.244000 | 0.140060 | 2.351538 |
| 2019 | 0.487983 | 0.092017 | 0.580000 | 1.368670 | 0.234000 | 0.136070 | 2.543169 |
| 2020 | 0.487983 | 0.092017 | 0.580000 | 1.298670 | 0.234000 | 0.130170 | 2.467269 |

Notes: Tax rates per \$100 of assessed valuation.

Rate are presented by Fiscal Year, which is (1) year ahead of the Tax Year

Source: Tarrant Appraisal District

City of Dalworthington Gardens, Texas

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

| Property Tax Payer | 2020 | | | 2011 | | |
|---------------------------------|------------------------|------|-----------------------------|------------------------|------|-----------------------------|
| | Taxable Assessed Value | Rank | % of Taxable Assessed Value | Taxable Assessed Value | Rank | % of Taxable Assessed Value |
| DFW Midstream Services LLC | \$ 7,401,626 | 1 | 1.90% | \$ | | |
| Arlington Classics Academy | 5,923,680 | 2 | 1.52% | | | |
| HRE Garden Town Center LLC | 5,211,723 | 3 | 1.34% | | | |
| McAndrew James F ETUX Kelly | 2,929,200 | 4 | 0.75% | 2,482,814 | 3 | 0.81% |
| XTO Energy Inc | 2,768,700 | 5 | 0.71% | | | |
| Quiktrip Corporation | 2,542,623 | 6 | 0.65% | 2,527,154 | 1 | 0.83% |
| Randal Hospitality LLC | 2,241,518 | 7 | 0.58% | | | |
| Prosperity Bank | 2,000,000 | 8 | 0.51% | | | |
| Riddle Timothy W | 1,682,374 | 9 | 0.43% | | | |
| Atmos Energy/Mid Tex Division | 1,561,220 | 10 | 0.40% | | | |
| Martin, Kenyon | | n/a | - | 2,500,000 | 2 | 0.82% |
| The Bank of Arlington | | n/a | - | 2,096,653 | 4 | 0.69% |
| Froeschke, Harry ETUX Robin | - | n/a | - | 1,840,600 | 5 | 0.60% |
| Frazier, Dick ETUX Debbie | - | n/a | - | 1,629,700 | 6 | 0.53% |
| Parson Family Trust | - | n/a | - | 1,500,000 | 7 | 0.49% |
| Stretch, Robert G | - | n/a | - | 1,450,000 | 8 | 0.47% |
| A Acosta | - | n/a | - | 1,365,000 | 9 | 0.45% |
| Ahmed, M Basheer ETUX Shakila | - | n/a | - | 1,299,600 | 10 | 0.42% |
| Sub-Total | \$ 34,262,664 | | 8.8% | \$ 18,691,521 | | 6.1% |
| Remaining Roll | 354,656,347 | | 91.2% | 287,294,658 | | 93.9% |
| Total Assessed Valuation | \$ 388,919,011 | | 100.0% | \$ 305,986,179 | | 100.0% |

Source: Tax Office.

Note: Property is assessed as of January 1 and certified to the City by July 25 for taxable values. Information is based on City fiscal year, which is one year ahead of tax year.

