

ANNUAL COMPREHENSIVE FINANCIAL REPORT 2021

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2021



DALWORTHINGTON GARDENS

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

City of Dalworthington Gardens, Texas

**For the Year Ended
September 30, 2021**

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

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City of Dalworthington Gardens, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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CITY OF DALWORTHINGTON GARDENS

March 8, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report of the City of Dalworthington Gardens, Texas for the year ended September 30, 2021. 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, 2021 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, 2021. The independent auditor's report is included in the financial section of this report.



CITY OF DALWORTHINGTON GARDENS

THE REPORT

This Annual Comprehensive Financial Report (ACFR) 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, certificate of achievement in financial reporting, and a City map.

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.



CITY OF DALWORTHINGTON GARDENS

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.

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.



CITY OF DALWORTHINGTON GARDENS

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.

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.



CITY OF DALWORTHINGTON GARDENS

LOCAL AND REGIONAL ECONOMIC CONDITION AND OUTLOOK

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 29.2% between fiscal year 2012 to 2021, with assessed values including exemptions increasing 22.5% during the same time period.

Texas Service Sector Outlook Survey

According to the Texas Business Outlook Survey (TBOS) published March 1, 2022, activity in the Texas service sector picked up sharply in February. The revenue index, a key measure of state service sector conditions, increased from 2.8 in January to 21.9 in February.

Labor market indicators signal an acceleration in the pace of growth in hiring and hours worked. The employment index increased from 9.2 to 14.6, while the part-time employment index increased by three points to 6.5. The hours worked index increased from 7.4 in January to 10.4 in February.

Wage and price pressures remained extremely elevated in February, with indexes holding near historic highs. The wages and benefits index edged down from a record of 37.4 to 34.7, with over one-third of respondents noting month-over-month wage increases. The selling prices index was unchanged at 29.9, while the input prices index held generally flat at 51.2, with a majority of contracts reporting monthly input price increases for the fifth consecutive month.

Business respondents' expectations regarding future business activity reflected strong optimism. The future general business activity index increased from 16.7 to 21.2, while the future revenue index dipped slightly but held well above its long-term average at 51.6. Other future service sector activity increases such as employment and capital expenditures inched up and remained in firm positive territory.

Texas Retail Sector Outlook Survey

Retail sales activity climbed back into positive territory after a decline in January, according to business executives responding to the survey. The sales index, a key measure of state retail activity, surged 18 points to 10.2 in February – above its average over the past 12 months. Firms noted continued inventory declines, though at a slower pace, as the inventories index increased from -10.1 to -2.1.



CITY OF DALWORTHINGTON GARDENS

Retail labor market indicators were strongly positive in February, with a faster pace of hiring and longer average workweek hours. The employment index added five points to rise to 11.0—its best reading since 2018—while the part-time employment index increased from 1.6 to 8.4. The hours worked index rebounded from negative territory to 10.6, its highest level since before the pandemic.

Retailers' visions of broader business conditions were generally optimistic in February. The general business activity index increased from -7.2 to 2.7, while the company outlook index surged by 18 points to 7.8. The rise in outlook uncertainty moderated following a large increase in January, as the relevant index plunged from 24.0 to 2.2.

Retail price pressures escalated further in February, while wage pressures eased modestly. The selling prices index climbed six points to 49.9—with nearly 60 percent of contacts noting an increase in their prices compared with January—while the input prices index improved nine points to 54.3. The wages and benefits index slid from 37.1 to 34.9, though this remains far above its long-term average.

Expectations for future retail activity reflected solid optimism. The future general business activity index picked up from 4.2 to 10.2, while the future sales index decreased from 44.5 to 39.1. Other future retail activity increased, suggesting further strengthening in retail activity over the next six months.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

The City's Unassigned Fund balance in the general fund at year end was 52% of total general fund expenditures, which is an increase of 23% over prior year's 29%. A portion of this increase, 5%, is due to unspent budgeted expenditures that will be carried over and spent in fiscal year ending September 30, 2022. The City Council has set policy guidelines for reserve balances, which is 90 days of the annual general fund budgeted expenditures, or 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.



CITY OF DALWORTHINGTON GARDENS

For capital and infrastructure improvements, the City of Dalworthington Garden's goals are to maintain a reserve account to fund long term infrastructure needs, to renovate the DPS building, and to find a way to maintain Pappy Elkins Lake. The City funds a street repair reserve with a quarter cent sales tax, approved by voters in 2018, to be used for street infrastructure. The City is in process of creating capital improvement plans for all city infrastructure needs to include streets, water, and sewer.

Other major goals for the City 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. The City has almost completed a review of the City Comprehensive Plan which will create land use planning for the City's future.

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

AWARDS and ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dalworthington Gardens for its annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the 1st year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Dalworthington Gardens
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO



**CITY OF DALWORTHINGTON GARDENS, TEXAS
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2021**

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

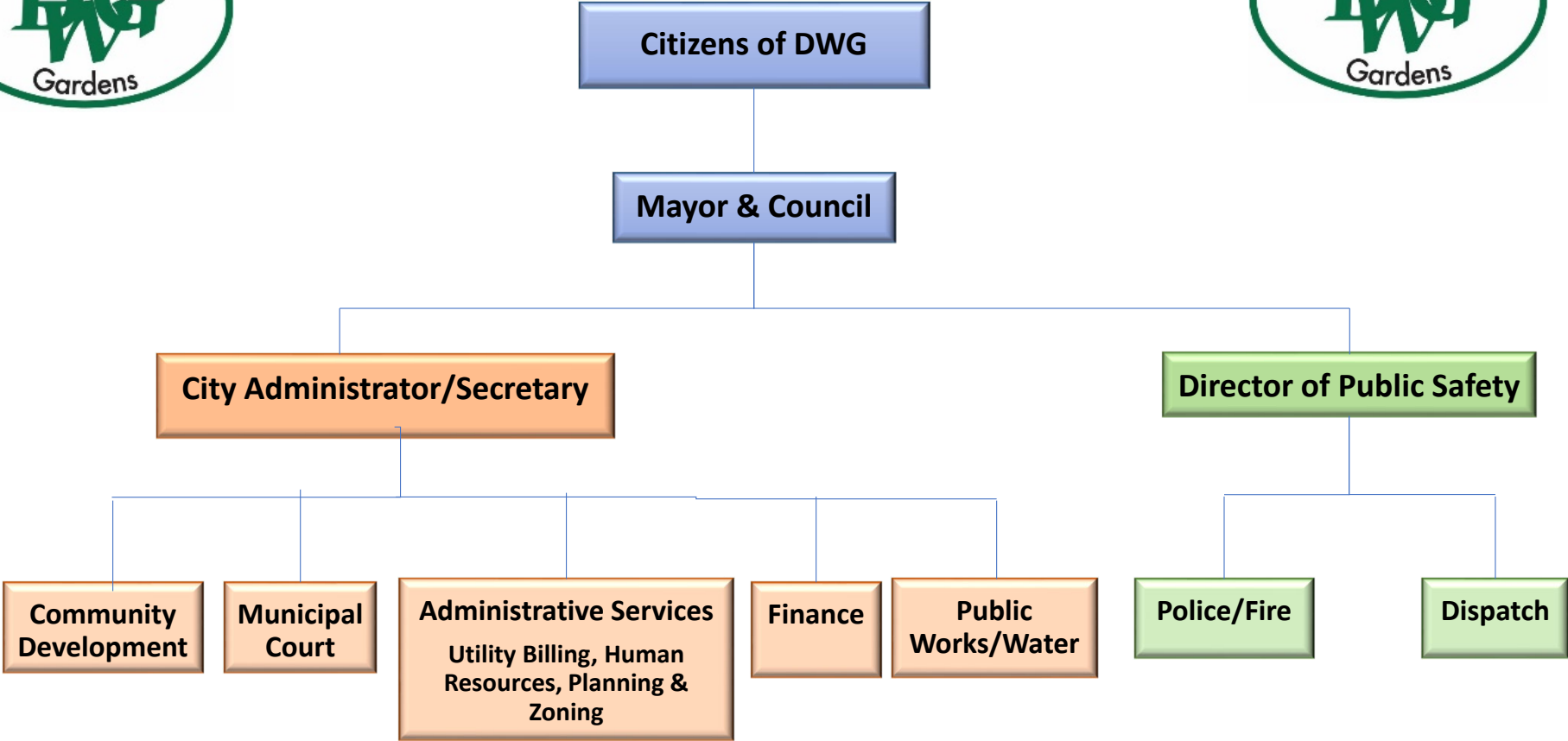
ADMINISTRATION

City Officials

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

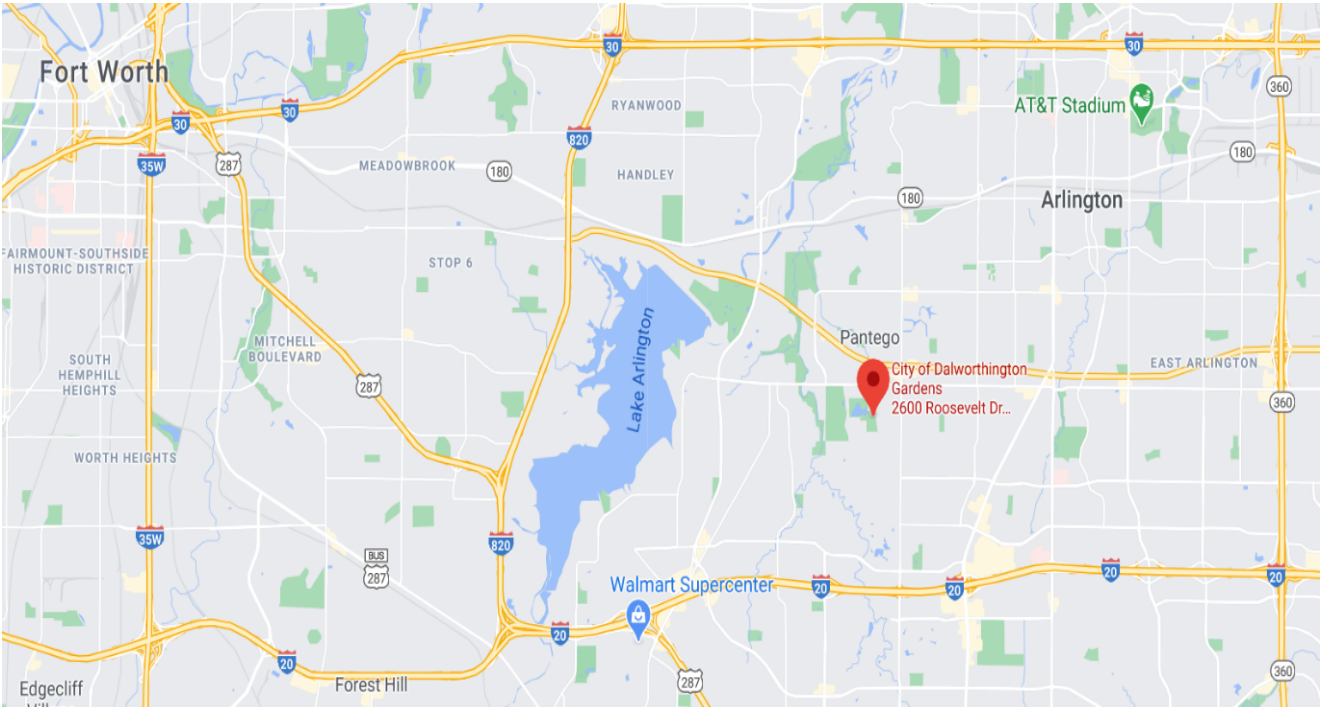
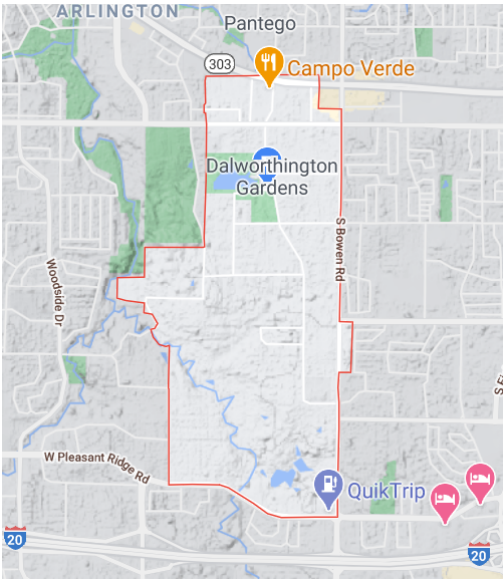
Lola Hazel
Greg Petty
Kay Day
Sandra Ma
Gary Harsley
Jeff Chasteen

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, 2021, 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, 2021 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 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 8, 2022

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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, 2021

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, 2021. 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 \$5,124,138 at September 30, 2021. Of this there is an unrestricted net position balance of negative \$103,530.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$4,473,827, an increase of \$746,253.
- As of the end of the year, the unassigned fund balance of the general fund was \$1,556,438 or 52% of total general fund expenditures.
- The City had an overall increase in net position of \$1,575,546.
- The City closed the year with a net pension liability of \$2,020,602.

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 (MD&A)

September 30, 2021

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

City of Dalworthington Gardens, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2021

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.

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, capital 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 \$5,124,138 as of September 30, 2021, in the primary government.

