



**CARROLLTON**  
TEXAS

*Where Connections Happen*



# Comprehensive Annual Financial Report

Fiscal Year Ended  
September 30, 2019



**CARROLLTON**  
TEXAS

*Where Connections Happen*

City of Carrollton  
1945 E. Jackson Road  
Carrollton, Texas 75006  
**972-466-3000 • [cityofcarrollton.com](http://cityofcarrollton.com)**

## **CITY OF CARROLLTON, TEXAS**

Comprehensive Annual Financial Report  
For the Year Ended September 30, 2019



(L-R): Councilmember Steve Babick, Councilmember John Sutter, Mayor Pro Tem Young Sung, City Manager Erin Rinehart, Mayor Kevin Falconer, Deputy Mayor Pro Tem Frances Cruz, Councilmember Glen Blanscet, Councilmember Pat Cochran, Councilmember Mike Hennefer.

**City Manager**  
Erin Rinehart

**Assistant City Manager/  
Chief Financial Officer**  
Robert B. Scott, CPA

**Prepared by**  
Finance Department  
Diana Vaughn, CPA  
Controller

# CITY OF CARROLLTON, TEXAS

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March 16, 2020

The Honorable Mayor and Members of the City Council  
City of Carrollton  
Carrollton, Texas

The Finance Department and City Manager's Office are pleased to submit the Comprehensive Annual Financial Report for the City of Carrollton, Texas for the fiscal year ending September 30, 2019.

This report provides the City Council, City staff, our citizens, our bondholders, and other interested parties with detailed information concerning the financial position and activities of the City government. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, 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 operation 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.

Grant Thornton, LLP, Certified Public Accounts, have issued an unmodified ("clean") opinion on the city's financial statements for the year ending September 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and the two should be read in conjunction with each other.

## CITY PROFILE

### Location

Located in northwest Dallas, southeast Denton, and southwest Collin counties, Carrollton is only 14 miles from downtown Dallas and 10 miles northeast of the Dallas-Fort Worth International Airport. Carrollton is readily accessible via Interstate 35E on the west, the Dallas North Tollway on the east, the President George Bush Turnpike, State Highway 121 to the north, and Interstate Highway 635 is only two miles south of the city limits. The City encompasses approximately 37 square miles with 34 square miles of developable land which is approximately 98% developed.

The City is a home rule city operating under the Council-Manager form of government. The City Council is comprised of the Mayor and seven Council members who enact laws, determine policies, and adopt the



annual budget. The City Council also appoints the City Manager. The Basic Financial Statements of the City include all government activities, organizations, and functions for which the City is financially accountable as defined by the Governmental Accounting Standard Board. Based on these criteria, no other governmental organizations are included in this report.

### Services Provided

The City provides to its citizens, at the least cost, those services that have proven to be necessary and meaningful. Major services provided under general government and enterprise functions are: police and fire protection, emergency ambulance service, water and sewer services, sanitation services, park and recreational facilities, library services, street and drainage improvements, and general administrative services. The City also offers a 36-hole golf course and an aggressive economic development service. Internal services of the City, accounted for on a cost reimbursement basis, are fleet services, risk management, and employee health and disability coverage.

### Accounting System and Budgetary Control

The City's accounting records for general governmental operations 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 utilities and other proprietary activities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets; and (3) compliance with all applicable rules, regulations, and contractual requirements. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, (2) the evaluation of costs and benefits requires estimates and judgements by management, and (3) the preciseness of estimates must be balanced with the timeliness of financial reporting.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City charter provides that the City Council shall adopt the annual budget prepared by City Management. This budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between line items and





departments within any fund; however, any revisions that increase the total appropriations of any fund must be approved by the City Council.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item and are posted electronically monthly for City departmental and divisional management.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level, and capital expenditures are monitored and controlled item by item. Revenue budgets are reviewed monthly.

### ECONOMIC OUTLOOK AND FINANCIAL CONDITION

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

#### Regional Economy

The Dallas-Fort Worth Metroplex (DFW) economy continued to grow at the end of 2019, and the regional unemployment rate remained below the state and nation rate. The Federal Reserve Bank of Dallas reported in their January 2020 Dallas-Fort Worth Economic Indicators update:

Dallas-Fort Worth economic growth remained on track in 2019. Payroll employment grew at a rapid clip, and unemployment stayed low. The Dallas and Fort Worth business-cycle indexes expanded at an above-average pace. Housing market indicators suggest steady home-price appreciation and continued homebuilding activity. Home inventories remained tight, particularly at the lower price points.

#### Carrollton's Position in the Region

Carrollton is a home to a diversified group of manufacturing and distribution firms. Products manufactured range from oil well equipment to high-tech components. Distribution and service operations are equally diversified. This diversification is evident in the fact that the top ten taxpayers represent less than 5% of assessed valuation in the City.

The City also benefits from a well-educated and affluent workforce. According to U.S. Census Bureau's 2018 American Community Survey, Carrollton's median household income of \$75,820 compares favorably to \$66,326 for DFW and \$59,206 for Texas. Also, according to the survey, the workforce is educated with 39.8% of the population having a bachelor's degree or more, compared to 33.7% for DFW and 29.6% for Texas.



The following facts reflect Carrollton's economic condition and outlook:

Carrollton ranks as one of the top cities in the region in corporate investment, job creation, and population growth. Its central location within the region, its proximity to the DFW Airport, Love Field, Downtown Dallas, and the connectivity created by its three DART stations, make Carrollton a preferred location to live, work, and play. Carrollton's City Council has cut property taxes for six years in a row while maintaining one of the highest ratings in the delivery of municipal services in the DFW Metroplex. Carrollton's 44.9-million square feet of manufacturing and distribution space generates consistently increasing property and business-to-business sale tax revenue for the City, resulting in a well-balanced business-to-residential tax base.

Carrollton ranks high in the state for a quality of work environment. As of December 2019, Carrollton's unemployment was 3.2%, well below the state and US rates.

Carrollton has five major business parks – Valwood Industrial Park, Frankford Trade Center, Austin Ranch, International Business Park and Trinity Mills Industrial Park. Valwood Industrial Park and the Frankford Trade Center are among the premier industrial parks in the Dallas/Fort Worth area.

Total certified taxable value, not including estimated value for property under protest, for all residential and commercial property in the City was approximately \$14.41 billion for fiscal year 2019, a 9.55% increase from the previous year.

Sales tax collections totaled \$39,683,052 in fiscal year 2019, a 0.3% decrease from the previous year.

#### Future Economic Outlook

Through January, Fiscal Year 2020, sales taxes have increased by 9.15% compare to the same period in fiscal year 2019. While benefiting from the increases, the City also recognized its exposure to decreases and adopted a sales tax mitigation strategy whereby a portion of sales tax is dedicated to non-recurring capital expenditures. For fiscal year 2020, property valuations increased 8.44% with a 7.77% increase in residential property and 9.0% increase in commercial and industrial properties.

Carrollton has approximately 956 acres of vacant land ready for future development with 803 of those acres currently zoned for commercial and industrial use. This bodes well for the City, as these uses generally require a lower level of City services while providing a higher level of revenue to the City, as compared to the typical residential development.



Carrollton's economic future is not without challenges. The City is no longer an outer ring suburb that can simply rely on construction on vacant land to fuel growth in tax base and the economy. As it approaches single family residential build out and vacant commercial tracts become scarce, the City must invest more heavily than ever to keep Carrollton an attractive place to live and work. The City Council, recognizing these trends, has adopted strategic goals that create a vision for the City's future. To obtain this vision, the City has:

- Dramatically reduced its workforce from 1,016 full-time authorized positions in the fiscal year 2001 to 835.25 for fiscal year 2019 by eliminating duplicate positions, leveraging technology, outsourcing non-core services that can be performed more efficiently by the private sector, and implementing a managed competition program to improve efficiency.
- The savings from this restructuring has been reinvested in the community through increased capital expenditure, increased code enforcement, and neighborhood reinvestment programs.
- Aggressively pursued transit-oriented development related to light rail which arrived in the City in December 2010. Carrollton's multiple rail lines will allow it to eventually become one of the three mass transit rail hubs in the Metroplex.
- Maintained conservative financial policies and strong financial position that will allow it to react quickly to development opportunities.

#### Long-term Financial Planning

The City Council has adopted a series of financial standards and policies for operating and debt management. Management of the City has made every effort to comply with these standards and policies and believe we are currently in compliance.

Sales tax is the City's second largest General Fund revenue and is also one of its most volatile. It has been the City's experience that rapid increases in sales tax revenues are often followed by rapid declines. Creating a "cap" for the amount of sales tax that can be used in a given year for operating purposes allows the City to manage this volatility, promotes a healthy pay-as-you-go infrastructure re-investment program, and protects the City from rapid revenue declines during times of economic downturns. For fiscal year 2019, sales tax exceeded the "cap" for operating purposes by over \$10.9 million. This excess will be used for one-time non-recurring purposes.

Annually, a Multi-Year Budget is presented to the City Council as part of the budget process. This document forecasts the operating, debt service, and fleet replacement fund operations for the upcoming three years. Additionally, a multi-year Capital Plan is prepared and presented to the City Council as part of the annual budget process.



Major budget initiatives in fiscal year 2020 included:

- Capital funding of over \$60 million for capital projects funded from debt issuance, non-recurring sources, and tax revenue.
- Reduction in the property tax rate 0.58997 per \$100 assessed value due to strong growth in the tax base.

In addition, the City has recognized the long-term financial implications of its pension and retiree health benefits. Regarding pensions, it has adjusted benefits and significantly stepped up funding to ensure the long-term sustainability of the plan. For retiree health care, it has implemented a defined contribution structure for any employees with less than 20 years of service as of January 1, 2009. These changes were designed to provide a highly competitive, but sustainable, benefit to our employees without shifting costs to future taxpayers.

#### OTHER INFORMATION

##### Independent Audit

Article II, Section 2.18 of the City Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with, and the Report of the Independent Certified Public Accountants, has been included in this report.

Additionally, the City has a Finance/Audit Committee as a sub-committee of the City Council which functions as an audit committee and hears and reviews all recommendations made by the independent auditors.

##### Certificate of Achievement

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 for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.



A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last 30 consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Appreciation is expressed to City employees throughout the organization, especially those employees who were instrumental in the successful completion of this report.

We would like to thank members of the City Council for their interest and support in planning and conducting the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Erin Rinehart", enclosed in a thin black rectangular border.

Erin Rinehart  
City Manager

A handwritten signature in black ink, appearing to read "Robert B. Scott".

Robert B. Scott, CPA  
Assistant City Manager/Chief Financial Officer

A handwritten signature in black ink, appearing to read "Diana Vaughn".

Diana Vaughn, CPA  
Finance Director/Controller

**CITY OF CARROLLTON, TEXAS**

**City Council**

Kevin Falconer, Mayor

Young Sung, Mayor Pro Tem, Place 6

Frances Cruz, Deputy Mayor Pro Tem, Place 4

Steve Babick  
- Place 1

Mike Hennefer  
- Place 2

Pat Cochran  
- Place 3

Glen Blanscet  
- Place 5

John Sutter  
- Place 7

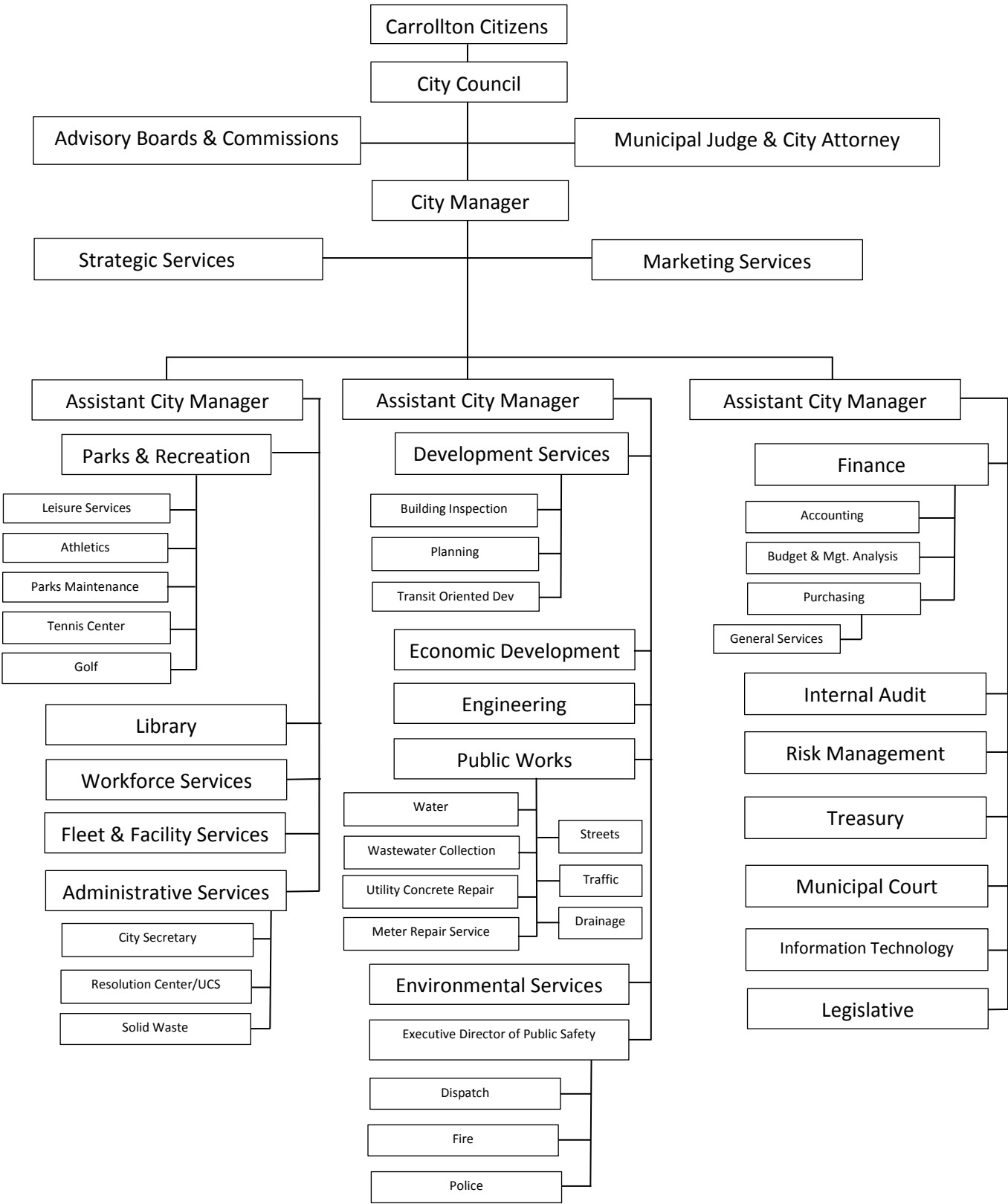
**City Manager**

Erin Rinehart

**Assistant City Manager/Chief Financial Officer**

Robert B. Scott, CPA

# Organizational Chart





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Carrollton  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO



---

**GRANT THORNTON LLP**  
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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Mayor, City Council, and City Manager  
The City of Carrollton, 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 Carrollton, Texas (the "City") as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's responsibility for the financial statements

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

### 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Carrollton, Texas as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other matters*****Required supplementary information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 16, the Texas Municipal Retirement System Schedule of Changes in Net Pension Liability and Related Ratios on page 63, the Texas Municipal Retirement System Schedule of Contributions on pages 64 and 65, and the Schedule of Changes in the City's Total OPEB liability and Related Ratios on page 66 be presented to supplement the basic financial statements. Such information, although not a required 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. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures 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.

***Supplementary information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining fund financial statements, individual non-major fund financial statements, and individual fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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.

***Other information***

The introductory section, statistical section, and continuing financial disclosures tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

***Other reporting required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated March 16, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Dallas, Texas  
March 16, 2020



**CARROLLTON**  
**T E X A S**

## CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis  
For the Year Ended September 30, 2019

Amounts in Thousands Unless Stated Otherwise  
(Unaudited)

March 16, 2020

As management of the City of Carrollton (City), we offer this narrative overview and analysis of the financial activities and financial position of the City for the fiscal year ending September 30, 2019. In the broadest context, the financial well-being of the government lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes combined with the vision of the government's elected and appointed leadership to spend those taxes strategically. This allows the City's tax base, service levels, assets and desirability to be maintained, not just for the current year, but well into the future. Financial reporting is limited in its ability to provide this "big picture" but rather focuses on financial position and changes in financial position. In other words, are revenues and or expenses/expenditures higher or lower than the previous year? Has net position (containing both short and long-term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities) of the government been maintained? We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal (pages I-VIII of this report), the statistical section (pages 111-134 of this report), as well as information on the City's Council's Strategic Goals, the annual budget, and other community information found on the City's website at [www.cityofcarrollton.com](http://www.cityofcarrollton.com). It should be noted that the Report of Independent Certified Public Accountants describes the auditors' association with the various sections of this report and that all of the additional information from the website and other City sources is unaudited and has not been updated for events that may have occurred subsequent to the issuance of the respective report.

### IN BRIEF

- The net position of the City at the close of the most recent fiscal year was \$558,573. This number must be viewed in the context that the vast majority of the City's net position of \$382,573 (68.5%) is the net investment in capital assets, and that most capital assets in a government do not directly generate revenue, nor can they be sold to generate liquid capital. The Net Position restricted for specific purposes totals \$8,710 (1.6%). The remaining \$167,290 (29.9%) is the unrestricted Net Position and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. Unrestricted net position increased by \$28,669 in fiscal year 2019.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$193,456. Within this total \$166 is non-spendable for prepaid items, \$31,714 is restricted by specific legal requirements (such as by debt covenants), and \$131,375 has been committed and assigned to specific types of expenditures. The remaining \$30,201 is an unassigned fund balance in the General Fund and can be used for any lawful purpose.
- The City's long-term liabilities increased by \$30,984 due primarily to the issuance of bonds for capital improvement and increase in notes payable related to pass through Public Improvement District note. These note payables are offset by and limited to the collections on the related note receivable.

## CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis  
For the Year Ended September 30, 2019

Amounts in Thousands Unless Stated Otherwise  
(Unaudited)

- The City has continued to see a consistent and robust growth in its revenues. The Economic Factors and Next Year's Budget section on the last page of this discussion provide additional information on the subject.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements and 4) required supplementary information which includes this management's discussion and analysis and multi-year funding progress on the City's pension plan and retiree health plan. In addition to the basic financial statements, this report also contains other supplementary information as listed in the Table of Contents.

**Government-wide financial statements** – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business.

The Statement of Net Position presents information on all the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from 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 and administration, public safety, development services, and cultural and recreational. The business-type activities of the City include Water and Sewer, Golf Course and Sanitation operations. The government-wide financial statements can be found on pages 17-18 of this report.

**Fund financial statements** – A fund is a self-balancing set of accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds are also the primary focus of the annual budget process. All of the funds of the City can be divided into two categories – governmental funds and proprietary funds.

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(Unaudited)

**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 current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Non-financial assets such as governmental buildings, roads, drainage ways, park land and long-term liabilities such as bonds payable or long-term liabilities that will not be paid with current assets are excluded. Such information may be useful in evaluating a government's near-term financial 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 financial decisions. Both the governmental funds balance sheet and the governmental funds 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 twelve governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, Debt Service, Streets and Drainage, and General and Public Facilities funds, all of which are considered to be major funds. Data from the other eight funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the Comprehensive Annual Financial Report. The basic governmental funds financial statements can be found on pages 19-23.

**Proprietary Funds** – The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, golf and sanitation operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for its fleet services, risk management and employee health and disability programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer, Golf Course, and Sanitation funds, since all are considered major funds of the City. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in the form of combining statements elsewhere in the Comprehensive Annual Financial Report. The basic proprietary fund financial statements can be found on pages 24-27 of this report.

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**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-62.

**Other Information** – In addition to the basic financial statements and accompanying notes, the basic financial statements contain required supplementary information including this discussion and analysis and information concerning the City's progress in funding its obligation to provide pension and retiree health benefits to its employees.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, Net Position, and, especially net position by category, may serve over time as a useful indicator of a government's financial position. The City's net position was \$558,573 as of September 30, 2019.

The largest portion of the City's net position \$382,573 (68.5%) reflects its investments in capital assets (e.g., land, building, equipment, improvements and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending, and with exception of business type assets, do not generate direct revenue for the City. They do represent, however, an obligation on the part of the City to maintain these assets into the future. 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 capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position of \$8,710 (1.6%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$167,290 (29.9%) may be used to meet the government's ongoing obligations to citizens and creditors.



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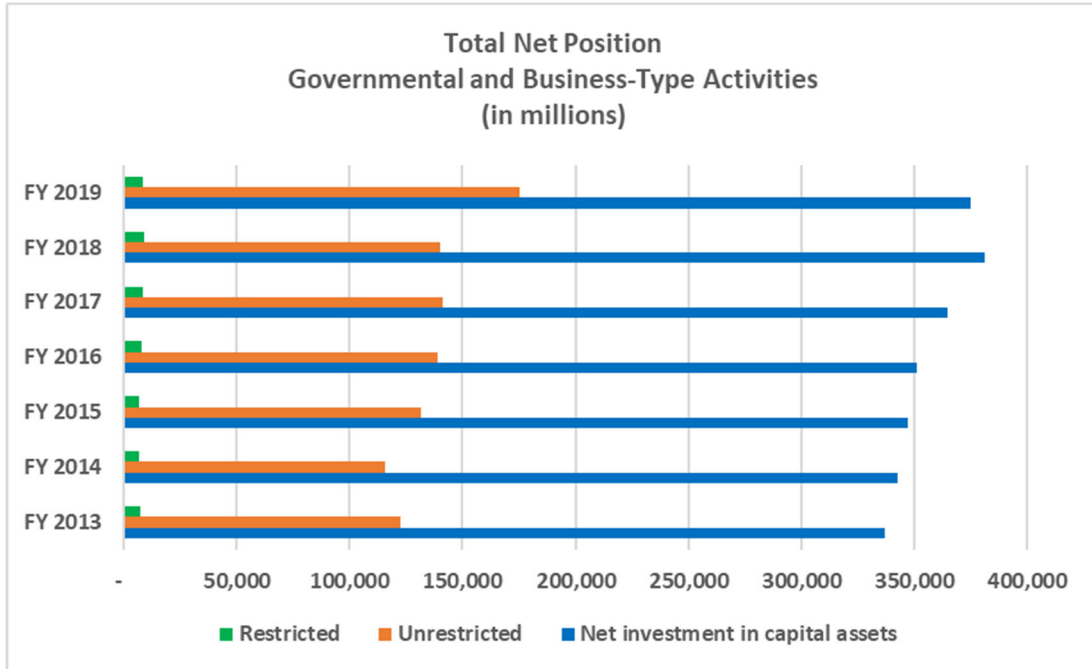
<b>CITY OF CARROLLTON'S NET POSITION</b>						
<b>(Amounts in Thousands)</b>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>
Current and other assets	\$ 204,011	\$ 239,420	\$ 35,421	\$ 43,466	\$ 239,432	\$ 282,886
Capital assets, net	<u>438,711</u>	<u>449,352</u>	<u>119,421</u>	<u>123,572</u>	<u>558,132</u>	<u>572,924</u>
<b>Total Assets</b>	<u><u>642,722</u></u>	<u><u>688,772</u></u>	<u><u>154,842</u></u>	<u><u>167,038</u></u>	<u><u>797,564</u></u>	<u><u>855,810</u></u>
Deferred outflows of resources	<u>8,613</u>	<u>36,315</u>	<u>425</u>	<u>2,089</u>	<u>9,038</u>	<u>38,404</u>
Long-term liabilities	237,778	265,038	9,252	12,976	\$ 247,030	\$ 278,014
Other liabilities	<u>12,684</u>	<u>34,161</u>	<u>6,187</u>	<u>12,139</u>	<u>18,871</u>	<u>46,300</u>
<b>Total Liabilities</b>	<u><u>250,462</u></u>	<u><u>299,199</u></u>	<u><u>15,439</u></u>	<u><u>25,115</u></u>	<u><u>265,901</u></u>	<u><u>324,314</u></u>
Deferred inflows of resources	<u>10,092</u>	<u>10,619</u>	<u>705</u>	<u>708</u>	<u>10,797</u>	<u>11,327</u>
<b>Net Position:</b>						
Net investment in capital assets	266,336	265,349	114,574	117,224	380,910	382,573
Restricted	7,568	7,568	1,238	1,142	8,806	8,710
Unrestricted	<u>116,877</u>	<u>142,352</u>	<u>23,311</u>	<u>24,938</u>	<u>140,188</u>	<u>167,290</u>
<b>Total Net Position</b>	<u><u>\$ 390,781</u></u>	<u><u>\$ 415,269</u></u>	<u><u>\$ 139,123</u></u>	<u><u>\$ 143,304</u></u>	<u><u>\$ 529,904</u></u>	<u><u>\$ 558,573</u></u>

As of September 30, 2019, the City has positive balances in all three categories of net position: both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

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The current and other assets increased in the Governmental activities by \$35,409 and in the Business-type activities by \$8,045. Increase in the Governmental activities assets is primarily due to unspent proceeds from issuance of debt and accumulation of other funds for future capital purchases and an increase in a passthrough accounts receivable related to the public improvement districts. Increase in the Business-type activities is also primarily due to unspent proceeds from issuance of debt.

The City’s long-term liabilities increased by \$30,984 due primarily to the issuance of bonds for capital improvement and increase in a passthrough note payable related to the public improvement districts.

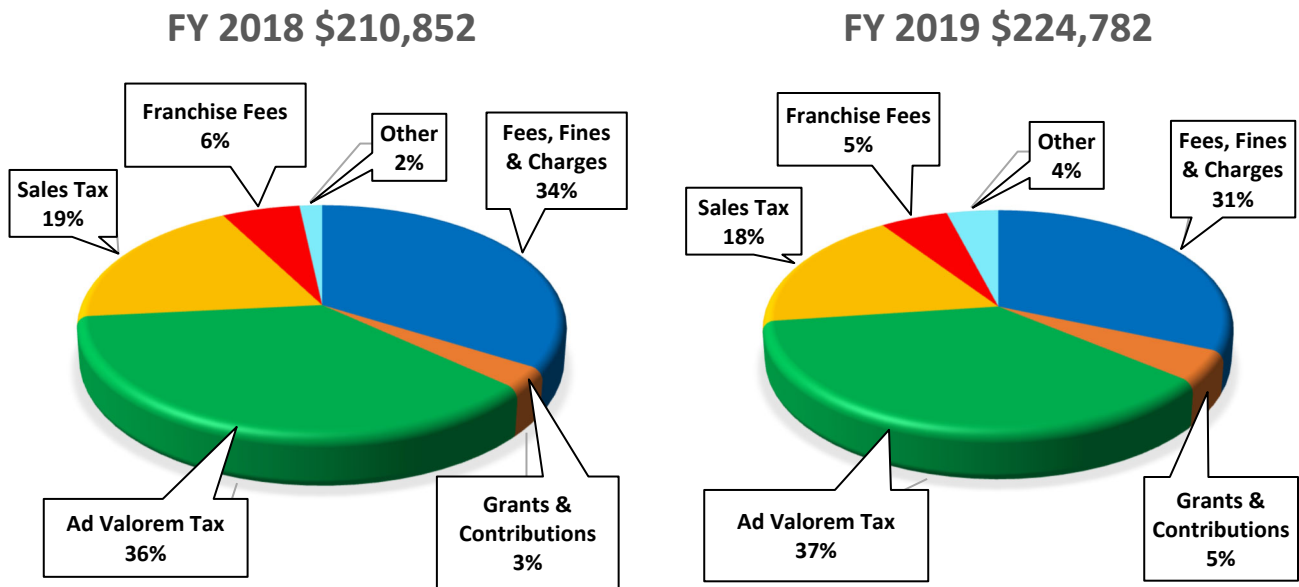
**CITY OF CARROLLTON, TEXAS**

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**Analysis of the City’s Operations** – Overall the City had an increase in net position of \$28,669 or 5.4%.

**Changes in Net Position  
Revenue by Major Category  
Governmental and Business-Type Activities**



Governmental Activities: Governmental activities net position increased by \$24,488. Net investment in capital assets decreased by \$987 or .37%. Restricted net position did not change. Unrestricted net position increased by \$25,475 or 21.80%.

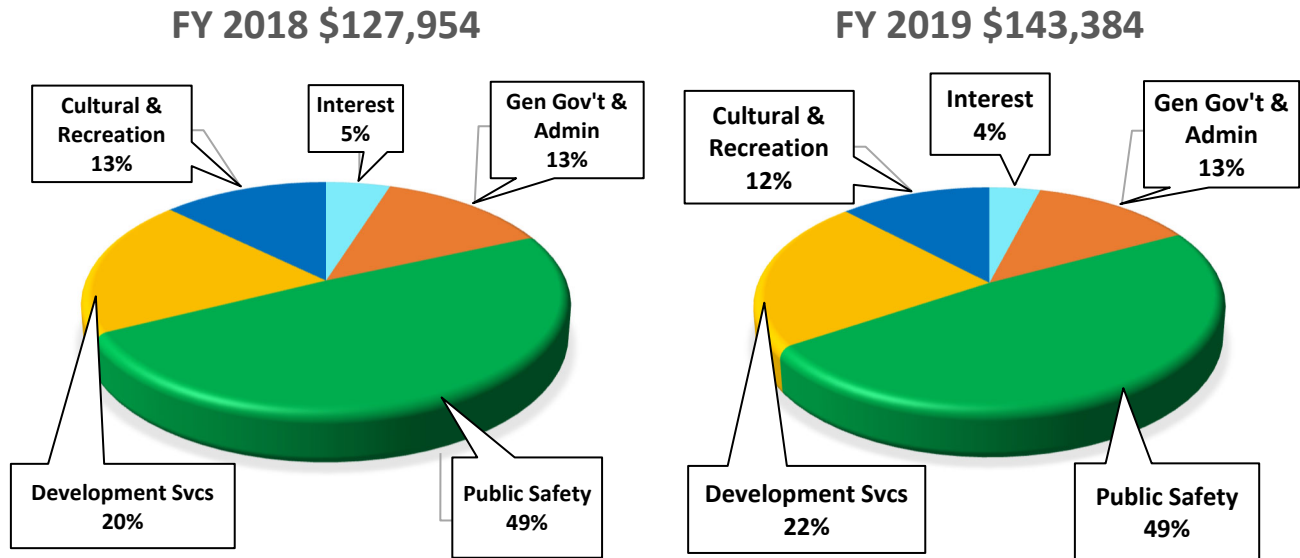
Excluding transfers from business-type activities, total revenues for governmental activities increased from the previous year by \$14,464. General revenue (excluding transfers) had a net increase of \$9,604 or 7.22%. Ad valorem tax experienced an increase of \$5,692 due to growth in assessed valuations from both new construction and increases in existing values. Additionally, a decrease was seen in sales taxes of \$128. Sales tax decreases were largely generated from technology and wholesale related companies. Other general revenues increased by \$4,040, primarily due to investment earnings and a gain on sale of capital asset. Program revenues had a net increase of \$4,860 primarily due to an increase in capital grants and contributions partially offset by a decrease in fees, fines and charges for services. Net transfers from the business-type activities to governmental activities decreased by \$4,240 from the previous year.

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**Expenses by Type  
 Governmental Activities**



Total expenses for governmental activities increased \$15,430 or 12.06% primarily due to increases in development activity and continued emphasis on enhanced public safety services.

Business-type Activities: Net position from business-type activities increased by \$4,181 or 3.01% from \$139,123 to \$143,304. Net investment in capital assets increased by \$2,651 or 2.31% due to capital additions partially offset by depreciation. Restricted net position decreased by \$96 or 7.75%. Program revenues for business-type activities decreased by \$1,491 (2.5%) due to increases in water, sewer and sanitation rates being offset by decreases in operating or capital grants and contributions and decreases in gallons sold resulting from increased annual rainfall.

The following table provides a summary of the City’s operations for year ended September 30, 2019 with comparative totals for year ended September 30, 2018.

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**CITY OF CARROLLTON'S CHANGES IN NET POSITION**  
**(Amounts in Thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>
<b>Revenues</b>						
Program Revenues:						
Fees, Fines, and Charges for Services	\$ 15,237	\$ 13,738	\$ 55,984	\$ 56,837	\$ 71,221	\$ 70,575
Operating Grants and Contributions						
Contributions	247	84	-	-	247	84
Capital Grants and Contributions	2,677	9,199	3,267	923	5,944	10,122
General Revenues:						
Ad Valorem Taxes	77,233	82,925	-	-	77,233	82,925
Sales Tax	39,811	39,683	-	-	39,811	39,683
Occupancy Tax	237	190	-	-	237	190
Franchise Fees	12,527	12,036	-	-	12,527	12,036
Investment Earnings:						
Net of change in fair value of investments	2,185	6,519	263	925	2,448	7,444
Gain on Sale of Capital Assets	4	267	4	261	8	528
Miscellaneous	951	932	225	263	1,176	1,195
<b>Total Revenues</b>	<b>\$ 151,109</b>	<b>\$ 165,573</b>	<b>\$ 59,743</b>	<b>\$ 59,209</b>	<b>\$ 210,852</b>	<b>\$ 224,782</b>
<b>Expenses</b>						
General Government and Administration						
Administration	\$ 17,190	\$ 19,121	\$ -	\$ -	\$ 17,190	\$ 19,121
Public Safety	63,047	69,202	-	-	63,047	69,202
Development Services	25,002	32,233	-	-	25,002	32,233
Cultural and Recreational	16,390	16,791	-	-	16,390	16,791
Interest on Long-Term Debt	6,325	6,037	-	-	6,325	6,037
Water and Sewer	-	-	43,286	42,146	43,286	42,146
Golf	-	-	452	2,173	452	2,173
Sanitation	-	-	8,076	8,410	8,076	8,410
<b>Total Expenses</b>	<b>127,954</b>	<b>143,384</b>	<b>51,814</b>	<b>52,729</b>	<b>179,768</b>	<b>196,113</b>
Increase in Net Position before Transfers						
Transfers	23,155	22,189	7,929	6,480	31,084	28,669
Transfers	6,539	2,299	(6,539)	(2,299)	-	-
Increase in Net Position	29,694	24,488	1,390	4,181	31,084	28,669
Net Position October 1	361,087	390,781	137,733	139,123	498,820	529,904
<b>Net Position September 30</b>	<b>\$ 390,781</b>	<b>\$ 415,269</b>	<b>\$ 139,123</b>	<b>\$ 143,304</b>	<b>\$ 529,904</b>	<b>\$ 558,573</b>

**CITY OF CARROLLTON, TEXAS**

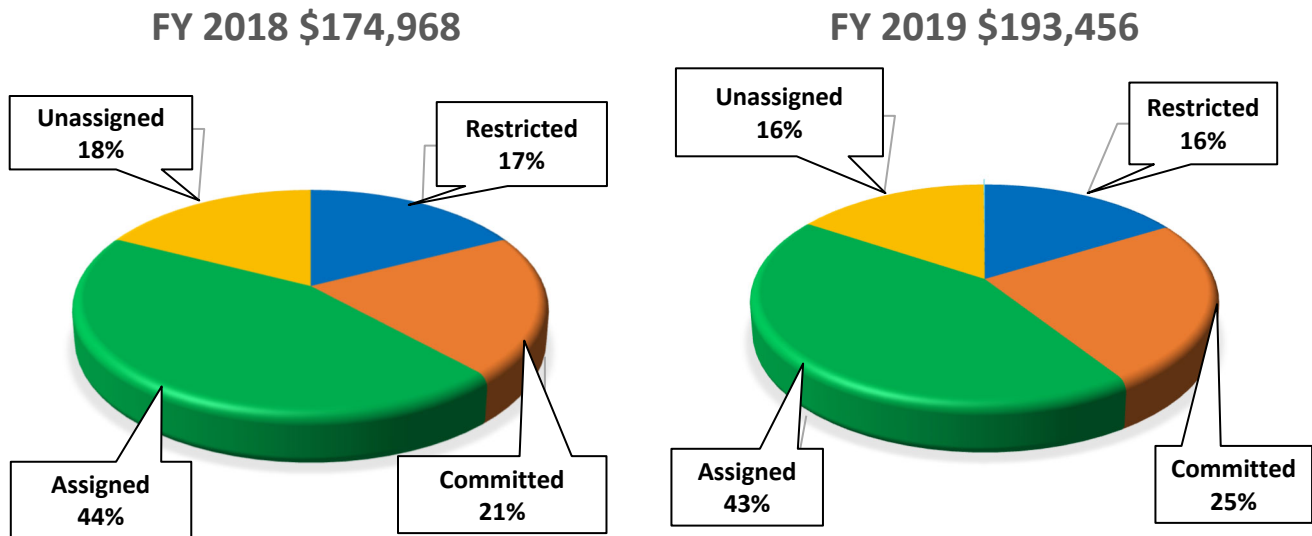
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**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

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

**Fund Balances by Type  
Governmental Funds**



At the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$193,456. Within this total \$166 is non-spendable for prepaid items, \$31,714 is restricted by specific legal requirements, such as by debt covenants, and \$131,375 has been committed and assigned to specific types of expenditure. The remaining \$30,201 is unassigned fund balance in the General Fund and can be used for any lawful purpose.