City of Dalworthington Gardens, Texas

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

| Fiscal Year Ended September 30, | Total Tax Levy for Fiscal Year | Collected within the | | Collections in Subsequent Years | Total Collections to Date | | Outstanding As of 9/30/20 |
|---------------------------------------|--------------------------------------|--|-----------------------|---------------------------------------|---------------------------|-----------------------|---------------------------------|
| | | Fiscal Year of the Levy Amount Collected | Percentage of Levy | | Amount Collected | Percentage of Levy | |
| 1986-2010 | \$ | \$ | | \$ | \$ | \$ | |
| 2011 | 787,001 | 779,731 | 99.1% | 6,652 | 786,383 | 99.9% | 618 |
| 2012 | 823,235 | 818,566 | 99.4% | 2,891 | 821,457 | 99.8% | 1,778 |
| 2013 | 853,715 | 839,284 | 98.3% | 12,364 | 851,648 | 99.8% | 2,067 |
| 2014 | 847,102 | 833,325 | 98.4% | 7,895 | 841,220 | 99.3% | 5,881 |
| 2015 | 850,853 | 841,492 | 98.9% | 7,512 | 849,004 | 99.8% | 1,849 |
| 2016 | 848,493 | 842,969 | 99.3% | 3,293 | 846,262 | 99.7% | 2,230 |
| 2017 | 925,241 | 913,546 | 98.7% | 9,440 | 922,986 | 99.8% | 2,255 |
| 2018 | 1,244,972 | 1,237,049 | 99.4% | 3,590 | 1,240,639 | 99.7% | 4,334 |
| 2019 | 1,892,980 | 1,877,086 | 99.2% | 5,071 | 1,882,757 | 99.5% | 10,823 |
| 2020 | 1,984,724 | 1,961,271 | 98.8% | (0) | 1,961,271 | 98.8% | 23,453 |
| | | | | | | | \$ 65,763 |

Source: Tarrant Appraisal District
City's Finance Department

City of Dalworthington Gardens, Texas

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Last Ten Years

| Fiscal Year | Property Tax | Sales & Use Tax | Franchise Tax | Total |
|-----------------------------|-------------------------|--------------------------------|--------------------------|--------------|
| 2011 | \$ 791,465 | \$ 698,070 | \$ 246,703 | \$ 1,736,238 |
| 2012 | 831,380 | 781,686 | 375,051 | 1,988,117 |
| 2013 | 845,639 | 634,983 | 369,432 | 1,850,053 |
| 2014 | 838,890 | 730,403 | 397,735 | 1,967,027 |
| 2015 | 848,431 | 789,249 | 374,093 | 2,011,772 |
| 2016 | 852,341 | 772,919 | 367,094 | 1,992,354 |
| 2017 | 919,864 | 778,409 | 359,645 | 2,057,917 |
| 2018 | 1,253,458 | 795,177 | 340,612 | 2,389,247 |
| 2019 | 1,914,962 | 847,533 | 370,884 | 3,133,379 |
| 2020 | 1,975,746 | 1,008,013 | 355,690 | 3,339,448 |
| Percent Change 2011-2020 | 149.6% | 44.4% | 44.2% | 92.3% |

Source: City's Finance Department

City of Dalworthington Gardens, Texas

SALES TAX COLLECTIONS BY FUND

Last Ten Years

(Modified Accrual Basis of Accounting)

| | 2011 | 2012 | 2013 | 2014 |
|---|-------------------|-------------------|-------------------|-------------------|
| General | \$ 355,957 | \$ 396,657 | \$ 323,801 | \$ 371,390 |
| Street Improvement | - | - | - | - |
| Total Primary Government | 355,957 | 396,657 | 323,801 | 371,390 |
| Component Units: | | | | |
| Park and Recreation Facility Development Corporation | 176,103 | 196,895 | 160,506 | 183,778 |
| Crime Control and Prevention District | 166,009 | 188,134 | 150,675 | 175,235 |
| Total Sales Tax Collections | \$ 698,070 | \$ 781,686 | \$ 634,983 | \$ 730,403 |

Note: Beginning FY 2019, half cent sales tax was reduced from the Park & Recreation Facility Development Corporation and was used to setup a new Street Improvement Fund.

| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| \$ 400,574 | \$ 392,561 | \$ 396,127 | \$ 404,027 | \$ 429,916 | \$ 506,785 |
| - | - | - | - | 105,706 | 125,517 |
| <u>400,574</u> | <u>392,561</u> | <u>396,127</u> | <u>404,027</u> | <u>535,622</u> | <u>632,301</u> |
| 198,094 | 193,953 | 194,895 | 199,320 | 105,706 | 125,517 |
| 190,581 | 186,405 | 187,387 | 191,830 | 206,185 | 250,195 |
| <u>\$ 789,249</u> | <u>\$ 772,919</u> | <u>\$ 778,409</u> | <u>\$ 795,177</u> | <u>\$ 847,513</u> | <u>\$ 1,008,013</u> |