City of Dalworthington Gardens, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2021

The largest portion of the City's net position, \$3,657,629, 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 (MD&A)
September 30, 2021

The following table reflects the condensed Statement of Net Position:

	2021			2020		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities		Activities	Activities	
Current and other assets	\$ 5,053,230	\$ 724,130	\$ 5,777,360	\$ 4,890,564	\$ 601,316	\$ 5,491,880
Capital assets, net	6,333,675	2,369,896	8,703,571	4,999,301	2,522,167	7,521,468
Total Assets	11,386,905	3,094,026	14,480,931	9,889,865	3,123,483	13,013,348
Deferred Outflows of Resources	305,683	53,943	359,626	263,163	46,440	309,603
Other liabilities	841,896	295,606	1,137,502	1,399,498	335,167	1,734,665
Long-term liab.	7,586,071	582,609	8,168,680	6,835,087	676,535	7,511,622
Total Liabilities	8,427,967	878,215	9,306,182	8,234,585	1,011,702	9,246,287
Deferred Inflows of Resources	348,702	61,535	410,237	448,862	79,210	528,072
Net Position:						
Net investment in capital assets	1,631,584	2,026,045	3,657,629	1,283,471	2,107,200	3,390,671
Restricted	1,570,039	-	1,570,039	1,144,354	187,881	1,332,235
Unrestricted	(285,704)	182,174	(103,530)	(958,244)	(216,070)	(1,174,314)
Total Net Position	\$ 2,915,919	\$ 2,208,219	\$ 5,124,138	\$ 1,469,581	\$ 2,079,011	\$ 3,548,592

Current and other assets of governmental activities increased by \$162,666. The majority of this increase was due to funding of \$293,626 from the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF). The City's capital assets increased by \$1,182,103 primarily due to construction completion of the new city hall and (2) street projects.

City of Dalworthington Gardens, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
September 30, 2021

Statement of Activities:

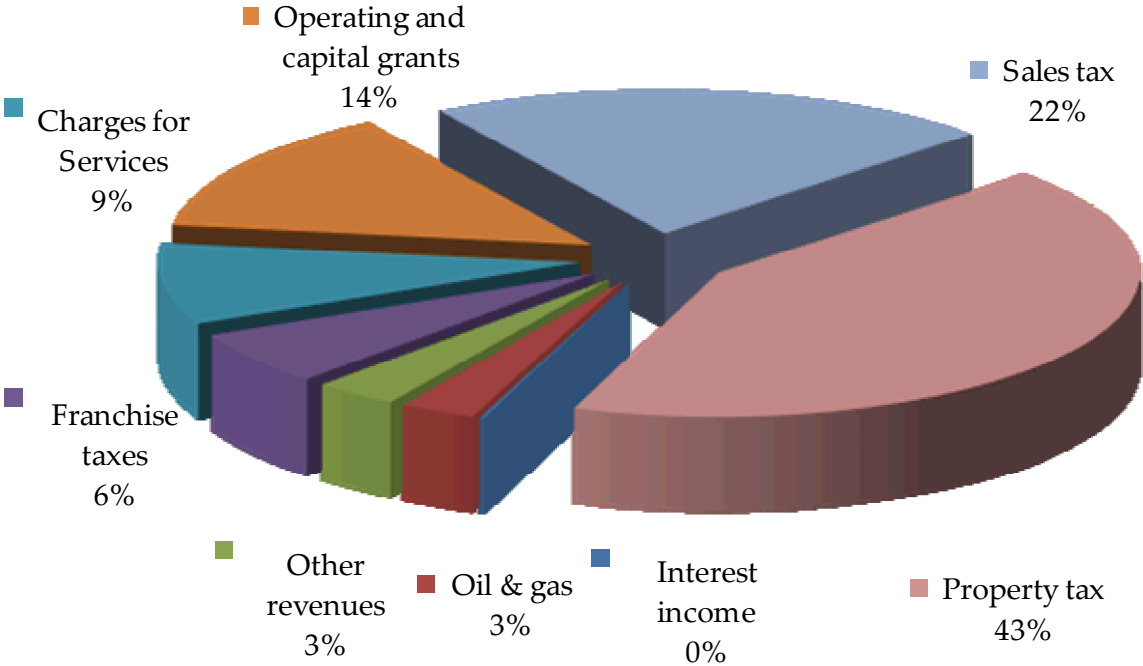
The following table provides a summary of the City's changes in net position:

	For the Year ended September 30, 2021			For the Year ended September 30, 2020		
	Governmental Activities	Business-Type Activities	Primary Government	Governmental Activities	Business-Type Activities	Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 468,839	\$ 1,970,580	\$ 2,439,419	\$ 479,231	\$ 1,940,032	\$ 2,419,263
Grants and capital cont.	709,616	8,824	718,440	125,487	126,665	252,152
General revenues:						
Property tax	2,178,050	-	2,178,050	1,993,889	-	1,993,889
Sales tax	1,115,667	-	1,115,667	1,008,013	-	1,008,013
Other taxes	312,868	-	312,868	355,690	-	355,690
O&G revenue	149,714	-	149,714	123,088	-	123,088
Interest income	9,828	1,624	11,452	50,268	1,651	51,919
Other revenues	165,180	-	165,180	117,123	40,310	157,433
Total Revenues	5,109,762	1,981,028	7,090,790	4,252,789	2,108,658	6,361,447
Expenses						
General	338,353	-	338,353	348,346	-	348,346
Public safety	2,453,132	-	2,453,132	2,218,488	-	2,218,488
Public works	375,022	-	375,022	259,123	-	259,123
Community development	171,754	-	171,754	195,897	-	195,897
Parks and recreation	107,909	-	107,909	120,630	-	120,630
Interest	217,254	12,989	230,243	156,835	9,974	166,809
Utilities	-	1,838,831	1,838,831	-	1,799,423	1,799,423
Total Expenses	3,663,424	1,851,820	5,515,244	3,299,319	1,809,397	5,108,716
Change in Net Position	1,446,338	129,208	1,575,546	953,470	299,261	1,252,731
Beginning Net Position	1,469,581	2,079,011	3,548,592	516,111	1,779,750	2,295,861
Ending Net Position	\$ 2,915,919	\$ 2,208,219	\$ 5,124,138	\$ 1,469,581	\$ 2,079,011	\$ 3,548,592

City of Dalworthington Gardens, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
September 30, 2021

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

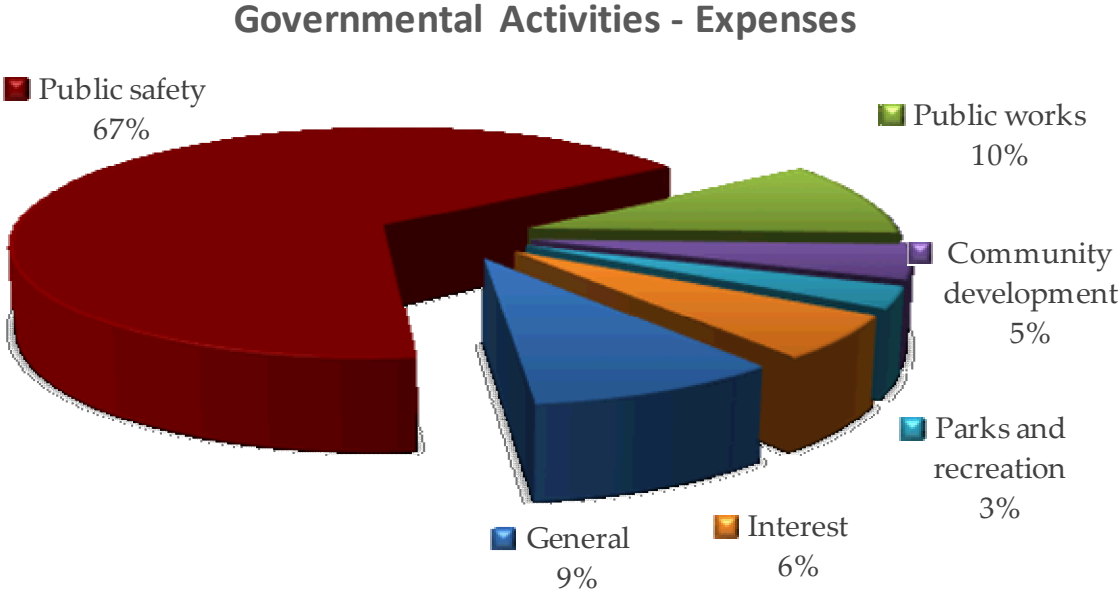
Governmental Activities - Revenues



For the year ended September 30, 2021, revenues from governmental activities totaled \$5,109,762. Property tax, sales tax, franchise taxes, and charges for services are the City's largest recurring revenue sources. Grants and contributions increased by \$584,129, which consists of \$293,626 received from CLSFRF for the first of two installments for the American Rescue Plan Act of 2021 (ARPA) and \$33,005 received from CARES Act funding to reimburse for COVID-19 related expenditures. Property taxes increased by \$184,161, or 9%, which reflects a .7% decrease in taxable value and a 9.8% increase in tax rates. Sales taxes increased by \$107,654, or 11%, due to an increase in on-line sales, information technology services, and liquor store sales. Interest income decreased by \$40,440 or 80% 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 increased by \$26,626, or 22%, of which reflects a 54% increase in price offset by a 10% decline in production. Other revenues increased by \$48,057, or 41%, of which \$19,000 represents a gain from sale of capital assets. In addition, life safety inspection revenue of \$13,790 was reclassified this fiscal year and had historically been reported in permit revenue, of which \$11,500 was reported for fiscal year 2020.

City of Dalworthington Gardens, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
September 30, 2021

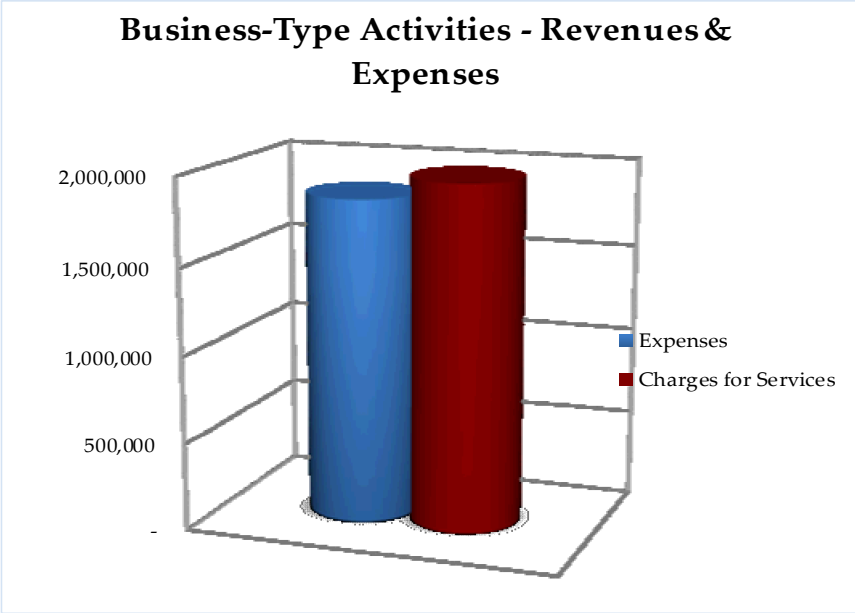
This graph shows the governmental function expenses of the City:



For the year ended September 30, 2021, expenses for governmental activities totaled \$3,663,424. This represents an increase of \$364,105, or 11.0%, from the prior year. The City’s largest functional expense is public safety of \$2,453,132, which increased by 11% over the prior year. The increase was primarily related to a one-time salary increase to public safety officers, authorized by council, with the intent to ensure salaries are more competitive with other municipalities and to improve retention.

City of Dalworthington Gardens, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
September 30, 2021

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



For the year ended September 30, 2021, charges for services by business-type activities totaled \$1,970,580. This is an increase of \$30,548, or 2%, from the previous year. Expenses increased \$42,423, or 2%, from the previous 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, unassigned 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 \$1,900,967. Unassigned fund balance totaled \$1,556,438 as of year-end or 52% of total expenditures for the year. There was an increase in the general fund balance of \$796,102, or 72%, from the prior year. This increase was primarily a result of ARPA and CARES Act funding during the year of \$326,631, an increase in property tax revenue of \$184,161 and an increase in oil and gas revenue of \$26,626.

City of Dalworthington Gardens, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2021

The parks and recreation facility development corporation fund (PRFDC) had an ending fund balance of \$675,759, an increase of \$94,539 from the prior year. There were (2) two primary reasons for the increase: 1) the Park fund, a permanent fund setup specifically for park improvements, was authorized to donate its fund balance to the PRFDC fund of \$20,777 for park improvements; 2) residents of the city donated \$25,269 towards park improvements.

The debt service fund had an ending fund balance of \$97,914 at yearend, an increase of \$11,868. Total principal and interest payments made during the year were \$140,000 and \$164,788, respectively.

The capital projects fund had an ending fund balance of \$1,301,641, a decrease of \$223,089 from the prior year. This decrease relates to expenditures for the new city hall building and (2) completed street projects, which were funded in prior years. These expenditures were offset by an increase in revenue received from the issuance of the 2021 GO Bonds.

There was an overall increase in governmental fund balance of \$746,253 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.

As of the end of the year, the proprietary fund reflected a total net position of \$2,208,219. This was an increase of \$129,208, or 6.2% from the prior year. Restricted net position of \$187,881 decreased from prior year due to the reimbursement authorization for prior water and sewer projects, thereby increasing unrestricted net position.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final budget included amendments to the original budget to increase revenue by \$393,817, increase expenditures by \$132, and increase other financing sources (uses) by \$4,000. Revenues were increased primarily due to the ARPA and CARES Act funding which was not anticipated at the time the budget was adopted. Departmental expenditures decreased \$117,872 primarily due to personnel shortages, which was offset by increases of \$118,196 in capital outlay for vehicles and equipment. Other financing sources increased due to an increase in proceeds from the sale of a fire truck.

There was a total final budget versus actual revenue variance of \$60,926 and an expenditure variance of \$(271,990) for the year. The revenue variance resulted from increases across all revenue streams, except a small negative variance in interest income. The expenditure variance was primarily due to a variances in public works, public safety and capital outlay of \$(52,168), and \$(140,401), \$(59,551) respectively. The total final budget variance was \$332,916.

City of Dalworthington Gardens, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2021

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$6,333,675 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 fund had invested \$2,369,896 in a variety of capital assets and infrastructure, net of accumulated depreciation.