One of the City’s financial policies is to maintain fund balance in the General Fund equal to 60 days expenditures. When those balances significantly exceed the 60-day target, the excess is transferred to capital project funds to fund pay-as-you-go capital expenditures. During the year, the City continued to experience a flattening in sales tax revenue, the General Fund’s second largest revenue. The nature of sales tax in Texas is discussed in note 6 on pages 47-48 of this report. Much of the change is due to a general decrease in economic activity across several sectors including construction supplies and equipment, on-line sales, and technology-related sales and services. In order to manage this increase in a volatile revenue source, the city council adopted a financial policy to transfer

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sales tax received in excess of the amount budgeted for recurring purposes to capital projects funds to be used for one-time capital expenditures. The fund balance exceeding the City's financial policy of 60 days will be addressed during the fiscal year 2021 budget deliberations.

Debt service fund balance increased in 2019 by \$322. Streets and Drainage Capital Projects fund balance increased by \$4,497 primarily due to the issuance of general obligation bonds and the receipt of transfers in from other funds offset by capital outlay expenditures. The General and Public Facilities Capital Projects fund balance increased by \$9,769 primarily due to capital outlay expenditures offset by the receipt of net transfers in from other funds.

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

Unrestricted net position of the respective enterprise funds is \$24,418 for Water and Sewer, \$101 for Golf Course, and \$512 for Sanitation. The total of all enterprise funds' unrestricted net position of \$25,031 is reduced by \$94 for the consolidation of the internal service fund activities related to enterprise funds to equal the total unrestricted net position for business-type activities in the entity-wide statements of \$24,937. Change in net position for enterprise funds in 2019 were \$444 in the Water and Sewer Fund, \$3,594 in the Golf Course Fund and \$(1) in the Sanitation Fund.

**General Fund Budgetary Highlights** – Actual revenues collected exceeded management's original estimate of the General Fund's revenues by \$218 or .19%.

### PENSIONS AND RETIREE HEALTHCARE

Pensions and retiree health care continues to receive negative media attention as governments around the nation struggle to fund these commitments. The City is committed to providing programs in these areas that are fair to both employees and taxpayers and can be sustained over the long term.

Effective for fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions," created specific reporting requirements for pensions that are different than that used for funding purposes. Both valuations are important as the reporting valuation provides a rigorous uniform measure that can be used to compare the City's pension liabilities to other governments from around the nation. The funding valuation is important as the actuarial methods used (including strategies for repaying any unfunded actuarial accrued liabilities) combined with the City's history of making those contributions, provides insights regarding the city's commitment to and the effectiveness of its funding strategy. Information contained in the financial statements themselves, including the first schedule of Required Supplementary Information (RSI), Schedule of Changes in Net Pension Liability and Related Ratios, is based on the reporting valuation. The second schedule in the RSI, Schedule of Contributions, is based on the funding valuation. On a reporting basis, the City's

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financial statements reflect a Net pensions Liability (NPL) as of September 30, 2019 of \$41,740 which is 73.76% of the City’s annual covered payroll of \$56,586. The NPL increased by \$37,086 from the previous year primarily due to lower than expected investment return. The sizeable amount of fiduciary net position invested for the City by TMRS combined with the natural volatility of investment returns from year to year make the NPL volatile.

While the defined benefit portion of the City’s retiree health program is closed to new participants and currently has 40 total participants, the Total OPEB Liability recorded as of September 30, 2019 is \$18,014. This amount represents a decrease of \$1,153 from the previous year due primarily to a forty-basis point increase in the discount rate. GASB requires nontrusted plans to change the discount rate each year to coincide with the “AA” municipal bond rate. The remaining decrease was due to the normal runoff of liabilities in a closed plan. The significant liability is due to catastrophic claims experienced from retirees.

**CAPITAL ASSETS**

The City’s net investment in capital assets for its governmental and business-type activities as of September 30, 2019, amounts to \$572,924 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, equipment, intangibles, improvements, infrastructure and construction in progress. The total increase in the City’s investment in capital assets, net of accumulated depreciation, for the current fiscal year was 2.65% (2.43% increase for governmental activities and 3.48% decrease in business-type activities).

<b>Capital Assets at Year-End Net of Accumulated Depreciation</b>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>
Land	\$ 102,542	\$ 102,489	\$ 2,378	\$ 2,378	\$ 104,920	\$ 104,867
Buildings	40,696	38,126	2,702	2,766	43,398	40,892
Equipment	20,135	20,266	2,850	3,679	22,985	23,945
Intangibles	269	699	79	69	348	768
Improvements	28,104	28,892	770	4,781	28,874	33,673
Infrastructure	243,881	251,913	110,520	109,696	354,401	361,609
Construction in Progress	<u>3,084</u>	<u>6,965</u>	<u>122</u>	<u>205</u>	<u>3,206</u>	<u>7,170</u>
<b>Total</b>	<u>\$ 438,711</u>	<u>\$ 449,350</u>	<u>\$ 119,421</u>	<u>\$ 123,574</u>	<u>\$ 558,132</u>	<u>\$ 572,924</u>

Major capital asset events during the current fiscal year included the following:



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- Acquisition of vehicles and equipment totaling \$5.99 million, including \$2.4 million of public safety equipment and vehicles and \$2.02 million of public works equipment. The public safety equipment included 2 Fire Rescue Pumpers totaling \$1.3 million. Public Works equipment included a Vactor Truck totaling \$410 thousand.
- Development and implementation of CityView Software totaling \$561 thousand
- Parks and recreation improvements totaling \$1.6 million, including \$491 thousand for Josey Ranch Field, \$295 thousand for Rosemead Playground improvements and \$243 thousand for Veterans Memorial Park.
- Water and sewer system infrastructure improvements totaling \$5.1 million, including \$750 thousand for Huffines Lift Station and \$746 thousand for the Huffines Lift Station.
- Street and Alley Improvements of \$16.6 million, including \$2.4 million in Woodlake #3 improvements and \$1.9 million in Whitlock Road improvements
- Drainage Improvements of \$2.1 million including \$371 thousand in developer contributions and \$1.03 million in Indian Creak improvements
- Golf Course improvements of \$4.1 million.

Additional information on the City’s capital assets can be found in note 4 on pages 41-42 of this report.

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the City had a total bonded debt of \$208,466. Of this amount, \$193,510 comprises bonded debt backed by the full faith and credit of the government, and \$14,956 represents bonds secured solely by water and sewer revenues.

<b><u>Outstanding Debt at Year End</u></b>						
<b><u>Bonds Payable</u></b>						
	<b><u>Governmental Activities</u></b>		<b><u>Business-type Activities</u></b>		<b><u>Total</u></b>	
	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>
General Obligation Bonds	\$ 189,600	\$ 193,510	\$ -	\$ -	\$ 189,600	\$ 193,510
Revenue Bonds	-	-	6,078	14,956	6,078	14,956
<b>Total</b>	<b>\$ 189,600</b>	<b>\$ 193,510</b>	<b>\$ 6,078</b>	<b>\$ 14,956</b>	<b>\$ 195,678</b>	<b>\$ 208,466</b>

During the fiscal year, the City’s total debt increased by \$12,788 or 6.53% due to issuance of \$51,447 (including premium) of a new General Obligation Bond new money issue offset by existing debt retirements of \$47,537 and the issuance of a revenue bond of \$10,132 (including premium) offset by retirements of \$1,254.

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As a water distribution and sewer collection utility, the City does not have any debt outstanding related to water and sewer treatment. However, it does have long-term contracts with its regional suppliers that have outstanding debt related to the provision of these services. Table 14, “Direct and Contractually Obligated - Property Tax and Revenue Debt,” found on page 127, lists the City’s pro-rata share of debt that is contractually obligated. The City’s General Obligation and Waterworks and Sewer System Revenue Bond ratings are listed below.

	Standard & Poor’s	Fitch
General Obligation Bonds	AAA	AAA
Revenue Bonds	AAA	AAA

Additional information on the City’s long term-debt can be found in note 5 on pages 42-47 of this report.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS**

In the fiscal year 2020 Budget, General Fund revenues are budgeted to increase by 2.1% from the fiscal year 2019 final budget with ad valorem taxes making up 48.6% of General Fund budgeted revenues. Certified assessed valuations, including estimated values on properties under protest, increased 9% for the fiscal year 2020 budget, compared to an 9.5% increase in the previous year’s budget. In response to this growth, the City Council reduced the tax rate by 1.7%. Sales taxes are budgeted to decrease by .6% from the fiscal year 2019 final budget. Although actual receipts through January 2020 are 9.15% ahead of the same period in fiscal year 2019.

In this coming fiscal year, the City’s budget continues to benefit from the strong economy. The City continues to develop commercially and is aggressively pursuing Transit Oriented Development opportunities near the City’s three light rail stations.

Rate increases averaging 4.6% were approved effective January 2020; primarily due to the escalating costs of wastewater treatment and fixed costs of water. The Water and Sewer Operating Fund is budgeted in fiscal year 2020 to operate at a net deficit of \$1,600 to bring available fund balance to ninety days. This budget includes \$3,100 for non-recurring funding for water and sewer line rehabilitation.

**REQUEST FOR INFORMATION**

The financial report is designed to provide our citizens, customers, investor and creditors with general overview of the City’s finances. If you have questions about this report or need any additional information, contact the Department of Finance, Attn: Controller, at P.O. Box 110535, Carrollton, Texas 75011-0535, e-mail at [accounting@cityofcarrollton.com](mailto:accounting@cityofcarrollton.com) or call (972) 466-3110.

CITY OF CARROLLTON, TEXAS

Government-Wide Statement of Net Position  
September 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash, cash equivalents, and investments	\$ 171,320,128	\$ 24,655,778	\$ 195,975,906
Receivables (net of allowance for doubtful accounts):			
Ad valorem taxes	1,447	-	1,447
Sales taxes	3,307,901	-	3,307,901
Franchise fees	3,122,569	-	3,122,569
Accounts	-	8,118,477	8,118,477
Accrued interest	1,069,256	129,119	1,198,375
Other	1,669,262	8,817	1,678,079
Public Improvement District assessment	14,291,858		14,291,858
Due from other governments	584,586	118,463	703,049
Internal balances	2,438,411	(2,438,411)	-
Inventories	60,674	-	60,674
Prepaid items	341,291	-	341,291
Equity interest in joint venture	1,819,298	-	1,819,298
Land held for redevelopment	3,536,459	-	3,536,459
<b>Restricted assets:</b>			
Cash, cash equivalents, and investments	35,856,822	12,873,437	48,730,259
<b>Capital assets:</b>			
Land	102,489,408	2,377,918	104,867,326
Buildings	85,969,239	19,998,757	105,967,996
Equipment	48,516,866	9,046,015	57,562,881
Intangibles	7,095,860	868,612	7,964,472
Improvements	50,506,815	16,121,901	66,628,716
Infrastructure	356,270,125	250,895,973	607,166,098
Construction in progress	6,965,482	204,753	7,170,235
Accumulated depreciation	(208,461,766)	(175,941,390)	(384,403,156)
<b>Total assets</b>	<b>688,771,991</b>	<b>167,038,219</b>	<b>855,810,210</b>
Deferred outflows of resources			
Deferred charges on refundings	566,810	83,703	650,513
OPEB contributions after measurement date	848,646	-	848,646
Difference in expected and actual pension experience	48,691	2,785	51,476
Pension contributions after measurement date	5,087,605	272,816	5,360,421
Difference in projected and actual earnings on pension assets	20,127,748	1,047,527	21,175,275
<b>Total deferred outflows of resources</b>	<b>26,679,500</b>	<b>1,406,831</b>	<b>28,086,331</b>
Liabilities			
Accounts payable	14,013,482	4,680,639	18,694,121
Accrued interest	915,318	199,563	1,114,881
Unearned income	291,126	-	291,126
Customer Deposits Payable	-	3,006,781	3,006,781
<b>Noncurrent liabilities:</b>			
Due within one year	18,941,004	4,251,658	23,192,662
Due in more than one year	265,038,101	12,976,573	278,014,674
<b>Total liabilities</b>	<b>299,199,031</b>	<b>25,115,214</b>	<b>324,314,245</b>
Deferred inflows of resources			
Difference in expected and actual pension experience	465,892	25,790	491,682
Difference in expected and actual OPEB experience	85,130	-	85,130
Changes in actuarial assumptions used to determine OPEB liability	432,332	-	432,332
	983,354	25,790	1,009,144
Net position			
Net investment in capital assets	265,348,739	117,224,597	382,573,336
Restricted for :			
Debt service	4,279,014	1,142,303	5,421,317
Capital projects	1,345,743	-	1,345,743
Special revenue, public safety	1,943,079	-	1,943,079
Unrestricted	142,352,531	24,937,146	167,289,677
<b>Total net position</b>	<b>\$ 415,269,106</b>	<b>\$ 143,304,046</b>	<b>\$ 558,573,152</b>

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Government-Wide Statement of Activities  
For the Year Ended September 30, 2019

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government and administration	\$ 19,121,014	\$ 171,494	\$ -	\$ -	\$ (18,949,520)	\$ -	\$ (18,949,520)
Public safety	69,201,673	8,986,909	83,567	85,250	(60,045,947)	-	(60,045,947)
Development services	32,233,127	2,485,491	-	9,113,959	(20,633,677)	-	(20,633,677)
Cultural and recreational	16,790,697	2,093,847	-	-	(14,696,850)	-	(14,696,850)
Interest on long-term debt	6,037,670	-	-	-	(6,037,670)	-	(6,037,670)
<b>Total governmental activities</b>	<b>143,384,181</b>	<b>13,737,741</b>	<b>83,567</b>	<b>9,199,209</b>	<b>(120,363,664)</b>	<b>-</b>	<b>(120,363,664)</b>
Business-type activities:							
Water and Sewer	42,145,572	45,058,318	-	923,476	-	3,836,222	3,836,222
Golf	2,172,913	1,163,979	-	-	-	(1,008,934)	(1,008,934)
Sanitation	8,410,160	10,614,355	-	-	-	2,204,195	2,204,195
<b>Total business-type activities</b>	<b>52,728,645</b>	<b>56,836,652</b>	<b>-</b>	<b>923,476</b>	<b>-</b>	<b>5,031,483</b>	<b>5,031,483</b>
<b>Total government</b>	<b>\$ 196,112,826</b>	<b>\$ 70,574,393</b>	<b>\$ 83,567</b>	<b>\$ 10,122,685</b>	<b>(120,363,664)</b>	<b>5,031,483</b>	<b>(115,332,181)</b>
General revenues:							
Taxes:							
Ad valorem					82,924,296	-	82,924,296
Sales					39,683,052	-	39,683,052
Occupancy					189,529	-	189,529
Franchise fees based upon gross receipts					12,036,367	-	12,036,367
Investment earnings net of change in fair value of investments					6,519,218	925,005	7,444,223
Gain on sale of capital assets					267,029	261,495	528,524
Miscellaneous					932,282	263,300	1,195,582
Transfers/Internal Contributions					2,299,915	(2,299,915)	-
					<u>144,851,688</u>	<u>(850,115)</u>	<u>144,001,573</u>
					<b>24,488,024</b>	<b>4,181,368</b>	<b>28,669,392</b>
					<u>390,781,082</u>	<u>139,122,678</u>	<u>529,903,760</u>
					<u>\$ 415,269,106</u>	<u>\$ 143,304,046</u>	<u>\$ 558,573,152</u>

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Balance Sheet  
 Governmental Funds  
 September 30, 2019

	General	Debt Service	Streets and Drainage	General and Public Facilities	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 27,816,104	\$ 5,221,552	\$ 80,122,009	\$ 39,632,099	\$ 37,724,600	\$ 190,516,364
Receivables (net, where applicable, of allowance for doubtful accounts):						-
Ad valorem taxes	1,122	325	-	-	-	1,447
Sales taxes	3,307,901	-	-	-	-	3,307,901
Franchise fees	3,048,654	-	-	73,915	-	3,122,569
Accrued interest	321,308	(27,545)	280,211	321,536	116,270	1,011,780
Other	657,182	-	-	1,012,080	-	1,669,262
Due from other funds	2,461,135	-	-	-	-	2,461,135
Due from other governments	2,115	-	170,203	-	412,268	584,586
Prepaid items	165,821	-	-	-	52,104	217,925
Land held for redevelopment	-	-	-	3,536,459	-	3,536,459
<b>Total assets</b>	<b>\$ 37,781,342</b>	<b>\$ 5,194,332</b>	<b>\$ 80,572,423</b>	<b>\$ 44,576,089</b>	<b>\$ 38,305,242</b>	<b>\$ 206,429,428</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 7,032,351	\$ -	\$ 2,351,768	\$ 831,794	\$ 2,349,791	\$ 12,565,704
Due to other funds	-	-	-	-	116,305	116,305
Unearned revenue	11,290	-	67,000	-	212,836	291,126
<b>Total liabilities</b>	<b>7,043,641</b>	<b>-</b>	<b>2,418,768</b>	<b>831,794</b>	<b>2,678,932</b>	<b>12,973,135</b>
<b>Fund balances:</b>						
Nonspendable for:						
Other receivables	-	-	-	-	-	-
Prepaid items	165,821	-	-	-	-	165,821
<b>Restricted for:</b>						
Debt service	-	5,194,332	-	-	-	5,194,332
Streets and drainage	-	-	21,375,992	-	-	21,375,992
Public facilities	-	-	-	743,463	-	743,463
Other capital projects	-	-	-	76,382	2,381,268	2,457,650
Other purposes	-	-	-	-	1,943,079	1,943,079
<b>Committed to:</b>						
Street rehabilitation	-	-	32,331,403	-	-	32,331,403
Other capital projects	-	-	-	-	15,021,556	15,021,556
<b>Assigned to:</b>						
Streets and drainage	-	-	24,446,260	-	-	24,446,260
Public facilities	-	-	-	42,924,450	-	42,924,450
Other capital projects	-	-	-	-	15,504,426	15,504,426
Other purposes	370,937	-	-	-	775,981	1,146,918
<b>Unassigned</b>	<b>30,200,943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,200,943</b>
<b>Total fund balances</b>	<b>30,737,701</b>	<b>5,194,332</b>	<b>78,153,655</b>	<b>43,744,295</b>	<b>35,626,310</b>	<b>193,456,293</b>
<b>Total liabilities and fund balances</b>	<b>\$ 37,781,342</b>	<b>\$ 5,194,332</b>	<b>\$ 80,572,423</b>	<b>\$ 44,576,089</b>	<b>\$ 38,305,242</b>	<b>\$ 206,429,428</b>

See accompanying notes to basic financial statements.

**CITY OF CARROLLTON, TEXAS**

Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position  
September 30, 2019

Total fund balance - total governmental funds \$ 193,456,293

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

PID Assessment Receivable 14,291,858

Equity investment in Joint Venture is not a current financial resource and therefore is not reported in the governmental funds balance sheet. 1,819,298

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. Includes capital assets of Internal Service Funds. 449,352,029

Deferred outflows of resources are not reported in the governmental funds:

Deferred charges on refundings	\$ 566,810	
Pension contributions after measurement date	5,087,605	
Difference in projected and actual earnings on pension assets	20,127,748	
OPEB contributions after measurement date	<u>848,646</u>	
		26,630,809

Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position (net of amount allocated to business-type activities, capital assets, and long-term liabilities). Internal Service Fund balances are not included in other reconciling items.

Current assets	\$ 16,902,101	
Accounts payable	(1,447,777)	
Net amount allocated to business-type activities	<u>93,581</u>	15,547,905

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet. (915,318)

Long-term liabilities are not due and payable in the current period, therefore, they are not reported in the governmental funds balance sheet. Includes Internal Service Funds' non-current liabilities.

Due within one year	\$ 18,941,004	
Due in more than one year	265,038,101	(283,979,105)

Deferred inflows of resources are not reported in the governmental funds:

Difference in expected and actual pension experience	(417,201)	
Difference in expected and actual OPEB experience	(85,130)	
OPEB changes in assumptions	<u>(432,332)</u>	<u>(934,663)</u>

Net position of governmental activities \$ 415,269,106

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended September 30, 2019

	General	Debt Service	Streets and Drainage	General and Public Facilities	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
<b>Taxes:</b>						
Ad valorem	\$ 49,511,575	\$ 23,463,302	\$ 4,630,968	\$ -	\$ 4,986,615	\$ 82,592,460
Penalty and interest	270,684	61,152	-	-	-	331,836
Sales	39,683,052	-	-	-	-	39,683,052
Occupancy	-	-	-	-	189,529	189,529
Franchise fees	11,729,120	-	-	307,247	-	12,036,367
Assessments	-	-	203	-	34,848	35,051
Charges for services	5,789,342	-	-	-	204,802	5,994,144
Intergovernmental	118,961	-	163,848	282,600	1,247,389	1,812,798
Licenses and permits	2,920,751	-	-	-	536,165	3,456,916
Fines and forfeitures	4,155,874	-	-	95,756	-	4,251,630
Investment earnings net of change in fair value of investments	1,890,654	45,678	2,206,065	978,879	943,438	6,064,714
PID Assessment Revenue	-	-	-	-	1,447,982	1,447,982
Miscellaneous	594,174	-	50,000	45,324	242,784	932,282
<b>Total Revenues</b>	<b>116,664,187</b>	<b>23,570,132</b>	<b>7,051,084</b>	<b>1,709,806</b>	<b>9,833,552</b>	<b>158,828,761</b>
<b>Expenditures</b>						
<b>Current:</b>						
General government and administration	17,087,424	-	-	-	-	17,087,424
Public safety	61,925,374	-	-	-	404,697	62,330,071
Development services	12,744,091	-	-	-	-	12,744,091
Cultural and recreational	12,367,653	-	-	-	562,446	12,930,099
PID Development Reimbursement	-	-	-	-	1,447,982	1,447,982
Capital outlay	-	-	18,479,453	6,166,087	10,788,778	35,434,318
<b>Debt service:</b>						
Principal retirement	-	16,240,000	-	-	-	16,240,000
Interest and fiscal charges	-	7,332,656	-	-	-	7,332,656
<b>Total Expenditures</b>	<b>104,124,542</b>	<b>23,572,656</b>	<b>18,479,453</b>	<b>6,166,087</b>	<b>13,203,903</b>	<b>165,546,641</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>12,539,645</b>	<b>(2,524)</b>	<b>(11,428,369)</b>	<b>(4,456,281)</b>	<b>(3,370,351)</b>	<b>(6,717,880)</b>
<b>Other financing sources (uses):</b>						
Bonds issued	-	29,400,480	6,873,154	-	9,020,000	45,293,634
Premium on bonds issued	-	-	6,153,639	-	-	6,153,639
Payment to refunded bond escrow agent	-	(29,075,932)	-	-	-	(29,075,932)
Sale of capital assets	-	-	-	165,010	-	165,010
Transfers in	5,798,169	-	2,898,262	14,380,404	2,014,424	25,091,259
Transfers out	(18,100,881)	-	-	(320,331)	(4,000,000)	(22,421,212)
<b>Total other financing sources (uses)</b>	<b>(12,302,712)</b>	<b>324,548</b>	<b>15,925,055</b>	<b>14,225,083</b>	<b>7,034,424</b>	<b>25,206,398</b>
Net change in fund balances	236,933	322,024	4,496,686	9,768,802	3,664,073	18,488,518
Fund balances at beginning of year	30,500,768	4,872,308	73,656,969	33,975,493	31,962,237	174,967,775
<b>Fund balances at end of year</b>	<b>\$ 30,737,701</b>	<b>\$ 5,194,332</b>	<b>\$ 78,153,655</b>	<b>\$ 43,744,295</b>	<b>\$ 35,626,310</b>	<b>\$ 193,456,293</b>

See accompanying notes to basic financial statements.

**CITY OF CARROLLTON, TEXAS**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities  
September 30, 2019

Net change in fund balances - total governmental funds \$ 18,488,518

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

Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay recorded as capital assets in the current period. 26,586,815

The net effect of various transactions involving capital assets		
Capital contributions	\$ 7,469,977	
Asset retirements/disposals	<u>(287,137)</u>	7,182,840

Depreciation expense on capital assets is reported in the government-wide statement of activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in governmental funds. (20,050,341)

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. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the 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.

Bonds issued	\$ (45,293,634)	
Premium on bonds issued	(6,153,639)	
Payment to refunding bond escrow agent	29,075,932	
Bond principal retirement	16,240,000	
Accrued interest on bonds payable	(22,324)	
Amortization of bond premiums/discounts	1,508,816	
Amortization of deferred charges on refundings	<u>(191,506)</u>	(4,836,355)

Expenditures are recognized in the governmental funds when paid or due for items not normally paid with available financial resources. However, the Statement of Activities is presented on an accrual basis and expenses are reported when incurred. This amount is the net effect of these differences.

Compensated absences expenses	\$ (693,523)	
Pension costs & OPEB, net	<u>(5,526,186)</u>	(6,219,709)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds is reported with governmental activities net of amount allocated to business-type activities and depreciation expense.

Change in net position	\$ 1,519,399	
Net of amount allocated to business activities	(144,501)	
Depreciation expense	<u>1,961,358</u>	<u>3,336,256</u>

Change in net position of governmental activities	<u>\$ 24,488,024</u>
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See accompanying notes to basic financial statements.



CITY OF CARROLLTON, TEXAS

General Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
Taxes:						
Ad valorem	\$ 49,337,886	\$ 50,474,505	\$ 49,511,575	\$ -	\$ 49,511,575	\$ (962,930)
Penalty and interest	300,000	300,000	270,684	-	270,684	(29,316)
Sales	41,061,003	39,060,986	39,683,052	-	39,683,052	622,066
Franchise fees	11,772,302	12,014,155	11,729,120	-	11,729,120	(285,035)
Charges for services	5,873,107	5,202,378	5,789,342	-	5,789,342	586,964
Intergovernmental	-	-	118,961	-	118,961	118,961
Licenses and permits	2,460,851	3,048,609	2,920,751	-	2,920,751	(127,858)
Fines and forfeitures	4,243,814	4,154,630	4,155,874	-	4,155,874	1,244
Investment earnings						
Net of change in fair value of investments	997,500	1,008,458	1,890,654	(246,736)	1,643,918	635,460
Miscellaneous	400,000	400,000	594,174	-	594,174	194,174
<b>Total revenues</b>	<b>116,446,463</b>	<b>115,663,721</b>	<b>116,664,187</b>	<b>(246,736)</b>	<b>116,417,451</b>	<b>753,730</b>
<b>Expenditures:</b>						
Current:						
General government and administration	21,596,060	17,694,243	17,087,424	92,920	17,180,344	(513,898)
Public safety	59,775,421	60,723,867	61,925,374	(144,263)	61,781,111	1,057,244
Development services	12,707,951	12,726,085	12,744,091	(9,216)	12,734,875	8,790
Cultural and recreational	13,714,888	13,108,030	12,367,653	63,197	12,430,850	(677,180)
<b>Total expenditures</b>	<b>107,794,320</b>	<b>104,252,225</b>	<b>104,124,542</b>	<b>2,638</b>	<b>104,127,180</b>	<b>(125,044)</b>
Excess (deficiency) of revenues over expenditures	8,652,143	11,411,496	12,539,645	(249,374)	12,290,271	628,686
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	-
Transfers in	5,798,169	5,798,169	5,798,169	-	5,798,169	-
Transfers out	(18,730,344)	(18,428,788)	(18,100,881)	-	(18,100,881)	327,907
<b>Total other financing sources (uses)</b>	<b>(12,932,175)</b>	<b>(12,630,619)</b>	<b>(12,302,712)</b>	<b>-</b>	<b>(12,302,712)</b>	<b>327,907</b>
Net change in fund balances	(4,280,032)	(1,219,123)	236,933	(249,374)	(12,441)	956,593
Fund balances at beginning of year	30,347,173	30,347,173	30,500,768	(153,595)	30,347,173	-
Fund balances at end of year	\$ 26,067,141	\$ 29,128,050	\$ 30,737,701	\$ (402,969)	\$ 30,334,732	956,593

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Net Position  
 Proprietary Funds  
 September 30, 2019

	Business Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 22,871,593	\$ 709,063	\$ 1,075,122	\$ 24,655,778	\$ 16,660,585
Receivables (net where applicable of allowance for doubtful accounts)					
Accounts	6,917,262	-	1,201,215	8,118,477	-
Accrued interest	121,280	-	7,839	129,119	57,476
Other	-	8,817	-	8,817	-
Due from other governments	-	118,463	-	118,463	-
Inventories	-	-	-	-	60,674
Prepaid items	-	-	-	-	123,366
<b>Restricted assets:</b>					
Cash and cash equivalents	11,731,134	-	-	11,731,134	-
Total current assets	41,641,269	836,343	2,284,176	44,761,788	16,902,101
<b>Noncurrent assets:</b>					
<b>Restricted assets:</b>					
Cash and cash equivalents	1,142,303	-	-	1,142,303	-
<b>Capital assets:</b>					
Land	1,382,918	995,000	-	2,377,918	-
Buildings	18,073,186	1,925,571	-	19,998,757	176,409
Equipment	6,147,471	1,438,241	1,460,303	9,046,015	23,540,229
Intangibles	868,612	-	-	868,612	104,714
Improvements	-	16,121,901	-	16,121,901	-
Infrastructure	250,895,973	-	-	250,895,973	-
Construction in progress	204,753	-	-	204,753	-
Accumulated depreciation	(160,575,142)	(13,905,945)	(1,460,303)	(175,941,390)	(14,606,749)
Total capital assets, net of accumulated depreciation	116,997,771	6,574,768	-	123,572,539	9,214,603
Total noncurrent assets	118,140,074	6,574,768	-	124,714,842	9,214,603
Total assets	159,781,343	7,411,111	2,284,176	169,476,630	26,116,704
<b>Deferred outflows of resources</b>					
Deferred charges on refundings	83,703	-	-	83,703	-
Pension contributions after measurement date	272,816	-	-	272,816	-
Difference in projected and actual earnings on pension assets	1,047,527	-	-	1,047,527	-
Changes in actuarial assumptions used to determine pension liability	-	-	-	-	-
Total deferred outflows of resources	1,404,046	-	-	1,404,046	-
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	2,173,492	735,262	1,771,885	4,680,639	1,447,778
Estimated health claims payable	-	-	-	-	1,139,643
Interfund Payable	2,344,831	-	-	2,344,831	-
Customer deposits payable	3,006,781	-	-	3,006,781	-
Revenue bonds payable	1,802,944	-	-	1,802,944	-
Compensated absences	103,883	-	-	103,883	-
Unearned revenue	-	-	-	-	-
Accrued interest	199,563	-	-	199,563	-
Total current liabilities	9,631,494	735,262	1,771,885	12,138,641	2,587,421
<b>Noncurrent liabilities:</b>					
Revenue bonds payable	13,153,490	-	-	13,153,490	-
Net pension liability	1,814,480	-	-	1,814,480	-
Compensated absences	353,433	-	-	353,433	46,399
Other post employment benefits obligation	-	-	-	-	-
Long-term risk liability	-	-	-	-	1,056,795
Total noncurrent liabilities	15,321,403	-	-	15,321,403	1,103,194
Total liabilities	24,952,897	735,262	1,771,885	27,460,044	3,690,615
<b>Deferred inflow of resources</b>					
Difference in expected and actual pension experience	23,005	-	-	23,005	-
	23,005			23,005	
<b>Net Position</b>					
Net investment in capital assets	110,649,829	6,574,768	-	117,224,597	9,214,603
<b>Restricted for:</b>					
Revenue bond retirement	1,142,303	-	-	1,142,303	-
Unrestricted	24,417,355	101,081	512,291	25,030,727	13,211,486
Total net position	\$ 136,209,487	\$ 6,675,849	\$ 512,291	\$ 143,397,627	\$ 22,426,089
Reconciliation to government-wide statement of net position:					
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				(93,581)	
Net position of business-type activities				\$ 143,304,046	

See accompanying notes to basic financial statements.

**CITY OF CARROLLTON, TEXAS**

Statement of Revenues, Expenses and Changes in Net Position  
 Proprietary Funds  
 For the Year Ended September 30, 2019

	Business Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Operating revenues:					
Charges for services	\$ 45,058,318	\$ 1,163,979	\$ 10,614,355	\$ 56,836,652	\$ 19,524,726
Miscellaneous	263,300	-	-	263,300	-
Total operating revenues	<u>45,321,618</u>	<u>1,163,979</u>	<u>10,614,355</u>	<u>57,099,952</u>	<u>19,524,726</u>
Operating expenses:					
Personal services	4,320,610	6,685	-	4,327,295	184,279
Supplies and services	29,255,355	1,779,694	8,317,302	39,352,351	16,148,127
Utilities	937,553	141,005	-	1,078,558	33,238
Allocations	859,139	10,915	105,990	976,044	29,726
Depreciation	6,645,933	237,173	5,119	6,888,225	1,961,358
Total operating expenses	<u>42,018,590</u>	<u>2,175,472</u>	<u>8,428,411</u>	<u>52,622,473</u>	<u>18,356,728</u>
Income (loss) from operations	<u>3,303,028</u>	<u>(1,011,493)</u>	<u>2,185,944</u>	<u>4,477,479</u>	<u>1,167,998</u>
Nonoperating revenues (expenses):					
Investment earnings net of change in fair value of investments	870,676	12,402	41,926	925,004	454,504
Gain on sale/retirement of capital assets	94,551	166,944	-	261,495	267,029
Interest expense	(250,672)	-	-	(250,672)	-
Total nonoperating revenues (expenses)	<u>714,555</u>	<u>179,346</u>	<u>41,926</u>	<u>935,827</u>	<u>721,533</u>
Income/(Loss) before contributions and transfers	4,017,583	(832,147)	2,227,870	5,413,306	1,889,531
Capital contributions	923,476	4,000,000	-	4,923,476	-
Transfers in	-	426,384	-	426,384	-
Transfers out	(4,497,117)	-	(2,229,182)	(6,726,299)	(370,132)
Change in net position	443,942	3,594,237	(1,312)	4,036,867	1,519,399
Net position at beginning of year	<u>135,765,545</u>	<u>3,081,612</u>	<u>513,603</u>		<u>20,906,690</u>
Net position at end of year	<u>\$ 136,209,487</u>	<u>\$ 6,675,849</u>	<u>\$ 512,291</u>		<u>\$ 22,426,089</u>
Reconciliation to government-wide statement of activities:					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				144,501	
Change in net position of business-type activities				<u>\$ 4,181,368</u>	

See accompanying notes to basic financial statements.

**CITY OF CARROLLTON, TEXAS**

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended September 30, 2019

	Business -Type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Cash flows from operating activities:					
Cash received from customers for services	\$ 43,245,644	\$ 1,295,276	\$ 10,552,560	\$ 55,093,480	\$ -
Cash received from employees for services	-	-	-	-	2,030,263
Cash received from other funds for services	-	-	-	-	17,494,464
Cash received from loss claim recoveries	-	-	-	-	1,593,598
Other operating cash receipts	263,299	-	-	263,299	-
Cash payments to suppliers for goods and services	(30,141,682)	(1,854,191)	(7,577,704)	(39,573,577)	(6,334,050)
Cash payments to employees for services	(3,546,710)	(5,874)	-	(3,552,584)	(162,041)
Cash payment for loss claims	-	-	-	-	(11,622,514)
Cash payments to other funds for services	(1,433,794)	(11,881)	(77,842)	(1,523,517)	(43,470)
Net cash provided by (used in) operating activities	<u>8,386,757</u>	<u>(576,670)</u>	<u>2,897,014</u>	<u>10,707,101</u>	<u>2,956,250</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	-	426,384	-	426,384	-
Transfers to other funds	(4,497,117)	-	(2,229,182)	(6,726,299)	(370,132)
Net cash provided by (used in) noncapital and related financing activities	<u>(4,497,117)</u>	<u>426,384</u>	<u>(2,229,182)</u>	<u>(6,299,915)</u>	<u>(370,132)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(6,380,398)	(3,956,651)	-	(10,337,049)	(2,831,419)
Proceeds from sale of capital assets	94,552	166,943	-	261,495	274,416
Proceeds from capital debt	10,132,004	-	-	10,132,004	-
Issuance costs paid for bond refunding	(104,320)	-	-	(104,320)	-
Interest paid on bonds	(212,832)	-	-	(212,832)	-
Interest paid on intrafund loan	(37,841)	-	-	(37,841)	-
Retirement of bonds	(1,125,000)	-	-	(1,125,000)	-
Retirement of intrafund loan	(327,641)	-	-	(327,641)	-
Capital contributions	818,250	4,000,000	-	4,818,250	-
Net cash provided by (used in) capital and related financing activities	<u>2,856,774</u>	<u>210,292</u>	<u>-</u>	<u>3,067,066</u>	<u>(2,557,003)</u>
Cash flows from investing activities:					
Interest on cash and cash equivalents	815,008	12,402	39,054	866,464	435,418
Net increase in cash and cash equivalents	7,561,422	72,408	706,886	8,340,716	464,533
Cash and cash equivalents, October 1	28,183,608	636,655	368,236	29,188,499	16,196,052
Cash and cash equivalents, September 30	<u>\$ 35,745,030</u>	<u>\$ 709,063</u>	<u>\$ 1,075,122</u>	<u>\$ 37,529,215</u>	<u>\$ 16,660,585</u>

(Continued)

See accompanying notes to basic financial statements.