City of Dalworthington Gardens, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

| | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental activities: | | | | |
| General Obligation Bonds | \$ 455,000 | 425,000 | 395,000 | 360,000 |
| Certificates of Obligation | 945,000 | 890,000 | 835,000 | 1,755,000 |
| Premiums | - | - | - | 80,692 |
| Discounts | - | - | - | - |
| Capital Leases | - | - | - | - |
| Business-type activities: | | | | |
| Capital Leases | - | - | - | - |
| Total primary government | <u>\$ 1,400,000</u> | <u>\$ 1,315,000</u> | <u>\$ 1,230,000</u> | <u>\$ 2,195,692</u> |
| Percentage of personal income (1) | 16.08% | 12.03% | 10.61% | 18.96% |
| Per capita (1) | \$ 619 | \$ 579 | \$ 537 | \$ 951 |

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

(1) Personal income and population data is disclosed in statistical section.

| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 325,000 | 285,000 | \$ 3,190,000 | \$ 3,120,000 | \$ 3,045,000 | \$ 2,965,000 |
| 1,710,000 | 1,660,000 | 1,590,000 | 1,535,000 | 1,480,000 | 1,425,000 |
| 76,657 | 72,622 | 290,377 | 277,471 | 264,565 | 251,660 |
| - | - | - | - | - | - |
| 310,536 | 236,520 | 160,143 | 152,725 | 48,362 | 523,728 |
| - | - | - | - | - | 422,714 |
| <u>\$ 2,422,193</u> | <u>\$ 2,254,142</u> | <u>\$ 5,230,520</u> | <u>\$ 5,085,196</u> | <u>\$ 4,837,927</u> | <u>\$ 5,588,102</u> |
| 20.51% | 17.37% | 42.01% | 44.46% | 44.23% | 51.09% |
| \$ 1,044 | \$ 972 | \$ 2,245 | \$ 2,182 | \$ 2,076 | \$ 2,398 |

City of Dalworthington Gardens, Texas

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Years

| | 2011 | 2012 | 2013 | 2014 |
|---|---------------------|---------------------|---------------------|---------------------|
| NET TAXABLE ASSESSED VALUE | | | | |
| All property | \$ 305,986,179 | \$ 319,674,012 | \$ 331,633,930 | \$ 329,261,283 |
| NET BONDED DEBT (1) | | | | |
| Gross bonded debt | 1,400,000 | 1,315,000 | 1,230,000 | 2,195,692 |
| Less debt service funds | (13,854) | (34,109) | (57,366) | (74,119) |
| Net Bonded Debt | \$ 1,386,146 | \$ 1,280,891 | \$ 1,172,634 | \$ 2,121,573 |
| RATIO OF NET BONDED DEBT TO ASSESSED VALUE | 0.45% | 0.40% | 0.35% | 0.64% |
| POPULATION | 2,260 | 2,270 | 2,290 | 2,310 |
| NET BONDED DEBT PER CAPITA | \$ 613 | \$ 564 | \$ 512 | \$ 918 |

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

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ 331,214,845 | \$ 341,424,810 | \$ 351,096,088 | \$ 361,742,916 | \$ 369,859,691 | \$ 388,919,011 |
| 2,111,657 | 2,017,622 | 5,070,377 | 4,932,471 | 4,789,565 | 4,641,660 |
| (94,381) | (108,424) | (85,711) | (72,352) | (75,475) | (86,046) |
| <u>\$ 2,017,276</u> | <u>\$ 1,909,198</u> | <u>\$ 4,984,666</u> | <u>\$ 4,860,119</u> | <u>\$ 4,714,090</u> | <u>\$ 4,555,614</u> |
| 0.61% | 0.56% | 1.42% | 1.34% | 1.27% | 1.17% |
| 2,320 | 2,320 | 2,330 | 2,330 | 2,330 | 2,330 |
| \$ 870 | \$ 823 | \$ 2,139 | \$ 2,086 | \$ 2,023 | \$ 1,955 |