The City's major capital asset events during the current year include the following:

- New City Hall engineering and construction costs of \$1,104,738 during the year.
- 47th Community Development Block Grant (CDBG) Ambassador Row engineering costs of \$12,639 for the general fund street portion and \$11,361 for the enterprise water system.
- Completion of the Indian Trail street project costs of \$82,463 during the year.
- Completion of the Twin Lakes / Twin Springs street project costs of \$472,131 during the year.
- Purchase of an Artic Compressor Fill Station for \$35,954.
- Purchase of office furniture for the new city hall for \$35,928
- Purchase of a Bunker Gear Extractor & Dryer for \$9,779
- Purchase of (28) H&K VP9L 9MM Guns, including holsters and magazines, for \$21,820.
- Purchase of a Shade Structure for the park playground for \$14,223.
- Purchase of (1) 12" Insta-Valve & (2) 8" Valves for \$23,350

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 \$5,996,183. During the year, the City's payments on long-term debt were \$295,259. During the year, the City issued new 2021 GO Bonds totaling \$955,000. More detailed information about the City's long-term liabilities is presented in note IV.E. to the financial statements.

City of Dalworthington Gardens, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall well-being 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, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 2,873,692	\$ 448,681	\$ 3,322,373
Restricted cash	1,852,569	-	1,852,569
Receivables, net	289,921	261,657	551,578
Prepays	37,048	13,792	50,840
Total Current Assets	5,053,230	724,130	5,777,360
Capital assets:			
Non-depreciable	1,992,978	120,562	2,113,540
Net depreciable capital assets	4,340,697	2,249,334	6,590,031
Total Noncurrent Assets	6,333,675	2,369,896	8,703,571
Total Assets	11,386,905	3,094,026	14,480,931
<u>Deferred Outflows of Resources</u>			
Pension	284,650	50,232	334,882
OPEB	21,033	3,711	24,744
Total Deferred Outflows of Resources	305,683	53,943	359,626

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas

STATEMENT OF NET POSITION (Page 2 of 2)

September 30, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	451,906	130,468	582,374
Unearned revenue	67,945	-	67,945
Accrued interest payable	38,547	7,470	46,017
Customer deposits	-	68,093	68,093
Long-term debt due within one year	220,066	81,606	301,672
Compensated absences, current	63,432	7,969	71,401
Total Current Liabilities	841,896	295,606	1,137,502
Noncurrent liabilities:			
Long-term debt due in more than a year	5,768,647	262,245	6,030,892
Net pension liability	1,717,512	303,090	2,020,602
OPEB liability	92,864	16,388	109,252
Compensated absences, noncurrent	7,048	886	7,934
Total Noncurrent Liabilities	7,586,071	582,609	8,168,680
Total Liabilities	8,427,967	878,215	9,306,182
<u>Deferred Inflows of Resources</u>			
Pension	346,546	61,155	407,701
OPEB	2,156	380	2,536
Total Deferred Inflows of Resources	348,702	61,535	410,237
<u>Net Position</u>			
Net investment in capital assets	1,631,584	2,026,045	3,657,629
Restricted for special revenues	1,168,117	-	1,168,117
Restricted for debt service	108,244	-	108,244
Restricted for CLSFRF-ARPA funds	293,678	-	293,678
Unrestricted	(285,704)	182,174	(103,530)
Total Net Position	\$ 2,915,919	\$ 2,208,219	\$ 5,124,138

See Notes to Financial Statements.

City of Dalworthington Gardens, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 338,353	\$ -	\$ 307,308	\$ -
Public safety	2,453,132	405,390	19,323	-
Public works	375,022	-	-	382,985
Parks and recreation	107,909	-	-	-
Community development	171,754	63,449	-	-
Interest and fiscal charges	217,254	-	-	-
Total Governmental Activities	3,663,424	468,839	326,631	382,985
Business-Type Activities				
Water, Sewer, & Sanitation	1,851,820	1,970,580	8,824	-
Total Business-Type Activities	1,851,820	1,970,580	8,824	-
Total Primary Government	\$ 5,515,244	\$ 2,439,419	\$ 335,455	382,985

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
\$ (31,045)	\$ -	\$ (31,045)
(2,028,419)	-	(2,028,419)
7,963	-	7,963
(107,909)	-	(107,909)
(108,305)	-	(108,305)
(217,254)	-	(217,254)
<u>(2,484,969)</u>	<u>-</u>	<u>(2,484,969)</u>
-	127,584	127,584
<u>-</u>	<u>127,584</u>	<u>127,584</u>
<u>(2,484,969)</u>	<u>127,584</u>	<u>(2,357,385)</u>
2,178,050	-	2,178,050
1,115,667	-	1,115,667
312,868	-	312,868
149,714	-	149,714
9,828	1,624	11,452
165,180	-	165,180
<u>3,931,307</u>	<u>1,624</u>	<u>3,932,931</u>
1,446,338	129,208	1,575,546
1,469,581	2,079,011	3,548,592
<u>\$ 2,915,919</u>	<u>\$ 2,208,219</u>	<u>\$ 5,124,138</u>

City of Dalworthington Gardens, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2021

	<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	\$ 1,780,189	\$ 659,069	\$ -	\$ -
Restricted cash	318,928	-	1,435,727	97,914
Receivables, net	187,110	23,191	-	10,330
Prepays	25,851	2,383	5,069	-
Total Assets	\$ 2,312,078	\$ 684,643	\$ 1,440,796	\$ 108,244
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 293,944	\$ 8,884	\$ 139,155	\$ -
Unearned revenue	67,945	-	-	-
Total Liabilities	361,889	8,884	139,155	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	49,222	-	-	10,330
<u>Fund Balances</u>				
Nonspendable:				
Prepaid items	25,851	2,383	5,069	-
Restricted for:				
Parks and recreation	-	673,376	-	-
Special revenue	-	-	-	-
Capital improvements	-	-	1,296,572	-
Debt service	-	-	-	97,914
CARES Act Relief Fund	293,678	-	-	-
Assigned for:				
Fire Truck	25,000	-	-	-
Unassigned reported in:				
General fund	1,556,438	-	-	-
Total Fund Balances	1,900,967	675,759	1,301,641	97,914
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,312,078	\$ 684,643	\$ 1,440,796	\$ 108,244

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 434,434	\$ 2,873,692
-	1,852,569
69,290	289,921
3,745	37,048
<u>\$ 507,469</u>	<u>\$ 5,053,230</u>

\$ 9,923	\$ 451,906
-	67,945
<u>9,923</u>	<u>519,851</u>

-	<u>59,552</u>
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3,745	37,048
-	673,376
493,801	493,801
-	1,296,572
-	97,914
-	293,678
-	25,000
-	1,556,438
<u>497,546</u>	<u>4,473,827</u>

<u>\$ 507,469</u>	<u>\$ 5,053,230</u>
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City of Dalworthington Gardens, Texas

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

September 30, 2021

Fund Balances - Total Governmental Funds	\$ 4,473,827
 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	1,992,978
Capital assets - net depreciable	4,340,697
 Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Property tax receivable	59,552
 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	262,047
Pension assumptions	22,603
OPEB contributions	790
OPEB difference between assumptions and actual	20,243
 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	(177,469)
Pension investment (gains) losses	(169,077)
OPEB difference in expected and actual experience	(2,156)
 Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Accrued interest	(38,547)
Compensated absences	(70,480)
Long term debt due within one year	(220,066)
Long term debt due in more than one year	(5,768,647)
Net pension liability	(1,717,512)
OPEB liability	(92,864)
Net Position of Governmental Activities \$	<u><u>2,915,919</u></u>

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, 2021

	General	Parks and Recreation Facility Development	Capital Projects	Debt Service
<u>Revenues</u>				
Property tax	\$ 1,870,062	\$ -	\$ -	\$ 314,153
Sales tax	560,931	139,041	-	-
Franchise and local taxes	312,868	-	-	-
License and permits	63,449	-	-	-
Fines and forfeitures	375,586	-	-	-
Oil and gas mineral rights	149,714	-	-	-
Interest income	5,347	2,582	556	369
Intergovernmental	326,631	-	-	-
Other revenues	127,237	25,829	-	-
Total Revenues	3,791,825	167,452	556	314,522
<u>Expenditures</u>				
Current:				
Community development	177,133	-	-	-
Municipal court	191,989	-	-	-
General government	331,393	-	9,822	-
Police	1,687,815	-	-	-
Fire	318,454	-	-	-
Public works	157,982	-	-	-
Parks and recreation	-	78,527	-	-
Capital outlay	68,645	15,163	1,153,305	-
Debt Service:				
Principal	76,396	-	-	140,000
Interest and fiscal charges	4,916	-	-	164,788
Bond issuance costs	-	-	51,100	-
Total Expenditures	3,014,723	93,690	1,214,227	304,788
Excess of Revenues				
Over (Under) Expenditures	777,102	73,762	(1,213,671)	9,734
<u>Other Financing Sources (Uses)</u>				
Debt issuance	-	-	955,000	-
Premium on debt issuance	-	-	98,234	-
Sale of capital assets	19,000	-	-	-
Transfers out	-	-	(84,469)	-
Transfers in	-	20,777	21,817	2,134
Total Other Financing (Sources)	19,000	20,777	990,582	2,134
Net Change in Fund Balances	796,102	94,539	(223,089)	11,868
Beginning fund balances	1,104,865	581,220	1,524,730	86,046
Ending Fund Balances	\$ 1,900,967	\$ 675,759	\$ 1,301,641	\$ 97,914

See Notes to Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,184,215
415,695	1,115,667
-	312,868
-	63,449
29,804	405,390
-	149,714
974	9,828
-	326,631
171	153,237
<u>446,644</u>	<u>4,720,999</u>
-	177,133
-	191,989
-	341,215
169,923	1,857,738
-	318,454
56,199	214,181
-	78,527
193,430	1,430,543
-	216,396
-	169,704
-	51,100
<u>419,552</u>	<u>5,046,980</u>
27,092	(325,981)
-	955,000
-	98,234
-	19,000
(42,594)	(127,063)
82,335	127,063
<u>39,741</u>	<u>1,072,234</u>
66,833	746,253
430,713	3,727,574
<u>\$ 497,546</u>	<u>\$ 4,473,827</u>

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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, 2021

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

Net changes in fund balances - total governmental funds	\$	746,253
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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		1,430,543
Depreciation expense		(472,097)
Capital assets contributed from county		382,985
Book value of capital assets disposed of		(7,057)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(6,165)
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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		(6,875)
Accrued interest		(9,963)
Pension expense		221,604
OPEB expense reduction		(9,565)

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.

Bond issuance		(955,000)
Bond premium		(98,234)
Principal payments		216,396
Amortization of premium		13,513

Change in Net Position of Governmental Activities	\$	1,446,338
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See Notes to Financial Statements.

City of Dalworthington Gardens, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUND

September 30, 2021

	<u>Water, Sewer & Sanitation</u>
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 448,681
Prepaid expenses	13,792
Receivables, net	261,657
Total Current Assets	724,130
<u>Noncurrent Assets</u>	
Capital assets:	
Non-depreciable	120,562
Net depreciable capital assets	2,249,334
Total Noncurrent Assets	2,369,896
Total Assets	3,094,026
<u>Deferred Outflows of Resources</u>	
Pension	50,232
OPEB	3,711
Total Deferred Outflows of Resources	53,943
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable and accrued liabilities	130,468
Customer deposits	68,093
Accrued interest	7,470
Compensated absences, current	7,969
Long-term debt due within one year	81,606
Total Current Liabilities	295,606
<u>Noncurrent Liabilities</u>	
Net pension liability	303,090
OPEB liability	16,388
Compensated absences, noncurrent	886
Long-term debt, noncurrent	262,245
Total Liabilities	878,215
<u>Deferred Inflows of Resources</u>	
Pension	61,155
OPEB	380
Total Deferred Inflows of Resources	61,535
<u>Net Position</u>	
Net investment in capital assets	2,026,045
Unrestricted	182,174
Total Net Position	\$ 2,208,219

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, 2021

	Water, Sewer & Sanitation
<u>Operating Revenues</u>	
Water sales	\$ 1,085,333
Sewer revenue	651,964
Refuse collection	190,306
Other revenue	42,977
Total Operating Revenues	1,970,580
 <u>Operating Expenses</u>	
Cost of water	479,312
Cost of sewer	345,398
Cost of refuse	173,512
Personnel	371,053
Material, utilities & maintenance	120,647
Contracted and other services	150,827
Depreciation	198,082
Total Operating Expenses	1,838,831
Operating Income (Loss)	131,749
 <u>Nonoperating Revenues (Expenses)</u>	
Investment income	1,624
Intergovernmental	8,824
Interest expense	(12,989)
Total Nonoperating Revenues (Expenses)	(2,541)
Change in Net Position	129,208
Beginning net position	2,079,011
Ending Net Position	\$ 2,208,219

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, 2021

	<u>Water, Sewer & Sanitation</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from customers	\$ 2,039,048
Payments to suppliers and contractors	(1,321,430)
Payments to employees	(409,274)
Net Cash Provided (Used) by Operating Activities	<u>308,344</u>
<u>Cash Flows from Noncapital and Financing Activities</u>	
Operating grants	8,824
Net Cash Provided (Used) by Capital Financing Activities	<u>8,824</u>
<u>Cash Flows from Capital and Financing Activities</u>	
Purchase of capital assets	(45,811)
Capital lease principal payment	(78,863)
Interest paid	(14,703)
Net Cash Provided (Used) by Capital Financing Activities	<u>(139,377)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on investments	1,624
Net Cash Provided by Investing Activities	<u>1,624</u>
Net Increase (Decrease) in Cash and Cash Equivalents	179,415
Beginning cash, cash equivalents, and restricted cash	269,266
Ending Cash, Cash Equivalents, and Restricted Cash	<u>\$ 448,681</u>

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, 2021

	<u>Water, Sewer & Sanitation</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash (Used) by Operating Activities</u>	
Operating Income (Loss)	\$ 131,749
Adjustments to reconcile operating income to net cash used:	
Depreciation	198,082
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	64,213
Prepaid expenses	(7,612)
Deferred outflows of resources: OPEB	(1,883)
Deferred outflows of resources: Pension	(5,620)
Increase (Decrease) in:	
Accounts payable and accrued liabilities	(44,122)
Customer deposits	4,255
Compensated absences	(803)
Net pension liability	(16,390)
OPEB liability	4,150
Deferred inflows of resources - OPEB	(578)
Deferred inflows of resources - pension	(17,097)
Net Cash Provided (Used) by Operating Activities	\$ 308,344

See Notes to Financial Statements.