**CITY OF CARROLLTON, TEXAS**

Statement of Cash Flows  
 Proprietary Funds  
 For the Year Ended September 30, 2019

	Business -Type Activities- Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Reconciliation of income (loss) from operations to net cash provided by (used in) operating activities:					
Income (loss) from operations	\$ 3,303,028	\$ (1,011,493)	\$ 2,185,944	\$ 4,477,479	\$ 1,167,998
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:					
Depreciation	6,645,933	237,173	5,119	6,888,225	1,961,358
Provision for doubtful accounts	103,091	-	28,148	131,239	-
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(1,943,042)	-	(61,795)	(2,004,837)	383,563
(Increase) decrease in other receivables	-	107,874	-	107,874	(10,943)
Decrease in due from other governments	-	23,424	-	23,424	-
Increase in inventories	-	-	-	-	(27,155)
Decrease in prepaid items	-	-	-	-	2,000
Increase in pension related deferred outflows	(1,001,882)	-	-	(1,001,882)	-
Increase (decrease) in accounts payable	60,539	66,352	739,598	866,489	(47,737)
Decrease in estimated health claims payable	-	-	-	-	(300,357)
Increase in customer deposits payable	130,368	-	-	130,368	-
Increase in net pension liability	1,958,127	-	-	1,958,127	-
Increase (decrease) in liability for compensated absences	(187,369)	-	-	(187,369)	3,452
Decrease in long-term risk liability	-	-	-	-	(175,929)
Decrease in pension related deferred inflows	(682,036)	-	-	(682,036)	-
Net cash provided by (used in) operating activities:	<u>\$ 8,386,757</u>	<u>\$ (576,670)</u>	<u>\$ 2,897,014</u>	<u>\$ 10,707,101</u>	<u>\$ 2,956,250</u>

Noncash investing, capital and financing activities:

During the past year, the Enterprise Funds received \$105,226 of noncash capital contributions from developers consisting of water and sewer infrastructure.

Reconciliation of total cash and cash equivalents:

Current assets:

Cash and cash equivalents	\$ 22,871,593	\$ 709,063	\$ 1,075,122	\$ 24,655,778	\$ 16,660,585
Restricted assets - cash and cash equivalents	11,731,134	-	-	11,731,134	-

Noncurrent assets:

Restricted assets - cash and cash equivalents	1,142,303	-	-	1,142,303	-
Total cash and cash equivalents	<u>\$ 35,745,030</u>	<u>\$ 709,063</u>	<u>\$ 1,075,122</u>	<u>\$ 37,529,215</u>	<u>\$ 16,660,585</u>

(Concluded)

See accompanying notes to basic financial statements.



**CARROLLTON**  
**T E X A S**

## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### A. General Statement

Incorporated on June 14, 1913, the City of Carrollton operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, development services, culture, recreation and waterworks.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the City are described below.

#### B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including legally separate organizations as component units within the City's reporting entity are set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). Based on this criterion, the City has no component units.

#### C. Basis of Presentation

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges from the City's water, sewer and sanitation functions and various other functions. Elimination of these charges would distort the direct costs reported for the various functions concerned. 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 demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2019

#### Fund Financial Statements:

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

#### *General Fund*

General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

#### *Debt Service Fund*

Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted exclusively for debt service expenditures.

#### *Streets and Drainage Fund*

Streets and Drainage Fund is used to account for funds received and expended for the construction and renovation of thoroughfares, arterial streets, and drainage improvements in the City.

#### *General and Public Facilities Fund*

General and Public Facilities Fund is used to account for funds received and expended for construction, renovation, expansion, and major improvement of various City facilities, acquisition of land, and other large nonrecurring projects.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determination of net income, financial position, and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary funds:

#### *Water and Sewer Fund*

Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary, to ensure integrity of the funds.



## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2019

#### *Golf Course Fund*

Golf Course Fund is used to account for payments received from the contractor and improvements made to the City's golf course; including administration, operation and maintenance.

#### *Sanitation Fund*

Sanitation Fund is used to account for billing, collection, and payment for solid waste collection and disposal services. All costs are financed through charges to sanitation customers.

Additionally, the City reports the Internal Service Funds, which are used to account for the fleet management services, self-funded property and casualty insurance provided to the departments of the City and self-funded health and disability insurance provided to employees of the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) and all deferred inflows and outflows of resources are included on the Statement of Net Position, and the operating statements present increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services, which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both 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 be used to pay liabilities of the current period. The City considers revenues as available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, except for interest payable accrued at the debt issuance date for which cash is received with the debt proceeds, as well as expenditures related to compensated absences, are recorded only when payment has matured and will be payable shortly after year-end.

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2019

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received as they are deemed immaterial.

#### E. Budgetary Control

Annual budgets are adopted for all governmental funds except for the capital projects funds, which adopt project-length budgets.

The City Charter establishes the fiscal year as the twelve-month period beginning October 1. The departments submit to the City Manager a budget of estimated expenditures for the ensuing fiscal year after which the City Manager subsequently submits a budget of estimated expenditures and revenues to the City Council by August 1.

Upon receipt of the budget estimates, the Council holds a public hearing on the proposed budget. Information about the Budget ordinance is then published in the official newspaper of the City.

At least ten days prior to October 1, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts between line items and department within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations that were adopted. The Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results, except for the effect of encumbrances and unrealized investment gains and losses, which are adjusted to the actual results for this comparison.

#### F. Cash, Cash Equivalents, and Investments

Cash from all funds, including restricted cash, are pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's equity in the pooled cash accounts is available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with maturity of ninety days or less are also considered to be "cash equivalents". Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the General fund and interfund payables of the deficit fund.

Investments in government pools are in government agencies and are recorded at amortized cost. All other investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2019

#### G. Interfund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

#### H. Inventories

The inventories in the Internal Service Funds consist of fuel supplies and are recorded at cost using the first-in/first-out method.

#### I. Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year. The purchasing method is used to account for prepaids.

#### J. Equity Interest in Joint Venture and Shared Radio System

During Fiscal year 2014, the Town of Addison, City of Carrollton, City of Coppell, and City of Farmers Branch (the “Cities”) formed a joint venture, the North Texas Emergency Communications Center, Inc. (NTECC), to establish and operate a joint public safety dispatch center. The cities are responsible for funding capital and operating costs of NTECC. The City of Carrollton’s equity interest in NTECC of \$1,819,298 as of September 30, 2019, is recorded as Equity Interest in Joint Venture in the Governmental Activities on the Government-wide Statement of Net Position. Audited financial statements for NTECC can be obtained from the Finance Department at 1945 E. Jackson Rd, Carrollton, TX 75006, by calling 972-466-3110 or by email at [Accounting@cityofcarrollton.com](mailto:Accounting@cityofcarrollton.com).

Additionally, the Cities have also entered into an interlocal agreement to jointly procure a public safety radio system. While this agreement did not include the formation of a separate legal joint venture entity, NTECC has been contracted to manage all shared aspects of the radio system. The Cities are each responsible for funding a portion of the radio systems; the City of Carrollton’s portion of the system costs as of September 30, 2019 is \$3,861,925 and is capitalized as equipment in the Governmental Activities on the Government-wide Statement of Net Position.

#### K. Land Held for Redevelopment

Land held for resale in the General and Public Facilities Capital Project Fund is held for redevelopment and is valued at the estimated realizable value or historical acquisition cost, whichever is less.

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

L. Restricted Assets

Certain cash and investments balances are restricted by various legal and contractual obligations.

The following table summarizes the restricted cash and investments:

<b>Restricted Cash and Investments</b>	
<b>Governmental Activities:</b>	
Debt Service Fund	\$ 5,176,360
Bond Construction Account	26,911,762
Other Capital Project Funds	1,260,575
Special Revenue Funds	2,431,743
Arcadia Reclassification	76,382
	35,856,822
<b>Business-Type Activities:</b>	
Revenue Bond Accrued Interest Payable	199,563
Current Maturities of Revenue Bonds	689,584
Reserve for Revenue Bond Retirement	1,142,303
Customer Deposits	3,006,781
Unspent Bond Proceeds	7,835,206
	12,873,437
<b>Total Restricted Cash and Investments</b>	<b>\$ 48,730,259</b>

M. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All purchased capital assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Outlays for capital assets are capitalized as projects are constructed. Infrastructure assets begin depreciating at the end of the year in which costs are incurred. Other constructed capital assets begin depreciating when the asset is placed in service.

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2019

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over three years of useful life. Infrastructure assets capitalized have an original cost of \$250,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20 – 50 Years
Equipment	3 – 10 Years
Intangibles	4 – 20 Years
Improvements	10 – 40 Years
Infrastructure	20 – 40 Years

#### N. Pensions

For purposes of measuring the net pension liability, pension-related deferred outflows and inflows of resources, and pension expense, City-specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS), and additions to/deductions from the City'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. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS's consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Codification Section P20 – Pension Activities.

#### O. Compensated Absences

The City's policy allows employees to accumulate unused sick leave on an unlimited basis and vacation leave up to 432 hours for Fire Shift Civil Service employees and up to 288 hours for all other employees. Upon termination, employees are entitled to be paid for accumulated leave as follows:

##### Vacation Leave:

- Civil Service employees who have completed six full months of service and Non-Civil Service employees hired on or before January 1, 2011, will be paid any accumulated vacation leave.
- Non-Civil Service employees hired after January 1, 2011, who have completed six full months of service will be paid for accumulated vacation leave up to a maximum of 120 hours.

##### Sick Leave:

- Civil Service Fire Shift employees who have completed one full year of service will be paid for accumulated sick leave up to 1,440 hours.
- All other Civil Service employees who have completed one full year of service, and Non-Civil Service employees hired on or before January 1, 2010, will be paid for accumulated sick leave up to 960 hours.
- Non-Civil Service employees hired after January 1, 2010, will not be paid for accumulated sick leave.

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2019

#### P. Nature and Purpose of Classifications of Fund Equity

Governmental Funds fund balances classified as restricted, are balances with constraints placed on the use of resources by creditors, grantors, contributors, laws, or regulations of other governments. Fund balances classified as committed can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance. 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. Assigned fund balances are constrained by an intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City management based on Council direction.

For the classification of Governmental Fund balances, the City considers an expenditure to be made from the most restrictive first when more than one classification is available.

#### Q. Minimum Fund Balance Policy

It is the desire of the City to maintain adequate General Fund balance to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial standard to maintain a General Fund minimum fund balance of 60 days budgeted expenditures. Hotel/Motel Fund is at a break-even position in Fiscal Year 2019.

#### R. Net Position

Net Position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources in the proprietary funds and in the government-wide statements. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use, either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Net position restricted for revenue bond retirement in the Water and Sewer Fund is a reserve required by revenue bond covenants.

#### S. Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

The City allocates to the Proprietary funds a predetermined allocated amount for administrative services for those funds that were paid through the General Fund along with other indirect costs deemed necessary for their operations. During the year ended September 30, 2019, the City allocated \$3,207,628 as a transfer for such services.

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2019

#### T. Deferred Outflows/Inflows of Resources

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

- Deferred charges on refunding – 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.
- Pension/OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Experience differences between actuarial assumptions used and actual experience for the annual determination of pension or OPEB liability – These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Periodic changes in actuarial assumptions used based on actuarial experience studies – This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position and/or balance sheet 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. This year the City has the following items that qualify for reporting in this category.

- Difference in projected and actual earning on pension assets – This difference is deferred and amortized over a closed five-year period.
- Experience differences in expected and actual pension or OPEB results is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Periodic changes in actuarial assumptions used resulting from an actuarial experiences study – This difference is deferred and amortized over the estimated average remaining lives of all member determined as of the measurement date.

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

**(2) BUDGET BASIS OF ACCOUNTING:**

The City prepares its annual budget on a basis (budget basis) which differs from a GAAP basis. The budget and all transactions are presented in accordance with the City’s method (budget basis) in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund to provide a meaningful comparison of actual results to the budget. The differences between budget and GAAP basis in the General Fund are that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to an assignment of fund balance (GAAP). Unrealized investment gain (loss) is recognized for GAAP basis only and interfund loan transactions are treated as transfers for budget basis.

Adjustments necessary to convert the General Fund’s net change in fund balances on the budget basis to a GAAP basis are as follows:

Net change in fund balance - budget basis	\$ (12,441)
Beginning of year adjustment for encumbrances recognized as expenditures	(368,299)
End of year adjustment for encumbrances not recognized as expenditures	370,937
Unrealized investment gain/(loss) recognized for GAAP basis only	<u>246,736</u>
Net change in fund balance - GAAP basis	<u>\$ 236,933</u>



**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
 For Year Ended September 30, 2019

**(3) DEPOSITS AND INVESTMENTS:**

Deposits – State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations, or its agencies and instrumentalities, or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. All deposits of the City that exceeded the federal depository insurance coverage level of \$250,000 per account were covered by collateral held by BNY Mellon, N.A. in the City’s name under a joint safekeeping agreement with Frost Bank. The market value of the collateral held at BNY Mellon, N.A. in the City’s name at fiscal year-end was \$2,248,699.

At September 30, 2019, the carrying amount of the City’s deposits was a debit of \$681,299, and the respective bank balances totaled \$2,180,953. The City’s cash on hand totaled \$36,000.

Investments – State statutes, City investment policy, City bond ordinances, and City resolutions authorize the City’s investments. The City is authorized to invest in the following: U.S. Government obligations and its agencies or instrumentalities; direct obligation of this state or its agencies and instrumentalities, including the Federal Home Loan Bank; collateralize mortgage obligations directly issued by a federal agency or instrumentality of the United States with ten years or less stated final maturity (cannot be an inverse floater, a principal only, or an interest only); obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm no less than A or its equivalent rating; bonds issued, assumed or guaranteed by the State of Israel; no-load SEC registered mutual funds with a weighted average stated maturity of less than two years that are invested in allowable securities, obligations of Texas and its agencies; fully collateralized repurchase agreements and reverse repurchase agreements; prime domestic commercial paper; prime domestic bankers’ acceptances; guaranteed investment contracts; securities lending program consisting of authorized investments by the City’s investment policy; insured or collateralized certificates of deposit; government pools; and no-load SEC registered money-market funds consisting of any of these securities listed with a dollar-weighted average stated maturity of 90 days or less and with an investment objective of a stable net asset value of \$1 for each share. For additional information, see the City of Carrollton Investment Policy at [www.cityofcarrollton.com](http://www.cityofcarrollton.com).

The City’s investments balances as of September 30, 2019, were:

<b>Investments:</b>	<b>Fair Value</b>	<b>Weighted Average Maturity (Years)</b>	<b>Credit Risk</b>
Coupon Agencies	\$162,332,182	1.22	AA+ - AAA
Municipal Bonds	38,932,629	0.36	A+ -AAA
Treasury Notes	12,975,972	0.02	AAA
Government Pools	29,748,083	0.01	AAAm
<b>Total Fair Value</b>	<b>\$243,988,866</b>		
Portfolio Weighted Average Maturity		1.61	

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2019

Following the criteria for GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, TexasTerm Daily, Texas Class and TexPool use amortized cost method and LOGIC uses the fair value method to value portfolio assets. As is legally permissible for municipalities and school districts in the state, TexPool and TexasTerm Daily invest in a high-quality portfolio of debt securities, and Texas Class and LOGIC invest in a high-quality portfolio of short-term investments.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

As of September 30, 2019, the City has recurring fair value measurements for coupon, discount agencies, treasury notes and municipal bonds of \$214,240,783 valued using quoted prices for similar assets in active markets. (Level 2 inputs.)

Additionally, the City has investments in government pools at September 30, 2019, totaling \$29,748,083, which are recorded at amortized cost.

**Interest Rate Risk** – In compliance with the City’s Investment Policy, as of September 30, 2019, the City minimized the interest rate risk in the portfolio, related to current market events, by: limiting the weighted average maturity to a maximum of four years; structuring the investment portfolio so that securities matured to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the secondary market prior to maturity; monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by the Public Funds Investment Act; and investing operating funds primarily in short-term securities, money market mutual funds, or similar government investment pools.

**Concentration of Credit Risk** – In compliance with the City’s Investment Policy, as of September 30, 2019, the City minimized concentration of credit risk, by: limiting investments in specific local governmental pools to no more than 40 percent of the investment portfolio; staggering maturities and potential call dates; and limiting investments to no more than 5% of the investment portfolio in commercial paper and bankers’ acceptances of a single issuer. As of September 30, 2019, 5% or more of the City’s total investment are in: Federal Home Loan Bank (21.1%), Federal Farm Credit Bank ( 19.1%), Federal Home Loan Mortgage Corporation securities (15.8%), and Treasury (5.3%).

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

**(4) CAPITAL ASSETS**

Capital asset activity for the year-ended September 30, 2019, was as follows:

	<u>Balance October 1</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Balance September 30</u>
<b>Governmental Activities</b>				
Capital Assets not being depreciated:				
Land	\$ 102,541,908	\$ -	\$ (52,500)	\$ 102,489,408
Construction in Progress	3,084,838	6,684,652	(2,804,008)	6,965,482
<b>Total Capital Assets not being depreciated</b>	<u>105,626,746</u>	<u>6,684,652</u>	<u>(2,856,508)</u>	<u>\$ 109,454,890</u>
Capital Assets being depreciated:				
Buildings	85,571,405	512,567	(114,733)	85,969,239
Equipment	46,112,582	4,581,895	(2,177,611)	48,516,866
Intangibles	6,535,190	560,670	-	7,095,860
Improvements	50,336,826	2,589,346	(2,419,357)	50,506,815
Infrastructure	339,511,808	18,684,066	(1,925,749)	356,270,125
<b>Total Capital Assets being depreciated</b>	<u>528,067,810</u>	<u>26,928,544</u>	<u>(6,637,450)</u>	<u>548,358,905</u>
Less accumulated depreciation for:				
Buildings	(44,875,650)	(3,081,729)	114,733	(47,842,646)
Equipment	(25,978,475)	(4,384,186)	2,112,045	(28,250,616)
Intangibles	(6,266,109)	(130,447)	-	(6,396,556)
Improvements	(22,232,513)	(1,801,507)	2,419,357	(21,614,663)
Infrastructure	(95,630,561)	(10,652,473)	1,925,749	(104,357,285)
<b>Total accumulated depreciation</b>	<u>(194,983,308)</u>	<u>(20,050,342)</u>	<u>6,571,884</u>	<u>(208,461,766)</u>
<b>Total Capital Assets being depreciated, net</b>	<u>333,084,502</u>	<u>6,878,202</u>	<u>(65,566)</u>	<u>339,897,139</u>
<b>Governmental Activities Capital Assets, net</b>	<u>438,711,249</u>	<u>13,562,854</u>	<u>(2,922,074)</u>	<u>\$ 449,352,029</u>
	<u>Balance October 1</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Balance September 30</u>
<b>Business-Type Activities</b>				
Capital Assets not being depreciated:				
Land	\$ 2,377,918	\$ -	\$ -	\$ 2,377,918
Construction in Progress	122,412	82,341	-	204,753
<b>Total Capital Assets not being depreciated</b>	<u>2,500,330</u>	<u>82,341</u>	<u>-</u>	<u>2,582,671</u>
Capital Assets being depreciated:				
Buildings	19,648,327	350,430	-	19,998,757
Equipment	8,193,855	1,412,499	(560,339)	9,046,015
Intangibles	868,612	-	-	868,612
Improvements	12,013,626	4,108,275	-	16,121,901
Infrastructure	245,809,216	5,086,757	-	250,895,973
<b>Total Capital Assets being depreciated</b>	<u>286,533,636</u>	<u>10,957,961</u>	<u>(560,339)</u>	<u>296,931,258</u>
Less accumulated depreciation for:				
Buildings	(16,945,870)	(287,604)	-	(17,233,474)
Equipment	(5,343,966)	(583,414)	560,339	(5,367,040)
Intangibles	(789,838)	(9,850)	-	(799,688)
Improvements	(11,245,093)	(96,094)	-	(11,341,187)
Infrastructure	(135,288,829)	(5,911,172)	-	(141,200,001)
<b>Total accumulated depreciation</b>	<u>(169,613,596)</u>	<u>(6,888,134)</u>	<u>560,339</u>	<u>(175,941,390)</u>
<b>Total Capital Assets being depreciated, net</b>	<u>116,920,040</u>	<u>4,069,827</u>	<u>-</u>	<u>120,989,869</u>
<b>Business-Type Activities Capital Assets, net</b>	<u>\$ 119,420,462</u>	<u>\$ 4,152,168</u>	<u>\$ -</u>	<u>\$ 123,572,539</u>

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

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

<b>Depreciation Expense</b>	
<b>Governmental Activities:</b>	
General Government and Administration	\$ 795,178
Public Safety	4,730,659
Development Services	11,211,036
Cultural and Recreational	3,313,468
<b>Total Depreciation Expense</b>	<b>\$ 20,050,341</b>
<b>Business-Type Activities:</b>	
Water and Sewer	6,645,933
Golf Course	237,173
Sanitation	5,119
<b>Total Depreciation Expense</b>	<b>\$ 6,888,225</b>

**(5) LONG-TERM DEBT AND LIABILITIES:**

General Obligation Bonds Refunding –

General obligation bonds provide funds for the acquisition and construction of major capital equipment and facilities. General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. General obligation bonds require the City to compute, at the time property taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity. The City is in compliance with this requirement.

Due to favorable interest rates, during the fiscal year, General Obligation (GO) Improvement and Refunding Bonds Series 2019 of \$51,447,273, including premium and issuance costs, were issued to refund \$28,600,000 par value of the City’s previously issued and outstanding GO Bonds. Debt refunded included \$15,375,000 of GO Improvement and Refunding Bonds, Series 2009 and \$13,225,000 of GO Improvement and Refunding Bonds, Series 2010 with unamortized premiums of \$1,188,634 for a total carrying value of \$29,788,634. As the transaction was completed within ninety days of the call date of the refunded bonds, it is considered a “current refunding” under federal tax law. However, because proceeds were placed in escrow and invested until the call date of the refunded debt, GASB defines the transaction as an advance refunding. As a result, advance refunding

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

accounting was used to calculate the related gain on refunding. In addition, bonds totaling \$22,166,368 in new money were issued.

The proceeds were deposited with an escrow agent to purchase direct obligations of the United States of America. The net carrying amount of the old debt exceeded the reacquisition price of the old debt by \$712,702. This amount is being amortized over the remaining life of the refunded debt, which is the same as the life of the new debt issued. Under the escrow reserve agreement, the escrow fund is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the City’s financial statements.

As a result of the refunding, the City reduced its aggregate debt service payments to maturity by \$4,065,295 and obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$3,639,154.

On September 30, 2019, \$15,375,000 of General Obligation Improvement and Refunding, Series 2009 and \$13,225,000 of General Obligation Improvement and Refunding, Series 2010 outstanding bonds are considered defeased.

At September 30, 2019, general obligation bonds currently outstanding are as follows:

	<b>Interest Rate</b>		<b>Maturity</b>	
	<b>%</b>	<b>Issue Date</b>	<b>Date</b>	<b>Outstanding</b>
Improvement, Series 2011	3 - 4.25	4/19/2011	8/15/2030	9,650,000
Refunding, Series 2012	2 - 4	5/1/2012	8/15/2025	7,530,000
Improvement, Series 2013	2 - 4.5	7/15/2013	8/15/2033	7,245,000
Improvement, Series 2014	3 - 4	4/15/2014	8/15/2034	16,550,000
Improvement and Refunding, Series 2015	2 - 5	5/1/2015	8/15/2035	29,060,000
Improvement and Refunding, Series 2016	3 - 5	5/15/2016	8/15/2031	24,395,000
Improvement, Series 2017	2 - 5	4/1/2017	8/15/2032	17,195,000
Improvement, Series 2018	3 - 5	5/1/2018	8/15/2033	18,375,000
Improvement, Series 2019	3 - 5	5/1/2019	8/15/2034	43,540,000
				<u>\$ 173,540,000</u>

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

Annual debt service requirements to maturity for general obligation bonds are as follows:

<b>General Obligation Bonds</b>			
<b>Year Ending September 30</b>	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 15,120,000	\$ 7,322,543	\$ 22,442,543
2021	14,485,000	6,685,893	21,170,893
2022	13,840,000	6,039,768	19,879,768
2023	13,520,000	5,425,518	18,945,518
2024-2028	64,925,000	18,163,148	83,088,148
2029-2033	46,215,000	5,814,500	52,029,500
2034-2036	<u>5,435,000</u>	<u>280,438</u>	<u>5,715,438</u>
<b>Total</b>	<u>\$ 173,540,000</u>	<u>\$ 49,731,805</u>	<u>\$ 223,271,805</u>

Revenue Bonds –

Revenue bonds are used to finance the acquisition and construction of major capital improvements for the water and sewer system and related facilities. These revenue bonds constitute special obligations of the City solely secured by a lien on and pledge of the net revenues of the water and sewer system.

In Fiscal Year 2019, \$ 10,132,004, including premium, of Series 2019 Waterworks and Sewer System Revenue Improvement Bonds were issued.

The revenue bonds are collateralized by the revenue of the water and sewer system and the various special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used, first, to pay operating and maintenance expenses of the system, and second, to establish and maintain the revenue bond funds. Remaining revenues may then be used for any lawful purpose. For fiscal year 2019, net revenue available for debt service was 5.53 times the average annual debt service requirement. The ordinances also contain provisions, which, among other items, restrict amounts and certain financial ratios are met. Management of the City believes that it is in compliance with all significant financial requirements as of September 30, 2019.

At September 20, 2019, revenue bonds currently outstanding are as follows:

	<b>Interest Rate</b>	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Outstanding</b>
	<b>%</b>			
Waterworks and Sewer System Revenue Refunding, Series 2012	2 - 4	5/1/2012	5/1/2023	4,500,000
Waterworks and Sewer System Revenue Improvement, Series 2019	2 - 4	5/1/2019	5/1/2034	<u>9,045,000</u>
				<u>\$ 13,545,000</u>

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

Annual debt service requirements to maturity for revenue bonds are as follows:

<b>Revenue Bonds</b>			
<b>Year Ending September 30</b>	<b>Business-Type Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 1,655,000	\$ 498,950	\$ 2,153,950
2021	1,695,000	457,550	2,152,550
2022	1,750,000	394,500	2,144,500
2023	1,340,000	342,000	1,682,000
2024	515,000	301,800	816,800
2025-2029	2,945,000	1,146,350	4,091,350
2030-2034	<u>3,645,000</u>	<u>417,000</u>	<u>4,062,000</u>
<b>Total</b>	<u>\$ 13,545,000</u>	<u>\$ 3,558,150</u>	<u>\$ 17,103,150</u>

Bonds Authorized and Unissued – At September 30, 2019, the City had \$84,680,000 in general obligation bonds which were authorized and unissued.

Net Pension Liability – The net pension liability represents the actuarially-determined liability for employees’ projected pension benefit payments to be provided to current active and inactive employees; that is attributed to those employees’ past periods of service, less the pension plan’s fiduciary net position.

Compensated Absences – Compensated absences represent the estimated liability for employees’ accrued vacation and sick leave for which employees are entitled to be paid upon termination. The retirement of this liability is paid from the General fund, Enterprise Funds, and Internal Service Funds based on the assignment of an employee at termination.

Health Claims Liability –Health claims liability represents an estimate of self-insured claims liability outstanding of the Employee and Disability Internal Service Fund. All health claims are expected to be paid within one year.

Long-term Risk Liability – The long-term risk liability is related to the City’s self-insured retention program accounted for in the Risk Management Internal Service Fund.

Total OPEB Liability/(TOL) – The TOL represents an actuarially determined present value liability for retiree health benefits earned to date for active and retiree members of the closed defined benefit retiree health plan.

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

Notes Payable – Notes Payable is a pass through note payable with an offsetting accounts receivable for funds collected and remitted for two Public Improvement Districts.

Changes in long-term liabilities – On the schedule below, the additions to the General Obligation Bonds in the Governmental Type Activities represent the issuance of \$44,105,000 of General Obligation Improvement Bonds, Series 2019. The additions to Revenue Bonds represent the issuance of \$9,045,000 in Water Works and Sewer System Revenue Improvement Bond Series 2019.

Transactions for the year ended September 30, 2019 are summarized as follows:

	<u>Balance</u> <u>October 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>September 30</u>	<u>Due within</u> <u>one year</u>
<b>Governmental Activities</b>					
Bonds Payable:					
General obligation bonds	\$ 174,275,000	\$ 45,293,634	\$(44,840,000)	\$ 174,728,634	\$15,120,000
Premiums	<u>15,324,781</u>	<u>6,153,639</u>	<u>(2,697,450)</u>	<u>18,780,970</u>	<u>1,529,850</u>
<b>Total Bonds Payable</b>	<u>189,599,781</u>	<u>51,447,273</u>	<u>(47,537,450)</u>	<u>193,509,604</u>	<u>16,649,850</u>
Net Pension Liability	4,798,621	35,127,610		39,926,231	-
Compensated absences	15,343,232	2,029,041	(1,332,066)	16,040,208	1,151,511
Health Claims Liability	1,440,000	8,139,846	(8,440,203)	1,139,643	1,139,643
Other Post-Employment Benefits Liability	19,167,307	-	(1,152,541)	18,014,766	-
Notes Payable	6,196,052	8,466,180	(370,374)	14,291,858	-
Long-Term Risk Liability	<u>1,232,724</u>	<u>764,455</u>	<u>(940,384)</u>	<u>1,056,795</u>	<u>-</u>
<b>Total Governmental Activities</b>	<u>237,777,717</u>	<u>105,974,405</u>	<u>(59,773,019)</u>	<u>283,979,105</u>	<u>18,941,004</u>
<b>Business-Type Activities</b>					
Bonds Payable:					
Revenue Bonds	\$ 5,625,000	\$ 9,045,000	\$ (1,125,000)	\$ 13,545,000	\$ 1,655,000
Premiums	<u>453,470</u>	<u>1,087,004</u>	<u>(129,039)</u>	<u>1,411,434</u>	<u>147,944</u>
<b>Total Bonds Payable</b>	<u>6,078,470</u>	<u>10,132,004</u>	<u>(1,254,039)</u>	<u>14,956,434</u>	<u>1,802,944</u>
Net Pension Liability (asset)	(143,647)	1,958,127	-	1,814,480	-
Compensated Absences	<u>644,685</u>	<u>69,004</u>	<u>(256,373)</u>	<u>457,316</u>	<u>103,883</u>
<b>Total Business-Type Activities</b>	<u>6,579,508</u>	<u>12,159,135</u>	<u>(1,510,412)</u>	<u>17,228,230</u>	<u>1,906,827</u>
<b>Total Government</b>	<u>\$ 244,357,225</u>	<u>\$ 118,133,540</u>	<u>\$(61,283,431)</u>	<u>\$ 301,207,336</u>	<u>\$20,847,831</u>



## CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

### **(6) PROPERTY AND SALES TAXES:**

Property tax is levied each October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the City. Taxable assessed value represents the appraisal value, less applicable exemptions, authorized by the City Council. Appraised values are established by the Appraisal Board of Review at 100% for estimated fair market value.

Taxes are due on October 1, the levy date, and are delinquent after the following January 31. Tax liens are automatic on January 1 each year. The tax lien is part of a lawsuit for property that can be filed any time after taxes become delinquent (February 1). The City usually waits until after May 1 and July 1 to file suits on business personal property and real property, respectively. As of July 1, 20% collection costs may be added to all delinquent accounts. Current tax collections for the year ended September 30, 2019 were 99.43% of the tax levy.

Property taxes at the fund level are recorded as receivables at the time the taxes are levied. Revenues are recognized as the related ad valorem taxes are collected, including those collected 60 days after year-end.

The City Charter does not provide for a debt limit; therefore, no computation can be made. However, at September 30, 2019, the City had a tax margin of approximately \$1.91 for every \$100 valuation based upon a maximum ad valorem tax of \$2.50 for every \$100 valuation imposed by Texas Constitutional law.

In Texas, central appraisal districts are required under the Property Tax Code to assess all property within its respective county on the basis of 100% of its market value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed at least every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals, and, if necessary, legal action. Under this legislation, the City continues to set tax rates on property within its boundaries. However, if the effective tax rate, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the maintenance and operating tax rate to no more than 8% above the effective tax rate of the previous year. During the fiscal year, the State Legislature passed a tax reform measure that among other things made a rollback election mandatory if property tax revenue will be more than 3.5% more than the "no new revenue rate" formerly known as the effective rate.

Sales and use tax is authorized under state law with the City's levy equal to one percent of taxable sales and uses. The Texas Comptroller of Public Accounts collects all sales and use taxes on behalf of the City; remitting to the City, on a monthly basis, all taxes collected less a 2% service fee.

The State of Texas utilizes origin-based sourcing for municipal sales and use tax. Under this approach, sales and use tax is sourced to the taxing jurisdiction in which the selling business is located

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2019

regardless of where in the state the purchaser resides, or the product is shipped. Origin sourcing can produce large individual sales and use taxpayers to specific jurisdictions. As a result, sales and use tax can fluctuate, not only due to general economic factors, but also due to relocations of businesses between taxing jurisdictions. The identity of and the amount paid by individual sales and use taxpayers is strictly confidential under state law.

#### **(7) DEFINED BENEFIT PENSION PLAN:**

##### Plan Description:

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.com](http://www.tmr.com).

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

##### Benefits Provided:

TMRS provides retirement disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the 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 actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits, also known as the matching ratio, are 200% of the employee's accumulated contributions and are only payable in the form of an annuity.

Beginning in 1993, the City granted an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount that takes into account salary

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee’s accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 1993, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	75% Repeating
Annuity Increase to retirees	50% of CPI Repeating

The City does not participate in Social Security.

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	652
Inactive employees entitled to but not yet receiving benefits	634
Active employees	<u>802</u>
	<u>2,088</u>

**Contributions:**

Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting 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 Carrollton were required to contribute 7% of their annual gross earnings during the fiscal year. For fiscal year 2019, the City made contributions of 12.67% for the months in calendar year 2018 and for the months in calendar year 2019, which provided for an additional voluntary contribution

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2019

of 0.29 percentage points over the required contribution of 12.38% for the months in 2018 and 0.72 percentage points over the actuarially required contribution of 11.95% for the months in 2019.

#### Net Pension Liability:

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, and the total pension Liability (TPL) used to calculate the net Pension Liability was determined by an actuarial valuation as of that date.

#### Actuarial assumptions –

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.9% per year
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

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

Actuarial assumptions used in the December 31, 2018 valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income. In order to satisfy the short-term and long-term funding needs of TMRS.

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

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary 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 for real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.70%
Private Equity	5.0%	7.50%
<b>Total</b>	<b>100.0%</b>	

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 contributions will remain at the current 7% 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 CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

Changes in the Net Pension Liability –

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
<b>Balance at 12/31/2017</b>	\$ 414,941,180	\$ 410,286,205	\$ 4,654,975
Charges for the year:			
Service Cost	8,686,029	-	8,686,029
Interest	27,654,253	-	27,654,253
Difference between expected and actual experience	(491,951)	-	(491,951)
Contributions - Employer	-	7,332,214	(7,332,214)
Contributions - Employee	-	3,966,963	(3,966,963)
Net Investment Income	-	(12,286,647)	12,286,647
Benefit Payments, including refunds of employee contributions	(19,183,121)	(19,183,121)	-
Administrative Expense	-	(237,525)	237,525
Other Changes	-	(12,410)	12,410
Net Changes	<u>16,665,210</u>	<u>(20,420,526)</u>	<u>37,085,736</u>
<b>Balance at 12/31/2018</b>	<u>\$ 431,606,390</u>	<u>\$ 389,865,679</u>	<u>\$41,740,711</u>

Sensitivity of the net pension liability to changes in the discount rate –

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

	<b>1% Decrease in Discount Rate</b>	<b>Current Discount Rate</b>	<b>1% Increase in Discount Rate</b>
City’s net pension liability	\$100,820,181	\$41,740,711	(\$6,866,896)

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

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](http://www.tmr.com).