City of Dalworthington Gardens, Texas
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2020

| <u>Governmental Unit</u> | <u>Net Bonded Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> * | <u>Estimated Share of Overlapping Debt</u> |
|--|--|--|--|
| Debt repaid with property taxes | | | |
| Arlington Independent School District | \$ 978,886,926 | 1.17% | \$ 11,452,977 |
| Tarrant County | 240,445,000 | 0.20% | 480,890 |
| Tarrant County College District | 264,175,000 | 0.20% | 528,350 |
| Tarrant County Hospital District | 16,135,000 | 0.20% | 32,270 |
| Subtotal, overlapping debt | | | <u>12,494,487</u> |
| City direct debt | | | <u>4,390,000</u> |
| Total direct and overlapping debt | | | <u><u>\$ 16,884,487</u></u> |

Sources: Municipal Advisory Council of Texas

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

* **Methodology for Deriving Overlapping Percentages :**

- 1) Determine the estimated shared assessed valuation of taxable property within both the Overlapping Taxing Body(s) and the City
- 2) Divide that shared value by the total assessed value of taxable property within the overlapping taxing body.

City of Dalworthington Gardens, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

| Year | Estimated Population | Median Household Income | Per Capita Personal Income | Unemployment Rate |
|------|-------------------------|-------------------------------|----------------------------------|-----------------------|
| | | | | <u>Tarrant County</u> |
| 2011 | 2,260 | \$ 87,067 | 57,648 | 7.6% |
| 2012 | 2,270 | \$ 109,318 | 62,009 | 6.2% |
| 2013 | 2,290 | \$ 115,972 | 60,489 | 5.9% |
| 2014 | 2,310 | \$ 115,809 | 56,756 | 4.9% |
| 2015 | 2,320 | \$ 118,125 | 56,303 | 4.1% |
| 2016 | 2,320 | \$ 129,750 | 59,064 | 4.2% |
| 2017 | 2,330 | \$ 124,500 | 56,687 | 3.5% |
| 2018 | 2,330 | \$ 114,375 | 60,335 | 3.4% |
| 2019 | 2,330 | \$ 109,375 | 64,040 | 3.2% |
| 2020 | 2,330 | \$ 109,375 | 64,040 | 7.7% |

Note: Census data for 2020 will not be available until after March 31, 2021; therefore the per capita and median income estimates for 2019 data are used in the interim.
 NTCOG population data for 2020 is not available, therefore 2019 data is used.

City of Dalworthington Gardens is served by the Arlington ISD

Sources: Population provided by the North Texas Council of Governments (NTCOG)
 Per Capita Income provided by the US Census Bureau
 Unemployment information provided by the data.bls.gov

City of Dalworthington Gardens, Texas

PRINCIPAL EMPLOYERS

Current Fiscal Year

| Employer | 2020 | | |
|---|-----------|------|---|
| | Employees | Rank | Percentage of Total County Employment |
| Horizon Plumbing | 120 | 1 | 7.46% |
| Beez Construction | 75 | 2 | 4.66% |
| Arlington Classic Academy Primary Campus | 60 | 3 | 3.73% |
| Campo Verde | 49 | 4 | 3.05% |
| Arlington Classic Academy Intermediate Campus | 47 | 4 | 2.92% |
| GBM Maintenance Co. | 40 | 6 | 2.49% |
| Metro Mobile Electronics LLC | 38 | 7 | 2.36% |
| The Montessori Academy | 36 | 8 | 2.24% |
| Green's Produce & Plant | 35 | 9 | 2.18% |
| Infection Control/Germ Blast | 30 | 10 | 1.87% |
| Total | 530 | | 32.96% |

Note: This table requires the previous ninth year; However, this is the first year of the CAFR and this information was not kept historically. The City will provide previous years in future CAFR's until we obtain the ninth year.

Source: Top ten employers and employee count provided by City surveying individual businesses.