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City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

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. The Corporation is financially accountable to the City since the City serves as governance over the Corporation and has the ability to impose its will over the Corporation. 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. The District is financially accountable to the City since the City serves as governance over the District and has the ability to impose its will over the District. Although it is legally separate from the City, the Crime Control and Prevention District 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.

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*

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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;
- 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.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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 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.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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 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.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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.

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.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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 LOGIC or TexSTAR, are reported using the pools' share price.

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

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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 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, water & sewer distribution lines, 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 costs 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. Capital assets that are donated or received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
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 50 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.

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.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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, typically the committed fund balance is depleted first, followed by assigned fund balance, and unassigned fund balance is applied last. Council reserves the right to selectively spend from any of the categories, including unassigned based upon the individual circumstances.

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 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

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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.

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.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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 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.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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, capital projects, 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 increased compared to the original budget. The final budgeted expenditures were increased compared to the original budget. Appropriations lapse at the end of the year.

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.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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	721,349	39
LOGIC investment pool	1,957,882	59
Total fair value	<u>\$ 2,679,231</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 service. As of September 30, 2021, 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

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2021, 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 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 ("ICA"), and the Public Funds Investment Act, Chapter 2256, Texas Government Code ("PFIA"). TexSTAR was created in April 2002 by contract among its participating governmental units and is governed by a board of directors. J.P. Morgan Investment Management Inc. ("JPMIM"), Hilltop Securities Inc. ("HTS") and Hilltop Securities Asset Management, LLC ("HSAM") serve as Administrators for TexSTAR. JPMIM provides investment management services, HTS provides marketing and distribution services and HSAM provides administrative services. Custodial, fund accounting and depository services are provided by JPMorgan Chase Bank, N.A. ("JPMCB") and/or its subsidiary J.P. Morgan Investor Services Co. 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 May 1994 to conform with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code ("ICA"), and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code ("PFIA"). The ICA and the PFIA provide for the creation of public funds investment pools and authorize eligible governmental entities ("Participants") to invest their public funds and funds under their control through the investment pools. Only eligible local governments and agencies of the State of Texas may become Participants.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

LOGIC’s governing body is a five-member board of trustees (“Board”) comprised of individuals who are employees, officers or elected officials of Participants in the fund or who do not have a business relationship with the Fund and are qualified to advise. A maximum of two Advisory Directors will serve in a non-voting advisory capacity to the Board. JPMIM provides investment management services to the Board and HTS provides Participant administrative, marketing and distribution services to the Board. JPMCB and/or its subcontractors or delegates provide custodial, fund accounting, and depository services. At September 30, 2021, 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 \$	49,225	-	10,330	-	-	59,555
Sales taxes	93,241	23,191	-	69,290	-	185,722
Franchise tax	6,417	-	-	-	-	6,417
Oil and gas	30,888	-	-	-	-	30,888
Accounts	9,319	-	-	-	356,910	366,229
Allowance	(1,980)	-	-	-	(95,253)	(97,233)
Total	<u>\$ 187,110</u>	<u>\$ 23,191</u>	<u>\$ 10,330</u>	<u>\$ 69,290</u>	<u>\$ 261,657</u>	<u>\$ 551,578</u>

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

C. Interfund Transactions

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

Transfer in	Transfer out	Amount
Park Recreation & Facility Corp.	Park fund	\$ 20,777.00 ¹
Debt service fund	Capital projects fund	2,134 ²
Capital projects fund	Street sales tax fund	21,817 ³
Street sales tax fund	Capital projects fund	82,335 ⁴

- 1 The park fund donated the fund balance to the Park Recreation & Facility Corp. to be used for park improvements.

- 2 A reimbursement for the reduction in 2021 GO debt issuance recorded in the capital projects fund was transferred to the debt service fund.

- 3 The street sales tax fund reimbursed the capital projects fund for costs related to the 47th CDBG project.

- 4 The capital projects fund reimbursed the street sales tax fund for costs related to the Indian Trail and Twin Springs street repair projects.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

D. Capital Assets

A summary of changes in governmental 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	\$ 291,438	\$ -	\$ -	\$ 291,438
Construction in progress	641,272	1,672,912	(612,644)	1,701,540
Total capital assets not being depreciated	<u>932,710</u>	<u>1,672,912</u>	<u>(612,644)</u>	<u>1,992,978</u>
Capital assets, being depreciated:				
Buildings and improvements	714,974	-	-	714,974
Vehicles and equipment	3,444,134	126,393	(749,473)	2,821,054
Infrastructure	5,078,328	14,223	612,644	5,705,195
Total capital assets being depreciated	<u>9,237,436</u>	<u>140,616</u>	<u>(136,829)</u>	<u>9,241,223</u>
Less accumulated depreciation				
Buildings and improvements	481,860	20,183	-	502,043
Vehicles and equipment	2,062,785	264,568	(742,416)	1,584,937
Infrastructure	2,626,200	187,346	-	2,813,546
Total accumulated depreciation	<u>5,170,845</u>	<u>472,097</u>	<u>(742,416)</u>	<u>4,900,526</u>
Net capital assets being depreciated	<u>4,066,591</u>	<u>(331,481)</u>	<u>605,587</u>	<u>4,340,697</u>
Total capital assets	<u>\$ 4,999,301</u>	<u>\$ 1,341,431</u>	<u>\$ (7,057)</u>	<u>\$ 6,333,675</u>

Depreciation was charged to governmental functions as follows:

Community Development	\$ 8,569
General government	13,688
Public safety	249,154
Public works	169,253
Parks and recreation	31,433
Total Governmental Activities Depreciation Expense	<u>\$ 472,097</u>

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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	-	11,361	-	11,361
Total capital assets not being depreciated	<u>109,201</u>	<u>11,361</u>	<u>-</u>	<u>120,562</u>
Capital assets, being depreciated:				
Buildings and improvements	1,118	-	-	1,118
Water and sewer system improvements	6,134,981	28,550	(2,337)	6,161,194
Vehicles and equipment	296,815	5,900	(80,701)	222,014
Total capital assets being depreciated	<u>6,432,914</u>	<u>34,450</u>	<u>(83,038)</u>	<u>6,384,326</u>
Less accumulated depreciation				
Buildings and improvements	1,118	-	-	1,118
Water and sewer system improvements	3,794,415	186,543	(2,337)	3,978,621
Vehicles and equipment	224,415	11,539	(80,701)	155,253
Total accumulated depreciation	<u>4,019,948</u>	<u>198,082</u>	<u>(83,038)</u>	<u>4,134,992</u>
Net capital assets being depreciated	<u>2,412,966</u>	<u>(163,632)</u>	<u>-</u>	<u>2,249,334</u>
Total capital assets	<u><u>\$ 2,522,167</u></u>	<u><u>\$ (152,271)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,369,896</u></u>

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
Combination Tax and Revenue Certificate of Obligation					
	\$ 1,425,000	\$ -	\$ (60,000)	\$ 1,365,000	\$ 60,000
General Obligation Refunding & Improvement Bonds					
	2,965,000	-	(80,000)	2,885,000	80,000
General Obligation Bonds					
	-	955,000	-	955,000	35,000
Deferred amounts:					
For issuance premiums					
	251,659	98,234	(13,513)	336,380	-
	<u>4,641,659</u>	<u>1,053,234</u>	<u>(153,513)</u>	<u>5,541,380</u>	<u>175,000</u>
Other liabilities:					
Capital lease					
	523,729	-	(76,396)	447,333	45,066
Total Governmental Activities	<u>\$ 5,165,388</u>	<u>\$ 1,053,234</u>	<u>\$ (229,909)</u>	<u>\$ 5,988,713</u>	<u>\$ 220,066</u>
Long-term liabilities due in more than one year				<u>\$ 5,768,647</u>	

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.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Business-Type Activities:					
Other liabilities:					
Capital lease					
	\$ 422,714	\$ -	\$ (78,863)	\$ 343,851	\$ 81,606
Total Governmental Activities	<u>\$ 422,714</u>	<u>\$ -</u>	<u>\$ (78,863)</u>	<u>343,851</u>	<u>\$ 81,606</u>
Long-term liabilities due in more than one year				<u>\$ 262,245</u>	

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

	Governmental Activities	Business- Type Activities	Total
Certificates of obligation:			
\$1,755,000 Certificates of obligation, Series 2014, due in annual installments through 2034, interest at 2-4%	\$ 1,365,000	\$ -	\$ 1,365,000
Total certificates of obligation	1,365,000	-	1,365,000
General obligation bonds:			
\$3,190,000 Refunding & improvement bond, Series 2017, due in annual installments through 2042, interest at 2-4.25%	2,885,000	-	2,885,000
\$955,000 General obligation bond, Series 2021, due in annual installments through 2041, interest at 2-4%	955,000	-	955,000
Total general obligation bonds	3,840,000	-	3,840,000
Less deferred amounts:			
Issuance premiums	336,381	-	336,381
Total deferred amounts	336,381	-	336,381
Capital leases:			
Capital leases	447,332	343,851	791,183
Total capital leases	447,332	343,851	791,183
Total Debt	\$ 5,988,713	\$ 343,851	\$ 6,332,564

Total governmental activities capital assets acquired through capital leases had balances as of September 30, 2021 for cost, accumulated depreciation, and carrying value of \$1,148,481, \$509,106, and \$639,376, respectively. Depreciation expense recognized on these assets during the year ended September 30, 2021 was \$119,029.

Total business-type activities capital assets acquired through capital leases had balances as of September 30, 2021 for cost, accumulated depreciation, and carrying value of \$414,713, \$44,927, and \$369,786, respectively. Depreciation expense recognized on these assets during the year ended September 30, 2021 was \$41,471.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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

Year ending September 30,	General Obligation					
	Bonds		2014 C.O. Bond		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 115,000	\$ 140,873	\$ 60,000	\$ 49,825	\$ 45,066	\$ 10,870
2023	120,000	139,219	60,000	48,025	46,161	9,775
2024	120,000	135,694	60,000	46,225	47,282	8,653
2025	85,000	132,271	100,000	44,125	48,431	7,504
2026	90,000	129,269	105,000	40,625	49,608	6,328
2027	95,000	125,819	105,000	36,950	50,814	5,122
2028	95,000	122,019	110,000	33,275	52,048	3,887
2029	105,000	118,019	115,000	29,425	53,313	2,623
2030	105,000	113,819	120,000	25,400	54,610	1,327
2031	110,000	109,519	125,000	21,200	-	-
2032	115,000	105,113	130,000	16,200	-	-
2033	115,000	100,701	135,000	11,000	-	-
2034	125,000	96,097	140,000	5,600	-	-
2035	275,000	88,304	-	-	-	-
2036	285,000	77,310	-	-	-	-
2037	295,000	66,363	-	-	-	-
2038	310,000	55,413	-	-	-	-
2039	320,000	44,013	-	-	-	-
2040	330,000	31,875	-	-	-	-
2041	335,000	19,038	-	-	-	-
2042	295,000	6,269	-	-	-	-
	<u>\$ 3,840,000</u>	<u>\$ 1,957,017</u>	<u>\$ 1,365,000</u>	<u>\$ 407,875</u>	<u>\$ 447,333</u>	<u>\$ 56,089</u>

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.

General Obligation Bond, Series 2021; due in semi-annual installments through February 1, 2041, bearing interest ranging from 2.0% to 4.00% 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.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

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
2022	\$ 81,606	\$ 11,959
2023	84,444	9,121
2024	87,381	6,184
2025	90,420	3,145
2026	-	-
	\$ 343,851	\$ 30,409

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	\$ 63,605	\$ 62,020	\$ (55,144)	\$ 70,481	\$ 63,432
Total Governmental Activities	\$ 63,605	\$ 62,020	\$ (55,144)	\$ 70,481	\$ 63,432
Business-Type Activities:					
Compensated Absences	\$ 9,658	\$ 11,532	\$ (12,335)	\$ 8,855	\$ 7,969
Total Business-Type Activities	\$ 9,658	\$ 11,532	\$ (12,335)	\$ 8,855	\$ 7,969

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, 2021

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

	Fund Balance		Net Position
	Restricted	Assigned	Restricted
Parks and recreation	\$ 673,376	\$ -	\$ 674,316 ¹
Municipal court security	33,759 *	-	33,759 ¹
Municipal court automation	103,380 *	-	103,380 ¹
Public safety seizures	3,919 *	-	3,919 ¹
Crime control prevention district	202,438 *	-	202,438 ¹
Street sales tax	150,305	-	150,305 ¹
Debt service	97,914	-	108,244
Capital improvements	1,296,572	-	-
Fire truck	-	25,000	-
CLSFRF-ARPA grant	293,678 *	-	293,678
	\$ 2,855,341	\$ 25,000	\$ 1,570,039

* Restricted by enabling legislation

¹ Special revenue

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 Texas governments & political subdivisions 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

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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.

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 895 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 annual comprehensive financial report (ACFR) 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.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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.

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 2020</u>	<u>Plan Year 2019</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, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>2020</u>	<u>2019</u>
Inactive employees or beneficiaries currently receiving benefits	16	15
Inactive employees entitled to but not yet receiving benefits	31	25
Active employees	27	26
Total	74	66

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 20.99% and 23.22% in calendar years 2020 and 2021,

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

respectively. The City's contributions to TMRS for the year ended September 30, 2021, were \$416,081 and were equal to the required contributions.

4. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.15% 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, 2020, 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

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation 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 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	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, 2021

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%
\$ 3,703,128	\$ 2,020,602	\$ 685,357

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/19	\$ 9,221,453	\$ 7,091,589	\$ 2,129,864
Changes for the year:			
Service Cost	336,573	-	336,573
Interest (on the Total Pension Liab.)	622,439	-	622,439
Difference between expected and actual experience	(45,950)	-	(45,950)
Changes of assumptions	-	-	-
Contributions – employer	-	365,287	(365,287)
Contributions – employee	-	121,821	(121,821)
Net investment income	-	538,835	(538,835)
Benefit payments, including refunds of emp. contributions	(336,841)	(336,841)	-
Administrative expense	-	(3,483)	3,483
Other changes	-	(136)	136
Net changes	576,221	685,483	(109,262)
Balance at 12/31/20	\$ 9,797,674	\$ 7,777,072	\$ 2,020,602

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, 2021, the City recognized pension expense of \$155,371.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

The general fund and water, sewer, and sanitation fund have typically been used to liquidate pension liabilities.

At September 30, 2021, 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	\$ -	\$ 208,787
Changes in assumptions	26,592	
Investment gains (inflows) or losses outflows	-	198,914
Contributions subsequent to the measurement date	308,290	-
Total	\$ 334,882	\$ 407,701

The City reported \$308,290 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, 2022. 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:	
2021	\$ (192,949)
2022	(51,004)
2023	(125,127)
2024	(12,029)
2023	-
Thereafter	-
Total	\$ (381,109)

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.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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

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

Employees covered by benefit terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	14
Inactive employees entitled to but not yet receiving benefits	7
Active employees	27
Total	48

The City's contributions to the TMRS SDBF for the years ended 2021, 2020, and 2019 were \$1,083, \$509, and \$422 respectively, which equaled the required contributions each year. The required contribution rates for the retiree for 2021 was 0.07% and for 2020 and 2019 was 0.03%, respectively.

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2020, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.50% to 11.5%, including inflation per year
Discount rate	2.00%
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 generational 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 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 2.00%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

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 2.00%, 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 (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

1% Decrease	Current Single Rate	1% Increase
1.00%	Assumption 2.00%	3.00%
\$ 140,509	\$ 109,252	\$ 86,557

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2021

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/19	\$ 81,589
Changes for the year:	
Service Cost	5,395
Interest	2,311
Difference between expected and actual experience	2,812
Changes of assumptions	17,667
Benefit payments	(522)
Net changes	27,663
Balance at 12/31/20	\$ 109,252

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$12,337.

The general fund and water, sewer, and sanitation fund have typically been used to liquidate OPEB liabilities.

At September 30, 2021, 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	\$ -	\$ 2,536
Changes in assumptions	23,815	-
Contributions after the measurement date	929	-
Total	\$ 24,744	\$ 2,536

The City reported \$929 as deferred outflows of resources related to OPEB 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, 2022.

City of Dalworthington Gardens, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

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

<u>Year ended December 31:</u>	
2021	\$ 4,631
2022	4,631
2023	3,785
2024	5,498
2025	2,734
Thereafter	-
	<u>\$ 21,279</u>

E. Subsequent Events

On December 16, 2021, the City passed Resolution 2021-30 to award the 47th Year Community Development Block Grant (CDBG) Project for Ambassador Row to McClendon Construction Co., Inc. in the amount of \$279,958, of which \$97,341 is the city's responsibility, and \$182,617 will come from Tarrant County through the CDBG program.

There were no other material subsequent events through March 8, 2022, the date the financial statements were available to be issued.

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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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>General</u>	<u>Variance with Final Budget</u>
Revenues				
Property tax	\$ 1,822,578	\$ 1,865,576	\$ 1,870,062	\$ 4,486
Sales tax	480,003	550,735	560,931	10,196
Franchise and local taxes	348,635	302,180	312,868	10,688
License and permits	44,500	58,285	63,449	5,164
Municipal court	419,320	367,170	375,586	8,416
Oil and gas mineral rights	60,000	128,756	149,714	20,958
Interest income	14,507	5,475	5,347	(128)
Intergovernmental	-	326,631	326,631	-
Other revenues	147,539	126,091	127,237	1,146
Total Revenues	<u>3,337,082</u>	<u>3,730,899</u>	<u>3,791,825</u>	<u>60,926</u>
Expenditures				
Current:				
Community development	202,624	179,986	177,133	(2,853)
Municipal court	202,259	193,239	191,989	(1,250)
General government	390,597	347,159	331,393	(15,766)
Police	1,837,253	1,759,867	1,687,815	(72,052)
Fire	402,885	386,803	318,454	(68,349)
Public works	159,458	210,150	157,982	(52,168)
Capital outlay	10,000	128,196	68,645	(59,551)
Debt service				
Principal	75,704	76,396	76,396	-
Interest and fiscal charges	5,801	4,917	4,916	(1)
Total Expenditures	<u>3,286,581</u>	<u>3,286,713</u>	<u>3,014,723</u>	<u>(271,990)</u>
Other Financing Sources (Uses)				
Sale of capital assets	25,000	29,000	19,000	(10,000)
Transfers out	(10,000)	(10,000)	-	10,000
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>19,000</u>	<u>19,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 65,501</u>	<u>\$ 463,186</u>	<u>796,102</u>	<u>\$ 332,916</u>
Beginning fund balance			<u>1,104,865</u>	
Ending Fund Balance			<u>\$ 1,900,967</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.

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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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Parks and Recreation Facility Development</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Sales tax	\$ 118,601	\$ 131,704	\$ 139,041	\$ 7,337
Other revenues	-	25,784	25,829	45
Interest income	4,200	2,543	2,582	39
Total Revenues	<u>122,801</u>	<u>160,031</u>	<u>167,452</u>	<u>7,421</u>
<u>Expenditures</u>				
Current:				
Parks and recreation	89,425	79,602	78,527	(1,075)
Capital outlay	27,180	14,223	15,163	940
Total Expenditures	<u>116,605</u>	<u>93,825</u>	<u>93,690</u>	<u>(135)</u>
Revenues Over (Under)	<u>6,196</u>	<u>66,206</u>	<u>73,762</u>	<u>7,556</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	20,777	20,777	-
Total Other Financing	<u>-</u>	<u>20,777</u>	<u>20,777</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 6,196</u>	<u>\$ 86,983</u>	94,539	<u>\$ 7,556</u>
Beginning fund balance			581,220	
Ending Fund Balance			<u>\$ 675,759</u>	

Notes to Required 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 CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended December 31,

	¹ <u>12/31/2020</u>	<u>12/31/2019</u>
Total pension liability		
Service cost	\$ 336,573	\$ 296,220
Interest	622,439	578,828
Differences between expected and actual experience	(45,950)	42,318
Changes in assumptions	-	51,678
Benefit payments, including refunds of participant contributions	(336,841)	(349,415)
Net change in total pension liability	<u>576,221</u>	<u>619,629</u>
Total pension liability - beginning	<u>9,221,452</u>	<u>8,601,823</u>
Total pension liability - ending (a)	<u>9,797,673</u>	<u>9,221,452</u>
Plan fiduciary net position		
Contributions - employer	\$ 365,287	\$ 340,726
Contributions - members	121,821	111,661
Net investment income (loss)	538,835	937,288
Benefit payments, including refunds of participant contributions	(336,841)	(349,415)
Administrative expenses	(3,483)	(5,291)
Other	(136)	(159)
Net change in plan fiduciary net position	<u>685,483</u>	<u>1,034,810</u>
Plan fiduciary net position - beginning	<u>7,091,588</u>	<u>6,056,778</u>
Plan fiduciary net position - ending (b)	<u>\$ 7,777,071</u>	<u>\$ 7,091,588</u>
Fund's net pension liability (asset) - ending (a) - (b)	<u>\$ 2,020,602</u>	<u>\$ 2,129,864</u>
 Plan fiduciary net position as a percentage of the total pension liability	 79.38%	 76.90%
 Covered payroll	 1,740,294	 1,595,158
 Fund's net position as a percentage of covered payroll	 116.11%	 133.52%

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>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u>
\$	266,612	\$ 265,078	\$ 282,630	\$ 277,028	\$ 265,704
	586,613	553,489	525,093	513,667	481,756
	(608,873)	25,994	(60,072)	(94,934)	(136,520)
	-	-	-	18,672	-
	(399,577)	(309,626)	(326,752)	(225,598)	(95,888)
	(155,225)	534,935	420,899	488,835	515,052
	8,757,048	8,222,113	7,801,214	7,312,379	6,797,327
	8,601,823	8,757,048	8,222,113	7,801,214	7,312,379
\$	327,290	\$ 345,843	\$ 355,310	\$ 354,059	\$ 325,816
	108,631	109,991	113,311	110,496	107,327
	(186,186)	739,082	328,786	6,820	232,020
	(399,577)	(309,626)	(326,752)	(225,598)	(95,888)
	(3,595)	(3,828)	(3,711)	(4,153)	(2,421)
	(188)	(194)	(200)	(205)	(199)
	(153,625)	881,268	466,744	241,419	566,655
	6,210,403	5,329,135	4,862,391	4,620,972	4,054,317
\$	6,056,778	\$ 6,210,403	\$ 5,329,135	\$ 4,862,391	\$ 4,620,972
\$	2,545,045	\$ 2,546,645	\$ 2,892,978	\$ 2,938,823	\$ 2,691,407
	70.41%	70.92%	64.81%	62.33%	63.19%
	1,551,874	\$ 1,571,297	\$ 1,618,726	\$ 1,578,510	\$ 1,516,714
	164.00%	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>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>
Actuarially determined employer contributions	\$ 416,081	\$ 357,853	\$ 329,285
Contributions in relation to the actuarially determined contribution	<u>\$ 416,081</u>	<u>\$ 357,853</u>	<u>\$ 329,285</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Annual covered payroll	\$ 1,841,226	\$ 1,696,592	\$ 1,546,926
Employer contributions as a percentage of covered payroll	22.60%	21.09%	21.29%

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	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
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 2020 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2020 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>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>
\$ 331,898	\$ 350,145	\$ 346,656	\$ 334,267
\$ 331,898	\$ 350,145	\$ 346,656	\$ 334,267
\$ -	\$ -	\$ -	\$ -
\$ 1,555,187	\$ 1,592,059	\$ 1,569,560	\$ 1,514,074
21.34%	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 2020	2019
Total OPEB liability		
Service cost	\$ 5,395	\$ 3,350
Interest	2,311	2,338
Changes of assumptions	17,667	14,500
Differences in expected and actual experience	2,812	300
Benefit payments, including refunds of participant contributions	(522)	(479)
Net changes	27,663	20,009
Total OPEB liability - beginning	81,589	61,580
Total OPEB liability - ending (a)	\$ 109,252	\$ 81,589
Covered-employee payroll	\$ 1,740,294	\$ 1,595,158
Total OPEB Liability as a percentage of covered-employee payroll	6.28%	5.11%

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.

<u>2018</u>	<u>2017</u>
\$ 2,638	\$ 2,200
2,424	2,349
(5,439)	6,623
(9,789)	-
(310)	(314)
(10,476)	10,858
72,056	61,198
\$ 61,580	\$ 72,056
\$ 1,551,874	\$ 1,571,297
3.97%	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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Debt Service</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Property tax	\$ 306,610	\$ 306,610	\$ 314,153	\$ 7,543
Interest income	2,923	2,923	369	(2,554)
Total Revenues	<u>309,533</u>	<u>309,533</u>	<u>314,522</u>	<u>4,989</u>
<u>Expenditures</u>				
Current:				
Debt service				
Principal	140,000	140,000	140,000	-
Interest and fiscal charges	164,788	164,788	164,788	-
Total Expenditures	<u>304,788</u>	<u>304,788</u>	<u>304,788</u>	<u>-</u>
Revenues Over (Under)	<u>4,745</u>	<u>4,745</u>	<u>9,734</u>	<u>4,989</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	2,134	2,134	-
Total Other Financing Sources	<u>-</u>	<u>2,134</u>	<u>2,134</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 4,745</u>	<u>\$ 6,879</u>	11,868	<u>\$ 4,989</u>
Beginning fund balance			86,046	
Ending Fund Balance			<u>\$ 97,914</u>	

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
CAPITAL PROJECTS FUND
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Capital Projects</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Interest income	\$ 1,641	\$ 1,641	\$ 556	\$ (1,085)
Total Revenues	<u>1,641</u>	<u>1,641</u>	<u>556</u>	<u>(1,085)</u>
<u>Expenditures</u>				
Current:				
General government	-	9,822	9,822	-
Capital outlay	1,427,710	1,431,808	1,153,305	(278,503)
Debt service				-
Bond issuance costs	-	51,100	51,100	-
Total Expenditures	<u>1,427,710</u>	<u>1,492,730</u>	<u>1,214,227</u>	<u>(278,503)</u>
Revenues Over (Under)	<u>(1,426,069)</u>	<u>(1,491,089)</u>	<u>(1,213,671)</u>	<u>277,418</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	23,473	21,817	(1,656)
Transfers (out)	(85,719)	(87,853)	(84,469)	3,384
Bond issuance	-	955,000	955,000	-
Bond premium	-	98,234	98,234	-
Total Other Financing Sources	<u>(85,719)</u>	<u>988,854</u>	<u>990,582</u>	<u>1,728</u>
Net Change in Fund Balance	<u>\$ (1,511,788)</u>	<u>\$ (502,235)</u>	<u>(223,089)</u>	<u>\$ 279,146</u>
Beginning fund balance			1,524,730	
Ending Fund Balance			<u>\$ 1,301,641</u>	