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

For the year ended September 30, 2019, the City recognized pension expense of \$13,906,936. This amount is included as part of Personal Services expenses within the functional program activities.

At September 30, 2019, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions after measurement date	\$ 5,360,421	\$ -
Net difference in projected and actual earnings on pension assets	20,905,275	-
Difference in expected and actual pension experience	<u>51,746</u>	<u>440,206</u>
<b>Total</b>	<u><u>\$ 36,904,678</u></u>	<u><u>\$ 10,809,188</u></u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$5,360,421 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2019 (i.e. recognized in the City’s financial statements September 30, 2020). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

<b>Measurement Year ended Dec 31</b>	
2019	7,325,746
2020	2,697,855
2021	2,715,275
2022	<u>7,996,194</u>
<b>Total</b>	<b><u>\$ 20,735,070</u></b>

**(8) INTERFUND TRANSFERS:**

Interfund transfers during the year ended September 30, 2019, were as follows:

	<b>Transfers In/Internal Contribution</b>						<b>Total</b>
	<b>General Fund</b>	<b>Streets and Drainage</b>	<b>General and Public Facilities</b>	<b>Golf Course</b>	<b>Non-Major Governmental</b>	<b>Internal Service</b>	
<b>Transfers Out</b>							
General Fund	\$ -	\$ 1,600,000	\$ 14,380,404	\$ 426,384	\$ 1,694,093	\$ -	\$ 18,100,881
General and Public Facilities	-	-	-	-	320,331	-	320,331
Internal Service	370,132	-	-	-	-	-	370,132
Water and Sewer	4,497,117	-	-	-	-	-	4,497,117
Golf Course	-	-	-	4,000,000	-	-	4,000,000
Non-Major Governmental	-	-	-	-	-	-	-
Sanitation	<u>930,920</u>	<u>1,298,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,229,182</u>
<b>Total</b>	<b><u>\$ 5,798,169</u></b>	<b><u>\$ 2,898,262</u></b>	<b><u>\$ 14,380,404</u></b>	<b><u>\$ 4,426,384</u></b>	<b><u>\$ 2,014,424</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 29,517,643</u></b>



## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2019

Transfers are primarily used to move funds from:

- The Proprietary Funds to the General Fund for an allocated amount of administrative services.
- The Water and Sewer fund to the General Fund for a payment in lieu of taxes.
- Sanitation Fund to the Streets and Drainage capital project fund for alley improvements.
- The General Fund to finance various programs and between capital projects funds accounted for in other funds in accordance with budgetary authorizations.
- One capital projects fund to another for projects accounted for in the other fund.

#### **(9) WATER PURCHASE AND WASTEWATER TREATMENT CONTRACTS:**

The City has a contract with Dallas Water Utilities (DWU) to purchase substantially all of the City's potable water. Under the contract, the City pays DWU a rate based on a fixed demand charge, plus water usage. The rates charged are subject to minimum annual contract payments. Water expense for the years ended September 30, 2018 and 2019 were \$14,888,312 and \$12,953,279, respectively.

The City has a contract with Trinity River Authority (TRA) whereby the TRA has agreed to provide a wastewater treatment and disposal system for the benefit of the City and any "additional member City" as defined. Each member city pays an "annual payment", as defined, as its pro rata share of operating expenses and debt service of TRA's Central Regional Wastewater System (CRWS). The City's annual expense for the years ended September 30, 2018 and 2019 were \$12,222,326 and \$13,747,423, respectively. To provide the above mentioned services, TRA CRWS issues revenue bonds repayable solely from revenues generated from the member city contracts with TRA CRWS. As such, the City is an obligated party on all outstanding TRA CRWS debt.

#### **(10) SELF-INSURANCE**

The City administers a self-insured retention program (SIR) within the Risk Management Internal Service Fund in order to deal with potential liabilities. Claims in excess of the self-insured retention amounts are covered through third-party limited-coverage insurance policies. The City is self-insured with excess coverage in these areas:

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
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<u>Policy</u>	<u>Retention</u>	<u>Limits on Liability</u>
General Liability, Law Enforcement Liability, Errors and Omissions	\$50,000 per occurrence	\$2,000,000 per occurrence and \$4,000,000 policy aggregate
Workers' Compensation	\$100,000 per occurrence	Statutory
Property Loss	\$25,000 per occurrence	\$196,717,116
Automobile Liability	\$50,000 per occurrence	\$1,000,000 per occurrence
Automobile Physical Damage	\$10,000 per occurrence	Actual cash value or agreed value as scheduled

All funds of the City participate in the program and make payments to the Risk Management Fund. As of the end of fiscal year 2019, the loss reserve was estimated at \$1,056,795.

Changes in this reserve amount in fiscal years 2018 and 2019 were as follows:

	<u>Balance at Beginning of Fiscal Year</u>	<u>Current-year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at End of Fiscal Year</u>
2017-2018	\$1,547,691	\$ 687,879	\$ 1,002,846	\$1,232,724
2018-2019	\$1,232,724	\$ 764,456	\$ 940,385	\$1,056,795

The City maintains the Employee Health and Disability Fund to account for the City's employee health care coverage and long-term disability programs which are self-insured by the City with long-term disability claims in excess of one year covered through third-party insurance policies. In addition, excess insurance of up to \$1,144,709 has been obtained for an individual employee's health care claims exceeding \$225,000 and for health claims in the aggregate exceeding \$7,006,659.

Revenues are recognized from payroll deductions and City contributions. At September 30, 2019, a liability of \$1,139,643 was recorded, which represents estimated claims incurred by not yet reported.

Changes in this claim liability during fiscal years 2018 and 2019 were as follows:

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
 For Year Ended September 30, 2019

	<b>Balance at Beginning of <u>Fiscal Year</u></b>	<b>Current-year Claims and Changes in <u>Estimates</u></b>	<b>Claim <u>Payments</u></b>	<b>Balance at End of <u>Fiscal Year</u></b>
2017-2018	\$1,300,000	\$10,490,616	\$10,350,616	\$1,440,000
2018-2019	\$1,440,000	\$ 8,139,846	\$ 8,440,203	\$1,139,643

There have been no significant increases in insurance coverage during the fiscal year 2019.

**(11) TAX ABATEMENTS:**

The City enters into economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. This program rebates property and hotel occupancy taxes and is authorized under Chapter 380 of the Texas Local Government Code.

The City has entered into various agreements that rebate a percentage of property and/or hotel occupancy taxes. Agreements for rebate of property taxes call for rebates of 30% to 90% of taxes on incremental values for up to 10 years. The agreement for hotel occupancy taxes provides for a step down in rebates starting at 100% for 15 years, 75% for the next three years, and 50% for the remaining two years. For fiscal year 2019, the City rebated property taxes of \$2,419,006 or 2.8% of the \$85,625,004 total levy and hotel occupancy taxes of \$320,899 or 63% of the \$510,428 total occupancy tax revenues.

**(12) COMMITMENTS AND CONTINGENT LIABILITIES:**

Encumbrances – As discussed in note 1-E, Budgetary Control, for budgetary purposes, includes the impact of encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services (i.e. purchase orders). At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year in the General Fund were \$370,937.

Grants – The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Litigation – Various claims and lawsuits are pending against the City. In the opinion of City management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the City’s financial position, results of operations, or cash flows.

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
For Year Ended September 30, 2019

Construction Commitments – The City has active construction projects as of September 30, 2019. Total accumulated commitments for ongoing capital projects are composed of the following:

Streets and Drainage	\$ 69,225,455
Traffic	2,301,816
Parks and Recreation	15,686,140
General Facilities	16,415,612
Community Development	12,746,600
Tax Increment Reinvestment Zone	105,877
Water and Sewer	11,663,476
Golf Course	67,944
<b>Total</b>	<b>\$ 128,212,920</b>

These commitments will be funded through unspent bond proceeds, unrestricted cash, and intergovernmental participations.

Leases – The City is committed under a lease agreement for golf carts. This lease is considered for accounting purposes to be an operating lease in the Golf Course Fund. Lease expenses for the fiscal year ended September 30, 2019 amounted to \$114,771. The City will not have any cart leasing transactions in the future. However, at this time, future minimum lease payment is as follows:

Year Ending September 30	Minimum Lease Amount
2020	66,951
	<u>\$ 66,951</u>

Development –

In 2014, the City and TCC entered into a new agreement related to Phase III of the Union at Carrollton Square. This agreement provided for a \$3,000,000 termination fee payment from TCC to the City for the termination of the City’s right under the 2011 agreement to 50% of the profit when the original property is sold. Additionally, this agreement required the City to acquire real property for Phase III and pay TCC a fee of \$500,000 for their efforts in assembling the real property. The agreement also calls for the future negotiation of a Phase III development agreement. In 2016, the city and TCC entered into a disposition and development agreement related to Phase III. This agreement was

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2019

amended in 2017. Under this amended agreement, the City agreed to deliver a development-ready pad site to TCC and provide a \$2,223,000 reimbursement for infrastructure improvements. In return, TC purchased the property from the City in September 2017 for a \$1,012,080 promissory note accruing interest at 10% per year. Principal and accrued interest on this note is due and payable September 7, 2027 and prepayments may be made without penalty. The promissory note is recorded as “other” receivable.

Arcadia Development – In 2014, the city completed the sale of real property to Arcadia Realty Corporation (Arcadia). The purchase and sale agreement required a Development Agreement for the Cemetery Hill Road Extension and the Furneaux Creek North-South Tributary Rehabilitation project. This agreement required the City to provide \$1,000,000 in escrow for Arcadia to pay for the costs for certain drainage improvements, parkway improvements, hike and bike trail improvements, and road extensions. In December 2017, this agreement was amended to reduce the escrow amount to \$885,000. As of September 30, 2019, \$810,884 of these funds has been expended and the remaining \$76,382 including \$2,266 interest, held in escrow as cash and cash equivalents.

#### **(13) OTHER POSTEMPLOYMENT BENEFITS:**

##### Program Description:

In addition to the pension benefits described in Note 7, as required by state law and defined by City Policy, the City makes available health care benefits to all employees who retire from the City and who are receiving benefits from a City sponsored retirement program (Texas Municipal Retirement System, and/or a Section 457 Deferred Compensation Plan) through a single-employer defined benefit healthcare plan. This healthcare program provides lifetime insurance (or until age 65 if eligible for Medicare) to eligible retirees, their spouses, and dependents through the City’s group health insurance plan, which covers both active and retired members. Benefit provisions are established by management.

All employees who, as of January 1, 2009, had 20 years or more of service, or were 60 years or more of age with five years or more of service, are eligible upon retirement to remain in the health plan at the total blended contribution rate for active and retiree participants (Retiree Health Existing (Closed) Program). For financial reporting purposes, the Retiree Health Existing (Closed) Program is accounted for in the Employee Health and Disability Fund. No other financial statements are issued related to the Retiree Health Existing (Closed) Program. As of December 31, 2017, there were 25 Active and 29 Retirees and Dependents for a total of 59 participants in the Closed Program.

A new Retiree Defined Contribution Program effective January 1, 2009 for active employees with less than 20 years of service or at 60 years or more of age with less than five years of service requires participants to pay an aged-based full-cost premium if they choose to remain on the City’s healthcare plan upon retirement. In return, the City has begun making scheduled contributions into a Retiree Health Savings plan in the name of each employee who has ten years of service or more. Employees are 50% vested at 15 years of service with the City and 100% vested at 20 years of service.

## CITY OF CARROLLTON, TEXAS

### Notes to Basic Financial Statements For Year Ended September 30, 2019

Under the provisions of GASB Codification Section Po 50, employees who will be required to contribute the full aged-based cost for coverage for the City's health Plan do not receive an Other Post employment Benefit. Accordingly, only those employees who are eligible to participate in the Retiree Health Existing (Closed) Program are included in the valuation results described below.

#### Funding Policy:

Current retirees contribute to the Retiree Health Existing (Closed) Program the total blended premium for active and retired participants. The City contribution to the Retiree Health Existing (Closed) Program consists of Pay-as-you-go claims in excess of the retiree contributions for the year. Retiree contribution rates for fiscal year 2019 were \$8,321 to \$26,391 per year depending on coverage levels selected. In fiscal year 2019, total member contributions were \$413,983. The City contributions to the plan for fiscal year 2019, which are also equal to claims paid in excess of premiums collected, were \$741,597.

#### Funded Status and Funding Progress:

As of December 31, 2018, the most recent actuarial valuation date, the total OPEB liability (ROL) for benefits was \$18,014,766, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) for fiscal year 2018 was \$2,617,211. The ratio of the total OPEB Liability to the covered payroll was 688%.

Actuarial values of the program involve estimates of the value of reported amounts and assumptions of the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare costs trend. Amounts determined regarding the funded status of the program and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

#### Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point.

For the December 31, 2018 actuarial valuation, the Individual Entry Age cost method was used. The actuarial assumptions include a 3.71% investment rate of return (compounded annually net after investment expenses) based on the Fidelity 20-year AA Municipal Bond Index and an annual healthcare cost trend rate of 7.39% initially, reduced by decrements to an ultimate rate of 4.25% after 15 years. Both rates include a 2.5% inflation assumption. The valuation included the gender-distinct RP 2000 Combined Healthy Mortality Tables with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103%.

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Notes to Basic Financial Statements  
For Year Ended September 30, 2019

The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s total OPEB liability.

Service Cost	\$ 26,985
Interest on Total OPEB Liability	622,194
Changes of Assumptions	(864,664)
Benefit Payments	(766,795)
Difference between expected and actual experience of the total OPEB liability	<u>(170,261)</u>
Net Change in Total OPEB Liability	(1,152,541)
Total OPEB Liability - beginning	<u>19,167,307</u>
Total OPEB Liability - ending	<u>\$ 18,014,766</u>

Sensitivity of the net OPEB liability to changes in the discount rate –

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.71%, 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 (2.71%) or 1-percentage-point higher (4.71%) than the current rate:

	<b>1% Decrease in Discount Rate</b>	<b>Current Discount Rate</b>	<b>1% Increase in Discount Rate</b>
City's Total OPEB Liability	\$ 20,306,859	\$ 18,014,766	\$ 16,113,965

Sensitivity of the net OPEB liability to changes in the healthcare trend rate –

The following presents the sensitivity of the total OPEB liability of the City to changes in the healthcare cost trend rates, the following presents the plan’s total OPEB liability, calculated using the assumed trend rates as well as what the plan’s total OPEB liability would be if it were calculated using a trend rate that is 1-percent lower or 1-percent higher:

	<b>1% Decrease in Trend Rate</b>	<b>Current Health Care Trend Rate</b>	<b>1% Increase in Trend Rate</b>
City's Total OPEB Liability	\$ 16,437,875	\$ 18,014,766	\$ 19,768,970

As the City has a closed plan with limited members, at September 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources that are amortized over a two-year period (including 2019):

**CITY OF CARROLLTON, TEXAS**

Notes to Basic Financial Statements  
 For Year Ended September 30, 2019

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 85,130
OPEB Contributions after measurement date	\$ 848,646	\$ -
Changes in actuarial assumptions used to determine total OPEB liability	-	432,332
<b>Total</b>	<b>\$ 848,646</b>	<b>\$ 517,462</b>

**(14) FUTURE FINANCIAL REPORTING REQUIREMENT:**

The City has reviewed GASB pronouncements which become effective in future years, and notes the following statements are applicable to the City.

Statement No. 84, *Fiduciary Activities* – This statement establishes criteria for identifying fiduciary activities of governments and for identifying fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement will become effective for the City in fiscal year 2020.

Statement No. 87, *Leases* – This statement changes the recognition requirements for certain lease assets and liabilities for leases that are currently classified as operating leases. This statement will become effective for the City in fiscal year 2021.



**CITY OF CARROLLTON, TEXAS**  
**Required Supplementary Information**  
**Texas Municipal Retirement System**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Five Fiscal Years**  
**(Unaudited)**

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018
Total pension liability:					
Service cost	\$ 6,592,786	\$ 7,652,932	\$ 8,018,638	\$ 8,406,143	\$ 8,686,029
Interest	23,690,265	24,739,518	25,320,101	26,477,155	27,654,253
Difference between expected and actual experience	(2,087,560)	(964,785)	(726,584)	192,522	(491,951)
Change in assumptions	-	4,666,507	-	-	-
Benefit payments, including refunds of employee contributions	(13,257,578)	(14,214,900)	(14,957,304)	(16,371,432)	(19,183,121)
Net change in total pension liability	14,937,913	21,879,272	17,654,851	18,704,388	16,665,210
Total pension liability - beginning	341,764,756	356,702,669	378,581,941	396,236,792	414,941,180
Total pension liability - ending (a)	356,702,669	378,581,941	396,236,792	414,941,180	431,606,390
Plan fiduciary net position:					
Contributions - employer	6,822,121	7,332,309	7,258,922	7,063,344	7,332,214
Contributions - employee	3,423,287	3,679,294	3,642,470	3,820,974	3,966,963
Net investment income	19,077,452	515,477	23,404,549	50,642,626	(12,286,647)
Benefit payments, including refunds of employee contributions	(13,257,578)	(14,214,900)	(14,957,304)	(16,371,432)	(19,183,121)
Administrative expense	(199,188)	(313,987)	(264,342)	(262,459)	(237,525)
Other	(16,377)	(15,507)	(14,242)	(13,301)	(12,410)
Net change in plan fiduciary net position	15,849,717	(3,017,314)	19,070,053	44,879,752	(20,420,526)
Plan fiduciary net position - beginning	333,503,997	349,353,714	346,336,400	365,406,453	410,286,205
Plan fiduciary net position - ending (b)	349,353,714	346,336,400	365,406,453	410,286,205	389,865,679
Net pension liability - ending (a) - (b)	\$ 7,348,955	\$ 32,245,541	\$ 30,830,339	\$ 4,654,975	\$ 41,740,711
Plan fiduciary net position as a percentage of total pension liability	97.94%	91.48%	92.22%	98.88%	90.33%
Covered payroll	\$ 48,904,096	\$ 52,561,347	\$ 52,035,292	\$ 54,585,343	\$ 56,586,510
Net pension liability as a percentage of covered payroll	15.03%	61.35%	59.25%	8.53%	73.76%

Note: This schedule is intended to present information for ten years. However, previous years' information is not available.

**CITY OF CARROLLTON, TEXAS**  
 Required Supplementary Information  
 Texas Municipal Retirement System  
 Schedule of Contributions  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	(1) Actuarially determined contribution	(2) Contribution in relation to the actuarially determined contribution	(3) Contribution excess (deficiency) (2) - (1)	(4) Covered payroll	(5) Actuarially determined contributions as a percentage of covered payroll (1)/(4)	(6) Contributions as a percentage of covered employee payroll (2)/(4)
2010	7,797,214	8,055,207	257,993	45,868,006	17.00%	17.56%
2011	7,807,248	7,960,494	153,246	46,358,980	16.84%	17.17%
2012	6,544,714	6,530,161	(14,553)	44,732,281	14.63%	14.60%
2013	6,444,731	6,547,839	103,108	46,392,021	13.89%	14.11%
2014	6,480,879	6,755,754	274,875	48,428,341	13.38%	13.95%
2015	6,329,810	6,982,334	652,524	50,052,500	12.65%	13.95%
2016	6,108,431	7,256,852	1,148,421	52,020,446	11.74%	13.95%
2017	6,527,064	7,072,321	545,257	53,555,327	12.19%	13.21%
2018	6,563,597	7,233,075	669,478	55,897,022	11.74%	12.94%
2019	5,979,381	6,310,121	330,740	58,214,153	10.27%	10.84%

**Notes to Schedule:**

**Valuation Date:**

Actuarially determined contribution rates are calculated as of December 31<sup>st</sup> each year and become effective in January, 12 months and a day later.

**Methods and Assumptions Used to Determine Contribution Rate for 2019:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 10.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

**CITY OF CARROLLTON, TEXAS**

Required Supplementary Information

Texas Municipal Retirement System

Schedule of Contributions

Last Ten Fiscal Years

(Unaudited)

Significant assumption differences for fiscal years prior to 2019:

Actuarial Cost Method	Projected Unit Credit for fiscal years prior to 2014.
Inflation	3% for fiscal years prior to 2016.
Investment Rate of Return	7% for fiscal years prior to 2016.
Mortality	Prior to fiscal year 2014, Gender Distinct RP2000 Combined Healthy Mortality Table projected to the year 2003 by scale AA

**CITY OF CARROLLTON, TEXAS**

Required Supplementary Information

Schedule of Changes in the City's Total OPEB Liability and Related Ratios

(Unaudited)

	<b>Measurement Year 2017</b>	<b>Measurement Year 2018</b>
Total OPEB liability		
Service cost	\$ 23,938	\$ 26,985
Interest	681,288	622,194
Changes of benefit terms	-	-
Difference between expected and actual experience	-	(170,261)
Changes of Assumptions	1,118,690	(864,664)
Benefit Payments	<u>(1,052,441)</u>	<u>(766,795)</u>
<b>Net change in total OPEB liability</b>	771,475	(1,152,541)
<b>Total OPEB liability - beginning</b>	<u><b>18,395,832</b></u>	<u><b>19,167,307</b></u>
<b>Total OPEB liability - ending (a)</b>	<u>19,167,307</u>	<u>18,014,766</u>
<b>Covered employee payroll</b>	\$ 2,658,886	\$ 2,617,211
<b>Total OPEB liability as a percentage of covered employee payroll</b>	720.88%	688.32%

**Notes to Schedule**

Change of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

2016	3.81%
2017	3.31%
2018	3.71%

Until a full 10-year trend is completed, we will present information for those years for which information is available.

## **COMBINING FINANCIAL STATEMENTS**

### **NON-MAJOR GOVERNMENTAL FUNDS**

#### **Special Revenue Funds**

Hotel/Motel Tax Fund – to account for the accumulation of resources from the Hotel/Motel Tax assessment levied by the City. These monies are to be spent to promote the progress, development or growth of the City with the guidelines set forth on disposition of revenues collected under the authority of the Texas Hotel Occupancy Tax Act (Articles 1269; Vernon’s Texas Civil Statutes).

Public Safety Fund – to account for special fines, forfeitures and grant funds for Public Safety programs.

Cultural and Recreational Fund – to account for miscellaneous funds designated for special cultural and recreational programs of the City.

#### **Capital Project Funds**

Parks and Recreation Fund – to account for funds received and expended for purchase of land, improvements and construction of parks and recreational facilities.

Traffic Fund – to account for funds received and expended for new installations and replacement of traffic signalization equipment, and installation of underground conduit and wiring for streetlights.

Tax Increment Reinvestment Zone – to account for funds received and expended within the City’s Tax Increment Reinvestment Zone located adjacent to the light rail stations.

Community Development Fund – to account for funds received and expended on community beautification and revitalization programs. This fund includes grant funds from the Community Development Block Grant program and the Neighborhood Partnership tax levy.

CITY OF CARROLLTON, TEXAS

Combining Balance Sheet  
 Non-Major Governmental Funds  
 September 30, 2019

	Special Revenue				Capital Projects				Total Other Governmental Funds
	Hotel/Motel Tax	Public Safety	Public Improvement District	Cultural and Recreational	Parks and Recreation	Traffic	Tax Increment Reinvestment Zone	Community Development	
<b>Assets</b>									
Cash and cash equivalents	\$ 212,620	\$ 2,224,257	\$ -	\$ 838,756	\$ 13,192,696	\$ 1,427,712	\$ 1,264,929	\$ 18,563,630	\$ 37,724,600
Accrued interest receivable	-	5,393	-	475	46,076	5,592	4,432	54,302	116,270
Due from other governments	-	-	-	-	14,230	363,798	-	34,240	412,268
Prepaid items	52,104	-	-	-	-	-	-	-	52,104
<b>Total assets</b>	<u>\$ 264,724</u>	<u>\$ 2,229,650</u>	<u>\$ -</u>	<u>\$ 839,231</u>	<u>\$ 13,253,002</u>	<u>\$ 1,797,102</u>	<u>\$ 1,269,361</u>	<u>\$ 18,652,172</u>	<u>\$ 38,305,242</u>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable	\$ 88,007	\$ 286,815	\$ -	\$ 63,250	\$ 1,328,631	\$ 253,292	\$ -	\$ 329,796	\$ 2,349,791
Due to other funds	116,305	-	-	-	-	-	-	-	116,305
Unearned revenue	60,168	-	-	-	-	152,668	-	-	212,836
<b>Total liabilities</b>	<u>264,480</u>	<u>286,815</u>	<u>-</u>	<u>63,250</u>	<u>1,328,631</u>	<u>405,960</u>	<u>-</u>	<u>329,796</u>	<u>2,678,932</u>
<b>Fund Balances</b>									
<b>Restricted for:</b>									
Capital projects	-	-	-	-	1,111,907	-	1,269,361	-	2,381,268
Other purposes	244	1,942,835	-	-	-	-	-	-	1,943,079
<b>Committed to:</b>									
Capital projects	-	-	-	-	1,358,419	-	-	13,663,137	15,021,556
<b>Assigned to:</b>									
Capital projects	-	-	-	-	9,454,045	1,391,142	-	4,659,239	15,504,426
Other purposes	-	-	-	775,981	-	-	-	-	775,981
<b>Total fund balances</b>	<u>244</u>	<u>1,942,835</u>	<u>-</u>	<u>775,981</u>	<u>11,924,371</u>	<u>1,391,142</u>	<u>1,269,361</u>	<u>18,322,376</u>	<u>35,626,310</u>
<b>Total liabilities and fund balances</b>	<u>\$ 264,724</u>	<u>\$ 2,229,650</u>	<u>\$ -</u>	<u>\$ 839,231</u>	<u>\$ 13,253,002</u>	<u>\$ 1,797,102</u>	<u>\$ 1,269,361</u>	<u>\$ 18,652,172</u>	<u>\$ 38,305,242</u>

**CITY OF CARROLLTON, TEXAS**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Non-Major Governmental Funds  
 For the Year Ended September 30, 2019

	Special Revenue				Capital Projects				Total Other Governmental Funds
	Hotel/Motel Tax	Public Safety	Public Improvement District	Cultural and Recreational	Parks and Recreation	Traffic	Tax Increment Reinvestment Zone	Community Development	
<b>Revenues</b>									
Ad valorem tax	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ 391,269	\$ 4,595,346	4,986,615
Occupancy tax	189,529	-	-	-	-	-	-	-	189,529
Assessments	-	-	-	-	14,280	20,568	-	-	34,848
Charges for services	113,028	-	-	-	91,774	-	-	-	204,802
Intergovernmental	-	19,960	-	-	(10)	447,230	176,209	604,000	1,247,389
Licenses and permits	-	497,698	-	38,467	-	-	-	-	536,165
Fines and forfeitures	-	-	-	-	-	-	-	-	-
PID assessment revenue	-	-	1,447,982	-	-	-	-	-	1,447,982
Investment earnings net of change in fair value of investments	836	59,391	-	9,898	345,529	49,198	25,943	452,643	943,438
Miscellaneous	-	-	-	87,116	155,668	-	-	-	242,784
<b>Total Revenues</b>	<b>\$ 303,393</b>	<b>\$ 577,049</b>	<b>\$ 1,447,982</b>	<b>\$ 135,481</b>	<b>\$ 607,241</b>	<b>\$ 516,996</b>	<b>\$ 593,421</b>	<b>\$ 5,651,989</b>	<b>\$ 9,833,552</b>
<b>Expenditures</b>									
Current:									
Public safety	-	404,697	-	-	-	-	-	-	404,697
Development services	-	-	-	-	-	-	-	-	-
Cultural and recreational	509,650	-	-	52,796	-	-	-	-	562,446
PID development reimbursement	-	-	1,447,982	-	-	-	-	-	1,447,982
Capital outlay	-	-	-	-	6,943,962	1,099,072	-	2,745,744	10,788,778
<b>Total Expenditures</b>	<b>509,650</b>	<b>404,697</b>	<b>1,447,982</b>	<b>52,796</b>	<b>6,943,962</b>	<b>1,099,072</b>	<b>-</b>	<b>2,745,744</b>	<b>13,203,903</b>
Excess (deficiency) of revenues over expenditures	(206,257)	172,352	-	82,685	(6,336,721)	(582,076)	593,421	2,906,245	(3,370,351)
Other financing sources:									
Bonds issued	-	-	-	-	9,020,000	-	-	-	9,020,000
Transfers in	207,093	-	-	-	1,422,331	385,000	-	-	2,014,424
Transfers out	-	-	-	-	(4,000,000)	-	-	-	(4,000,000)
	207,093	-	-	-	6,442,331	385,000	-	-	7,034,424
<b>Net change in fund balances</b>	<b>836</b>	<b>172,352</b>	<b>-</b>	<b>82,685</b>	<b>105,610</b>	<b>(197,076)</b>	<b>593,421</b>	<b>2,906,245</b>	<b>3,664,073</b>
<b>Fund balances at beginning of year</b>	<b>(592)</b>	<b>1,770,483</b>	<b>-</b>	<b>693,296</b>	<b>11,818,761</b>	<b>1,588,218</b>	<b>675,940</b>	<b>15,416,131</b>	<b>31,962,237</b>
<b>Fund balances at end of year</b>	<b>\$ 244</b>	<b>\$ 1,942,835</b>	<b>\$ -</b>	<b>\$ 775,981</b>	<b>\$ 11,924,371</b>	<b>\$ 1,391,142</b>	<b>\$ 1,269,361</b>	<b>\$ 18,322,376</b>	<b>\$ 35,626,310</b>



**CARROLLTON**  
**T E X A S**



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

**Special Revenue and Debt Service Funds**



# **CARROLLTON**

**T E X A S**

**CITY OF CARROLLTON, TEXAS**

Hotel/Motel Tax Special Revenue Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended September 30, 2019  
 With Comparative Actual Totals for 2018

	2019			2018	
	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final			
<b>Revenues</b>					
Occupancy tax	\$ 215,000	\$ 227,806	\$ 189,529	\$ (38,277)	\$ 237,466
Charges for services	75,000	70,344	113,028	42,684	75,093
Investment earnings					
Net of change in fair value of investments			836	836	(592)
<b>Total Revenues</b>	<b>290,000</b>	<b>298,150</b>	<b>303,393</b>	<b>5,243</b>	<b>311,967</b>
<b>Expenditures</b>					
Current:					
Cultural and recreational	575,000	575,000	509,650	(65,350)	449,313
Deficiency of revenues over expenditures	(285,000)	(276,850)	(206,257)	70,593	(137,346)
Other financing sources:					
Transfers in	285,000	350,000	207,093	(142,907)	136,754
Net change in fund balances	-	73,150	836	(72,314)	(592)
Fund balances at beginning of year	(592)	(592)	(592)	-	-
<b>Fund balances at end of year</b>	<b>\$ (592)</b>	<b>\$ 72,558</b>	<b>\$ 244</b>	<b>\$ (72,314)</b>	<b>\$ (592)</b>

Note: Rebates on H/M Tax revenue budgeted as an expenditure is reclassified and netted with tax revenue for GAAP Purposes (see N50.113 of Codification).

**CITY OF CARROLLTON, TEXAS**

Public Safety Special Revenue Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended September 30, 2019  
 With Comparative Actual Totals for 2018

	2019			2018	
	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final			
<b>Revenues</b>					
Intergovernmental	\$ 19,300	\$ 19,300	\$ 19,960	\$ 660	\$ 7,853
Fines and forfeitures	440,000	419,636	497,698	78,062	384,205
Investment earnings					
Net of change in fair value of investments	26,000	34,000	59,391	25,391	29,186
<b>Total Revenues</b>	485,300	472,936	577,049	104,113	421,244
<b>Expenditures</b>					
Current:					
Public Safety	1,464,517	520,283	404,697	115,586	753,449
Net change in fund balances	(979,217)	(47,347)	172,352	219,699	(332,205)
Fund balances at beginning of year	1,770,483	1,770,483	1,770,483	-	2,102,688
<b>Fund balances at end of year</b>	<b>\$ 791,266</b>	<b>\$ 1,723,136</b>	<b>\$ 1,942,835</b>	<b>\$ 219,699</b>	<b>\$ 1,770,483</b>

**CITY OF CARROLLTON, TEXAS**

Cultural and Recreational Special Revenue Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended September 30, 2019  
 With Comparative Actual Totals for 2018

	2019			Variance with Final Budget Positive (Negative)	2018
	Budgeted Amounts		Actual GAAP Basis		Actual GAAP Basis
	Original	Final			
<b>Revenues</b>					
Licenses and permits	\$ 25,000	\$ 11,637	\$ 38,467	\$ 26,830	\$ 261,930
Investment earnings					
Net of change in fair value of investments	2,000	2,410	9,898	7,488	(3,024)
Miscellaneous	75,000	87,805	87,116	(689)	84,667
<b>Total Revenues</b>	<u>102,000</u>	<u>101,852</u>	<u>135,481</u>	<u>33,629</u>	<u>343,573</u>
<b>Expenditures</b>					
<b>Current:</b>					
Cultural and recreational	695,924	65,166	52,796	12,370	66,397
Net change in fund balances	<u>(593,924)</u>	<u>36,686</u>	<u>82,685</u>	<u>45,999</u>	<u>277,176</u>
Fund balances at beginning of year	693,296	693,296	693,296	-	416,120
<b>Fund balances at end of year</b>	<u><u>\$ 99,372</u></u>	<u><u>\$ 729,982</u></u>	<u><u>\$ 775,981</u></u>	<u><u>\$ 45,999</u></u>	<u><u>\$ 693,296</u></u>

CITY OF CARROLLTON, TEXAS

Debt Service Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended September 30, 2019  
 With Comparative Actual Totals for 2018

	2019					2018	
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
<b>Revenues</b>							
Taxes:							
Ad valorem	\$ 23,339,577	23,339,577	\$ 23,463,302		\$ 23,463,302	\$ 70,266,181	\$ 22,534,357
Penalty and interest	50,000	50,000	61,152		61,152	172,304	70,855
Investment earnings							
Net of change in fair value of investments	-	-	45,678	(45,677)	1	2	(26,620)
<b>Total Revenues</b>	<b>23,389,577</b>	<b>23,389,577</b>	<b>23,570,132</b>	<b>(45,677)</b>	<b>23,524,455</b>	<b>70,438,487</b>	<b>22,578,592</b>
<b>Expenditures</b>							
Debt service							
Principal retirement	16,240,000	16,240,000	16,240,000		16,240,000	-	15,435,000
Interest and fiscal charges	7,082,955	7,011,144	7,332,656	(325,683)	7,006,973	4,171	7,225,382
<b>Total Expenditures</b>	<b>23,322,955</b>	<b>23,251,144</b>	<b>23,572,656</b>	<b>(325,683)</b>	<b>23,246,973</b>	<b>4,171</b>	<b>22,660,382</b>
Excess (deficiency) of revenues over expenditures	66,622	138,433	(2,524)	280,006	277,482	70,434,316	(81,790)
Other financing sources:							
Bonds issued			29,400,480		29,400,480	29,400,480	-
Refunding bonds issued			-		-	-	-
Premium on bonds issued			-		-	-	134,902
Payment to refunded bond escrow agent			(29,075,932)		(29,075,932)	(29,075,932)	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>324,548</b>	<b>-</b>	<b>324,548</b>	<b>324,548</b>	<b>134,902</b>
Net change in fund balances	66,622	138,433	322,024	280,006	602,030	70,758,864	53,112
Fund balances at beginning of year			4,872,308		4,872,308	4,872,308	4,819,196
<b>Fund balances at end of year</b>	<b>\$ 66,622</b>	<b>\$ 138,433</b>	<b>\$ 5,194,332</b>	<b>\$ 280,006</b>	<b>\$ 5,474,338</b>	<b>\$ 75,631,172</b>	<b>\$ 4,872,308</b>

## **SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES**

These supplementary statements and schedules are included to provide management additional information for financial analysis.