City of Dalworthington Gardens, Texas

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

September 30, 2020

| Function/Program | 2017 | 2018 | 2019 | 2020 |
|-----------------------|--------------|--------------|--------------|--------------|
| General government | 4.90 | 3.80 | 2.00 | 1.50 |
| Community Development | | | 2.00 | 2.00 |
| Public safety | 22.60 | 23.80 | 24.00 | 19.50 |
| Public works | 1.80 | 1.65 | 0.50 | 1.00 |
| Park and recreation | - | 0.50 | 0.50 | 0.40 |
| Water and sewer | 3.70 | 4.25 | 3.50 | 4.10 |
| Total | <u>33.00</u> | <u>34.00</u> | <u>32.50</u> | <u>28.50</u> |

Sources: Various City departments.

Years will continue to be added until 10 years of comparison is listed, information prior to 2017 not available

City of Dalworthington Gardens, Texas

OPERATING INDICATORS BY FUNCTION/PROGRAM

September 30, 2020

| Function/Program | 2020 |
|---|---------|
| Community Development | |
| Alarm System Permits | 14 |
| Building Permits Issued | 44 |
| Certificates of Occupancy Issued | 39 |
| Fire Alarm/Suppression Permits Issued | 14 |
| Heating/AC Permits Issued | 19 |
| Plumbing Permits Issued | 45 |
| Roof Permits Issued | 12 |
| Other various Permits Issued | 124 |
| Public safety | |
| Police | |
| Police Calls for Service | 6,264 |
| EMS Calls for Service | 125 |
| Arrests | 155 |
| Community Policing Calls | 5,412 |
| Traffic Enforcement | 6,305 |
| Fire | |
| Fire Calls for Service | 130 |
| Inspections | 78 |
| Public works | |
| # of employees | 3 |
| Hours worked per function: | |
| Administrative | 1,260 |
| Animal Control | 126 |
| Building Maintenance | 550 |
| Park Maintenance | 257 |
| Sewer/Water Maintenance | 1,195 |
| Street Maintenance (outside of full reconstruction) | 290 |
| Construction and Permit Oversight | 842 |
| Water and Sewer | |
| Number of water customers | 1,072 |
| Number of sewer connections | 990 |
| Number of solid waste customers | 885 |
| Annual water consumption (thousands of gallons) | 214,234 |
| Annual sewer usage (thousands of gallons) | 94,963 |

Sources: Various City departments.

Ten years of data is unavailable

City of Dalworthington Gardens, Texas

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

| Function/Program | 2020 |
|--------------------------|-------|
| Public safety | |
| Police stations | 1 |
| Police patrol units | 6 |
| Police admin units | 5 |
| Fire engine units | 2 |
| Fire admin units | 1 |
| Fire stations | 1 |
| Public works | |
| Streets (miles) | 19 |
| Streetlights | 170 |
| Manholes | 289 |
| Drainage Ditches (miles) | 11 |
| Park and recreational | |
| Parks | 1 |
| Parks (acres) | 39 |
| Playground | 1 |
| Baseball/Softball field | 1 |
| Soccer field | 1 |
| Water and sewer | |
| Water mains (miles) | 23 |
| Sanitary sewers (miles) | 22 |
| Water storage facilities | 2 |
| Fire hydrants | 192 |
| Water meters | 1,075 |

Sources: Various City departments.

Ten years of data is unavailable

City of Dalworthington Gardens, Texas

WATER LOSS RATIO

Last Nine Years

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--------------------------------------|----------------|----------------|----------------|----------------|
| Production Gallons '000 | 272,865 | 275,889 | 272,337 | 277,738 |
| Billed and unbilled consumption '000 | <u>223,941</u> | <u>207,454</u> | <u>207,820</u> | <u>188,189</u> |
| Water loss ratio | <u>17.9%</u> | <u>24.8%</u> | <u>23.7%</u> | <u>32.2%</u> |

Note: Years will continue to be added until 10 years of comparison is listed, information prior to 2011 not available

Source: City Operational Reports

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> |
|--------------|--------------|-------------|--------------|-------------|
| 277,283 | 235,779 | 231,796 | 181,637 | 214,234 |
| 184,955 | 187,415 | 212,858 | 163,391 | 199,695 |
| <u>33.3%</u> | <u>20.5%</u> | <u>8.2%</u> | <u>10.0%</u> | <u>6.8%</u> |

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