Notes to Other 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 REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CRIME CONTROL AND PREVENTION DISTRICT
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Crime Control and Prevention	Variance with Final Budget
<u>Revenues</u>				
Sales tax	\$ 237,201	\$ 266,448	\$ 276,653	\$ 10,205
Interest income	183	75	89	14
Total Revenues	237,384	266,523	276,742	10,219
<u>Expenditures</u>				
Current:				
Public safety	156,151	154,278	140,527	(13,751)
Capital outlay	131,150	165,422	21,820	(143,602)
Total Expenditures	287,301	319,700	162,347	(157,353)
Revenues Over (Under)	(49,917)	(53,177)	114,395	167,572
<u>Other Financing Sources (Uses)</u>				
Transfers in	10,000	10,000	-	(10,000)
Total Other Financing (Sources)	10,000	10,000	-	(10,000)
Net Change in Fund Balance	\$ (39,917)	\$ (43,177)	114,395	\$ 157,572
Beginning fund balance			88,043	
Ending Fund Balance			\$ 202,438	

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, 2021

	<u>Original and Final Budget</u>	<u>Muni. Court Security</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Fines and forfeitures	\$ 7,800	\$ 12,795	\$ 4,995
Interest income	240	171	(69)
Total Revenues	<u>8,040</u>	<u>12,966</u>	<u>4,926</u>
<u>Expenditures</u>			
Current:			
Public safety	4,507	1,259	(3,248)
Total Expenditures	<u>4,507</u>	<u>1,259</u>	<u>(3,248)</u>
Revenues Over (Under) Expenditures	<u>3,533</u>	<u>11,707</u>	<u>8,174</u>
Net Change in Fund Balance	<u>\$ 3,533</u>	<u>11,707</u>	<u>\$ 8,174</u>
Beginning fund balance		<u>22,052</u>	
Ending Fund Balance		<u>\$ 33,759</u>	

Notes to Other 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 REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT AUTOMATION FUND
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Muni. Court Automation</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Fines and forfeitures	\$ 10,800	\$ 10,800	\$ 11,576	\$ 776
Interest income	1,200	1,200	723	(477)
Total Revenues	<u>10,800</u>	<u>12,000</u>	<u>12,299</u>	<u>299</u>
<u>Expenditures</u>				
Current:				
Public safety	17,286	19,280	14,450	(4,830)
Total Expenditures	<u>17,286</u>	<u>19,280</u>	<u>14,450</u>	<u>(4,830)</u>
Revenues Over (Under)	<u>(6,486)</u>	<u>(7,280)</u>	<u>(2,151)</u>	<u>5,129</u>
Net Change in Fund Balance	<u>\$ (6,486)</u>	<u>\$ (7,280)</u>	<u>(2,151)</u>	<u>\$ 5,129</u>
Beginning fund balance			<u>109,276</u>	
Ending Fund Balance			<u>\$ 107,125</u>	

Notes to Other 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 REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARK DONATIONS FUND
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Park Donations</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Interest income	21	21	\$ 8	(13)
Total Revenues	<u>21</u>	<u>21</u>	<u>8</u>	<u>(13)</u>
<u>Expenditures</u>				
Current:				
Parks and recreation	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over (Under)	<u>21</u>	<u>21</u>	<u>8</u>	<u>(13)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	(20,777)	(20,777)	-
Total Other Financing Sources	<u>-</u>	<u>(20,777)</u>	<u>(20,777)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 21</u>	<u>\$ (20,756)</u>	<u>(20,769)</u>	<u>\$ (13)</u>
Beginning fund balance			<u>20,769</u>	
Ending Fund Balance			<u>\$ -</u>	

Notes to Other 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 REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC SAFETY SEIZURES FUND
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Public Safety Seizures</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Fines and forfeitures	\$ -	\$ 5,434	\$ 5,433	\$ (1)
Total Revenues	<u>-</u>	<u>5,434</u>	<u>5,433</u>	<u>(1)</u>
<u>Expenditures</u>				
Current:				
Public safety	-	13,689	13,687	(2)
Total Expenditures	<u>-</u>	<u>13,689</u>	<u>13,687</u>	<u>(2)</u>
Revenues Over (Under)	<u>-</u>	<u>(8,255)</u>	<u>(8,254)</u>	<u>1</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (8,255)</u>	<u>(8,254)</u>	<u>\$ 1</u>
Beginning fund balance			<u>12,173</u>	
Ending Fund Balance			<u>\$ 3,919</u>	

Notes to Other 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 REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
STREET SALES TAX FUND
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Sales Tax</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Sales tax	\$ 118,601	\$ 139,042	\$ 139,042	\$ -
Interest income	1,016	1,016	154	(862)
Total Revenues	<u>119,617</u>	<u>140,058</u>	<u>139,196</u>	<u>(862)</u>
<u>Expenditures</u>				
Current:				
Public works	40,000	56,277	56,199	(78)
Capital Outlay	170,993	171,610	171,610	-
Total Expenditures	<u>210,993</u>	<u>227,887</u>	<u>227,809</u>	<u>(78)</u>
Revenues Over (Under)	<u>(91,376)</u>	<u>(87,829)</u>	<u>(88,613)</u>	<u>(784)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers in	85,719	85,719	82,335	(3,384)
Transfers (out)	-	(21,817)	(21,817)	-
Total Other Financing Sources	<u>85,719</u>	<u>63,902</u>	<u>60,518</u>	<u>(3,384)</u>
Net Change in Fund Balance	<u>\$ (5,657)</u>	<u>\$ (23,927)</u>	<u>(28,095)</u>	<u>\$ (4,168)</u>
Beginning fund balance			<u>178,400</u>	
Ending Fund Balance			<u>\$ 150,305</u>	

Notes to Other 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 REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PROPRIETARY FUND

For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Proprietary Fund</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>				
Water sales	\$ 1,085,123	\$ 1,080,453	\$ 1,085,333	\$ 4,880
Sewer revenue	621,775	654,563	651,964	(2,599)
Refuse collection	188,654	190,239	190,306	67
Other revenue	36,481	42,659	42,977	318
Total Operating Revenues	<u>1,932,033</u>	<u>1,967,914</u>	<u>1,970,580</u>	<u>2,666</u>
<u>Expenditures</u>				
Current:				
Cost of water	499,016	493,250	479,312	(13,938)
Cost of Sewer	356,438	347,510	345,398	(2,112)
Cost of Refuse	175,609	172,206	173,512	1,306
Personnel	405,493	409,563	371,053	(38,510)
Material, utilities & maintenance	113,362	126,869	120,647	(6,222)
Contracted & other services	327,429	213,926	150,827	(63,099)
Capital Outlay	78,863	140,111	45,811	(94,300)
Total Operating Expenses	<u>1,956,210</u>	<u>1,982,298</u>	<u>1,765,423</u>	<u>(216,875)</u>
Operating Income (Loss)	(24,177)	(14,384)	205,157	219,541
<u>Nonoperating Revenues (Expenses)</u>				
Intergovernmental	-	8,824	8,824	-
Investment income	600	1,618	1,624	6
Interest expense	(13,580)	(12,989)	(12,989)	-
Total Nonoperating Revenues (Expenses)	<u>(12,980)</u>	<u>(2,547)</u>	<u>(2,541)</u>	<u>6</u>
Income (Loss) Before Capital				
Contributions and Transfers	(37,157)	(16,931)	202,616	219,547
Capital contributions	-	76,313	-	(76,313)
Net Change in Net Position	<u>\$ (37,157)</u>	<u>\$ 59,382</u>	202,616	<u>\$ 143,234</u>
Beginning fund balance			2,079,011	
Ending Net Position-modified			<u>2,281,627</u>	¹
Capital lease principal payments			78,863	
Capital expenses			45,811	
Depreciation			(198,082)	
Ending Net Position			<u>\$ 2,208,219</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, 2021

(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>	Minimum Charge	Minimum Usage	Maximum Gallons	Flat Rate (Y/N)	Rate per 1k gallons > min
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 averging for sewer usage? No

Total charges per 10,000 gallons of residential usage:	Water	Sewer
	\$62	\$55

<u>Monthly Rate</u>	Garbage	HHW
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: 196,348
 Billed gallons to customers and flushing gallons: 188,312
 Water accountability ratio: 95.9%

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

<u>Meter Size</u>	Total Connections	Active Connections
5/8" x 3/4"	633	620
1"	385	383
1 1/2"	28	28
2"	40	38
Total Water Connections	1,086	1,069



***COMBINING AND INDIVIDUAL FUND
STATEMENTS AND 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, 2021

	Municipal Court Security	Municipal Court Automation	Park Donations	Public Safety Seizures
<u>Assets</u>				
Cash and cash equivalents	\$ 33,759	\$ 103,380	\$ -	\$ 6,589
Restricted cash	-	-	-	-
Receivables, net	-	-	-	-
Prepaid expenses	-	3,745	-	-
Total Assets	\$ 33,759	\$ 107,125	\$ -	\$ 6,589
 <u>Liabilities</u>				
Accounts payable and accrued liabilities	-	-	-	2,670
Total Liabilities	-	-	-	2,670
<u>Fund Balances</u>				
Nonspendable	-	3,745	-	-
Restricted	33,759	103,380	-	3,919
Total Fund Balances	33,759	107,125	-	3,919
Total Liabilities and Fund Balances	\$ 33,759	\$ 107,125	\$ -	\$ 6,589

Crime Control & Prevention	Street Sales Tax	Total
\$ 163,592	\$ 127,114	\$ 434,434
-	-	-
46,099	23,191	69,290
-	-	3,745
<u>\$ 209,691</u>	<u>\$ 150,305</u>	<u>\$ 507,469</u>
7,253	-	9,923
<u>7,253</u>	<u>-</u>	<u>9,923</u>
-	-	3,745
202,438	150,305	493,801
<u>202,438</u>	<u>150,305</u>	<u>497,546</u>
<u>\$ 209,691</u>	<u>\$ 150,305</u>	<u>\$ 507,469</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, 2021

	Municipal Court Security	Municipal Court Automation	Park Donations	Public Safety Seizures
<u>Revenues</u>				
Sales tax	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	12,795	11,576	-	5,433
Interest income	-	723	8	-
Other Income	171	-	-	-
Total Revenues	12,966	12,299	8	5,433
<u>Expenditures</u>				
Current:				
Public safety	1,259	14,450	-	13,687
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	1,259	14,450	-	13,687
<u>Other Financing Sources (Uses)</u>				
Transfers in	-	-	-	-
Transfers out	-	-	(20,777)	-
Total Other financing sources (Uses)	-	-	(20,777)	-
Net Change in Fund Balances	11,707	(2,151)	(20,769)	(8,254)
Beginning fund balances	22,052	109,276	20,769	12,173
Ending Fund Balances	\$ 33,759	\$ 107,125	\$ -	\$ 3,919

Crime Control & Prevention	Street Sales Tax	Total
\$ 276,653	\$ 139,042	\$ 415,695
-	-	29,804
89	154	974
-	-	171
<u>276,742</u>	<u>139,196</u>	<u>446,644</u>
140,527	-	169,923
-	56,199	56,199
21,820	171,610	193,430
<u>162,347</u>	<u>227,809</u>	<u>419,552</u>
-	82,335	82,335
-	(21,817)	(42,594)
-	60,518	39,741
114,395	(28,095)	66,833
88,043	178,400	430,713
<u>\$ 202,438</u>	<u>\$ 150,305</u>	<u>\$ 497,546</u>

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STATISTICAL SECTION

This part of the City's Annual Comprehensive 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>	116-127
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>	128-135
These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.	
<i>Debt Capacity</i>	136-141
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>	142-143
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>	144-148
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)

	2012	2013	2014	2015
Governmental Activities				
Net investment in				
capital assets	\$ 1,354,820	\$ 1,035,882	\$ 1,566,193	\$ 1,550,369
Restricted	717,454	621,720	726,479	677,142
Unrestricted	1,251,463	1,843,415	1,055,031	(1,176,014)
Total Governmental				
Net Position	\$ 3,323,737	\$ 3,501,017	\$ 3,347,703	\$ 1,051,497
 Business-type Activities				
Net investment in				
capital assets	\$ 1,397,347	\$ 1,728,648	\$ 1,632,261	\$ 1,500,419
Restricted				
Unrestricted	864,796	352,164	282,863	(176,613)
Total Business-type Activities Net Position	\$ 2,262,143	\$ 2,080,812	\$ 1,915,124	\$ 1,323,806
 Primary Government				
Net investment in				
capital assets	\$ 2,752,167	\$ 2,764,530	\$ 3,198,454	\$ 3,050,788
Restricted	717,454	621,720	726,479	677,142
Unrestricted	2,116,259	2,195,579	1,337,894	(1,352,627)
Total Primary Government Net Position	\$ 5,585,880	\$ 5,581,829	\$ 5,262,827	\$ 2,375,303

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 1,397,164	\$ 158,570	\$ 670,317	\$ 842,275	\$ 1,283,471	\$ 1,631,584
747,893	857,671	729,051	916,781	1,144,354	1,570,039
<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>(285,704)</u>
<u>\$ 195,495</u>	<u>\$ (935,287)</u>	<u>\$ (343,668)</u>	<u>\$ 516,111</u>	<u>\$ 1,469,581</u>	<u>\$ 2,915,919</u>
\$ 1,371,368	\$ 2,213,593	\$ 2,266,376	\$ 2,128,576	\$ 2,107,200	\$ 2,026,045
(623,207)	(285,441)	(361,590)	(348,826)	187,881	182,174
<u>(623,207)</u>	<u>(285,441)</u>	<u>(361,590)</u>	<u>(348,826)</u>	<u>(216,070)</u>	<u>182,174</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>	<u>\$ 2,208,219</u>
\$ 2,768,532	\$ 2,372,163	\$ 2,936,693	\$ 2,970,851	\$ 3,390,671	\$ 3,657,629
747,893	857,671	729,051	916,781	1,332,235	1,570,039
<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>(103,530)</u>
<u>\$ 943,656</u>	<u>\$ 992,865</u>	<u>\$ 1,561,118</u>	<u>\$ 2,295,861</u>	<u>\$ 3,548,592</u>	<u>\$ 5,124,138</u>