**CITY OF CARROLLTON, TEXAS**

General Fund  
 Comparative Balance Sheets  
 September 30, 2019 and 2018

<b>Assets</b>	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	27,816,104	\$ 26,517,177
Receivables (net, where applicable, of allowance for doubtful accounts)		
Ad valorem taxes	1,122	(7,684)
Sales taxes	3,307,901	3,351,560
Franchise fees	3,048,654	3,256,488
Accrued interest	321,308	196,116
Other	657,182	516,093
Due from other funds	2,461,135	2,664,871
Due from other governments	2,115	30,074
Prepaid items	165,821	615,544
	<u>37,781,342</u>	<u>\$ 37,140,239</u>
<b>Total Assets</b>	<b>\$ 37,781,342</b>	<b>\$ 37,140,239</b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	7,032,351	\$ 6,628,884
Unearned revenue	11,290	10,587
	<u>7,043,641</u>	<u>6,639,471</u>
<b>Total liabilities</b>	<b>7,043,641</b>	<b>6,639,471</b>
<b>Fund Balances</b>		
Nonspendable for:		
Prepaid items	165,821	615,544
Assigned to:		
Purchases on order	370,937	368,299
Unassigned	30,200,943	29,516,925
	<u>30,737,701</u>	<u>30,500,768</u>
<b>Total Fund Balances</b>	<b>30,737,701</b>	<b>30,500,768</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 37,781,342</b>	<b>\$ 37,140,239</b>



CITY OF CARROLLTON, TEXAS

General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget and Actual  
 For the Year Ended September 30, 2019  
 With Comparative Actual Totals for 2018

	2019					2018	
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
<b>Revenues</b>							
Taxes:							
Ad valorem	\$ 49,337,886	\$ 50,474,505	49,511,575	\$ -	\$ 49,511,575	\$ (962,930)	\$ 44,907,701
Penalty and interest	300,000	300,000	270,684	-	270,684	(29,316)	306,651
Sales	41,061,003	39,060,986	39,683,052	-	39,683,052	622,066	39,811,034
Franchise fees	11,772,302	12,014,155	11,729,120	-	11,729,120	(285,035)	12,205,080
Charges for services	5,873,107	5,202,378	5,789,342	-	5,789,342	586,964	5,716,495
Intergovernmental	-	-	118,961	-	118,961	118,961	270,572
Licenses and permits	2,460,851	3,048,609	2,920,751	-	2,920,751	(127,858)	3,580,421
Fines and forfeitures	4,243,814	4,154,630	4,155,874	-	4,155,874	1,244	4,778,759
Investment earnings net of change in fair value of investments	997,500	1,008,458	1,890,654	246,736	2,137,390	1,128,932	936,731
Miscellaneous	400,000	400,000	594,174	-	594,174	194,174	583,707
<b>Total Revenues</b>	<b>116,446,463</b>	<b>115,663,721</b>	<b>116,664,187</b>	<b>246,736</b>	<b>116,910,923</b>	<b>1,247,202</b>	<b>113,097,151</b>
<b>Expenditures</b>							
Current:							
General government and administration	21,596,060	17,694,243	17,087,424	92,920	17,180,344	513,898	15,594,492
Public safety	59,775,421	60,723,867	61,925,374	(144,263)	61,781,111	(1,057,244)	58,379,196
Development services	12,707,951	12,726,085	12,744,091	(9,216)	12,734,875	(8,790)	11,075,739
Cultural and recreational	13,714,888	13,108,030	12,367,653	63,197	12,430,850	677,180	12,552,134
<b>Total Expenditures</b>	<b>107,794,320</b>	<b>104,252,225</b>	<b>104,124,542</b>	<b>2,638</b>	<b>104,127,180</b>	<b>125,044</b>	<b>97,601,561</b>
Excess (deficiency) of revenues over expenditures	8,652,143	11,411,496	12,539,645	244,098	12,783,743	1,372,246	15,495,590
<b>Other financing sources (uses):</b>							
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	5,798,169	5,798,169	5,798,169	-	5,798,169	-	5,568,335
Transfers out	(18,730,344)	(18,428,788)	(18,100,881)	-	(18,100,881)	327,907	(11,323,317)
<b>Total other financing sources (uses)</b>	<b>(12,932,175)</b>	<b>(12,630,619)</b>	<b>(12,302,712)</b>	<b>-</b>	<b>(12,302,712)</b>	<b>327,907</b>	<b>(5,754,982)</b>
Net change in fund balances	(4,280,032)	(1,219,123)	236,933	244,098	481,031	1,700,153	9,740,608
Fund balances at beginning of year	30,347,173	30,347,173	30,500,768	(153,595)	30,347,173	-	20,760,160
<b>Fund balances at end of year</b>	<b>\$ 26,067,141</b>	<b>\$ 29,128,050</b>	<b>\$ 30,737,701</b>	<b>\$ 90,503</b>	<b>\$ 30,828,204</b>	<b>\$ 1,700,153</b>	<b>\$ 30,500,768</b>

CITY OF CARROLLTON, TEXAS

General Fund  
 Schedule of Revenues - Budget and Actual  
 For the Year Ended September 30, 2019  
 With Comparative Actual Totals for 2018

	2019					2018	
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
<b>Taxes:</b>							
Ad valorem	\$ 49,337,886	\$ 50,474,505	\$ 49,511,575	\$ -	\$ 49,511,575	\$ (962,930)	\$ 44,907,701
Penalty and interest	300,000	300,000	270,684	-	270,684	(29,316)	306,651
<b>Sales:</b>							
City sales	40,846,715	38,822,031	39,437,637	-	39,437,637	615,606	39,598,734
Mixed drink	214,288	238,955	245,415	-	245,415	6,460	212,300
Total sales	41,061,003	39,060,986	39,683,052	-	39,683,052	622,066	39,811,034
<b>Franchise fees:</b>							
Electric	5,938,010	6,190,687	6,096,354	-	6,096,354	(94,333)	6,144,813
Telecommunications	1,704,278	1,699,512	1,747,421	-	1,747,421	47,909	1,739,065
Gas	1,537,675	1,360,796	1,299,051	-	1,299,051	(61,745)	1,530,867
Cable	1,442,339	1,580,865	1,694,707	-	1,694,707	113,842	1,608,040
Solid waste	1,150,000	1,182,295	891,587	-	891,587	(290,708)	1,182,295
Total franchise	11,772,302	12,014,155	11,729,120	-	11,729,120	(285,035)	12,205,080
<b>Charges for services:</b>							
Public safety service fees	2,860,111	2,741,506	2,934,935	-	2,934,935	193,429	2,734,610
Culture and recreation fees	2,545,029	1,992,905	1,874,766	-	1,874,766	(118,139)	2,314,630
Other service fees	467,967	467,967	979,641	-	979,641	511,674	667,255
Total charges for services	5,873,107	5,202,378	5,789,342	-	5,789,342	586,964	5,716,495
<b>Intergovernmental</b>	-	-	118,961	-	118,961	118,961	270,572
<b>Licenses and permits:</b>							
Building permits	1,443,121	1,847,895	1,787,265	-	1,787,265	(60,630)	2,389,487
Licenses	115,635	228,039	79,860	-	79,860	(148,179)	108,477
Environmental health charges	817,095	847,675	911,827	-	911,827	64,152	988,407
Other licenses and permits	85,000	125,000	141,799	-	141,799	16,799	94,050
Total licenses and permits	2,460,851	3,048,609	2,920,751	-	2,920,751	(127,858)	3,580,421
<b>Fines and forfeitures:</b>							
Municipal court	4,163,124	4,073,780	4,064,458	-	4,064,458	(9,322)	4,684,836
Other fines	80,690	80,850	91,416	-	91,416	10,566	93,923
Total fines and forfeitures	4,243,814	4,154,630	4,155,874	-	4,155,874	1,244	4,778,759
<b>Investment earnings</b> net of change in fair value of investments	997,500	1,008,458	1,890,654	246,736	2,137,390	1,128,932	936,731
Miscellaneous	400,000	400,000	594,174	-	594,174	194,174	583,707
<b>Total Revenues</b>	<b>\$ 116,446,463</b>	<b>\$ 115,663,721</b>	<b>\$ 116,664,187</b>	<b>\$ 246,736</b>	<b>\$ 116,910,923</b>	<b>\$ 1,247,202</b>	<b>\$ 113,097,151</b>

CITY OF CARROLLTON, TEXAS

General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Year Ended September 30, 2019  
 With Comparative Actual Totals for 2018

	2019					Variance with Final Budget Positive (Negative)	2018
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		Actual GAAP Basis
	Original	Final					
<b>General government and administration:</b>							
<b>City council:</b>							
Personnel services	\$ 23,400	\$ 21,549	\$ 23,999	\$ -	\$ 23,999	\$ (2,450)	\$ 23,414
Supplies and services	106,700	80,700	72,731	-	72,731	7,969	78,706
Utilities	6,654	5,808	6,170	-	6,170	(362)	6,235
Allocations	539	727	820	-	820	(93)	820
	<u>137,293</u>	<u>108,784</u>	<u>103,720</u>	<u>-</u>	<u>103,720</u>	<u>5,064</u>	<u>109,175</u>
<b>City management:</b>							
Personnel services	983,515	1,039,060	1,041,341	-	1,041,341	(2,281)	1,167,562
Supplies and services	141,370	139,780	156,444	(124)	156,320	(16,540)	121,091
Utilities	4,344	5,256	5,491	-	5,491	(235)	4,071
Allocations	12,788	11,332	12,788	-	12,788	(1,456)	12,788
	<u>1,142,017</u>	<u>1,195,428</u>	<u>1,216,064</u>	<u>(124)</u>	<u>1,215,940</u>	<u>(20,512)</u>	<u>1,305,512</u>
<b>Marketing Services:</b>							
Personnel services	588,787	575,777	578,490	-	578,490	(2,713)	512,605
Supplies and services	164,046	161,457	142,447	(326)	142,121	19,336	148,876
Utilities	1,848	1,601	1,701	-	1,701	(100)	1,732
Allocations	7,560	4,718	5,188	-	5,188	(470)	7,661
	<u>762,241</u>	<u>743,553</u>	<u>727,826</u>	<u>(326)</u>	<u>727,500</u>	<u>16,053</u>	<u>670,874</u>
<b>Accounting:</b>							
Personnel services	549,450	512,993	519,135	-	519,135	(6,142)	548,100
Supplies and services	167,649	189,027	186,822	-	186,822	2,205	148,994
Utilities	2,085	1,806	1,919	-	1,919	(113)	1,953
Allocations	6,123	5,426	6,123	-	6,123	(697)	6,123
	<u>725,307</u>	<u>709,252</u>	<u>713,999</u>	<u>-</u>	<u>713,999</u>	<u>(4,747)</u>	<u>705,170</u>
<b>Finance administration:</b>							
Personnel services	575,005	561,757	564,196	-	564,196	(2,439)	639,267
Supplies and services	503,365	508,168	501,866	78	501,944	6,224	473,260
Utilities	1,546	1,338	1,422	-	1,422	(84)	1,449
Allocations	8,090	7,169	8,090	-	8,090	(921)	8,090
	<u>1,088,006</u>	<u>1,078,432</u>	<u>1,075,574</u>	<u>78</u>	<u>1,075,652</u>	<u>2,780</u>	<u>1,122,066</u>
<b>Budget and management analysis:</b>							
Personnel services	281,103	284,173	283,769	-	283,769	404	237,281
Supplies and services	16,351	19,265	8,414	-	8,414	10,851	10,150
Utilities	1,703	1,475	1,566	-	1,566	(91)	1,595
Allocations	1,823	1,615	1,823	-	1,823	(208)	1,823
	<u>300,980</u>	<u>306,528</u>	<u>295,572</u>	<u>-</u>	<u>295,572</u>	<u>10,956</u>	<u>250,849</u>
<b>Purchasing:</b>							
Personnel services	166,109	163,268	164,012	-	164,012	(744)	237,743
Supplies and services	7,618	25,668	16,362	(25)	16,337	9,331	5,004
Utilities	2,417	2,094	2,224	-	2,224	(130)	2,265
Allocations	1,614	1,430	1,614	-	1,614	(184)	1,614
	<u>177,758</u>	<u>192,460</u>	<u>184,212</u>	<u>(25)</u>	<u>184,187</u>	<u>8,273</u>	<u>246,626</u>
<b>General Services:</b>							
Personnel services	96,174	89,902	90,403	-	90,403	(501)	88,368
Supplies and services	54,519	49,992	32,810	(4,939)	27,871	22,121	31,189
Utilities	2,847	2,466	2,620	-	2,620	(154)	2,668
Allocations	2,923	3,596	1,437	-	1,437	2,159	1,217
	<u>156,463</u>	<u>145,956</u>	<u>127,270</u>	<u>(4,939)</u>	<u>122,331</u>	<u>23,625</u>	<u>123,442</u>

CITY OF CARROLLTON, TEXAS

General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Year Ended September 30, 2019  
 With Comparative Actual Totals for 2018

	2019					Variance with Final Budget Positive (Negative)	2018
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		Actual GAAP Basis
	Original	Final					
<b>General government and administration (continued):</b>							
<b>Information technology:</b>							
Personnel services	\$ 420,274	\$ 367,601	\$ 387,501	\$ -	\$ 387,501	\$ (19,900)	\$ 208,458
Supplies and services	6,687,122	6,670,972	6,542,685	86,142	6,628,827	42,145	6,268,875
Utilities	26,644	22,901	24,881	-	24,881	(1,980)	24,987
Allocations	52,483	46,707	52,483	-	52,483	(5,776)	52,483
	<u>7,186,523</u>	<u>7,108,181</u>	<u>7,007,550</u>	<u>86,142</u>	<u>7,093,692</u>	<u>14,489</u>	<u>6,554,803</u>
<b>Workforce services:</b>							
Personnel services	649,150	635,463	621,432	-	621,432	14,031	584,090
Supplies and services	96,555	81,136	90,680	(6,508)	84,172	(3,036)	90,747
Utilities	3,953	3,424	3,638	-	3,638	(214)	3,704
Allocations	6,570	5,822	6,570	-	6,570	(748)	6,570
	<u>756,228</u>	<u>725,845</u>	<u>722,320</u>	<u>(6,508)</u>	<u>715,812</u>	<u>10,033</u>	<u>685,111</u>
<b>City attorney:</b>							
Personnel services	859,297	818,168	833,178	-	833,178	(15,010)	767,088
Supplies and services	418,713	127,114	173,398	-	173,398	(46,284)	159,808
Utilities	2,456	2,456	2,261	-	2,261	195	2,301
Allocations	6,283	6,283	6,283	-	6,283	-	6,283
	<u>1,286,749</u>	<u>954,021</u>	<u>1,015,120</u>	<u>-</u>	<u>1,015,120</u>	<u>(61,099)</u>	<u>935,480</u>
<b>Facilities services:</b>							
Personnel services	495,783	497,193	501,032	-	501,032	(3,839)	457,864
Supplies and services	910,333	1,084,606	984,547	18,622	1,003,169	81,437	370,957
Utilities	85,409	79,710	47,489	-	47,489	32,221	72,332
Allocations	48,805	44,564	48,805	-	48,805	(4,241)	50,351
	<u>1,540,330</u>	<u>1,706,073</u>	<u>1,581,873</u>	<u>18,622</u>	<u>1,600,495</u>	<u>105,578</u>	<u>951,504</u>
<b>Resolution center:</b>							
Personnel services	797,657	795,117	781,385	-	781,385	13,732	738,199
Supplies and services	13,440	11,140	6,774	-	6,774	4,366	4,155
Utilities	8,981	7,796	8,284	-	8,284	(488)	8,417
Allocations	5,311	4,706	5,311	-	5,311	(605)	5,311
Capital outlay	1,100	2,400	1,100	-	1,100	1,300	290
	<u>826,489</u>	<u>821,159</u>	<u>802,854</u>	<u>-</u>	<u>802,854</u>	<u>18,305</u>	<u>756,372</u>
<b>Managed Competition / OD:</b>							
Personnel services	334,482	308,829	299,042	-	299,042	9,787	199,013
Supplies and services	51,774	71,774	59,875	-	59,875	11,899	51,705
Utilities	2,350	2,030	2,111	-	2,111	(81)	2,261
Allocations	2,825	2,503	2,825	-	2,825	(322)	2,825
	<u>391,431</u>	<u>385,136</u>	<u>363,853</u>	<u>-</u>	<u>363,853</u>	<u>21,283</u>	<u>255,804</u>
<b>Non-departmental:</b>							
Personnel services	3,214,885	205,933	593,190	-	593,190	(387,257)	317,964
Supplies and services	706,570	687,800	536,173	-	536,173	151,627	493,071
Allocations	1,138,790	561,701	10,936	-	10,936	550,765	7,988
Utilities	-	-	(33,611)	-	(33,611)	33,611	-
Capital outlay	58,000	58,000	42,929	-	42,929	15,071	102,681
	<u>5,118,245</u>	<u>1,513,434</u>	<u>1,149,617</u>	<u>-</u>	<u>1,149,617</u>	<u>363,817</u>	<u>921,704</u>
<b>Total general government and administration</b>	<u>21,596,060</u>	<u>17,694,243</u>	<u>17,087,424</u>	<u>92,920</u>	<u>17,180,344</u>	<u>513,898</u>	<u>15,594,492</u>

CITY OF CARROLLTON, TEXAS

General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Year Ended September 30, 2019  
 With Comparative Actual Totals for 2018

	2019					Variance with Final Budget Positive (Negative)	2018
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		Actual GAAP Basis
	Original	Final					
<b>Public safety:</b>							
<b>Police management services:</b>							
Personnel services	\$ 8,868,884	\$ 8,497,303	\$ 10,021,737	\$ -	\$ 10,021,737	\$ (1,524,434)	\$ 10,097,343
Supplies and services	1,537,546	1,226,946	1,118,622	8,999	1,127,621	99,325	1,091,438
Utilities	88,097	79,362	74,924	-	74,924	4,438	85,429
Allocations	87,603	87,603	90,263	-	90,263	(2,660)	90,263
Capital outlay	5,010	5,010	9,839	(4,216)	5,623	(613)	49,717
	<u>10,587,140</u>	<u>9,896,224</u>	<u>11,315,385</u>	<u>4,783</u>	<u>11,320,168</u>	<u>(1,423,944)</u>	<u>11,414,190</u>
<b>Police operations:</b>							
Personnel services	12,592,521	12,926,155	13,285,939	-	13,285,939	(359,784)	12,157,028
Supplies and services	1,341,463	1,387,521	1,084,252	(29,337)	1,054,915	332,606	1,016,491
Utilities	37,159	30,136	30,184	-	30,184	(48)	34,605
Allocations	959,694	954,758	970,243	-	970,243	(15,485)	871,630
Capital outlay	121,356	121,356	384,646	(26,468)	358,178	(236,822)	118,098
	<u>15,052,193</u>	<u>15,419,926</u>	<u>15,755,264</u>	<u>(55,805)</u>	<u>15,699,459</u>	<u>(279,533)</u>	<u>14,197,852</u>
<b>Fire operations:</b>							
Personnel services	19,960,966	21,165,818	20,887,895	-	20,887,895	277,923	19,584,391
Supplies and services	2,368,920	2,206,280	2,140,283	(64,848)	2,075,435	130,845	1,865,498
Utilities	117,487	103,790	105,228	-	105,228	(1,438)	114,429
Allocations	1,789,384	1,678,084	1,681,650	-	1,681,650	(3,566)	1,688,539
Capital outlay	24,000	198,750	221,418	(23,060)	198,358	392	-
	<u>24,260,757</u>	<u>25,352,722</u>	<u>25,036,474</u>	<u>(87,908)</u>	<u>24,948,566</u>	<u>404,156</u>	<u>23,252,857</u>
<b>Fire support services:</b>							
Personnel services	2,141,692	2,400,282	2,412,757	-	2,412,757	(12,475)	2,241,215
Supplies and services	300,303	188,782	151,371	-	151,371	37,411	143,528
Utilities	5,860	6,111	6,013	-	6,013	98	6,597
Allocations	61,022	69,209	69,898	-	69,898	(689)	58,353
Capital outlay	38,100	38,100	26,614	-	26,614	11,486	-
	<u>2,546,977</u>	<u>2,702,484</u>	<u>2,666,653</u>	<u>-</u>	<u>2,666,653</u>	<u>35,831</u>	<u>2,449,693</u>
<b>Emergency dispatch:</b>							
Personnel services	-	-	-	-	-	-	-
Supplies and services	2,416,177	2,456,696	2,456,695	-	2,456,695	1	2,525,303
Utilities	-	-	-	-	-	-	-
Allocations	18,853	19,716	19,716	-	19,716	-	19,716
Capital outlay	-	-	-	-	-	-	-
	<u>2,435,030</u>	<u>2,476,412</u>	<u>2,476,411</u>	<u>-</u>	<u>2,476,411</u>	<u>1</u>	<u>2,545,019</u>
<b>Municipal court:</b>							
Personnel services	1,303,864	1,225,470	1,204,908	-	1,204,908	20,562	1,217,240
Supplies and services	317,921	333,983	225,485	-	225,485	108,498	254,964
Utilities	37,835	34,276	36,013	-	36,013	(1,737)	41,346
Allocations	15,466	14,563	15,527	-	15,527	(964)	15,525
Capital outlay	-	-	-	-	-	-	-
	<u>1,675,086</u>	<u>1,608,292</u>	<u>1,481,933</u>	<u>-</u>	<u>1,481,933</u>	<u>126,359</u>	<u>1,529,075</u>

CITY OF CARROLLTON, TEXAS

General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Year Ended September 30, 2019  
 With Comparative Actual Totals for 2018

	2019					Variance with Final Budget Positive (Negative)	2018
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		Actual GAAP Basis
	Original	Final					
<b>Public safety (continued):</b>							
<b>Environmental services:</b>							
Personnel services	\$ 1,727,457	\$ 1,830,443	\$ 1,838,724	\$ -	\$ 1,838,724	\$ (8,281)	\$ 1,616,887
Supplies and services	465,708	436,111	399,304	(5,948)	393,356	42,755	456,531
Utilities	10,215	8,847	9,401	-	9,401	(554)	9,573
Allocations	34,670	34,546	35,682	-	35,682	(1,136)	43,725
Capital outlay	39,417	66,305	33,254	665	33,919	32,386	-
	<u>2,277,467</u>	<u>2,376,252</u>	<u>2,316,365</u>	<u>(5,283)</u>	<u>2,311,082</u>	<u>65,170</u>	<u>2,126,716</u>
<b>Animal control:</b>							
Personnel services	706,713	656,365	661,109	-	661,109	(4,744)	680,993
Supplies and services	136,043	140,806	116,059	(50)	116,009	24,797	81,366
Utilities	52,540	47,297	51,754	-	51,754	(4,457)	54,808
Allocations	45,475	47,087	47,967	-	47,967	(880)	46,627
	<u>940,771</u>	<u>891,555</u>	<u>876,889</u>	<u>(50)</u>	<u>876,839</u>	<u>14,716</u>	<u>863,794</u>
<b>Total public safety</b>	<u>59,775,421</u>	<u>60,723,867</u>	<u>61,925,374</u>	<u>(144,263)</u>	<u>61,781,111</u>	<u>(1,057,244)</u>	<u>58,379,196</u>
<b>Development services:</b>							
<b>Transportation engineering:</b>							
Personnel services	813,571	728,132	769,854	-	769,854	(41,722)	774,243
Supplies and services	55,458	55,058	21,690	(210)	21,480	33,578	37,357
Utilities	2,681	2,322	2,468	-	2,468	(146)	2,512
Allocations	6,788	6,208	7,005	-	7,005	(797)	7,005
Capital outlay	67,800	68,200	57,748	-	57,748	10,452	26,582
	<u>946,298</u>	<u>859,920</u>	<u>858,765</u>	<u>(210)</u>	<u>858,555</u>	<u>1,365</u>	<u>847,699</u>
<b>Civil engineering:</b>							
Personnel services	1,064,754	378,147	615,460	-	615,460	(237,313)	944,218
Supplies and services	139,081	139,615	91,579	-	91,579	48,036	73,392
Utilities	8,022	8,094	8,829	-	8,829	(735)	8,916
Allocations	25,332	25,332	25,828	-	25,828	(496)	25,469
Capital outlay	440,143	445,998	6,000	-	6,000	439,998	11,221
	<u>1,677,332</u>	<u>997,186</u>	<u>747,696</u>	<u>-</u>	<u>747,696</u>	<u>249,490</u>	<u>1,063,216</u>
<b>Traffic operations:</b>							
Personnel services	974,631	1,003,023	990,346	-	990,346	12,677	906,089
Supplies and services	438,846	437,337	326,162	(15,121)	311,041	126,296	297,175
Utilities	1,039,145	927,028	1,005,552	-	1,005,552	(78,524)	1,025,458
Allocations	282,943	253,305	262,443	-	262,443	(9,138)	258,727
Capital Outlay	-	-	-	-	-	-	-
	<u>2,735,565</u>	<u>2,620,693</u>	<u>2,584,503</u>	<u>(15,121)</u>	<u>2,569,382</u>	<u>51,311</u>	<u>2,487,449</u>
<b>Streets:</b>							
Personnel services	1,680,722	1,539,498	1,532,433	-	1,532,433	7,065	1,401,009
Supplies and services	1,112,103	1,056,181	1,136,484	(1,730)	1,134,754	(78,573)	948,306
Allocations	464,026	430,224	439,861	-	439,861	(9,637)	413,390
Capital Outlay	-	-	-	-	-	-	-
	<u>3,256,851</u>	<u>3,025,903</u>	<u>3,108,778</u>	<u>(1,730)</u>	<u>3,107,048</u>	<u>(81,145)</u>	<u>2,762,705</u>
<b>Drainage:</b>							
Personnel services	607,323	517,753	539,191	-	539,191	(21,438)	558,205
Supplies and services	212,676	261,241	222,077	845	222,922	38,319	188,678
Utilities	-	-	872	-	872	(872)	857
Allocations	250,940	230,481	233,679	-	233,679	(3,198)	229,148
	<u>1,070,939</u>	<u>1,009,475</u>	<u>995,819</u>	<u>845</u>	<u>996,664</u>	<u>12,811</u>	<u>976,888</u>

CITY OF CARROLLTON, TEXAS

General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Year Ended September 30, 2019  
 With Comparative Actual Totals for 2018

	2019				Actual Budget Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	2018
	Budgeted Amounts		Actual GAAP Basis						Actual GAAP Basis
	Original	Final							
<b>Development services (continued):</b>									
<b>Public works administration:</b>									
Personnel services	-	-	\$ 98,214	-	98,214	(98,214)	\$ 97,647		
Supplies and services	-	-	(39,729)	-	(39,729)	39,729	13,764		
Utilities	-	-	(1,942)	-	(1,942)	1,942	(460)		
Allocations	(246,414)	(246,414)	(245,897)	-	(245,897)	(517)	(235,264)		
	<u>(246,414)</u>	<u>(246,414)</u>	<u>(189,354)</u>	<u>-</u>	<u>(189,354)</u>	<u>(57,060)</u>	<u>(124,313)</u>		
<b>Planning:</b>									
Personnel services	386,514	317,592	316,417	-	316,417	1,175	388,205		
Supplies and services	60,970	64,125	41,206	7,000	48,206	15,919	62,385		
Utilities	4,703	6,223	4,353	-	4,353	1,870	4,657		
Allocations	3,820	3,776	3,056	-	3,056	720	37,471		
Capital Outlay	1,683	1,683	-	-	-	1,683	-		
	<u>457,690</u>	<u>393,399</u>	<u>365,032</u>	<u>7,000</u>	<u>372,032</u>	<u>21,367</u>	<u>492,718</u>		
<b>Building inspection:</b>									
Personnel services	2,062,649	2,046,048	2,086,590	-	2,086,590	(40,542)	1,926,594		
Supplies and services	111,735	124,140	102,906	-	102,906	21,234	103,453		
Utilities	6,976	6,042	6,421	-	6,421	(379)	6,538		
Allocations	43,441	37,740	40,381	-	40,381	(2,641)	37,215		
Capital outlay	30,063	30,063	22,853	-	22,853	7,210	-		
	<u>2,254,864</u>	<u>2,244,033</u>	<u>2,259,151</u>	<u>-</u>	<u>2,259,151</u>	<u>(15,118)</u>	<u>2,073,800</u>		
<b>Transit oriented development:</b>									
Personnel services	-	-	-	-	-	-	(4,388)		
Supplies and services	-	-	-	-	-	-	996		
Utilities	-	-	1,885	-	1,885	(1,885)	449		
Allocations	-	-	1,204	-	1,204	(1,204)	(33,210)		
	<u>-</u>	<u>-</u>	<u>3,089</u>	<u>-</u>	<u>3,089</u>	<u>(3,089)</u>	<u>(36,153)</u>		
<b>Economic development:</b>									
Personnel services	289,736	257,571	253,371	-	253,371	4,200	283,130		
Supplies and services	258,070	1,557,570	1,750,209	-	1,750,209	(192,639)	241,529		
Utilities	2,271	2,000	2,125	-	2,125	(125)	2,164		
Allocations	4,749	4,749	4,907	-	4,907	(158)	4,907		
	<u>554,826</u>	<u>1,821,890</u>	<u>2,010,612</u>	<u>-</u>	<u>2,010,612</u>	<u>(188,722)</u>	<u>531,730</u>		
<b>Total development services</b>	<u>12,707,951</u>	<u>12,726,085</u>	<u>12,744,091</u>	<u>(9,216)</u>	<u>12,734,875</u>	<u>(8,790)</u>	<u>11,075,739</u>		
<b>Cultural and recreational:</b>									
<b>Library:</b>									
Personnel services	2,300,606	2,246,965	2,219,273	-	2,219,273	27,692	2,182,174		
Supplies and services	346,939	361,514	291,061	42,064	333,125	28,389	322,733		
Utilities	121,386	93,953	94,435	-	94,435	(482)	104,525		
Allocations	29,749	32,000	32,000	-	32,000	-	31,948		
Capital outlay	326,628	326,628	317,968	23,040	341,008	(14,380)	324,383		
	<u>3,125,308</u>	<u>3,061,060</u>	<u>2,954,737</u>	<u>65,104</u>	<u>3,019,841</u>	<u>41,219</u>	<u>2,965,763</u>		
<b>Parks operations:</b>									
Personnel services	4,014,071	4,013,688	3,812,975	-	3,812,975	200,713	1,706,248		
Supplies and services	1,817,900	1,854,977	1,698,197	1,774	1,699,971	155,006	920,061		
Utilities	513,474	650,770	727,880	-	727,880	(77,110)	385,945		
Allocations	223,035	350,354	340,321	-	340,321	10,033	216,337		
Capital outlay	3,500	17,900	5,737	-	5,737	12,163	1,080		
	<u>6,571,980</u>	<u>6,887,689</u>	<u>6,585,110</u>	<u>1,774</u>	<u>6,586,884</u>	<u>300,805</u>	<u>3,229,671</u>		

CITY OF CARROLLTON, TEXAS

General Fund  
 Schedule of Expenditures - Budget and Actual  
 For the Year Ended September 30, 2019  
 With Comparative Actual Totals for 2018

	2019					Variance with Final Budget Positive (Negative)	2018
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis		Actual GAAP Basis
	Original	Final					
<b>Cultural and recreational (continued):</b>							
<b>Tennis center:</b>							
Supplies and services	\$ 16,161	\$ 19,661	\$ 3,529	\$ -	\$ 3,529	\$ 16,132	\$ 6,799
Utilities	29,727	22,407	21,382	-	21,382	1,025	22,797
Allocations	1,031	1,031	1,159	-	1,159	(128)	1,159
	<u>46,919</u>	<u>43,099</u>	<u>26,070</u>	<u>-</u>	<u>26,070</u>	<u>17,029</u>	<u>30,755</u>
<b>Leisure services:</b>							
Personnel services	709,502	815,042	809,241	-	809,241	5,801	715,407
Supplies and services	155,446	161,346	128,203	(5,379)	122,824	38,522	134,152
Utilities	885	2,581	2,176	-	2,176	405	846
Allocations	5,965	5,965	6,279	-	6,279	(314)	6,279
	<u>871,798</u>	<u>984,934</u>	<u>945,899</u>	<u>(5,379)</u>	<u>940,520</u>	<u>44,414</u>	<u>856,684</u>
<b>Rosemeade recreation center:</b>							
Personnel services	383,496	238,070	238,840	-	238,840	(770)	247,135
Supplies and services	430,667	433,520	406,649	1,683	408,332	25,188	384,782
Utilities	63,985	52,709	46,715	-	46,715	5,994	54,876
Allocations	6,737	6,555	7,373	-	7,373	(818)	7,373
	<u>884,885</u>	<u>730,854</u>	<u>699,577</u>	<u>1,683</u>	<u>701,260</u>	<u>29,594</u>	<u>694,166</u>
<b>Crosby Recreation Center:</b>							
Personnel services	284,535	256,764	257,213	-	257,213	(449)	204,342
Supplies and services	179,006	148,283	106,322	61	106,383	41,900	76,196
Utilities	39,706	34,648	36,910	-	36,910	(2,262)	40,370
Allocations	3,964	3,964	4,447	-	4,447	(483)	4,447
	<u>507,211</u>	<u>443,659</u>	<u>404,892</u>	<u>61</u>	<u>404,953</u>	<u>38,706</u>	<u>325,355</u>
<b>Perry Museum:</b>							
Personnel services	87,487	97,867	95,197	-	95,197	2,670	87,526
Supplies and services	22,246	22,246	10,409	-	10,409	11,837	7,625
Utilities	8,789	8,745	7,982	-	7,982	763	8,211
Allocations	1,255	1,255	1,376	-	1,376	(121)	1,376
	<u>119,777</u>	<u>130,113</u>	<u>114,964</u>	<u>-</u>	<u>114,964</u>	<u>15,149</u>	<u>104,738</u>
<b>Senior Center:</b>							
Personnel services	218,589	160,868	142,903	-	142,903	17,965	190,169
Supplies and services	89,107	92,246	83,679	-	83,679	8,567	76,832
Utilities	43,080	35,101	40,644	-	40,644	(5,543)	45,204
Allocations	4,740	4,740	5,039	-	5,039	(299)	5,996
Capital outlay	-	-	-	-	-	-	-
	<u>355,516</u>	<u>292,955</u>	<u>272,265</u>	<u>-</u>	<u>272,265</u>	<u>20,690</u>	<u>318,201</u>
<b>Athletics:</b>							
Personnel services	259,659	98,523	92,176	-	92,176	6,347	2,345,201
Supplies and services	458,566	285,202	206,827	(46)	206,781	78,421	993,816
Utilities	286,538	84,058	(1,552)	-	(1,552)	85,610	455,620
Allocations	226,731	65,884	66,688	-	66,688	(804)	232,164
Capital outlay	-	-	-	-	-	-	-
	<u>1,231,494</u>	<u>533,667</u>	<u>364,139</u>	<u>(46)</u>	<u>364,093</u>	<u>169,574</u>	<u>4,026,801</u>
<b>Total cultural and recreational</b>	<u>13,714,888</u>	<u>13,108,030</u>	<u>12,367,653</u>	<u>63,197</u>	<u>12,430,850</u>	<u>677,180</u>	<u>12,552,134</u>
<b>Total expenditures</b>	<u>\$ 107,794,320</u>	<u>\$ 104,252,225</u>	<u>\$ 104,124,542</u>	<u>\$ 2,638</u>	<u>\$ 104,127,180</u>	<u>\$ 125,044</u>	<u>\$ 97,601,561</u> (concluded)



## COMBINING FINANCIAL STATEMENTS

### Internal Service Funds

Internal Service Funds account for the financing of goods or services provided by one City department for another.

Fleet Services Fund – to account for the cost of operating and maintaining automotive and other equipment used by City departments and the purchase of general government vehicles (those not used by enterprise fund activities). Service charges are billed to departments on a monthly basis to cover all expenses of the fund.

Risk Management Fund – to account for the operation of a self-insurance fund covering all City property, vehicles, liability and workers' compensation expenses. The City operates under a self-insured retention and commercial insurance coverage purchases, with workers' compensation claims administered by an outside agency.

Employee Health and Disability Fund – to account for the provision of group accident, health and long-term disability insurance coverage for all City employees and those retirees choosing to stay on the plan.