City of Dalworthington Gardens, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	2012	2013	2014	2015
Expenses				
Governmental activities:				
Community Development	\$	\$	\$	\$
General government	785,607	985,501	822,839	1,060,768
Public Safety	1,824,727	1,735,647	1,820,837	2,109,499
Public works	375,514	409,102	482,299	450,297
Parks and recreation	-	-	-	-
Interest and fiscal charges	69,272	49,893	164,227	66,443
Total governmental activities	3,055,120	3,180,143	3,290,202	3,687,007
Business-type activities:				
Water, Sewer, & Sanitation	1,299,955	1,303,696	1,505,826	1,628,878
Total business-type activities	1,299,955	1,303,696	1,505,826	1,628,878
Total primary government	\$ 4,355,075	\$ 4,483,839	\$ 4,796,028	\$ 5,315,885
Program Revenues				
Governmental activities:				
Charges for services:				
Community Development	\$ -	\$ -	\$ -	\$ -
General government	82,722	115,978	69,747	64,832
Public Safety	777,358	944,803	775,168	744,341
Capital & operating grants & contributions	-	-	-	-
Total governmental activities	860,080	1,060,781	844,915	809,173
Business-type activities:				
Charges for services:				
Water, Sewer, & Sanitation	1,378,205	1,251,831	1,381,330	1,236,177
Capital & operating grants & contributions	-	-	-	-
Total business-type activities	1,378,205	1,251,831	1,381,330	1,236,177
Total primary government	\$ 2,238,285	\$ 2,312,612	\$ 2,226,245	\$ 2,045,350
Net (Expense)/Revenue				
Governmental activities	\$ (2,195,040)	\$ (2,119,362)	\$ (2,445,287)	\$ (2,877,834)
Business-type activities	78,250	(51,865)	(124,496)	(392,701)
Total primary government	\$ (2,116,790)	\$ (2,171,227)	\$ (2,569,783)	\$ (3,270,535)

2016	2017	2018	2019	2020	2021
\$	\$	\$	\$	\$	\$
863,364	779,597	640,615	213,510	195,897	171,754
2,184,652	2,123,033	2,029,993	324,896	348,346	338,353
1,000,728	416,975	360,568	2,178,548	2,218,488	2,453,132
114,229	105,100	189,202	294,305	259,123	375,022
79,751	244,947	165,508	116,303	120,630	107,909
4,242,724	3,669,652	3,385,886	160,193	156,835	217,254
			3,287,755	3,299,319	3,663,424
1,906,406	1,669,094	1,755,314	1,788,601	1,809,397	1,851,820
1,906,406	1,669,094	1,755,314	1,788,601	1,809,397	1,851,820
\$ 6,149,130	\$ 5,338,746	\$ 5,141,200	\$ 5,076,356	\$ 5,108,716	\$ 5,515,244
\$	\$	\$	\$	\$	\$
-	-	-	85,294	74,458	63,449
165,018	198,685	97,791	-	-	-
561,564	533,399	532,338	521,455	404,773	405,390
120,000	-	477,253	-	125,487	709,616
846,582	732,084	1,107,382	606,749	604,718	1,178,455
1,330,579	1,669,699	1,752,416	1,658,820	1,940,032	1,970,580
-	-	-	-	126,665	8,824
1,330,579	1,669,699	1,752,416	1,658,820	2,066,697	1,979,404
\$ 2,177,161	\$ 2,401,783	\$ 2,859,798	\$ 2,265,569	\$ 2,671,415	\$ 3,157,859
\$ (3,396,142)	\$ (2,937,568)	\$ (2,278,504)	\$ (2,681,006)	\$ (2,694,601)	\$ (2,484,969)
(575,827)	605	(2,898)	(129,781)	257,300	127,584
\$ (3,971,969)	\$ (2,936,963)	\$ (2,281,402)	\$ (2,810,787)	\$ (2,437,301)	\$ (2,357,385)

City of Dalworthington Gardens, Texas

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Revenues				
Governmental activities:				
Taxes:				
Property taxes	\$ 863,466	\$ 858,985	\$ 842,617	\$ 848,431
Sales taxes	778,877	614,248	726,602	784,902
Franchise taxes	377,860	372,173	401,536	378,440
Oil and gas mineral rights	490,436	348,765	227,154	650,113
Interest Income	542	333	135	102
Other revenue	74,934	58,694	73,332	47,051
Gain (loss) on sale of assets			13,660	7,000
Transfers, net		43,444	41,324	37,200
Total governmental activities	<u>2,586,115</u>	<u>2,296,642</u>	<u>2,326,360</u>	<u>2,753,239</u>
Business-type activities:				
Interest Income	545	335	132	100
Other Income	-	-	-	-
Transfers, net	-	(43,444)	(41,324)	(37,200)
Total business-type activities	<u>545</u>	<u>(43,109)</u>	<u>(41,192)</u>	<u>(37,100)</u>
Total primary government	<u>\$ 2,586,660</u>	<u>\$ 2,253,533</u>	<u>\$ 2,285,168</u>	<u>\$ 2,716,139</u>
Change in Net Position				
Governmental activities	\$ 391,075	\$ 177,280	\$ (118,927)	\$ (124,595)
Business-type activities	78,795	(94,974)	(165,688)	(429,801)
Total primary government	<u>\$ 469,870</u>	<u>\$ 82,306</u>	<u>\$ (284,615)</u>	<u>\$ (554,396)</u>

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$	857,678	\$ 927,715	\$ 1,252,733	\$ 1,900,957	\$ 1,993,889	\$ 2,178,050
	768,334	772,811	790,310	841,944	1,008,013	1,115,667
	371,677	365,243	345,480	376,434	355,690	312,868
	497,937	397,197	306,034	202,527	123,088	149,714
	1,313	6,747	55,662	99,595	50,268	9,828
	43,201	109,080	115,035	114,374	117,123	165,180
	-	-	-	-	-	-
	-	(838,644)	56,691	(4,151)	-	-
	<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>	<u>3,931,307</u>
	182	174	2,401	4,248	1,651	1,624
	-	226,939	42,967	36,656	40,310	-
	-	838,644	(56,691)	4,151	-	-
	<u>182</u>	<u>1,065,757</u>	<u>(11,323)</u>	<u>45,055</u>	<u>41,961</u>	<u>1,624</u>
\$	<u><u>2,540,322</u></u>	<u><u>2,805,906</u></u>	<u><u>2,910,622</u></u>	<u><u>3,576,735</u></u>	<u><u>3,690,032</u></u>	<u><u>3,932,931</u></u>
\$	(856,002)	\$ (1,197,419)	\$ 643,441	\$ 850,674	\$ 953,470	\$ 1,446,338
	(575,645)	1,066,362	(14,221)	(84,726)	299,261	129,208
\$	<u><u>(1,431,647)</u></u>	<u><u>(131,057)</u></u>	<u><u>629,220</u></u>	<u><u>765,948</u></u>	<u><u>1,252,731</u></u>	<u><u>1,575,546</u></u>

City of Dalworthington Gardens, Texas

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

	2012	2013	2014	2015
General fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	500	500
Restricted	-	-	-	-
Assigned	-	-	-	-
Committed	209,017	209,017	209,017	-
Unassigned	1,585,533	1,792,670	964,207	925,874
Total general fund	\$ 1,794,550	\$ 2,001,687	\$ 1,173,724	\$ 926,374
All other governmental funds:				
Reserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	-
Restricted	717,454	621,720	2,557,844	2,655,226
Assigned	-	-	-	-
Committed	-	-	-	-
Unassigned	(117)	-	-	-
Total all other governmental funds	\$ 717,337	\$ 621,720	\$ 2,557,844	\$ 2,655,226

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
500	6,453	12,872	20,707	25,171	25,851
-	-	-	-	38,024	293,678
-	-	-	-	-	25,000
-	-	-	100,091	-	-
651,537	564,248	502,075	807,170	1,041,670	1,556,438
<u>\$ 652,037</u>	<u>\$ 570,701</u>	<u>\$ 514,947</u>	<u>\$ 927,968</u>	<u>\$ 1,104,865</u>	<u>\$ 1,900,967</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	11,197
1,373,090	3,863,864	3,356,447	2,813,620	2,622,709	2,561,663
-	-	-	-	-	-
-	-	-	-	-	-
(105,820)	-	-	-	-	-
<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>	<u>\$ 2,572,860</u>

City of Dalworthington Gardens, Texas

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2012	2013	2014	2015
Revenues				
Property Tax	\$ 831,381	\$ 845,639	\$ 838,889	\$ 848,431
Sales Tax	778,877	614,248	726,602	784,902
Franchise Tax	377,860	372,173	401,536	378,440
Licenses and permits	82,722	115,978	69,747	64,832
Fines and forfeitures	777,358	944,803	775,168	744,341
Oil and gas mineral rights	490,436	348,765	227,154	650,113
Interest Income	542	333	135	102
Intergovernmental				
Other revenue	74,934	58,694	73,332	47,051
Total Revenues	3,414,110	3,300,633	3,112,563	3,518,212
Expenditures				
Community development				
Court				
General government	703,081	721,509	749,043	886,252
Police				
Fire				
Public safety	1,631,004	1,664,033	1,706,867	1,954,582
Public works	262,282	246,544	359,286	351,090
Parks and recreation				
Debt service				
Principal	85,000	85,000	870,000	163,922
Interest	59,655	59,510	53,969	82,852
Bond issuance costs			85,692	
Capital outlay	145,345	455,961	35,834	273,682
Total Expenditures	2,886,367	3,232,557	3,860,691	3,712,380
Revenues over (under) expenditures	527,743	68,076	(748,128)	(194,168)
Other Financing Sources (Uses)				
Transfers in		43,444	41,324	199,752
Transfers (out)				(162,552)
Proceeds from sale of capital			13,600	7,000
Capital lease issuance				
Bond issuance			1,755,000	
Premium on bonds issued			80,692	
Payment to refunded bond escrow agent				
Total other financing sources	-	43,444	1,890,616	44,200
Special items				
Net Change in Fund Balances	\$ 527,743	\$ 111,520	\$ 1,142,488	\$ (149,968)
Ratio of total debt service expenditures to noncapital expenditures	5.28%	5.20%	26.40%	7.18%

	2016	2017	2018	2019	2020	2021
\$	852,341	\$ 919,865	\$ 1,253,459	\$ 1,914,963	\$ 1,975,746	\$ 2,184,215
	768,334	772,811	790,310	841,944	1,008,013	1,115,667
	371,677	365,243	345,480	376,474	355,690	312,868
	165,018	198,685	97,791	85,294	74,458	63,449
	561,564	533,399	532,338	521,455	404,773	405,390
	497,937	397,197	306,034	202,527	123,088	149,714
	1,313	6,747	55,662	99,595	50,268	9,828
					39,703	326,631
	43,201	109,080	95,706	104,674	99,863	153,237
	<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>	<u>4,720,999</u>
				216,976	196,481	177,133
				201,756	185,770	191,989
850,674	760,351	637,000	318,894	343,818	341,215	341,215
			1,598,338	1,642,708	1,857,738	1,857,738
			301,962	320,314	318,454	318,454
2,035,209	1,962,901	1,929,493				
429,314	279,127	246,052	174,153	109,190	214,181	214,181
84,407	84,988	158,226	89,958	90,719	78,527	78,527
164,016	146,377	226,117	234,363	158,790	216,396	216,396
83,786	71,118	185,223	175,740	169,631	169,704	169,704
	145,434				51,100	51,100
1,276,272	584,604	696,934	991,435	1,444,612	1,430,543	1,430,543
<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>	<u>5,046,980</u>	<u>5,046,980</u>
(1,662,293)	(731,873)	(602,265)	(156,649)	(530,431)	(325,981)	(325,981)
	39,631	344	18,200	13,450	290,221	290,221
	(53,525)	(344)	(18,200)	(13,450)	(290,221)	(290,221)
	-	21,729	15,700	17,260	19,000	19,000
		93,699		499,157		
	3,190,000				955,000	955,000
	221,790				98,234	98,234
	(291,698)					
<u>-</u>	<u>3,106,198</u>	<u>115,428</u>	<u>15,700</u>	<u>516,417</u>	<u>1,072,234</u>	<u>1,072,234</u>
<u>\$ (1,662,293)</u>	<u>\$ 2,374,325</u>	<u>\$ (486,837)</u>	<u>\$ (140,949)</u>	<u>\$ (14,014)</u>	<u>\$ 746,253</u>	<u>\$ 746,253</u>
6.79%	10.52%	12.16%	12.38%	10.21%	12.09%	12.09%

City of Dalworthington Gardens, Texas
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Tax Year	Fiscal Year	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
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
2020	2021	418,025,343	27,309,308	53,768,245	391,566,406	0.636593

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 Ten 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
2021	1,084,248	187,529	5.78	1,069

Note: 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 College District	Tarrant County Hospital District	
2012	0.213324	0.049415	0.262739	1.301000	0.264000	0.148970	0.227897	2.204606
2013	0.213324	0.049415	0.262739	1.301000	0.264000	0.148970	0.227897	2.204606
2014	0.212133	0.050606	0.262739	1.292170	0.264000	0.149500	0.227897	2.196306
2015	0.205490	0.057249	0.262739	1.292170	0.264000	0.149500	0.227897	2.196306
2016	0.200492	0.053178	0.253670	1.412952	0.264000	0.149500	0.227897	2.308019
2017	0.237827	0.036152	0.273979	1.390080	0.254000	0.144730	0.227897	2.290686
2018	0.287827	0.086552	0.374379	1.368670	0.244000	0.140060	0.224429	2.351538
2019	0.487983	0.092017	0.580000	1.368670	0.234000	0.136070	0.224429	2.543169
2020	0.487983	0.092017	0.580000	1.298670	0.234000	0.130170	0.224429	2.467269
2021	0.544576	0.092017	0.636593	1.387100	0.234000	0.130170	0.224429	2.612292