**CITY OF CARROLLTON, TEXAS**

Internal Service Funds  
 Combining Statement of Net Position  
 September 30, 2019

	Fleet Services	Risk Management	Employee Health and Disability	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 6,223,914	\$ 5,580,691	\$ 4,855,980	\$ 16,660,585
Receivables:				
Accrued interest	22,291	20,350	14,835	57,476
Other	-	-	-	-
Inventories	60,674	-	-	60,674
Prepaid items	-	116,000	7,366	123,366
Total current assets	<u>6,306,879</u>	<u>5,717,041</u>	<u>4,878,181</u>	<u>16,902,101</u>
Noncurrent assets:				
Capital assets:				
Buildings	176,409	-	-	176,409
Equipment	23,540,229	-	-	23,540,229
Intangibles	34,314	70,400	-	104,714
Accumulated depreciation	(14,536,349)	(70,400)	-	(14,606,749)
Total capital assets, net of accumulated depreciation	<u>9,214,603</u>	<u>-</u>	<u>-</u>	<u>9,214,603</u>
Total assets	<u>15,521,482</u>	<u>5,717,041</u>	<u>4,878,181</u>	<u>26,116,704</u>
Liabilities				
Current liabilities:				
Accounts payable	236,973	112,790	1,098,015	1,447,778
Estimated health claims payable	-	-	1,139,643	1,139,643
Unearned revenue	-	-	-	-
Total current liabilities	<u>236,973</u>	<u>112,790</u>	<u>2,237,658</u>	<u>2,587,421</u>
Noncurrent liabilities:				
Compensated absences	-	46,399	-	46,399
Other post employment benefits obligation	-	-	-	-
Long-term risk liability	-	1,056,795	-	1,056,795
Total noncurrent liabilities	<u>-</u>	<u>1,103,194</u>	<u>-</u>	<u>1,103,194</u>
Total liabilities	<u>236,973</u>	<u>1,215,984</u>	<u>2,237,658</u>	<u>3,690,615</u>
Net Position				
Investment in capital assets	9,214,603	-	-	9,214,603
Unrestricted	6,069,906	4,501,057	2,640,523	13,211,486
Total net position	<u>\$ 15,284,509</u>	<u>\$ 4,501,057</u>	<u>\$ 2,640,523</u>	<u>\$ 22,426,089</u>

**CITY OF CARROLLTON, TEXAS**

Internal Service Funds  
 Combining Statement of Revenues, Expenses and Changes in Net Position  
 For the Year Ended September 30, 2019

	Fleet Services	Risk Management	Employee Health and Disability	Totals
Operating revenues:				
Charges for services	\$ 5,274,592	\$ 2,195,984	\$ 12,054,150	\$ 19,524,726
Operating expenses:				
Personal services	77,888	106,391	-	184,279
Supplies and services	3,141,473	1,580,749	11,425,905	16,148,127
Utilities	32,934	304	-	33,238
Allocations	29,726	-	-	29,726
Depreciation	1,961,358	-	-	1,961,358
Total operating expenses	5,243,379	1,687,444	11,425,905	18,356,728
Income from operations	31,213	508,540	628,245	1,167,998
Nonoperating revenues:				
Investment earnings net of change in fair value of investments	182,699	149,638	122,167	454,504
Gain on sale/retirement of capital assets	267,029	-	-	267,029
Total nonoperating revenues	449,728	149,638	122,167	721,533
Income before transfers	480,941	658,178	750,412	1,889,531
Transfers out	(253,797)	(116,335)	-	(370,132)
Change in net position	227,144	541,843	750,412	1,519,399
Net position at beginning of year	15,057,365	3,959,214	1,890,111	20,906,690
Net position at end of year	\$ 15,284,509	\$ 4,501,057	\$ 2,640,523	\$ 22,426,089

**CITY OF CARROLLTON, TEXAS**

Internal Service Funds  
 Combining Statement of Cash Flows  
 For the Year Ended September 30, 2019

	Fleet Services	Risk Management	Employee Health and Disability	Totals
Cash flows from operating activities:				
Cash received from employees for services	\$ -	\$ -	\$ 2,030,263	\$ 2,030,263
Cash received from other funds for services	5,274,592	2,195,984	10,023,888	17,494,464
Cash received from loss claim recoveries and refunds	-	583,021	1,010,577	1,593,598
Cash payments to suppliers for goods and services	(3,409,486)	(840,815)	(2,083,749)	(6,334,050)
Cash payments to employees for services	(69,245)	(92,796)	-	(162,041)
Cash payments for loss claims	-	(1,139,842)	(10,482,672)	(11,622,514)
Cash payments to other funds for services	(34,671)	(8,799)	-	(43,470)
Net cash provided by operating activities	<u>1,761,190</u>	<u>696,753</u>	<u>498,307</u>	<u>2,956,250</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	(253,797)	(116,335)	-	(370,132)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(2,831,419)	-	-	(2,831,419)
Proceeds from sale of capital assets	274,416	-	-	274,416
Net cash used by capital and related financing activities	<u>(2,557,003)</u>	<u>-</u>	<u>-</u>	<u>(2,557,003)</u>
Cash flows from investing activities:				
Interest on cash and cash equivalents	177,258	142,828	115,332	435,418
Net increase (decrease) in cash and cash equivalents				
	(872,352)	723,246	613,639	464,533
Cash and cash equivalents, October 1	7,096,266	4,857,445	4,242,341	16,196,052
Cash and cash equivalents, September 30	<u>\$ 6,223,914</u>	<u>\$ 5,580,691</u>	<u>\$ 4,855,980</u>	<u>\$ 16,660,585</u>
Reconciliation of income from operations to net cash provided by operating activities:				
Income from operations	\$ 31,213	\$ 508,540	\$ 628,245	\$ 1,167,998
Adjustments to reconcile income from operations to net cash provided by operating activities:				
Depreciation	1,961,358	-	-	1,961,358
Change in assets and liabilities:				
Increase in other receivables	-	-	(10,943)	(10,943)
Increase in inventories	(27,155)	-	-	(27,155)
Decrease in accounts receivable	-	383,563	-	383,563
Decrease in prepaid items	-	2,000	-	2,000
Increase (decrease) in accounts payable	(204,226)	(24,873)	181,362	(47,737)
Decrease in estimated health claims payable	-	-	(300,357)	(300,357)
Increase in liability for compensated absences	-	3,452	-	3,452
Decrease in long-term risk liability	-	(175,929)	-	(175,929)
Net cash provided (used) by operating activities	<u>\$ 1,761,190</u>	<u>\$ 696,753</u>	<u>\$ 498,307</u>	<u>\$ 2,956,250</u>

## **SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL STATEMENTS**

### **Proprietary Funds**

These supplementary statements and schedules are included to provide management additional information for financial analysis.

CITY OF CARROLLTON, TEXAS

Water and Sewer Fund  
Comparative Statements of Net Position  
September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,871,593	\$ 23,515,826
Receivables (net, where applicable, of allowance for doubtful accounts of \$144,882.77 in 2019 and \$173,885.10 in 2018):		
Accounts	6,917,262	4,974,220
Accrued interest	121,280	65,612
Restricted assets:		
Cash and cash equivalents	11,731,134	3,430,142
Total current assets	<u>41,641,269</u>	<u>31,985,800</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	1,142,303	1,237,640
Capital assets:		
Land	1,382,918	1,382,918
Buildings	18,073,186	18,038,700
Equipment	6,147,471	5,404,102
Intangibles	868,612	868,612
Infrastructure	250,895,973	245,809,216
Construction in progress	204,753	122,412
Accumulated depreciation	<u>(160,575,142)</u>	<u>(154,489,548)</u>
Total capital assets, net of accumulated depreciation	<u>116,997,771</u>	<u>117,136,412</u>
Total noncurrent assets	<u>118,140,074</u>	<u>118,374,052</u>
Total assets	<u>159,781,343</u>	<u>150,359,852</u>
Deferred outflows of resources		
Deferred charges on refundings	83,703	107,041
Pension contributions after measurement date	272,816	275,280
Difference in projected and actual earnings on pension assets	1,047,527	-
Changes in actuarial assumptions used to determine pension liability	-	43,181
Total deferred outflows of resources	<u>1,404,046</u>	<u>425,502</u>
Liabilities		
Current liabilities:		
Accounts payable	2,173,492	2,101,396
Customer deposits payable	3,006,781	2,876,413
Interfund Note payable	2,344,831	2,672,472
Revenue bonds payable	1,802,944	1,223,934
Compensated absences	103,883	64,538
Accrued interest	199,563	84,979
Total current liabilities	<u>9,631,494</u>	<u>9,023,732</u>
Noncurrent liabilities:		
Revenue bonds payable	13,153,490	4,854,536
Net pension liability/(asset)	1,814,480	(143,647)
Compensated absences	353,433	580,147
Total noncurrent liabilities	<u>15,321,403</u>	<u>5,291,036</u>
Total liabilities	<u>24,952,897</u>	<u>14,314,768</u>
Deferred inflow of resources		
Difference in projected and actual earnings on pension assets	-	685,105
Difference in expected and actual pension experience	23,005	19,936
	<u>23,005</u>	<u>705,041</u>
Net Position		
Net investment in capital assets	110,649,829	112,289,982
Restricted for:		
Revenue bond retirement	1,142,303	1,237,640
Unrestricted	<u>24,417,355</u>	<u>22,237,923</u>
Total net position	<u>\$ 136,209,487</u>	<u>\$ 135,765,545</u>



**CARROLLTON**  
**T E X A S**

**CITY OF CARROLLTON, TEXAS**

Water and Sewer Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Charges for services	45,058,318	\$ 45,005,225
Miscellaneous	263,300	224,795
Total operating revenues	<u>45,321,618</u>	<u>45,230,020</u>
Operating expenses:		
Personal services	4,320,610	4,206,038
Supplies and services	29,255,355	29,517,689
Utilities	937,553	890,563
Allocations	859,139	810,228
Depreciation	6,645,933	7,628,552
Total operating expenses	<u>42,018,590</u>	<u>43,053,070</u>
Income from operations	<u>3,303,028</u>	<u>2,176,950</u>
Nonoperating revenues (expenses):		
Investment earnings		
net of change in fair value		
of investments	870,676	246,514
Gain on sale/retirement		
of capital assets	94,551	4,232
Interest expense	(250,672)	(236,632)
Total nonoperating revenues (expenses)	<u>714,555</u>	<u>14,114</u>
Income before contributions		
and transfers	4,017,583	2,191,064
Capital contributions	923,476	3,266,699
Transfers in	-	-
Transfers out	<u>(4,497,117)</u>	<u>(3,970,635)</u>
Change in net position	443,942	1,487,128
Net position at beginning of year	<u>135,765,545</u>	<u>134,278,417</u>
Net position at end of year	<u>\$ 136,209,487</u>	<u>\$ 135,765,545</u>



**CITY OF CARROLLTON, TEXAS**

Water and Sewer Fund  
 Comparative Statements of Cash Flows  
 For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 43,245,644	\$ 44,592,794
Other operating cash receipts	263,299	224,795
Cash payments to suppliers for goods and services	(30,141,682)	(30,392,851)
Cash payments to employees for services	(3,546,710)	(3,495,314)
Cash payments to other funds for services	<u>(1,433,794)</u>	<u>(1,441,499)</u>
Net cash provided by operating activities	<u>8,386,757</u>	<u>9,487,925</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(4,497,117)</u>	<u>(3,970,635)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(6,380,398)	(1,992,781)
Proceeds from sale of capital assets	94,552	4,232
Proceeds from intrafund loan	-	2,915,000
Proceeds from capital debt	10,132,004	-
Escrow payment for bond refunding	-	-
Issuance costs paid for capital debt	(104,320)	-
Interest paid on bonds	(212,832)	(393,567)
Interest paid on intrafund loan	(37,841)	(31,584)
Retirement of bonds	(1,125,000)	(5,990,000)
Retirement of loan	(327,641)	(242,528)
Capital contributions	818,250	1,257,630
Net cash provided by (used in) capital and related financing activities	<u>2,856,774</u>	<u>(4,473,598)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>815,008</u>	<u>242,687</u>
Net increase in cash and cash equivalents	7,561,422	1,286,379
Cash and cash equivalents, October 1	<u>28,183,608</u>	<u>26,897,229</u>
Cash and cash equivalents, September 30	<u>\$ 35,745,030</u>	<u>\$ 28,183,608</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 3,303,028	\$ 2,176,950
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	6,645,933	7,628,552
Provision for doubtful accounts	103,091	102,478
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources		
(Increase) in accounts receivable	(1,943,042)	(534,982)
(Increase) decrease in pension related deferred outflows	(1,001,882)	718,673
Increase (decrease) in accounts payable	60,539	(9,451)
Increase in customer deposits payable	130,368	122,551
Increase (decrease) in net pension liability	1,958,127	(1,416,087)
Increase (decrease) in liability for compensated absences	(187,369)	62,759
Increase (decrease) in pension related deferred inflows	<u>(682,036)</u>	<u>636,482</u>
Net cash provided by operating activities	<u>\$ 8,386,757</u>	<u>\$ 9,487,925</u>
Noncash investing, capital, and financing activities:		
During this past year, the Water and Sewer Fund received \$105,226.5 noncash capital contributions from developers consisting of water and sewer infrastructure.		
Reconciliation of total cash and cash equivalents:		
Current assets:		
Cash and cash equivalents	22,871,593	\$ 23,515,826
Restricted assets - cash and cash equivalents	11,731,134	3,430,142
Noncurrent assets:		
Restricted assets - cash and cash equivalents	<u>1,142,303</u>	<u>1,237,640</u>
Total cash and cash equivalents	<u>\$ 35,745,030</u>	<u>\$ 28,183,608</u>

**CITY OF CARROLLTON, TEXAS**

Golf Course Fund  
 Comparative Statements of Net Position  
 September 30, 2019 and 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 709,063	\$ 636,655
Receivables:		
Other	8,817	116,691
Due from other governments	118,463	141,887
Total current assets	836,343	895,233
Noncurrent assets:		
Capital assets:		
Land	995,000	995,000
Buildings	1,925,571	1,609,627
Equipment	1,438,241	1,329,450
Improvements	16,121,901	12,013,626
Accumulated depreciation	(13,905,945)	(13,668,772)
Total capital assets, net of accumulated depreciation	6,574,768	2,278,931
Total assets	7,411,111	3,174,164
Liabilities		
Current liabilities:		
Accounts payable	735,262	92,552
Total Liabilities	735,262	92,552
Net Position		
Net investment in capital assets	6,574,768	2,278,931
Unrestricted	101,081	802,681
Total net position	\$ 6,675,849	\$ 3,081,612

**CITY OF CARROLLTON, TEXAS**

Golf Course Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position  
For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Charges for services	<u>1,163,979</u>	<u>\$ 617,176</u>
Operating expenses:		
Personnel Services	6,685	\$ -
Supplies and services	1,779,694	58,694
Utilities	141,005	177,794
Allocations	10,915	10,915
Depreciation	<u>237,173</u>	<u>207,762</u>
Total operating expenses	<u>2,175,472</u>	<u>455,165</u>
Income (loss) from operations	<u>(1,011,493)</u>	<u>162,011</u>
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	12,402	(4,202)
Capital Contributions	4,000,000	-
Gain on sale/retirement of capital assets	<u>166,944</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>4,179,346</u>	<u>(4,202)</u>
Income before transfers	3,167,853	157,809
Transfers in	426,384	-
Transfers out	<u>-</u>	<u>(355,519)</u>
Change in net position	3,594,237	(197,710)
Net position at beginning of year	<u>3,081,612</u>	<u>3,279,322</u>
Net position at end of year	<u><u>\$ 6,675,849</u></u>	<u><u>\$ 3,081,612</u></u>

**CITY OF CARROLLTON, TEXAS**

Golf Course Fund  
 Comparative Statements of Cash Flows  
 For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 1,295,276	\$ 1,025,315
Cash payments to suppliers for goods and services	(1,854,191)	(239,388)
Cash payments to employees	(5,874)	-
Cash payments to other funds for services	<u>(11,881)</u>	<u>(10,955)</u>
Net cash provided (used) by operating activities	<u>(576,670)</u>	<u>774,972</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	426,384	-
Transfers to other funds	<u>-</u>	<u>(355,519)</u>
Net cash provided by (used in) noncapital and related financing activities	426,384	(355,519)
Cash flows from capital and related financing activities:		
Proceeds from sale of capital asset	166,943	-
Capital contribution	4,000,000	-
Acquisition and construction of capital assets	<u>(3,956,651)</u>	<u>(130,537)</u>
Net cash provided by (used in) capital and related financing activities	210,292	(130,537)
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>12,402</u>	<u>(4,202)</u>
Net increase in cash and cash equivalents	72,408	284,714
Cash and cash equivalents, October 1	636,655	351,941
Cash and cash equivalents, September 30	<u>\$ 709,063</u>	<u>\$ 636,655</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:		
Income (loss) from operations	\$ (1,011,493)	\$ 162,011
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation	237,173	207,762
Change in assets and liabilities:		
(Increase) decrease in other receivables	107,874	(5,490)
Decrease in due from other governments	23,424	413,630
Increase (decrease) in accounts payable	66,352	(2,941)
Net cash provided (used) by operating activities	<u>\$ (576,670)</u>	<u>\$ 774,972</u>

**CITY OF CARROLLTON, TEXAS**

Sanitation Fund  
 Comparative Statements of Net Position  
 September 30, 2019 and 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	1,075,122	\$ 368,236
Receivables (net of applicable of allowance for doubtful accounts of \$46,786 in 2019 and \$60,416 in 2018)		
Accounts	1,201,215	1,167,568
Accrued interest	7,839	4,967
Total current assets	2,284,176	1,540,771
Noncurrent assets:		
Capital assets:		
Equipment	1,460,303	1,460,303
Accumulated depreciation	(1,460,303)	(1,455,184)
Total capital assets, net of accumulated depreciation	-	5,119
Total assets	2,284,176	1,545,890
Liabilities		
Current liabilities:		
Accounts payable	1,771,885	1,032,287
Net Position		
Investment in capital assets	-	5,119
Unrestricted	512,291	508,484
Total net position	\$ 512,291	\$ 513,603

**CITY OF CARROLLTON, TEXAS**

Sanitation Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Charges for services	\$ 10,614,355	\$ 10,361,672
Operating expenses:		
Supplies and services	8,317,302	7,977,785
Allocations	105,990	112,356
Depreciation	5,119	8,568
Total operating expenses	<u>8,428,411</u>	<u>8,098,709</u>
Income from operations	<u>2,185,944</u>	<u>2,262,963</u>
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	<u>41,926</u>	<u>20,478</u>
Income before transfers	2,227,870	2,283,441
Transfers out	<u>(2,229,182)</u>	<u>(2,213,150)</u>
Change in net position	(1,312)	70,291
Net position at beginning of year	<u>513,603</u>	<u>443,312</u>
Net position at end of year	<u>\$ 512,291</u>	<u>\$ 513,603</u>

**CITY OF CARROLLTON, TEXAS**

Sanitation Fund  
 Comparative Statements of Cash Flows  
 For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 10,552,560	\$ 10,256,428
Cash payments to suppliers for goods and services	(7,577,704)	(7,901,591)
Cash payments to other funds for services	(77,842)	(77,842)
Net cash provided by operating activities	<u>2,897,014</u>	<u>2,276,995</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(2,229,182)</u>	<u>(2,213,150)</u>
Cash flows from investing activities:		
Interest on cash and cash equivalents	<u>39,054</u>	<u>19,829</u>
Net increase in cash and cash equivalents	706,886	83,674
Cash and cash equivalents, October 1	368,236	284,562
Cash and cash equivalents, September 30	<u>\$ 1,075,122</u>	<u>\$ 368,236</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 2,185,944	\$ 2,262,963
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	5,119	8,568
Provisions for doubtful accounts	28,148	35,514
Change in assets and liabilities:		
Increase in accounts receivable	(61,795)	(106,244)
Increase in accounts payable	739,598	76,194
Net cash provided by operating activities	<u>\$ 2,897,014</u>	<u>\$ 2,276,995</u>

**CITY OF CARROLLTON, TEXAS**

Fleet Services Fund  
 Comparative Statements of Net Position  
 September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,223,914	\$ 7,096,266
Accrued interest receivable	22,291	16,849
Inventories	60,674	33,519
Total current assets	<u>6,306,879</u>	<u>7,146,634</u>
Noncurrent assets:		
Capital assets:		
Buildings	176,409	176,409
Equipment	23,540,229	22,605,516
Intangibles	34,314	34,314
Accumulated depreciation	<u>(14,536,349)</u>	<u>(14,484,797)</u>
Total capital assets, net of accumulated depreciation	<u>9,214,603</u>	<u>8,331,442</u>
Total assets	<u>15,521,482</u>	<u>15,478,076</u>
Liabilities		
Current liabilities:		
Accounts payable	<u>236,973</u>	<u>420,711</u>
Total liabilities	<u>236,973</u>	<u>420,711</u>
Net Position		
Investment in capital assets	9,214,603	8,331,442
Unrestricted	<u>6,069,906</u>	<u>6,725,923</u>
Total net position	<u>\$ 15,284,509</u>	<u>\$ 15,057,365</u>



**CITY OF CARROLLTON, TEXAS**

Fleet Services Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Charges for services	\$ 5,274,592	\$ 5,257,885
Operating expenses:		
Personal services	77,888	82,902
Supplies and services	3,141,473	2,596,398
Utilities	32,934	35,466
Allocations	29,726	29,726
Depreciation	1,961,358	1,929,736
Total operating expenses	<u>5,243,379</u>	<u>4,674,228</u>
Income from operations	<u>31,213</u>	<u>583,657</u>
Nonoperating revenues:		
Investment earnings		
net of change in fair value		
of investments	182,699	57,661
Gain on sale/retirement of capital assets	267,029	198,974
Total nonoperating revenues	<u>449,728</u>	<u>256,635</u>
Income before transfers	480,941	840,292
Transfers out	<u>(253,797)</u>	<u>(242,313)</u>
Change in net position	227,144	597,979
Net position at beginning of year	<u>15,057,365</u>	<u>14,459,386</u>
Net position at end of year	<u>\$ 15,284,509</u>	<u>\$ 15,057,365</u>

**CITY OF CARROLLTON, TEXAS**

Fleet Services Fund  
 Comparative Statements of Cash Flows  
 For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from other funds for services	\$ 5,274,592	\$ 5,257,885
Cash payments to suppliers for goods and services	(3,409,486)	(2,404,232)
Cash payments to employees for services	(69,245)	(73,027)
Cash payments to other funds for services	(34,671)	(35,150)
Net cash provided by operating activities	<u>1,761,190</u>	<u>2,745,476</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(253,797)</u>	<u>(242,313)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,831,419)	(1,452,478)
Proceeds from sale of capital assets	274,416	293,137
Net cash used by capital and related financing activities	<u>(2,557,003)</u>	<u>(1,159,341)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>177,258</u>	<u>56,193</u>
Net increase (decrease) in cash and cash equivalents	(872,352)	1,400,015
Cash and cash equivalents, October 1	<u>7,096,266</u>	<u>5,696,251</u>
Cash and cash equivalents, September 30	<u>\$ 6,223,914</u>	<u>\$ 7,096,266</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 31,213	\$ 583,657
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	1,961,358	1,929,736
Change in assets and liabilities:		
(Increase) decrease in inventories	(27,155)	30,705
Increase (decrease) in accounts payable	(204,226)	201,378
Net cash provided by operating activities	<u>\$ 1,761,190</u>	<u>\$ 2,745,476</u>

**CITY OF CARROLLTON, TEXAS**

Risk Management Fund  
 Comparative Statements of Net Position  
 September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,580,691	\$ 4,857,445
Accounts Receivable	-	383,563
Accrued interest receivable	20,350	13,540
Prepaid items	116,000	118,000
Total current assets	<u>5,717,041</u>	<u>5,372,548</u>
Noncurrent assets:		
Capital assets:		
Intangibles	70,400	70,400
Accumulated depreciation	<u>(70,400)</u>	<u>(70,400)</u>
Total capital assets, net of accumulated depreciation	<u>-</u>	<u>-</u>
Total assets	<u>5,717,041</u>	<u>5,372,548</u>
Liabilities		
Current liabilities:		
Accounts payable	112,790	137,663
Noncurrent liabilities:		
Compensated absences	46,399	42,947
Long-term risk liability	<u>1,056,795</u>	<u>1,232,724</u>
Total noncurrent liabilities	<u>1,103,194</u>	<u>1,275,671</u>
Total liabilities	<u>1,215,984</u>	<u>1,413,334</u>
Net Position		
Unrestricted	<u>\$ 4,501,057</u>	<u>\$ 3,959,214</u>

**CITY OF CARROLLTON, TEXAS**

Risk Management Fund  
 Comparative Statements of Revenues, Expenses and Changes in Net Position  
 For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Charges for services	\$ 2,195,984	\$ 2,195,968
Operating expenses:		
Personal services	106,391	103,689
Supplies and services	1,580,749	1,461,848
Utilities	304	321
Total operating expenses	<u>1,687,444</u>	<u>1,565,858</u>
Income from operations	<u>508,540</u>	<u>630,110</u>
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	<u>149,638</u>	<u>51,177</u>
Income before transfers	658,178	681,287
Transfers out	<u>(116,335)</u>	<u>(111,071)</u>
Change in net position	541,843	570,216
Net position at beginning of year	<u>3,959,214</u>	<u>3,388,998</u>
Net position end of year	<u>\$ 4,501,057</u>	<u>\$ 3,959,214</u>

**CITY OF CARROLLTON, TEXAS**

Risk Management Fund  
 Comparative Statements of Cash Flows  
 For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from other funds for services	\$ 2,195,984	\$ 2,195,968
Cash received from loss claim recoveries	583,021	395,632
Cash payments to suppliers for goods and services	(840,815)	(801,765)
Cash payments to employees for services	(92,796)	(89,800)
Cash payments for loss claims	(1,139,842)	(1,782,039)
Cash payments to other funds for services	(8,799)	(8,274)
Net cash provided by (used in) operating activities	<u>696,753</u>	<u>(90,278)</u>
Cash flow from noncapital financing activities:		
Transfers to other funds	<u>(116,335)</u>	<u>(111,071)</u>
Cash flow from investing activities:		
Interest on cash and cash equivalents	<u>142,828</u>	<u>49,319</u>
Net increase (decrease) in cash and cash equivalents	723,246	(152,030)
Cash and cash equivalents, October 1	<u>4,857,445</u>	<u>5,009,475</u>
Cash and cash equivalents, September 30	<u>\$ 5,580,691</u>	<u>\$ 4,857,445</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 508,540	\$ 630,110
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	383,563	(383,563)
(Increase) decrease in prepaid items	2,000	(13,000)
(Decrease) in accounts payable	(24,873)	(14,340)
Increase in liability for compensated absences	3,452	5,482
Decrease in long-term risk liability	(175,929)	(314,967)
Net cash provided by (used in) operating activities	<u>\$ 696,753</u>	<u>\$ (90,278)</u>

**CITY OF CARROLLTON, TEXAS**

Employee Health and Disability Fund  
Comparative Statements of Net Position  
September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,855,980	\$ 4,242,341
Receivables:		
Accrued interest	14,835	8,000
Other	-	(10,943)
Prepaid items	<u>7,366</u>	<u>7,367</u>
Total assets	<u>4,878,181</u>	<u>4,246,765</u>
Liabilities		
Current liabilities:		
Accounts payable	1,098,015	916,654
Estimated health claims payable	<u>1,139,643</u>	<u>1,440,000</u>
Total current liabilities	<u>2,237,658</u>	<u>2,356,654</u>
Total liabilities	<u>2,237,658</u>	<u>2,356,654</u>
Net Position		
Unrestricted Net Position	<u><u>\$ 2,640,523</u></u>	<u><u>\$ 1,890,111</u></u>

**CITY OF CARROLLTON, TEXAS**

Employee Health and Disability Fund  
Comparative Statements of Revenues, Expenses and Changes in Net Position  
For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenues:		
Charges for services	<u>\$ 12,054,150</u>	<u>\$ 11,752,429</u>
Operating expenses:		
Supplies and services	<u>11,425,905</u>	<u>13,171,180</u>
Income/(loss) from operations	<u>628,245</u>	<u>(1,418,751)</u>
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	<u>122,167</u>	<u>28,926</u>
Change in net position	750,412	(1,389,825)
Net position at beginning of year	<u>1,890,111</u>	<u>3,279,936</u>
Net position at end of year	<u><u>\$ 2,640,523</u></u>	<u><u>\$ 1,890,111</u></u>

**CITY OF CARROLLTON, TEXAS**

Employee Health and Disability Fund  
 Comparative Statements of Cash Flows  
 For the Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Cash received from employees and retirees for services	\$ 2,030,263	\$ 1,807,390
Cash received from other funds for services	10,023,888	9,986,986
Cash received from loss claim recoveries and refunds	1,010,577	1,090,784
Cash payments to suppliers for goods and services	(2,083,749)	(1,802,377)
Cash payments for loss claims	<u>(10,482,672)</u>	<u>(12,191,618)</u>
Net cash provided by (used in) operating activities	<u>498,307</u>	<u>(1,108,835)</u>
Cash flows from investing activities:		
Interest on cash and cash equivalents	<u>115,332</u>	<u>30,912</u>
Net increase (decrease) in cash and cash equivalents	613,639	(1,077,923)
Cash and cash equivalents, October 1	4,242,341	5,320,264
Cash and cash equivalents, September 30	<u>\$ 4,855,980</u>	<u>\$ 4,242,341</u>
Reconciliation of income (loss) from operations to net cash used by operating activities:		
Gain from operations	\$ 628,245	\$ (1,418,751)
Adjustments to reconcile income (loss) from operations to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
(Increase) decrease in other receivables	(10,943)	52,891
Increase in accounts payable	181,362	117,025
Increase (decrease) in estimated health claims payable	<u>(300,357)</u>	<u>140,000</u>
Net cash provided by (used in) operating activities	<u>\$ 498,307</u>	<u>\$ (1,108,835)</u>



## **STATISTICAL SECTION (Unaudited)**

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health. It includes six categories of information:

**Financial Trends (Table 1 – 4)** – contains trend information to help the reader understand how the government's financial performance and well-being have changed over time.

**Revenue Capacity (Table 5 – 9)** – contains information to help the reader assess the government's most significant local revenue source, property tax.

**Debt Capacity (Table 10 – 14)** – presents information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

**Demographic and Economic Information (Table 15 – 16)** – offers demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

**Operating Information (Table 17 – 19)** – contains service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

**Additional Information (Table 20 – 21)** – offers additional analysis regarding rapidly growing expenses or areas of financial concern that are of interest to the users of financial statements.



# **CARROLLTON**

**T E X A S**

**CITY OF CARROLLTON, TEXAS**  
**NET POSITION BY COMPONENT**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 (Unaudited)

Table 1

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 235,176,768	\$ 225,506,964	\$ 221,475,325	\$ 220,454,089	\$ 224,428,585	\$ 229,578,674	\$ 236,475,739	\$ 253,789,783	\$ 266,335,524	\$ 265,348,739
Restricted	7,596,030	7,576,079	6,226,590	5,782,452	5,488,442	5,539,348	6,452,006	6,939,678	7,568,306	7,567,836
Unrestricted	80,721,318	87,936,900	88,198,609	93,366,902	95,744,744	108,636,055	115,146,522	115,867,856	116,877,252	142,352,531
<b>Total governmental activities net position</b>	<b>\$ 323,494,116</b>	<b>\$ 321,019,943</b>	<b>\$ 315,900,524</b>	<b>\$ 319,603,443</b>	<b>\$ 325,661,771</b>	<b>\$ 343,754,077</b>	<b>\$ 358,074,267</b>	<b>\$ 376,597,317</b>	<b>\$ 390,781,082</b>	<b>\$ 415,269,106</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 123,390,813	\$ 120,772,181	\$ 117,350,938	\$ 116,211,135	\$ 119,325,732	\$ 117,734,922	\$ 114,890,769	\$ 111,162,794	\$ 114,574,032	\$ 117,224,597
Restricted	1,843,461	1,775,052	1,610,108	1,552,989	1,488,696	1,460,318	1,426,329	1,385,524	1,237,640	1,142,303
Unrestricted	26,487,259	29,942,097	30,259,557	29,389,768	22,994,428	23,051,098	24,004,120	25,184,803	23,311,006	24,937,146
<b>Total business-type activities net position</b>	<b>\$ 151,721,533</b>	<b>\$ 152,489,330</b>	<b>\$ 149,220,603</b>	<b>\$ 147,153,892</b>	<b>\$ 143,808,856</b>	<b>\$ 142,246,338</b>	<b>\$ 140,321,218</b>	<b>\$ 137,733,121</b>	<b>\$ 139,122,678</b>	<b>\$ 143,304,046</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 358,567,581	\$ 346,279,145	\$ 338,826,263	\$ 336,665,224	\$ 343,754,317	\$ 347,313,596	\$ 351,366,508	\$ 364,952,577	\$ 380,909,556	\$ 382,573,336
Restricted	9,439,491	9,351,131	7,836,698	7,335,441	6,977,138	6,999,666	7,878,335	8,325,202	8,805,946	8,710,139
Unrestricted	107,208,577	117,878,997	118,458,166	122,756,670	118,739,172	131,687,153	139,150,642	141,052,659	140,188,258	167,289,677
<b>Total primary government net position</b>	<b>\$ 475,215,649</b>	<b>\$ 473,509,273</b>	<b>\$ 465,121,127</b>	<b>\$ 466,757,335</b>	<b>\$ 469,470,627</b>	<b>\$ 486,000,415</b>	<b>\$ 498,395,485</b>	<b>\$ 514,330,438</b>	<b>\$ 529,903,760</b>	<b>\$ 558,573,152</b>

Source: Comprehensive Annual Financial Reports

**Notes:**

The City implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have been restated for the effects of this standard.  
 The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.  
 The City implemented GASB Statement No. 75 in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this standard.

**CITY OF CARROLLTON, TEXAS**  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 (Unaudited)

Table 2

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Expenses</b>										
Governmental activities:										
General government and administration	\$ 15,023,107	\$ 14,538,522	\$ 14,144,028	\$ 14,683,787	\$ 15,613,314	\$ 16,606,809	\$ 15,894,255	\$ 17,122,310	\$ 17,189,961	\$ 19,121,014
Public safety	44,042,950	44,482,891	46,304,583	47,660,301	52,091,965	52,732,524	59,993,080	64,012,046	63,047,061	69,201,673
Development services	34,033,588	36,152,855	37,316,269	36,202,493	39,284,802	21,534,165	26,750,336	27,011,842	25,002,278	32,233,127
Cultural and recreational	14,068,566	13,362,124	13,967,919	14,111,727	14,319,443	14,677,561	15,487,148	16,754,985	16,390,220	16,790,697
Interest on long term debt	6,890,366	7,125,220	6,854,379	6,274,635	6,310,607	6,251,466	6,125,135	6,293,033	6,325,530	6,037,670
Total governmental activities expenses	<u>114,058,577</u>	<u>115,661,612</u>	<u>118,587,178</u>	<u>118,932,943</u>	<u>127,620,131</u>	<u>111,802,525</u>	<u>124,249,954</u>	<u>131,194,216</u>	<u>127,955,050</u>	<u>143,384,181</u>
Business-type activities:										
Water and sewer	32,850,745	33,605,016	35,005,112	35,451,627	36,268,921	35,091,342	38,169,394	40,370,208	43,285,640	42,145,572
Golf	948,906	868,431	1,084,413	825,711	406,286	1,354,149	1,770,254	951,127	451,994	2,172,913
Sanitation	6,669,493	5,277,104	5,414,802	5,559,233	5,813,267	6,000,423	7,396,452	7,794,237	8,076,094	8,410,160
Total business-type activities expenses	<u>40,469,144</u>	<u>39,750,551</u>	<u>41,504,327</u>	<u>41,836,571</u>	<u>42,488,474</u>	<u>42,445,914</u>	<u>47,336,100</u>	<u>49,115,572</u>	<u>51,813,728</u>	<u>52,728,645</u>
Total primary government expenses	<u>154,527,721</u>	<u>155,412,163</u>	<u>160,091,505</u>	<u>160,769,514</u>	<u>170,108,605</u>	<u>154,248,439</u>	<u>171,586,054</u>	<u>180,309,788</u>	<u>179,768,778</u>	<u>196,112,826</u>
<b>Program Revenues</b>										
Governmental activities:										
Fees, Fines, and Charges for Services:										
General government and administration	126,497	183,765	193,861	216,802	196,574	223,621	276,789	136,535	192,134	171,494
Public safety	6,630,295	7,058,605	8,335,917	9,632,597	10,818,681	11,344,328	10,225,750	9,695,265	9,144,151	8,986,909
Development services	1,159,367	1,150,299	1,450,556	1,939,146	2,856,299	2,147,052	2,642,431	2,177,917	3,201,667	2,485,491
Cultural and recreational	2,475,389	3,079,277	2,772,721	2,718,241	2,943,837	2,505,008	2,767,833	2,718,579	2,699,398	2,093,847
Operating grants and contributions	31,425	38,499	142,500	84,112	30,116	59,753	324,816	143,608	247,088	83,567
Capital grants and contributions	5,389,194	7,099,797	3,146,704	5,857,808	7,039,163	3,916,199	2,317,548	5,945,697	2,677,227	9,199,209
Total governmental activities program revenues	<u>15,812,167</u>	<u>18,610,242</u>	<u>16,042,259</u>	<u>20,448,706</u>	<u>23,884,670</u>	<u>20,195,961</u>	<u>18,555,167</u>	<u>20,817,601</u>	<u>18,161,665</u>	<u>23,020,517</u>
Business-type activities:										
Charges for services:										
Water and sewer	33,394,525	37,070,326	34,785,038	35,171,954	33,789,304	35,301,330	37,361,058	39,630,140	45,005,225	45,058,318
Golf	819,035	986,300	1,007,137	1,040,473	1,101,340	556,913	976,527	1,131,464	617,176	1,163,979
Sanitation	7,778,811	7,174,814	7,436,531	7,629,080	7,882,627	8,231,572	9,492,356	9,839,216	10,361,672	10,614,355
Operating grants and contributions	-	-	-	-	-	-	557,072	-	-	-
Capital grants and contributions	436,710	805,406	648,083	1,741,476	2,104,033	2,027,734	1,003,684	965,092	3,266,699	923,476
Total business-type activities program revenues	<u>42,429,081</u>	<u>46,036,846</u>	<u>43,876,789</u>	<u>45,582,983</u>	<u>44,877,304</u>	<u>46,117,549</u>	<u>49,390,697</u>	<u>51,565,912</u>	<u>59,250,772</u>	<u>57,760,128</u>
Total primary government program revenues	\$ <u>58,241,248</u>	\$ <u>64,647,088</u>	\$ <u>59,919,048</u>	\$ <u>66,031,689</u>	\$ <u>68,761,974</u>	\$ <u>66,313,510</u>	\$ <u>67,945,864</u>	\$ <u>72,383,513</u>	\$ <u>77,412,437</u>	\$ <u>80,780,645</u>

(continued)

**CITY OF CARROLLTON, TEXAS**  
**CHANGES IN NET POSITION**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 (Unaudited)

Table 2

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (98,246,410)	\$ (97,051,370)	\$ (102,544,919)	\$ (98,484,237)	\$ (103,735,461)	\$ (91,606,564)	\$ (105,694,787)	\$ (110,376,615)	\$ (109,793,384)	\$ (120,363,664)
Business-type Activities	1,959,937	6,286,295	2,372,462	3,746,412	2,388,830	3,671,635	2,054,597	2,450,340	7,437,044	5,031,483
Total Primary government net expense	<u>(96,286,473)</u>	<u>(90,765,075)</u>	<u>(100,172,457)</u>	<u>(94,737,825)</u>	<u>(101,346,631)</u>	<u>(87,934,929)</u>	<u>(103,640,190)</u>	<u>(107,926,275)</u>	<u>(102,356,340)</u>	<u>(115,332,181)</u>
<b>General Revenues</b>										
<b>and Other Changes in Net Assets</b>										
Governmental Activities:										
Taxes:										
Ad valorem	56,530,661	54,751,313	55,176,665	55,859,536	58,744,957	61,990,961	66,690,804	71,827,346	77,233,249	82,924,296
Sales	20,103,257	21,564,480	24,020,903	25,446,798	27,708,160	31,238,022	34,512,467	36,782,925	39,811,034	39,683,052
Occupancy	168,725	195,870	176,826	156,061	181,025	210,835	243,946	292,908	237,466	189,529
Franchise Fees	9,653,252	10,607,534	10,286,074	10,556,411	12,023,980	11,768,644	11,778,705	12,069,944	12,526,523	12,036,367
Investment earnings net of change in fair value of investments	1,002,342	627,029	649,158	41,353	718,161	1,202,294	1,280,470	1,480,990	2,184,503	6,519,218
Gain on sale of capital assets	364,151	270,089	121,337	120,011	230,961	1,306,445	123,312	113,009	4,248	267,029
Public-private partnership recovery	-	-	-	3,160,500	3,013,646	-	-	-	-	-
Miscellaneous	664,755	843,382	1,104,285	882,757	1,008,224	793,144	977,691	874,112	950,672	932,282
Special item	3,612,167	-	-	-	-	-	-	-	-	-
Transfers	4,282,338	5,717,500	5,890,252	5,963,729	6,164,675	5,475,266	4,407,582	5,458,431	6,539,304	2,299,915
Total Governmental Activities	<u>96,381,648</u>	<u>94,577,197</u>	<u>97,425,500</u>	<u>102,187,156</u>	<u>109,793,789</u>	<u>113,985,611</u>	<u>120,014,977</u>	<u>128,899,665</u>	<u>139,486,999</u>	<u>144,851,688</u>
Business-type Activities:										
Investment earnings net of change in fair value of investments	180,815	116,423	148,177	(11,503)	162,754	206,134	186,142	201,448	262,790	925,005
Gain on sale of capital assets	5,902	6,578	13,037	62,393	108,520	35,012	37,256	21,514	4,232	261,495
Miscellaneous	24,589	76,001	87,849	99,716	159,535	174,697	204,467	197,032	224,795	263,300
Transfers	(4,282,338)	(5,717,500)	(5,890,252)	(5,963,729)	(6,164,675)	(5,475,266)	(4,407,582)	(5,458,431)	(6,539,304)	(2,299,915)
Total Business-type Activities	<u>(4,071,032)</u>	<u>(5,518,498)</u>	<u>(5,641,189)</u>	<u>(5,813,123)</u>	<u>(5,733,866)</u>	<u>(5,059,423)</u>	<u>(3,979,717)</u>	<u>(5,038,437)</u>	<u>(6,047,487)</u>	<u>(850,115)</u>
Total Primary Government	<u>92,310,616</u>	<u>89,058,699</u>	<u>91,784,311</u>	<u>96,374,033</u>	<u>104,059,923</u>	<u>108,926,188</u>	<u>116,035,260</u>	<u>123,861,228</u>	<u>133,439,512</u>	<u>144,001,573</u>
<b>Change in Net Position</b>										
Governmental Activities	(1,864,762)	(2,474,173)	(5,119,419)	3,702,919	6,058,328	22,379,047	14,320,190	18,523,050	29,693,615	24,488,024
Business-type Activities	(2,111,095)	767,797	(3,268,727)	(2,066,711)	(3,345,036)	(1,387,788)	(1,925,120)	(2,588,097)	1,389,557	4,181,368
Total Primary Government	<u>\$ (3,975,857)</u>	<u>\$ (1,706,376)</u>	<u>\$ (8,388,146)</u>	<u>\$ 1,636,208</u>	<u>\$ 2,713,292</u>	<u>\$ 20,991,259</u>	<u>\$ 12,395,070</u>	<u>\$ 15,934,953</u>	<u>\$ 31,083,172</u>	<u>\$ 28,669,392</u>

(concluded)

Source: Comprehensive Annual Financial Reports

**Notes:**

The City implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have been restated for the effects of this standard.  
 The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.  
 The City implemented GASB Statement No. 75 in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this standard.

**CITY OF CARROLLTON, TEXAS**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 (Unaudited)

Table 3

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Nonspendable for prepaid item	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,345	\$ -	\$ 637,076	\$ 615,544	\$ 165,821
Assigned to purchases on order	245,183	323,650	288,384	248,282	166,593	331,730	213,086	249,535	368,299	370,937
Unreserved/Unassigned	16,508,349	16,247,394	18,051,247	18,145,105	20,637,631	18,608,933	21,341,930	19,873,549	29,516,925	30,200,943
<b>Total general fund</b>	<u>\$ 16,753,532</u>	<u>\$ 16,571,044</u>	<u>\$ 18,339,631</u>	<u>\$ 18,393,387</u>	<u>\$ 20,804,224</u>	<u>\$ 19,086,008</u>	<u>\$ 21,555,016</u>	<u>\$ 20,760,160</u>	<u>\$ 30,500,768</u>	<u>\$ 30,737,701</u>
<b>All Other Governmental Funds</b>										
Nonspendable for:										
Other receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,012,080	\$ -	\$ -
Prepaid items	-	-	-	421,950	51,584	739,994	-	-	-	-
Restricted for:										
Debt service	5,864,803	5,378,826	5,256,955	4,986,970	4,785,315	4,297,818	4,691,760	4,819,196	4,872,308	5,194,332
Streets and drainage	13,907,997	13,584,454	2,339,776	7,039,695	14,147,187	11,224,037	5,196,877	10,002,200	21,348,943	21,375,992
Public facilities	3,060,169	4,636,293	3,344,490	1,797,929	5,261,597	8,903,016	6,607,230	723,553	731,229	743,463
Other capital projects	3,498,355	5,785,095	2,041,830	769,916	2,698,419	1,691,992	1,660,411	1,240,675	675,940	2,457,650
Other purposes	1,935,559	1,888,906	1,354,452	1,242,218	1,269,055	1,515,400	1,825,818	2,102,688	2,781,971	1,943,079
Committed to:										
Transit oriented development	8,966,511	8,380,396	-	3,677,459	-	-	-	-	-	-
Street rehabilitation	6,971,443	7,968,067	8,606,244	9,995,506	14,546,936	17,497,861	20,249,854	23,893,942	27,700,435	32,331,403
Other capital projects	3,657,818	1,137,230	777,632	748,664	1,030,872	2,169,019	4,026,554	8,337,252	12,230,707	15,021,556
Assigned to:										
Streets and drainage	12,786,911	18,807,606	19,415,710	13,745,553	18,646,548	20,915,762	23,188,407	29,081,306	24,607,591	24,446,260
Public facilities	19,149,990	19,270,179	26,496,498	32,601,027	29,433,092	36,456,726	38,049,489	27,230,627	32,232,184	42,924,450
Other capital projects	6,118,770	8,716,872	8,422,646	7,808,482	9,848,273	11,734,537	12,782,783	17,222,929	16,592,403	15,504,426
Other purposes	76,830	289,167	254,279	172,506	356,731	382,462	447,335	416,120	693,296	775,981
<b>Total all other governmental funds</b>	<u>\$ 85,995,156</u>	<u>\$ 95,843,091</u>	<u>\$ 78,310,512</u>	<u>\$ 85,007,875</u>	<u>\$ 102,075,609</u>	<u>\$ 117,528,624</u>	<u>\$ 118,726,518</u>	<u>\$ 126,082,568</u>	<u>\$ 144,467,007</u>	<u>\$ 162,718,592</u>

Note: The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2009

**CITY OF CARROLLTON, TEXAS**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 (Unaudited)

Table 4

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>REVENUES:</b>										
Taxes:										
Ad valorem	\$ 56,119,101	\$ 54,363,724	\$ 54,824,842	\$ 55,615,260	\$ 58,347,979	\$ 61,676,895	\$ 66,398,279	\$ 71,469,785	\$ 76,855,743	\$ 82,592,460
Penalty and interest	411,560	387,589	351,823	244,276	396,978	314,066	292,525	357,561	377,506	331,836
Sales	20,103,257	21,564,480	24,020,903	25,446,798	27,708,160	31,238,022	34,512,467	36,782,925	39,811,034	39,683,052
Occupancy tax	168,725	195,870	176,826	156,061	181,025	210,835	243,946	292,908	237,466	189,529
Franchise fees	13,265,419	10,607,534	10,286,074	10,556,411	12,023,980	11,768,644	11,778,705	12,069,944	12,526,523	12,036,367
Assessments	258,708	129,960	43,290	173,671	386,810	264,430	332,882	119,602	193,024	35,051
Charges for services	3,838,328	4,406,615	4,727,224	5,185,010	5,639,116	5,670,254	6,110,532	6,403,950	5,928,261	5,994,144
Intergovernmental	2,539,754	6,150,732	1,456,028	3,784,017	3,227,526	1,493,099	1,844,504	5,156,464	2,941,484	1,812,798
Licenses and permits	1,688,628	1,990,338	1,975,677	2,345,502	3,003,123	2,805,727	3,073,660	2,534,636	3,842,351	3,456,916
Fines and forfeitures	4,605,883	4,945,033	6,006,864	6,802,603	7,786,343	7,479,597	6,395,729	5,670,108	5,273,714	4,251,630
Investment earnings net of change in fair value of investments	859,941	543,769	553,107	48,699	621,710	1,080,213	1,175,370	1,366,353	2,046,739	6,064,714
PID Assessment Revenue	-	-	-	-	-	-	-	-	-	1,447,982
Public-private partnership recovery	-	-	-	1,896,300	4,264,200	-	-	-	-	-
Miscellaneous	664,755	843,382	1,104,285	882,757	1,021,870	793,144	977,691	874,112	950,673	932,282
Total Revenues	<u>104,524,059</u>	<u>106,129,026</u>	<u>105,526,943</u>	<u>113,137,365</u>	<u>124,608,820</u>	<u>124,794,926</u>	<u>133,136,290</u>	<u>143,098,348</u>	<u>150,984,518</u>	<u>158,828,761</u>
<b>EXPENDITURES:</b>										
General government and administration	13,427,628	13,234,778	12,894,095	13,818,786	14,233,668	14,249,773	14,014,017	15,321,401	15,594,492	17,087,424
Public safety	42,419,993	43,015,217	43,629,488	45,468,794	48,805,629	50,460,748	52,904,040	55,951,997	59,132,645	62,330,071
Development services	10,015,918	9,381,002	9,422,970	9,245,445	9,357,484	9,979,839	10,913,353	10,391,297	11,075,739	12,744,091
Cultural and recreational	11,033,972	10,593,872	10,606,136	11,173,466	11,192,930	11,487,238	11,925,191	12,744,442	13,067,844	12,930,099
Capital outlay	27,758,257	23,025,597	31,099,960	24,185,644	32,113,446	29,891,737	44,075,358	47,987,312	29,673,776	1,447,982
PID Development Reimbursement	-	-	-	-	-	-	-	-	-	35,434,318
Debt Service:										
Principal retirement	10,950,000	12,110,000	12,730,000	12,250,000	13,020,000	13,885,000	13,980,000	14,535,000	15,435,000	16,240,000
Interest and fiscal charges	7,019,015	7,321,573	6,967,800	6,619,954	6,489,618	6,839,976	6,727,253	7,097,030	7,225,382	7,332,656
Total expenditures	<u>122,624,783</u>	<u>118,682,039</u>	<u>127,350,449</u>	<u>122,762,089</u>	<u>135,212,775</u>	<u>136,794,311</u>	<u>154,539,212</u>	<u>164,028,479</u>	<u>151,204,878</u>	<u>165,546,641</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(18,100,724)</u>	<u>(12,553,013)</u>	<u>(21,823,506)</u>	<u>(9,624,724)</u>	<u>(10,603,955)</u>	<u>(11,999,385)</u>	<u>(21,402,922)</u>	<u>(20,930,131)</u>	<u>(220,360)</u>	<u>(6,717,880)</u>
<b>OTHER FINANCING SOURCES (USES):</b>										
Bonds issued	15,600,000	15,000,000	-	9,465,000	20,485,000	17,420,000	17,680,000	19,550,000	19,680,000	45,293,634
Refunding bonds issued	11,815,000	-	20,100,000	-	-	26,660,000	11,435,000	-	-	-
Premium on bonds issued	939,055	278,534	2,432,844	530,902	677,905	4,910,134	4,702,702	1,817,737	1,768,771	6,153,639
Payment to refunded bond escrow agent	(12,465,963)	-	(22,317,933)	-	-	(29,919,123)	(13,532,110)	-	-	(29,075,932)
Sale of capital assets	29,382	809,107	-	-	2,318,824	1,367,838	36,838	323,080	4,248	165,010
Transfers in	14,733,069	11,282,205	15,699,983	20,190,224	18,906,036	21,848,581	20,456,457	30,119,111	18,735,652	25,091,259
Transfers out	(9,956,258)	(5,151,386)	(9,855,380)	(13,810,283)	(12,305,239)	(16,553,246)	(15,709,063)	(24,318,903)	(11,842,964)	(22,421,212)
Total Other Financing Sources (Uses)	<u>20,694,285</u>	<u>22,218,460</u>	<u>6,059,514</u>	<u>16,375,843</u>	<u>30,082,526</u>	<u>25,734,184</u>	<u>25,069,824</u>	<u>27,491,025</u>	<u>28,345,707</u>	<u>25,206,398</u>
NET CHANGE IN FUND BALANCES	<u>\$ 2,593,561</u>	<u>\$ 9,665,447</u>	<u>\$ (15,763,992)</u>	<u>\$ 6,751,119</u>	<u>\$ 19,478,571</u>	<u>\$ 13,734,799</u>	<u>\$ 3,666,902</u>	<u>\$ 6,560,894</u>	<u>\$ 28,125,347</u>	<u>\$ 18,488,518</u>
Debt service as a percentage of noncapital expenditures	18.0%	19.0%	19.1%	18.1%	16.7%	18.1%	17.3%	17.5%	18.1%	17.0%

Source: Comprehensive Annual Financial Reports

**CITY OF CARROLLTON, TEXAS**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

Table 5

Last Ten Fiscal Years

(Unaudited)

<b>Fiscal Year</b>	<b>Estimated Market Value</b>		<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
	<b>Real Property</b>	<b>Personal Property</b>			
2010	\$ 9,460,998,783	\$ 2,083,632,510	\$ 2,341,230,868	\$ 9,203,400,425	\$ 0.617875
2011	9,225,686,522	1,934,190,861	2,253,208,722	8,906,668,661	0.617875
2012	9,196,797,992	1,983,032,088	2,282,481,097	8,897,348,983	0.617875
2013	9,256,778,500	2,198,511,234	2,356,490,067	9,098,799,667	0.617875
2014	9,587,444,722	2,360,645,202	2,391,446,979	9,556,642,945	0.617875
2015	10,379,894,481	2,423,039,399	2,522,339,809	10,280,594,071	0.615375
2016	11,222,038,729	2,553,129,415	2,689,149,080	11,086,019,064	0.612875
2017	12,314,098,039	2,774,168,176	3,144,059,376	11,944,206,839	0.603700
2018	13,480,378,990	2,819,164,332	3,295,255,620	13,004,287,702	0.599700
2019	14,757,267,240	3,007,035,638	3,528,802,758	14,235,500,120	0.594970

**Source:** City of Carrollton Budget Document

**Note:** Total Taxable Assessed Value represents original certified taxable value. This does not include valuation of protested property at certification date.



**CITY OF CARROLLTON, TEXAS**

**ESTIMATED NET TAXABLE VALUE AT BUDGET ADOPTION**

Current Year and Nine Years Ago

(Unaudited)

Table 6

	<u>Fiscal Year 2019</u>		<u>Fiscal Year 2010</u>		Ten Year Change
		Percentage of Total Market Value		Percentage of Total Market Value	
<b>Market value:</b>					
Certified Values:					
Real property:					
Land	\$ 3,919,065,596	21.85%	\$ 2,976,429,731	25.59%	31.67%
Improvements	10,838,201,644	60.42%	6,484,569,052	55.77%	67.14%
Business personal property	3,007,035,638	16.76%	2,083,632,510	17.92%	44.32%
Property Under Protest	173,665,083	0.98%	85,359,662	0.73%	103.45%
<b>Total Market value</b>	<u>17,937,967,961</u>	<u>100.01%</u>	<u>11,629,990,955</u>	<u>100.01%</u>	54.24%
<b>Less property exemptions/reductions:</b>					
Single Family Residential:					
Homestead	1,324,544,422	7.38%	883,319,657	7.60%	49.95%
Over 65	434,853,223	2.42%	255,548,530	2.20%	70.16%
Disabled	20,223,410	0.11%	21,039,915	0.18%	-3.88%
Disabled veterans	24,600,978	0.14%	6,411,705	0.06%	283.69%
Capped value	219,508,680	1.22%	6,617,741	0.06%	3216.97%
Total Single Family Residential	<u>2,023,730,713</u>	<u>11.27%</u>	<u>1,172,937,548</u>	<u>10.10%</u>	72.54%
Commercial:					
Agricultural	54,366,741	0.30%	71,728,649	0.62%	-24.20%
Freeport	544,821,041	3.04%	440,447,271	3.79%	23.70%
Abatements/Tax grants	-	0.00%	103,751,821	0.89%	-100.00%
Low income housing	12,569,343	0.07%	-	0.00%	100.00%
Other exemptions	526,906	0.00%	773,726	0.01%	-31.90%
TIF Incremental Value	72,983,216	0.41%	8,573,608	0.07%	751.25%
Total Commercial	<u>685,267,247</u>	<u>3.82%</u>	<u>625,275,075</u>	<u>5.38%</u>	9.59%
Totally exempt*	<u>892,778,014</u>	<u>4.98%</u>	<u>655,343,674</u>	<u>5.63%</u>	36.23%
<b>Total property exemptions/reductions</b>	<u>3,601,775,974</u>	<u>20.07%</u>	<u>2,453,556,297</u>	<u>21.11%</u>	46.80%
<b>Estimated Net Taxable Value</b>	<u>\$ 14,336,191,987</u>	<u>79.94%</u>	<u>\$ 9,176,434,658</u>	<u>78.90%</u>	56.23%

Source: Annual Budget Document and Dallas, Denton, and Collin Central Appraisal Districts

**Notes:**

In these estimated values, the original certified value as shown on Table 5 is increased by the estimated value of properties under protest and reduced by the estimated value of tax grants and TIF incremental value.

\* Total exempt properties include properties owned by federal, state and local governmental entities and by educational, religious and not-for-profits organizations qualifying under the IRS code.

**CITY OF CARROLLTON, TEXAS**

DIRECT AND OVERLAPPING PROPERTY TAX RATES (per \$100 of assessed value)

Table 7

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	City Direct Rates			Overlapping Rates								
	Operating/General Rate	General Obligation Debt Service	Total Direct	Carrollton-Farmers Branch Independent School District	Dallas Independent School District	Lewisville Independent School District	Coppell Independent School District	Plano Independent School District	Dallas County <sup>a</sup>	Collin County <sup>b</sup>	Denton County	Valwood Improvement Authority <sup>c</sup>
2010	\$ 0.415694	\$ 0.202181	\$ 0.617875	\$ 1.342200	\$ 1.271343	\$ 1.408700	\$ 1.283400	\$ 1.328400	\$ 0.602212	\$ 0.328800	\$ 0.249800	\$ 0.307500
2011	0.406241	0.211634	0.617875	1.346900	1.237811	1.426700	1.424200	1.353400	0.623330	0.326300	0.273900	0.307500
2012	0.398528	0.219347	0.617875	1.356800	1.290347	1.426000	1.424200	1.373400	0.623770	0.326300	0.277357	0.307500
2013	0.411887	0.205988	0.617875	1.330600	1.290347	1.453000	1.418800	1.373400	0.643412	0.326299	0.282867	0.307500
2014	0.414447	0.203428	0.617875	1.323500	1.282085	1.477000	1.432400	1.453000	0.653800	0.321143	0.284914	0.290000
2015	0.417389	0.197986	0.615375	1.303300	1.282085	1.477000	1.449000	1.439000	0.663875	0.316900	0.272200	0.270000
2016	0.420043	0.192832	0.612875	1.281700	1.282085	1.476730	1.439000	1.439000	0.662750	0.306960	0.262000	0.270000
2017	0.425787	0.177913	0.603700	1.391700	1.282085	1.420000	1.492700	1.439000	0.654704	0.289617	0.248409	0.250000
2018	0.427790	0.171910	0.599700	1.381000	1.282085	1.407500	1.477700	1.439000	0.656738	0.272056	0.237812	0.220000
2019	0.430220	0.164750	0.594970	1.370000	1.412035	1.407500	1.460500	1.439000	0.656500	0.262007	0.225574	0.200000

Source: City of Carrollton Budget Office, Lewisville Independent School District, Dallas Central Appraisal District, Plano Independent School District, Denton County, Collin County

**Notes:**

(a) Dallas County includes Dallas County, Dallas County Hospital District and Dallas County Community College District.

(b) Collin County includes Collin County and Collin County Community College District.

(c) A typical property tax bill would consist of the City, School District and County taxes. Valwood Improvement Authority is a flood reclamation district serving commercial property only in the southwest corner of the City.

**CITY OF CARROLLTON, TEXAS**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 Current Year and Nine Years Ago  
 (Unaudited)

Table 8

<b>Fiscal Year 2019</b>			<b>Fiscal Year 2010</b>		
<b><u>Taxpayer</u></b>	<b><u>Taxable Assessed Value</u></b>	<b><u>Percentage of Total City Taxable Assessed Value</u></b>	<b><u>Taxpayer</u></b>	<b><u>Taxable Assessed Value</u></b>	<b><u>Percentage of Total City Taxable Assessed Value</u></b>
Halliburton Energy Services, Inc.	\$ 79,588,132	0.56%	Oncor Electric/Texas Utilities	\$ 63,986,840	0.70%
Bella Vida Gardens Associates LLC	79,302,633	0.56%	Verizon	63,449,214	0.69%
Autumn Chase Apartments	70,920,600	0.50%	Cobalt Industrial Reit	62,297,900	0.68%
Texas Dugan LTD	57,991,815	0.41%	Halliburton Co. Inc.	53,372,354	0.58%
Ari-International Business Park	56,421,920	0.40%	AT&T Communications	52,729,100	0.57%
Frankel, Edward B MD TR	53,823,833	0.38%	ST Microelectronics Inc.	46,266,478	0.50%
CI Dal I V LLC	50,886,610	0.36%	Texas Dugan LTD PS	45,572,233	0.50%
JP Morgan Chase Bank NA	49,298,280	0.35%	Bella Vida Gardens Associates LLC	45,455,355	0.49%
CyrusOne LLC	48,760,317	0.34%	ARI-International Business Park LLC	33,517,204	0.36%
Salado Apartments LLC	48,182,320	0.34%	Frankel, Edward B MD	33,447,806	0.36%
<b>Total Assessed Value of Top-ten Taxpayers:</b>	<b>595,176,460</b>	<b>4.20%</b>	<b>Total Assessed Value of Top-ten Taxpayers:</b>	<b>500,094,484</b>	<b>5.43%</b>
<b>Total Assessed Value of Other Taxpayers:</b>	<b>13,640,323,660</b>	<b>95.80%</b>	<b>Total Assessed Value of Other Taxpayers:</b>	<b>8,703,305,941</b>	<b>94.57%</b>
<b>Total Assessed Value:</b>	<b>\$ 14,235,500,120</b>	<b>100.00%</b>	<b>Total Assessed Value:</b>	<b>\$ 9,203,400,425</b>	<b>100.00%</b>

**Source:** Dallas County Tax Office and Denton County Tax Office

**CITY OF CARROLLTON, TEXAS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 9

Fiscal Year	Taxes Budgeted Within the Fiscal Year of the Levy	Taxes Levied Within the Fiscal Year of the Levy	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	
					Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 55,564,918	\$ 57,160,657	\$ (279,318)	\$ 56,881,339	\$ 56,570,727	99.45%	\$ 254,478	\$ 56,825,205	99.90%
2011	53,709,922	55,477,092	(121,933)	55,355,159	54,937,434	99.25%	384,703	55,322,137	99.94%
2012	53,668,670	55,502,447	(10,977)	55,491,470	55,128,245	99.35%	328,764	55,457,009	99.94%
2013	54,782,788	56,407,488	68,876	56,476,364	56,013,200	99.18%	393,951	56,407,151	99.88%
2014	57,132,835	59,049,086	(20,061)	59,029,025	58,752,099	99.53%	214,153	58,966,252	99.89%
2015	61,028,968	62,839,506	19,763	62,859,269	62,505,443	99.44%	212,131	62,717,574	99.77%
2016	65,141,963	68,039,266	(148,774)	67,890,492	67,692,625	99.71%	76,984	67,769,609	99.82%
2017	71,793,263	73,359,863	(247,219.00)	73,112,644	72,990,754	99.83%	(17,416)	72,973,338	99.81%
2018	77,367,377	79,069,384	(252,580.00)	78,816,804	78,587,752	99.71%	(10,363)	78,577,389	99.70%
2019	84,016,514	85,625,004	(8,342.56)	85,616,661	85,127,427	99.43%	-	85,127,427	99.43%

Source: Dallas Central Appraisal District and Dallas County Tax Office  
 Denton Central Appraisal District and Denton County Tax Office

**CITY OF CARROLLTON, TEXAS**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 10

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds		Certificates of Obligation		Water and Sewer Revenue Bonds		Certificates of Obligation			
	Par	Premium	Par	Premium	Par	Premium	Par			
2010	\$ 167,165,000	\$ 5,777,298	\$ 435,000	\$ 2,742	\$ 23,235,000	197,272	\$ 2,315,000	\$ 199,127,312	5.63%	\$ 1,672
2011	170,490,000	5,765,438	-	-	21,305,000	180,518	2,040,000	199,780,956	5.41%	1,674
2012	157,100,000	6,949,299	-	-	18,795,000	1,050,967	1,750,000	185,645,266	5.03%	1,532
2013	154,315,000	6,890,494	-	-	17,115,000	950,717	1,440,000	180,711,211	4.63%	1,478
2014	161,780,000	6,948,244	-	-	15,400,000	851,597	-	184,979,841	4.78%	1,487
2015	162,600,000	10,058,724	-	-	14,185,000	752,477	-	187,596,201	4.51%	1,498
2016	165,015,000	13,939,418	-	-	12,925,000	653,357	-	192,532,775	4.66%	1,504
2017	170,030,000	14,707,459	-	-	11,615,000	554,238	-	196,906,697	4.31%	1,505
2018	174,275,000	15,324,781	-	-	5,625,000	453,470	-	195,678,251	4.06%	1,479
2019	173,540,000	19,969,604	-	-	13,545,000	1,411,434	-	208,466,038	4.49%	1,531

**Notes:**

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

(a) See Table 15 for personal income and population data.

**CITY OF CARROLLTON, TEXAS**  
**RATIO OF GENERAL BONDED DEBT OUTSTANDING**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 11

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Certificates of Obligation</b>	<b>Total</b>	<b>Less: Amounts Available in Debt Service Fund<sup>a</sup></b>	<b>Net General Bonded Debt</b>	<b>Percentage of Actual Taxable Value of Property<sup>b</sup></b>	<b>Per Capita<sup>c</sup></b>
2010	\$ 172,942,298	\$ 2,752,742	\$ 175,695,040	\$ 4,964,453	\$ 170,730,587	1.86%	\$ 1,434
2011	176,255,438	2,040,000	178,295,438	4,468,657	173,826,781	1.95%	1,456
2012	164,049,299	1,750,000	165,799,299	4,429,907	161,369,392	1.81%	1,332
2013	161,205,494	1,440,000	162,645,494	4,185,961	158,459,533	1.74%	1,296
2014	168,728,244	-	168,728,244	3,813,322	164,914,922	1.73%	1,326
2015	172,658,724	-	172,658,724	3,481,833	169,176,891	1.65%	1,351
2016	178,954,418	-	178,954,418	3,856,159	175,098,259	1.58%	1,368
2017	184,737,459	-	184,737,459	3,957,847	180,779,612	1.51%	1,382
2018	189,599,781	-	189,599,781	3,979,314	185,620,467	1.43%	1,403
2019	193,509,604	-	193,509,604	4,279,014	189,230,590	1.33%	1,390

**Notes:**

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

<sup>a</sup>This is the amount restricted for debt service principal payments. Government-Wide Statement of Net Position.

<sup>b</sup>See Table 5 for property value data.

<sup>c</sup>See Table 15 for population data.

**CITY OF CARROLLTON, TEXAS**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
 Current Year  
 (Unaudited)

Table 12

<u>Governmental Unit<sup>(b)</sup></u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Carrollton-Farmers Branch Independent School District	\$ 230,980,000	37.51%	\$ 86,640,597
Collin County	392,565,000	0.07%	274,796
Collin County Community College	239,445,000	0.07%	167,612
Coppell Independent School District	382,497,416	0.02%	76,499
Dallas County	151,495,000	2.63%	3,984,319
Dallas County Community College District	182,800,000	2.63%	4,807,640
Dallas County Hospital District	862,670,000	2.63%	22,688,221
Dallas County Schools	36,801,240	2.63%	967,873
Dallas Independent School District	2,676,385,000	1.18%	31,581,343
Denton County	590,380,000	8.01%	47,289,438
Lewisville Independent School District	1,269,936,037	14.81%	188,077,527
Plano Independent School District	855,305,000	0.19%	1,625,080
Valwood Improvement Authority	8,480,000	57.71%	4,893,807
Subtotal, overlapping debt			<u>393,074,752</u>
<b>City of Carrollton (direct debt)</b>	193,509,604	100.00%	<u>193,509,604</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 586,584,356</u></u>

**Source:** City of Carrollton Treasury Office

**Notes:**

(a) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the entities' taxable assessed value that is with the City's boundaries and dividing by the entities' total taxable assessed value.

(b) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Carrollton. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residential and commercial taxpayer should be taken into account. However, this does not imply that every Carrollton taxpayer is a property owner and therefore responsible for repaying the debt of any particular overlapping government.

**CITY OF CARROLLTON, TEXAS**  
**PLEDGED-REVENUE COVERAGE**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 13

<b>Waterworks and Sewer System Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Total Revenues<sup>a</sup></b>	<b>Less: Operating Expenses<sup>b</sup></b>	<b>Net Available Revenue</b>	<b>Average Annual Requirement</b>	<b>Times Coverage<sup>c</sup></b>	
2010	\$ 33,585,356	\$ 27,261,441	\$ 6,323,915	\$ 1,843,461	3.43	
2011	37,264,408	28,195,996	9,068,412	1,775,052	5.11	
2012	35,011,924	29,623,511	5,388,413	1,609,769	3.35	
2013	35,256,384	30,439,911	4,816,473	1,552,989	3.10	
2014	34,102,074	31,036,497	3,065,577	1,488,696	2.06	
2015	35,668,929	30,912,620	4,756,309	1,460,318	3.26	
2016	37,738,309	33,738,639	3,999,670	1,426,329	2.80	
2017	40,014,788	35,992,187	4,022,601	1,385,524	2.90	
2018	45,476,534	39,395,153	6,081,381	1,237,640	4.91	
2019	46,192,294	39,869,774	6,322,520	1,142,303	5.53	

**Source:** Comprehensive Annual Financial Report

**Notes:**

(a) Includes operating revenues (charges for services and miscellaneous income), investment income, and transfers in of the Water and Sewer Fund

(b) Includes operating expenses minus depreciation plus transfers out of the Water and Sewer Fund.



**CITY OF CARROLLTON, TEXAS**

**DIRECT AND CONTRACTUALLY OBLIGATED - PROPERTY TAX AND REVENUE DEBT**

Table 14

Last Six Fiscal Years

(Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Carrollton - direct debt:						
Paid with property taxes	\$ 193,509,604	\$ 189,599,781	\$ 184,737,459	\$ 178,954,418	\$ 172,658,724	\$ 168,728,244
Paid with dedicated revenues:						
Water and sewer revenues	14,956,434	6,078,470	12,169,238	13,578,357	14,937,477	16,251,597
Golf course revenues	-	-	-	-	-	-
Total direct debt	<u>208,466,038</u>	<u>195,678,251</u>	<u>196,906,697</u>	<u>192,532,775</u>	<u>187,596,201</u>	<u>184,979,841</u>
Other Entities - contractually obligated to be paid with water and sewer revenues:						
Dallas Water Utilities (DWU) <sup>(a)</sup>	83,499,405	48,356,487	46,668,317	49,555,981	46,929,690	47,418,861
Trinity River Authority - Central Regional Wastewater System (CRWS) <sup>(b)</sup>	<u>91,360,670</u>	<u>84,464,932</u>	<u>66,176,912</u>	<u>68,478,128</u>	<u>74,529,252</u>	<u>82,934,044</u>
Total contractually obligated debt	<u>\$ 174,860,075</u>	<u>\$ 132,821,419</u>	<u>\$ 112,845,229</u>	<u>\$ 118,034,109</u>	<u>\$ 121,458,942</u>	<u>\$ 130,352,905</u>

**Notes:**

(a) Carrollton has a "take or pay" contract to purchase potable water on a wholesale basis. Contractually obligated debt is calculated based on Carrollton's Rate of Flow setting as a percent of all wholesale customers applied to total outstanding DWU debt multiplied by the percentage of the DWU system applicable to wholesale customer activities. Debt numbers are taken from the DWU Wholesale Rate Study.

(b) Carrollton has a contractual obligation to pay its pro rata share of all operating and debt related expenses based on its percentage of flows to the CRWS. Contractually obligated debt is calculated based on the City's percentage of flows to CRWS. In addition, the City is considered an "obligated party" on all TRA CRWS debt outstanding. As such, it must make continuing disclosures on TRA CRWS debt and contract maturity is automatically extended to the final maturity of outstanding CRWS debt. TRA is a November 30th year end.