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	2021			2012		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
DFW Midstream Services LLC	\$ 4,506,846	1	1.2%	\$		
HRE Garden Town Center LLC	4,500,000	2	1.1%			
McAndrew, James F	3,055,627	3	0.8%	2,273,134	4	0.7%
Bianco, Sabatino	2,925,789	4	0.7%			
Randal Hospitality LLC	2,555,589	5	0.7%			
Quiktrip Corporation	2,312,361	6	0.6%	2,515,397	2	0.8%
Prosperity Bank	2,000,000	7	0.5%			
Everman Industrial LLC	1,759,475	8	0.4%			
Atmos Energy/Mid Tex Division	1,719,180	9	0.4%			
Riddle, Timothy W	1,577,696	10	0.4%			
XTO Energy Inc		n/a		3,911,920	1	1.2%
Martin, Kenyon		n/a		2,500,000	3	0.8%
The Bank of Arlington	-	n/a		2,000,000	5	0.6%
Jjn W Bowen I Pleasant Rdg LP	-	n/a		1,912,215	6	0.6%
Frazier, Dick ETUX Debbie	-	n/a		1,628,600	7	0.5%
Froeschke, Harry Etux Robin	-	n/a		1,570,000	8	0.5%
Dam Texas Properties LLC		n/a		1,450,000	9	0.5%
Parsons Family Trust, The	-	n/a		1,300,000	10	0.4%
Sub-Total	<u>\$ 26,912,563</u>		<u>6.9%</u>	<u>\$ 21,061,266</u>		<u>6.6%</u>
Remaining Roll	<u>364,653,843</u>		<u>93.1%</u>	<u>298,612,746</u>		<u>93.4%</u>
Total Assessed Valuation	<u><u>\$ 391,566,406</u></u>		<u><u>100.0%</u></u>	<u><u>\$ 319,674,012</u></u>		<u><u>100.0%</u></u>

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 Fiscal Years

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding As of 9/30/21
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy	
1986-2010	\$	\$		\$	\$	\$	9,494
2011	787,001	779,731	99.1%	6,712	786,443	99.9%	558
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%	7,994	841,319	99.3%	5,783
2015	850,853	841,492	98.9%	7,517	849,009	99.8%	1,844
2016	848,493	842,969	99.3%	3,348	846,318	99.7%	2,175
2017	925,241	913,546	98.7%	9,462	923,008	99.8%	2,233
2018	1,244,972	1,237,049	99.4%	5,398	1,242,447	99.8%	2,525
2019	1,892,980	1,877,086	99.2%	9,093	1,886,179	99.6%	6,801
2020	1,984,724	1,961,271	98.8%	16,258	1,977,529	99.6%	7,195
2021	2,166,586	2,149,488	99.2%	0	2,149,488	99.2%	17,098
							\$ 59,552

Source: Tarrant Appraisal District
City's Finance Department

City of Dalworthington Gardens, Texas

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	Property Tax	Sales & Use Tax	Franchise Tax	Total
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
2021	2,184,215	1,115,667	312,868	3,612,750
Percent Change				
2012-2021	162.7%	42.7%	-16.6%	81.7%

Source: City's Finance Department

City of Dalworthington Gardens, Texas

SALES TAX COLLECTIONS BY FUND

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015
General	\$ 396,657	\$ 323,801	\$ 371,390	\$ 400,574
Street Improvement	-	-	-	-
Total Primary Government	396,657	323,801	371,390	400,574
Component Units:				
Park and Recreation Facility Development Corporation	196,895	160,506	183,778	198,094
Crime Control and Prevention District	188,134	150,675	175,235	190,581
Total Sales Tax Collections	\$ 781,686	\$ 634,983	\$ 730,403	\$ 789,249

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 392,561	\$ 396,127	\$ 404,027	\$ 429,916	\$ 506,785	\$ 560,931
-	-		105,706	125,517	139,041
<u>392,561</u>	<u>396,127</u>	<u>404,027</u>	<u>535,622</u>	<u>632,301</u>	<u>699,972</u>
193,953	194,895	199,320	105,706	125,517	139,042
186,405	187,387	191,830	206,185	250,195	276,653
<u>\$ 772,919</u>	<u>\$ 778,409</u>	<u>\$ 795,177</u>	<u>\$ 847,513</u>	<u>\$ 1,008,013</u>	<u>\$ 1,115,667</u>

City of Dalworthington Gardens, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities:				
General Obligation Bonds	425,000	395,000	360,000	325,000
Certificates of Obligation	890,000	835,000	1,755,000	1,710,000
Premiums	-	-	80,692	76,657
Discounts	-	-	-	-
Capital Leases	-	-	-	310,536
Business-type activities:				
Capital Leases	-	-	-	-
Total primary government	<u>\$ 1,315,000</u>	<u>\$ 1,230,000</u>	<u>\$ 2,195,692</u>	<u>\$ 2,422,193</u>
Percentage of personal income (1)	0.93%	0.89%	1.67%	1.85%
Per capita (1)	\$ 579	\$ 537	\$ 951	\$ 1,044

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 on page 142.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
285,000	\$ 3,190,000	\$ 3,120,000	\$ 3,045,000	\$ 2,965,000	\$ 3,840,000
1,660,000	1,590,000	1,535,000	1,480,000	1,425,000	1,365,000
72,622	290,377	277,471	264,565	251,660	336,381
-	-	-	-	-	-
236,520	160,143	152,725	48,362	523,728	477,332
-	-	-	-	422,714	343,851
<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>	<u>\$ 6,362,564</u>
1.65%	3.96%	3.62%	3.24%	3.75%	4.25%
\$ 972	\$ 2,245	\$ 2,182	\$ 2,076	\$ 2,398	\$ 2,719

City of Dalworthington Gardens, Texas
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
NET TAXABLE ASSESSED VALUE				
All property	\$ 319,674,012	\$ 331,633,930	\$ 329,261,283	\$ 331,214,845
NET BONDED DEBT				
Gross bonded debt ⁽¹⁾	1,315,000	1,230,000	2,195,692	2,111,657
Less debt service funds	(34,109)	(57,366)	(74,119)	(94,381)
Net Bonded Debt	<u>\$ 1,280,891</u>	<u>\$ 1,172,634</u>	<u>\$ 2,121,573</u>	<u>\$ 2,017,276</u>
RATIO OF NET BONDED DEBT TO ASSESSED VALUE	0.40%	0.35%	0.64%	0.61%
POPULATION	2,270	2,290	2,310	2,320
NET BONDED DEBT PER CAPITA	\$ 564	\$ 512	\$ 918	\$ 870

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 341,424,810	\$ 351,096,088	\$ 361,742,916	\$ 369,859,691	\$ 388,919,011	\$ 391,566,406
2,017,622	5,070,377	4,932,471	4,789,565	4,641,660	5,541,381
(108,424)	(85,711)	(72,352)	(75,475)	(86,046)	(97,914)
<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>	<u>\$ 5,443,467</u>
0.56%	1.42%	1.34%	1.27%	1.17%	1.39%
2,320	2,330	2,330	2,330	2,330	2,340
\$ 823	\$ 2,139	\$ 2,086	\$ 2,023	\$ 1,955	\$ 2,326

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City of Dalworthington Gardens, Texas
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2021

<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	\$ 1,081,249,956	0.97%	\$ 10,488,125
Tarrant County	213,675,000	0.16%	341,880
Tarrant County College District	255,995,000	0.16%	409,592
Tarrant County Hospital District	14,495,000	0.16%	23,192
Subtotal, overlapping debt			<u>11,262,789</u>
City direct debt			<u>5,541,381</u>
Total direct and overlapping debt			<u><u>\$ 16,804,170</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

<u>Year</u>	<u>Estimated Population</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
				<u>Tarrant County</u>
2012	2,270	\$ 140,760,430	\$ 62,009	6.0%
2013	2,290	\$ 138,519,810	\$ 60,489	5.8%
2014	2,310	\$ 131,106,360	\$ 56,756	4.6%
2015	2,320	\$ 130,622,960	\$ 56,303	4.1%
2016	2,320	\$ 137,028,480	\$ 59,064	3.9%
2017	2,330	\$ 132,080,710	\$ 56,687	3.2%
2018	2,330	\$ 140,580,550	\$ 60,335	3.3%
2019	2,330	\$ 149,213,200	\$ 64,040	3.2%
2020	2,330	\$ 149,213,200	\$ 64,040	6.4%
2021	2,340	\$ 149,853,600	\$ 64,040	4.4%

Note:

Census data for 2020 will not be available until late March 2022, and 2021 will not be available until September 2022; therefore the per capita estimates for 2019 data are used in the interim.

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 U.S. Census Bureau
 Unemployment information provided by the U.S Bureau of Labor Statistics

City of Dalworthington Gardens, Texas

PRINCIPAL EMPLOYERS

Current Fiscal Year and Prior Fiscal Year

Employer	2020			2021		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Horizon Plumbing	120	1	7.46%	125	1	7.77%
Arlington Classic Academy Primary Campus	60	3	3.73%	60	2	3.73%
Campo Verde	49	4	3.05%	49	3	3.05%
Arlington Classic Academy Intermediate Campus	47	5	2.92%	47	4	2.92%
GBM Maintenance Co.	40	6	2.49%	40	5	2.49%
Metro Mobile Electronics LLC	38	7	2.36%	38	6	2.36%
The Montessori Academy	36	8	2.24%	36	7	2.24%
McAndrew Motors	n/a	n/a	n/a	35	8	2.18%
Green's Produce & Plant	35	9	2.18%	35	9	2.18%
Beez Construction	75	2	4.66%	35	10	2.18%
Infection Control/Germ Blast	30	10	1.87%			
Total	530		32.96%	500		27.49%

Note: This table requires the previous ninth year; However, this is the second year of the ACFR and this information was not kept historically. The City will provide previous years in future ACFR'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

Last 5 Fiscal Years

Function/Program	2017	2018	2019	2020	2021
General government	4.90	3.80	2.00	1.50	1.50
Community Development			2.00	2.00	1.99
Public safety	22.60	23.80	24.00	19.50	22.00
Public works	1.80	1.65	0.50	1.00	0.80
Park and recreation	-	0.50	0.50	0.40	1.10
Water and sewer	3.70	4.25	3.50	4.10	4.11
Total	<u>33.00</u>	<u>34.00</u>	<u>32.50</u>	<u>28.50</u>	<u>31.50</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

Current Fiscal and Prior Fiscal Year

Function/Program	2020	2021
Community Development		
Alarm System Permits	14	3
Building Permits Issued	44	48
Certificates of Occupancy Issued	39	50
Fire Alarm/Suppression Permits Issued	14	2
Heating/AC Permits Issued	19	15
Plumbing Permits Issued	45	48
Roof Permits Issued	12	12
Other various Permits Issued	124	81
Public safety		
Police		
Police Calls for Service	6,264	5,060
EMS Calls for Service	125	78
Arrests	155	88
Community Policing Calls	5,412	4,311
Traffic Enforcement	6,305	5,379
Fire		
Fire Calls for Service	130	82
Inspections	78	132
Public works		
# of employees	3	3.5
Hours worked per function:		
Administrative	1260	*
Animal Control	126	*
Building Maintenance	550	*
Park Maintenance	256.5	*
Sewer/Water Maintenance	1195	*
Street Maintenance (outside of full reconstruction)	289.5	*
Construction and Permit Oversight	842	*
Water and Sewer		
Number of residential water customers as of FYE	926	923
Annual billed residential water usage (thousands of gallons)	178,322	168,345
Number of commercial water customers as of FYE	146	146
Annual billed commercial water usage (thousands of gallons)	19,058	19,184
Number of sewer connections	990	989
Annual billed residential sewer usage (15,000 gal cap) (thousands of gallons)	85,583	88,791
Annual billed commercial sewer usage (thousands of gallons)	15,398	16,517
Number of solid waste customers	885	889

* data is unavailable

Sources: Various City departments.

Ten years of data is unavailable

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City of Dalworthington Gardens, Texas

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Current Fiscal Year and Prior Fiscal Year

Function/Program	2020	2021
Administration		
City hall building	0	1
Public safety		
Police stations	1	1
Police patrol units	6	6
Police admin units	5	5
Fire engine units	2	2
Fire admin units	1	1
Fire stations	1	1
Public works		
Streets (miles)	19	19
Streetlights	170	170
Manholes	289	289
Drainage Ditches (miles)	11	11
Park and recreational		
Parks	1	1
Parks (acres)	39	39
Playground	1	1
Baseball/Softball field	1	1
Soccer field	1	1
Water and sewer		
Water mains (miles)	23	23
Sanitary sewers (miles)	22	22
Water storage facilities	2	2
Fire hydrants	192	192
Water meters	1,075	1,075

Sources: Various City departments.

Ten years of data is unavailable

City of Dalworthington Gardens, Texas

WATER LOSS RATIO

Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Production Gallons '000	272,865	275,889	272,337	277,738	277,283
Billed and unbilled consumption '000	<u>223,941</u>	<u>207,454</u>	<u>207,820</u>	<u>188,189</u>	<u>184,955</u>
Water loss ratio	<u>17.9%</u>	<u>24.8%</u>	<u>23.7%</u>	<u>32.2%</u>	<u>33.3%</u>

Source: City Operational Reports

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
235,779	231,796	181,637	214,234	196,348
<u>187,415</u>	<u>212,858</u>	<u>163,391</u>	<u>199,695</u>	<u>188,312</u>
<u>20.5%</u>	<u>8.2%</u>	<u>10.0%</u>	<u>6.8%</u>	<u>4.1%</u>

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