**CITY OF CARROLLTON, TEXAS**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
 Last Ten Calendar Years  
 (Unaudited)

Table 15

<b>Year</b>	<b>Estimated Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2010	119,097	\$ 3,539,801	\$ 29,722	34.7	21,415	7.0%
2011	119,370	3,691,279	30,923	35.7	21,508	7.3%
2012	121,150	3,691,198	30,468	36.3	21,101	5.6%
2013	122,280	3,902,811	31,917	36.0	21,276	5.6%
2014	124,400	3,871,950	31,125	36.8	21,082	4.7%
2015	125,250	4,159,678	33,211	35.9	21,158	3.4%
2016	127,980	4,130,299	32,273	36.9	20,058	3.7%
2017	130,820	4,572,682	34,954	36.2	19,797	3.1%
2018	132,330	4,816,150	36,395	37.4	19,500	3.3%
2019	136,170	4,642,852	34,096	36.9	19,317	2.8%

**Sources:** Estimated population provided by the North Central Texas Council of Governments. US Census population used in census years. Per capita income and median age provided by US Census Bureau's American Community Survey. School enrollment (for schools located in Carrollton) provided by Carrollton/Farmers Branch ISD and Lewisville ISD. School enrollment figures for Lewisville ISD include only students living in Carrollton zip codes. Unemployment rates provided by Bureau of Labor Statistics

**CITY OF CARROLLTON, TEXAS**  
**PRINCIPAL EMPLOYERS,**  
 Current Year and Nine Years Ago  
 (Unaudited)

Table 16

2019			2010		
<u>Employer<sup>(a)</sup></u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employer<sup>(a)</sup></u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Halliburton Energy Services	1000	1.18%	Halliburton Energy Services	1,302	1.94%
McKesson Corp	999	1.18%	RealPage Internet Access Support	908	1.35%
Thomson Reuters	950	1.12%	GE Automation Services, Inc.	875	1.30%
Western Extrusions	900	1.06%	McKesson Corporation	833	1.24%
Securus Technologies	800	0.95%	ACCOR North America	727	1.08%
Baylor Scott & White Medical Center Carrollton	640	0.76%	Baylor Medical Center	675	1.01%
Brandt	550	0.65%	RIA Computer Software	650	0.97%
Fairway Mortgage Co	550	0.65%	Western Extrusions Corporation	650	0.97%
A E R Manufacturing	500	0.59%	General Aluminum Corporation	306	0.46%
Hilton Reservations & Customer Care	450	0.53%	Intracorp	400	0.60%
Total	<u>7,339</u>	<u>8.67%</u> <sup>(b)</sup>	Total	<u>7,326</u>	<u>10.92%</u> <sup>(b)</sup>

**Source:** North Central Texas Council of Governments (2019), City of Carrollton Economic Development (2010)

**Notes:**

(a) Listing includes only private sector employers.

(b) Based on estimated Total Labor Force of 84,520

**CITY OF CARROLLTON, TEXAS**

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

Table 17

Last Ten Fiscal Years

(Unaudited)

<b><u>Function/Program</u></b>	<b>Fiscal Year</b>									
	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>
General Government and Administration	85.0	79.8	74.9	75.9	82.9	86.0	86.1	88.9	88.9	80.4
Public Safety	425.0	420.0	425.8	439.3	451.1	451.6	457.1	446.1	447.6	451.3
Development Services	116.0	111.5	109.2	108.7	108.0	112.0	113.0	113.0	108.0	108.5
Culture and Recreational	133.0	122.0	117.7	118.0	116.3	118.3	115.8	118.8	118.8	119.25
Water and Sewer	51.0	51.0	51.0	51.0	52.0	52.0	52.0	52.0	58.0	66.0
Fleet Services	14.0	-	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.8
Risk Management	2.5	2.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Capital Projects and Special Revenue	<u>7.0</u>	<u>7.5</u>	<u>6.5</u>	<u>7.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>7.0</u>	<u>8.0</u>	<u>8.0</u>
<b>Total</b>	<b><u>833.5</u></b>	<b><u>794.3</u></b>	<b><u>786.6</u></b>	<b><u>801.4</u></b>	<b><u>817.8</u></b>	<b><u>827.4</u></b>	<b><u>831.5</u></b>	<b><u>827.3</u></b>	<b><u>830.8</u></b>	<b><u>835.3</u></b>

**Source:** City Budget Office

**CITY OF CARROLLTON, TEXAS**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 18

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Public Safety</b>										
<b>Police</b>										
Number of Employees	239	238	207	206	211	210	217	221	226	215
Number of Violations (Citations)	42,340	45,018	50,674	51,451	60,793	47,594	41,435	35,926	32,361	27,574
<b>Fire</b>										
Number of Employees	138	135	141	154	159	158	158	173	171	175
Number of Fire runs	3,071	3,516	3,224	3,295	3,469	3,350	3,868	3,677	4,048	4,125
Number of EMS runs	5,998	6,007	6,641	6,993	7,098	7,381	7,770	8,093	8,344	8,636
<b>Development Services</b>										
Street Resurfacing (miles)	3	3	2	4	4	1	5	1	0	2
<b>Cultural and Recreational</b>										
<b>Parks and Recreation</b>										
Participants in Leisure Service Programs <sup>(a)(b)(e)</sup>	25,045	42,904	46,512	65,459	65,187	61,656	36,024	36,781	22,981	40,052
Participants in Athletic Programs <sup>(d)</sup>	90,034	87,610	88,114	82,988	83,713	79,775	78,216	68,928	59,967	5,286
<b>Library</b>										
Volumes in Collection	200,506	183,333	188,314	188,182	190,691	193,004	193,453	185,244	183,173	177,667
<b>Water and Sewer</b>										
Number of Water Consumers	33,915	35,802	34,971	35,710	36,055	38,975	36,841	37,168	37,686	37,482
Average Daily Water Consumption (gallons)	24,994,000	22,888,000	20,800,000	20,171,000	18,890,000	19,548,000	19,524,000	19,753,000	20,711,000	19,203,000
Maximum Storage Capacity (gallons)	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000
Unaccounted for Water	6.36%	4.23%	6.77%	4.48%	3.88%	5.37%	7.17%	7.64%	8.26%	9.91%
<b>Sanitation (residential)<sup>(g)</sup></b>										
Refuse Collected (tons)	25,508	38,538	34,942	36,668	37,405	36,112	30,062	28,674	28,126	33,638
Bulk/Brush Pickups (tons)	17,511	5,819	6,920	7,674	7,368	7,846	16,611	18,790	18,111	21,772
Recyclables Collected (tons)	9,070	7,490	7,702	7,166	7,651	7,796	7,947	7,800	7,130	6,304
<b>Golf Course<sup>(c)(f)</sup></b>										
Number of Paid Rounds Played	56,862	74,019	68,862	58,394	72,676	33,759	16,968	63,312	52,986	37,133

**Source:** City Departments

**Notes:**

- Leisure Services facilities. Prior to that time, participant figures only included those registered in City sponsored Leisure Services programs.
- (b) - In 2018, the City's Senior Center participants dropped due to colder weather.
- (c) - In Fiscal Year 2015, the Golf Course was closed due to flooding from June to September.  
In Fiscal Year 2016, the Golf Course was closed due to flooding from September to March.
- (d) - In Fiscal Year 2019, the Rosemeade Aquatics Center was closed for remodel for the entire season.
- (e) - In Fiscal Year 2019, Leisure Services expanded the number of special events and Senior Center participants returned to normal levels.
- (f) - In Fiscal Year 2019, the Golf Course was closed due to repairs from December 10, 2018 to February 7, 2019.
- (g) - In Fiscal Year 2019, Sanitation indicators for the last quarter of 2019 was projected based on previous quarters based on a 36 month average.
- (h) - In Fiscal Year 2019, the Library withdrew worn or outdated materials to improve process efficiency and customer service.

**CITY OF CARROLLTON, TEXAS**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
 Last Ten Fiscal Years  
 (Unaudited)

Table 19

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units <sup>(b)</sup>	31	34	34	36	36	36	36	36	36	44
Police Motorcycle Units	7	7	7	7	8	8	8	7	4	2
Fire Stations	7	7	7	7	8	8	8	8	8	8
Development Services										
Streets- Paved (miles) <sup>(c)</sup>	1,142	1,142	1,142	1,176	1,176	1,176	1,176	1,176	1,176	1,068
Alleys - Paved (miles)	178	178	178	190	189	189	189	189	210	210
Cultural and Recreational										
Parks (acres)	1,494	1,493	1,493	1,493	1,493	1,493	1,493	1,493	1,493	1,493
Playgrounds	26	25	25	25	25	25	25	25	25	29
Swimming Pools	2	1	1	1	1	1	1	1	1	1
Splash Parks	-	-	-	-	-	1	1	2	2	2
Tennis Courts	29	29	29	29	29	29	29	28	28	28
Recreation Centers	2	2	2	2	2	2	2	2	2	2
Senior Center	1	1	1	1	1	1	1	1	1	1
Water and Sewer										
Water Mains (miles)	554	551	551	554	570	584	584	580	600	612
Fire Hydrants <sup>(d)</sup>	4,894	4,895	4,937	4,995	5,110	5,192	5,278	5,363	5,398	5,398
Sanitary Sewers (miles)	431	403 (a)	403	410	414	417	417	418	425	430

**Source:** City Departments

**Notes:**

- (a) Decreases in Sanitary Sewer (miles) in 2010 and 2011 are due to updates made when converting the data from manual tracking to an electronic graphical information system.
- (b) Motorcycles have been transitioned to full-size vehicles; an additional patrol beat was added in 2019
- (c) Pavement Condition Index (PCI) was updated in 2019
- (d) Estimate. Final numbers for FY 2019 not available at the time of the report

**CITY OF CARROLLTON, TEXAS**

TEXAS MUNICIPAL RETIREMENT SYSTEM

Table 20

ANALYSIS OF FUNDING PROGRESS AND CONTRIBUTION RATES (FUNDING BASIS)

Last Ten Fiscal Years

(Unaudited)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Actuarial	Actuarial	Funded	Unfunded	Annual	UAAL as a	Total TMRS	Prior Service
Fiscal	Value	Accrued	Ratio	Actuarial	Covered	Percentage	Required	Portion of
Year	of Assets**	Liability*	(1/2)	Accrued	Payroll	of ACP	Contribution	the TMRS
				Liability		(4/5)	Rate	Rate
2010	\$ 161,328,186	\$ 208,924,862	77.2%	\$ 47,596,676	\$ 46,403,538	102.6%	16.05%	5.53%
2011	257,904,344	281,246,707	91.7%	23,342,363	45,234,987	51.6%	16.28%	5.39%
2012	275,783,003	295,569,643	93.3%	19,786,640	44,593,544	44.4%	13.95%	2.98%
2013	294,274,104	309,695,066	95.0%	15,420,962	45,175,371	34.1%	13.66%	2.61%
2014	313,861,407	341,764,756	91.8%	27,903,349	46,640,263	59.8%	13.30%	2.04%
2015	334,260,620	356,702,669	93.7%	22,442,049	48,904,096	45.9%	12.45%	4.82%
2016	353,760,083	378,581,941	93.4%	24,821,858	52,561,347	47.2%	11.48%	3.92%
2017	372,404,523	396,236,792	94.0%	23,832,269	52,035,292	45.8%	12.44%	4.03%
2018	393,485,849	414,941,180	94.8%	21,455,331	56,485,201	38.0%	12.38%	3.98%
2019	409,035,774	431,606,390	94.8%	22,570,616	58,218,122	38.8%	11.95%	3.60%

Source: Texas Municipal Retirement System

**Notes:**

\* As of December 31 of the preceding year, the date of the actuarial valuation.

\*\* Actuarial value of assets is calculated using 10-year smoothing.

The actuarial accrued liability was calculated using the Projected Unit Credit actuarial funding method for fiscal years 2008 to 2013, and Entry Age Normal actuarial funding method for fiscal year 2014 and 2015.

Fiscal years 2011 and forward includes the impact of Senate Bill 350 enacted by the Texas Legislature in June 2011. This legislation provided a restructuring of the Texas Municipal Retirement System funds effective December 31, 2010. Previously reported amounts included only Employee Savings Fund and Municipal Accumulation Fund but excluded the City's portion of the Current Service Annuity Fund (CSARF) in which costs for all retirees were shared. The legislation eliminated the CSARF returning both liabilities and assets for retirees to the respective employer accounts.

Fiscal year 2014 and forward includes an update to the mortality table used to determine the annuity purchase rate.

Effective in fiscal year 2015, GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" (GASB 68) created two actuarial valuations for pensions; a funding valuation and a reporting valuation. Trend information for the GASB 68 reporting valuation is included as Required Supplementary Information (RSI) immediately following the Notes to Basic Financial Statements. This table contains information on a funding basis only.

**CITY OF CARROLLTON**

**ACTIVE AND RETIREE HEALTH INSURANCE COSTS**

Last Ten Fiscal Years

(Unaudited)

Table 21

Fiscal Year	Total Health Plan Expenses <sup>(1)</sup>	Retiree Expenses <sup>(1)</sup>	Percentage Retiree Costs to Total	Active Members	Retirees Using	Total TMRS Retirees	Percentage Retirees Using	Retiree Contributions	Net	Subsidy as	Cost per Active Member	Cost per Retiree
					City Health Plan		Plan to Total		Subsidy of Retirees	Percentage of Total Expense		
2010	\$ 7,869,148	\$ 1,334,925	17.0%	694	39	329	5.3%	\$ 380,189	\$ (954,736)	12.1%	\$ 9,415	\$ 34,229
2011	7,726,721	621,888	8.0%	705	44	360	5.9%	420,546	(201,342)	2.6%	10,078	14,134
2012	9,314,543	474,223	5.1%	674	48	395	6.6%	455,107	(19,116)	0.2%	13,116	9,880
2013	9,123,405	725,499	8.0%	688	47	437	6.4%	512,762	(212,737)	2.3%	12,206	15,436
2014	11,941,431	784,241	6.6%	706	46	478	6.1%	559,723	(224,518)	1.9%	15,803	17,049
2015	11,560,489	619,770	5.4%	719	41	519	5.4%	473,561	(146,209)	1.3%	15,217	15,116
2016	11,288,978	814,495	7.2%	733	44	545	5.7%	565,829	(248,666)	2.2%	14,290	18,511
2017	12,298,793	1,525,098	12.4%	723	33	574	4.4%	511,443	(1,013,655)	8.2%	14,901	46,215
2018	13,171,180	652,127	5.0%	729	27	606	3.6%	380,906	(271,221)	2.1%	17,173	24,153
2019	11,425,905	741,597	6.5%	721	24	652	3.2%	413,983	(327,614)	2.9%	14,819	30,900
Total	\$ <u>105,720,593</u>	\$ <u>8,293,863</u>	<u>7.85%</u>					\$ <u>4,674,049</u>	\$ <u>(3,619,814)</u>	<u>3.4%</u>		
Average	\$ 10,572,059	\$ 829,386		709	39	490	5.5%	\$ 467,405	\$ (361,981)		13,702	22,562

Source: City Records, Third Party Administrator Records, Texas Municipal Retirement System (TMRS)



**CONTINUING FINANCIAL DISCLOSURE TABLES  
(Unaudited)**

The Continuing Financial Disclosure Tables present various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. This financial information is provided to the Municipal Securities Rulemaking Board (MSRB) annually via the Electronic Municipal Market Access (EMMA) system.



**CARROLLTON**  
**T E X A S**

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
 Year ended September 30, 2019

**TABLE CD-1**  
**TAX AND DEBT FINANCIAL INFORMATION**  
 (Unaudited)

<b>2019</b>	<b>Appraised Value of Taxable Property<sup>(1)</sup></b>	<b>\$ 19,214,134,199</b>
Less Exemptions:		
	Agricultural Land Use	\$ 58,242,960
	Homestead	1,402,193,820
	Disabled Veterans	29,742,563
	Over 65	454,844,958
	Disabled Persons	20,366,303
	Totally Exempt	969,593,029
	Freeport	550,708,655
	Capped Value	203,944,828
	Low Income Housing	12,839,480
	Other Exemptions	<u>620,131</u>
	Total Exemptions	<u>3,703,096,727</u>
<b>2019</b>	<b>Taxable Valuation<sup>(1)</sup></b>	<b><u>\$ 15,511,037,472</u></b>
<b>Gross General Obligation Bonded Debt:</b>		
	General Purpose Bonds and Certificates (Par Value Only)	\$ 182,420,000
	Less: General Obligation Interest & Sinking Fund Balances as of 09/30/2019 <sup>(2)</sup>	<u>5,194,332</u>
	<b>Net General Obligation Bonded Debt</b>	<b><u>\$ 177,225,668</u></b>
Ratio of Gross General Obligation Bonded Debt to	2019 Taxable Valuation	1.18%
Ratio of Net General Obligation Bonded Debt to	2019 Taxable Valuation	1.14%

2010 Census Population - 119,370  
 2019 Estimated Population - 136,170  
 Per Capita Taxable Valuation - \$113,909  
 Per Capita Gross General Obligation Bonds Bonded Debt - \$1,340  
 Per Capita Net General Obligation Bonds Bonded Debt - \$1,302

<sup>(1)</sup> Certified tax roll provided by the Dallas Central, Denton Central and Collin Central Appraisal Districts (the "Appraisal Districts") in July 2019 (Fiscal year 2020). State law requires that a "certified" tax roll be submitted to the City by July 25 of each year. The certified roll is the official tax value for the fiscal year, although it is subject to change as supplemental information is reported to the City by the Appraisal Districts throughout the year. The City used an estimated taxable valuation of \$15,503,620,335 in its fiscal year 2020 budget which includes an decrease of \$7,417,138 for estimated valuation on property under protest less the incremental value assigned to the City's Tax Increment Reinvestment Zone.

<sup>(2)</sup> Debt service fund balance at end of year per Statement of Revenues, Expenditures, and Changes in Fund Balances.

Source: City of Carrollton

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
 Year ended September 30, 2019

**TABLE CD-2**  
**VALUATION AND FUNDED DEBT HISTORY**  
 (Unaudited)

<b>Fiscal Year</b>	<b>Taxable Valuation<sup>(1)</sup></b>	<b>% Valuation Increase/Decrease Over Prior Year (100% of Market Value Basis)</b>	<b>Funded Debt Outstanding At Year End<sup>(2)</sup></b>	<b>Ratio Funded Debt to Taxable Valuation %</b>
2010/11	\$ 8,906,668,661	(3.22) %	\$ 172,530,000 <sup>(2)</sup>	1.94 %
2011/12	8,897,348,983	(0.10)	158,850,000 <sup>(2)</sup>	1.79
2012/13	9,098,799,667	2.26	155,755,000 <sup>(2)</sup>	1.71
2013/14	9,556,642,945	5.03	161,780,000 <sup>(2)</sup>	1.69
2014/15	10,280,594,071	7.58	162,600,000 <sup>(2)</sup>	1.58
2015/16	11,086,019,064	7.83	165,015,000 <sup>(2)</sup>	1.49
2016/17	11,944,206,839	7.74	170,030,000 <sup>(2)</sup>	1.42
2017/18	13,004,287,702	8.88	174,275,000 <sup>(2)</sup>	1.34
2018/19	14,235,500,120	9.47	173,540,000 <sup>(2)</sup>	1.22
2019/20	15,511,037,472	8.96	182,420,000 <sup>(3)</sup>	1.18

<sup>(1)</sup> Taxable Valuation based on initial Certified Tax Values. Amounts do not include disputed property values at time of tax roll certification.

<sup>(2)</sup> Amount reflects outstanding par amount only at fiscal year end.

<sup>(3)</sup> Amount reflects outstanding par amount plus the Bonds at par.

**TABLE CD-3**  
**TOTAL TAXABLE VALUATION BY CATEGORY<sup>(1)</sup>**  
 (Unaudited)

<b>Fiscal Year</b>	<b>Real Property</b>		<b>Personal &amp; Other Property</b>		<b>Total Taxable Valuation</b>
	<b>Taxable Valuation</b>	<b>% of Total</b>	<b>Taxable Valuation</b>	<b>% of Total</b>	
2010/11	\$ 7,280,575,560	82 %	\$ 1,626,093,101	18 %	\$ 8,906,668,661
2011/12	7,246,439,535	81	1,650,909,448	19	8,897,348,983
2012/13	7,301,613,573	80	1,797,186,094	20	9,098,799,667
2013/14	7,617,660,597	80	1,938,982,348	20	9,556,642,945
2014/15	8,257,175,594	80	2,023,418,477	20	10,280,594,071
2015/16	8,943,251,454	81	2,142,767,610	19	11,086,019,064
2016/17	9,676,011,654	81	2,268,195,185	19	11,944,206,839
2017/18	10,647,777,273	82	2,356,510,429	18	13,004,287,702
2018/19	11,773,812,429	83	2,461,687,691	17	14,235,500,120
2019/20	12,832,632,201	83	2,678,405,271	17	15,511,037,472

<sup>(1)</sup> Source: Dallas Central, Denton Central and Collin Central Appraisal Districts.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
Year ended September 30, 2019

**TABLE CD-4**  
**TOTAL APPRAISED VALUATION BY CATEGORY<sup>(1)</sup>**  
(Unaudited)

<u>Property Use Category</u>	<u>Tax Year 2019</u>	<u>Tax Year 2018</u>	<u>Tax Year 2017</u>	<u>Tax Year 2016</u>	<u>Tax Year 2015</u>
Real, Residential, Single Family, and Mobile Homes Real	\$ 9,187,906,609	\$ 8,576,816,519	\$ 7,811,217,996	\$ 7,051,127,518	\$ 6,269,937,367
Residential, Multiple Family	1,891,550,100	1,607,676,258	1,335,155,290	1,194,816,308	1,084,309,737
Real, Vacant Lots/Tracts	206,008,675	206,972,910	197,823,560	175,258,889	189,856,391
Real, Acreage (Land Only)	60,234,015	54,510,365	65,019,202	72,854,919	59,168,392
Real, Commercial, Industrial and Utilities	3,731,673,675	3,519,298,365	3,312,197,718	3,065,605,106	2,862,103,364
Tangible Personal, Commercial Industrial and Utilities	3,252,118,964	3,015,599,099	2,788,510,629	2,787,652,467	2,571,132,212
Tangible Personal, Special Inventory Other	68,768,520	64,078,220	59,260,487	52,925,440	45,021,244
Total Appraised Valuation <sup>(1)(2)</sup>	<u>\$ 18,398,260,558</u>	<u>\$ 17,044,951,736</u>	<u>\$ 15,569,184,882</u>	<u>\$ 14,400,240,647</u>	<u>\$ 13,081,528,707</u>
Total Exempt Property	982,263,745	905,323,671	900,321,665	867,819,453	773,026,931
Disputed ARB/ ERV Market Value	(166,390,104)	(185,972,529)	(169,963,225)	(179,793,885)	(79,387,494)
Total Market Value	<u>\$ 19,214,134,199</u>	<u>\$ 17,764,302,878</u>	<u>\$ 16,299,543,322</u>	<u>\$ 15,088,266,215</u>	<u>\$ 13,775,168,144</u>
Productivity Loss	(58,242,960)	(54,366,741)	(64,673,555)	(72,420,406)	(54,717,844)
Homestead Cap	(203,944,828)	(219,508,680)	(203,289,723)	(163,333,474)	(63,519,860)
Exemptions	<u>(3,440,908,940)</u>	<u>(3,254,927,337)</u>	<u>(3,027,292,342)</u>	<u>(2,908,305,496)</u>	<u>(2,570,911,376)</u>
Total Property Exemptions	<u>\$ (3,703,096,728)</u>	<u>\$ (3,528,802,758)</u>	<u>\$ (3,295,255,620)</u>	<u>\$ (3,144,059,376)</u>	<u>\$ (2,689,149,080)</u>
Certified Assessed Valuation	<u>\$ 15,511,037,471</u>	<u>\$ 14,235,500,120</u>	<u>\$ 13,004,287,702</u>	<u>\$ 11,944,206,839</u>	<u>\$ 11,086,019,064</u>

<sup>(1)</sup> The Total Appraised Valuation consists of the market valuation of all property within the City including property under protest, before exemption, and is determined by the Appraisal Districts each July. Certain items of classification have been combined in order to provide a consistent basis of comparison with the presentation from prior years. Amounts include certified values and estimated property under protest, and do not include values for totally exempt properties.

<sup>(2)</sup> Represents gross values, prior to exemptions.

Source: Dallas, Denton, and Collin County Appraisal Districts.

**TABLE CD-5**  
**PERCENTAGE TOTAL APPRAISED VALUATION BY USE CATEGORY**  
(Unaudited)

<u>Property Use Category</u>	<u>Percent of Total Appraised Valuation for Tax Years</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Real Property					
Single-Family Residential	49.9%	50.4%	50.1%	48.9%	47.8%
Multi-Family Residential	10.3%	9.4%	8.6%	8.3%	8.3%
Vacant Lots/Tracts	1.1%	1.2%	1.3%	1.2%	1.5%
Acreage-Land Only	0.3%	0.3%	0.4%	0.5%	0.5%
Commercial, Industrial, and Utilities	20.3%	20.6%	21.3%	21.3%	21.9%
Tangible Personal Property					
Commercial, Industrial, and Utilities	17.7%	17.7%	17.9%	19.4%	19.7%
Other	0.4%	0.4%	0.4%	0.4%	0.3%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
 Year ended September 30, 2019

**TABLE CD-6**  
**PROPERTY TAX RATES, LEVIES AND COLLECTIONS**  
**(Year Ended 9-30)**  
 (Unaudited)

<u>Fiscal Year Ended</u>	<u>Tax Rate Distribution</u>			<u>Adjusted Tax Levy for Fiscal Year<sup>(1)</sup></u>	<u>Percent of Current Collections</u>	<u>Percent of Total Collections</u>
	<u>Total Tax Rate</u>	<u>Operating/ General Fund</u>	<u>Interest and Sinking Fund</u>			
2010/11	\$ 0.6179	\$ 0.4062	\$ 0.2116	\$ 55,355,159	99.25 %	99.94 %
2011/12	0.6179	0.3985	0.2194	55,491,470	99.35 %	99.94 %
2012/13	0.6179	0.4119	0.2060	56,476,364	99.18 %	99.88 %
2013/14	0.6179	0.4144	0.2034	59,029,025	99.53 %	99.89 %
2014/15	0.6154	0.4174	0.1980	62,859,269	99.44 %	99.77 %
2015/16	0.6129	0.4201	0.1928	67,890,492	99.71 %	99.82 %
2016/17	0.6037	0.4258	0.1779	73,112,644	99.83 %	99.81 %
2017/18	0.5997	0.4278	0.1719	78,816,804	99.71 %	99.70 %
2018/19	0.5950	0.3481	0.1648	85,616,661	99.43 %	99.43 %
2019/20	0.5899	0.4389	0.1510	91,009,375	- % <sup>(2)</sup>	- % <sup>(2)</sup>

Source: City of Carrollton.

<sup>(1)</sup> Adjusted Tax Levy and Collections at Fiscal Year End.

<sup>(2)</sup> In process of collection.

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
Year ended September 30, 2019

**TABLE CD-7**  
**TOP TEN TAXPAYERS**  
**Fiscal Year 2019**  
(Unaudited)

<u>Name</u>	<u>Nature of Property</u>	<u>Total Taxable Value<sup>(1)</sup></u>	<u>% of Total Taxable Value</u>
1. Bella Vida Gardens Associates LLC	Apartments	\$ 86,269,270	0.56%
2. Mansions at Sunstet	Apartments	85,677,660	0.55%
3. Halliburton Energy Services	Manufacturing	79,486,116	0.51%
4. Softlayer	Technology	76,931,630	0.50%
5. Autumn Chase Apartments	Apartments	76,791,339	0.50%
6. Sloane Street Apartments	Apartments	72,330,913	0.47%
7. JPMorgan Chase Bank NA	Finance	67,164,880	0.43%
8. Dell Equipment	Technology	64,752,728	0.42%
9. Texas Dugan LTD	Commercial Real State	63,687,757	0.41%
10. Cyrusone LLC	Technology	<u>61,000,000</u>	<u>0.39%</u>
Total		<u>\$ 734,092,293</u>	<u>4.74%</u>

<sup>(1)</sup>Total taxable value including real and personal property is \$15,511,037,472  
Source: Dallas & Denton County Tax Office, City Report of Property Value, 2019. (Fiscal Year 2020)

**TABLE CD-8**  
**DEBT SERVICE FUND MANAGEMENT INDEX**  
(Unaudited)

General Obligation Debt Service Requirements, Fiscal Year Ending 9/30/20		\$ 23,307,210
Debt Service Fund, All General Obligation Issues 9/30/19 <sup>(2)</sup>	\$ 5,194,332	
Budget for Fiscal Year 2019/20 Debt Service Fund Tax Levy @ 99.5% Collection	23,308,840	<u>28,503,172</u>
Estimated Surplus Year Ending 9/30/20		<u>\$ 5,195,962</u>

<sup>(1)</sup> Includes bonds to be issued in 2020. Preliminary, subject to change

**TABLE CD-9**  
**TAX ADEQUACY WITH RESPECT**  
**TO THE CITY'S OUTSTANDING TAX SUPPORTED GENERAL OBLIGATION BONDS**  
(Unaudited)

Principal and Interest Requirements, Fiscal Year Ending September 30, 2020	\$ 23,307,210
\$0.151100 Tax Rate @ 99.5% Collection Procedures <sup>(1)</sup>	23,308,840

<sup>(1)</sup> Calculation based on 2019/20 taxable value of \$15,503,620,335 which is calculated as: certified taxable value of \$15,511,037,472 plus estimated valuation of property under protest of \$114,360,361 less the incremental value assigned to the City's Tax Increment Reinvestment Zone of \$121,777,498.

<sup>(2)</sup> Debt service fund balance at end of year per Statement of Revenues, Expenditures, and Changes in Fund Balances.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
Year ended September 30, 2019

**TABLE CD-10**  
**MUNICIPAL SALES TAX**  
(Unaudited)

The City has adopted the provision of V.T.C.A., Tax Code, Chapter 321, as amended, which grants the City the power to impose and levy at 1% Local Sales and Use Tax within the City. The proceeds are credited to the General Fund and may not be pledged to debt service and are not pledged to the payment of the Bonds. Collections and enforcement are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly.

<u>Fiscal Year Ended 9/30</u>	<u>Total Collected</u>	<u>Percentage of Ad Valorem Tax Levy</u>	<u>Equivalent of Ad Valorem Tax Rate</u>	<u>Per Capita</u>
2010	\$ 19,947,850	35.90 % <sup>(1)</sup>	\$ 0.22 <sup>(1)</sup>	\$ 163.37
2011	21,460,288	39.99 <sup>(1)</sup>	0.25 <sup>(1)</sup>	179.78
2012	24,100,500	43.99 <sup>(1)</sup>	0.27 <sup>(1)</sup>	198.93
2013	25,480,560	44.60 <sup>(1)</sup>	0.28 <sup>(1)</sup>	208.38
2014	27,491,706	45.05 <sup>(1)</sup>	0.28 <sup>(1)</sup>	220.99
2015	31,146,385	47.81 <sup>(1)</sup>	0.29 <sup>(1)</sup>	248.67
2016	34,553,336	47.81 <sup>(1)</sup>	0.29 <sup>(1)</sup>	269.99
2017	36,626,570	49.93 <sup>(1)</sup>	0.30 <sup>(1)</sup>	279.98
2018	39,632,629	47.17 <sup>(1)</sup>	0.28 <sup>(1)</sup>	332.01
2019	39,603,512	43.52 <sup>(1)</sup>	0.26 <sup>(1)</sup>	290.84 <sup>(2)</sup>

<sup>(1)</sup> Based on 98% collection rate of the total tax levy used for budget proposes through Fiscal Year 2016. Estimated collection rate increased to 98.5% beginning in Fiscal Year 2017 and to 99.5% in Fiscal Year 2020.

<sup>(2)</sup> Based on estimated population of 136,170 as of September 30, 2019.

Note: The total sales tax and use tax rate in the City is 8 1/4%, of which 1% is imposed by the City, as described above 1% is imposed by the Dallas Area Rapid Transit authority, of which the City is a member city, and 6 1/4% is imposed by the State of Texas. These amounts do not include City sales tax collected on City services and mixed beverage taxes.

**TABLE CD-11**  
**COMPARATIVE MONTHLY SALES TAX COLLECTIONS<sup>(1)</sup>**  
(Unaudited)

<u>Month</u>	<u>2019-2020</u>	<u>2018-2019</u>	<u>2017-2018</u>
October	\$ 3,912,805	\$ 3,651,964	\$ 3,180,134
November	3,645,854	3,243,920	3,190,416
December	2,912,907 <sup>(2)</sup>	2,989,926	3,053,816
January	3,658,744 <sup>(2)</sup>	3,523,697	3,647,154
February	3,015,166 <sup>(2)</sup>	3,375,588	3,137,717
March	2,864,962 <sup>(2)</sup>	2,885,855	3,017,073
April	3,394,345 <sup>(2)</sup>	2,996,343	3,822,991
May	3,136,526 <sup>(2)</sup>	3,384,767	3,348,634
June	3,168,330 <sup>(2)</sup>	3,006,830	3,557,242
July	3,550,164 <sup>(2)</sup>	3,587,985	3,537,422
August	3,168,458 <sup>(2)</sup>	3,648,736	2,788,470
September	3,188,723 <sup>(2)</sup>	3,307,901	3,351,560
	<u>\$ 39,616,983</u>	<u>\$ 39,603,512</u>	<u>\$ 39,632,629</u>

Source: Comptroller of Public Accounts; City of Carrollton

<sup>(1)</sup> Amount does not include mixed beverage and sales taxes on City services.

<sup>(2)</sup> Projected amount, not actual. Based on City of Carrollton budget projections. Based on year to date sales tax collections, which for the first two months of the fiscal year, have been 16.04% over the original budget and 9.61% over prior year actual collections. Due to the volatility of sales tax revenues, the City adopted a financial policy in early 2013 to mitigate the risk of volatility. Such policy identifies amounts in excess of budgeted sales tax collections as a non-recurring revenue source, which is dedicated to fund capital improvement projects, and is not reflected as a source of operating revenues for the General Fund. Beginning in fiscal year 2019, the City adopted a new policy stating that the capped sales tax will not be allowed to grow more than 8% over the previous year's capped amount, while limiting the percentage of total sales tax spent for recurring items at 75%, with the remaining 25% on one-time non-recurring purposes.



CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
 Year ended September 30, 2019

**TABLE CD-12**  
**OUTSTANDING DEBT SERVICE REQUIREMENTS**  
**GENERAL OBLIGATION DEBT**  
 (Unaudited)

Fiscal Year <u>Ended</u> <u>30-Sep</u>	\$24,000,000 <sup>(1)</sup>				Total Debt Service Requirements
	Existing Debt <u>Service</u>	General Obligation Improvement Bonds Series 2020			
		<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	
2020	\$ 22,442,543	\$ 710,000	\$ 154,667	\$ 864,667	\$ 23,307,210
2021	21,170,892	1,165,000	931,600	2,096,600	23,267,492
2022	19,879,768	1,210,000	885,000	2,095,000	21,974,768
2023	18,945,517	1,260,000	836,600	2,096,600	21,042,117
2024	18,361,218	1,310,000	786,200	2,096,200	20,457,418
2025	18,359,730	1,360,000	733,800	2,093,800	20,453,530
2026	16,848,250	1,415,000	679,400	2,094,400	18,942,650
2027	15,455,400	1,470,000	622,800	2,092,800	17,548,200
2028	14,063,550	1,530,000	564,000	2,094,000	16,157,550
2029	14,072,419	1,590,000	502,800	2,092,800	16,165,219
2030	12,315,694	1,655,000	439,200	2,094,200	14,409,894
2031	10,136,250	1,720,000	373,000	2,093,000	12,229,250
2032	8,621,225	1,790,000	304,200	2,094,200	10,715,425
2033	6,883,912	1,865,000	232,600	2,097,600	8,981,512
2034	4,450,188	1,935,000	158,000	2,093,000	6,543,188
2035	1,265,250	2,015,000	80,600	2,095,600	3,360,850
2036	-	-	-	-	0
	<u>\$ 223,271,806</u>	<u>\$ 24,000,000</u>	<u>\$ 8,284,467</u>	<u>\$ 32,284,467</u>	<u>\$ 255,556,273</u>

<sup>(1)</sup> Estimated 2020 debt issuance. Assumed interest rate of 4.00%

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
Year ended September 30, 2019

**TABLE CD-13**  
**AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS<sup>(1)</sup>**  
(Unaudited)

<b>Authorization Purpose</b>	<b>Authorization Date</b>	<b>Amount Authorized</b>	<b>Prior Issuance</b>	<b>2020 Bonds<sup>(2)</sup></b>	<b>Balance Unissued</b>
Street Improvements & Traffic Flow	05/05/18	\$ 65,030,000	\$ -	\$ 19,800,000	\$ 45,230,000
Public Safety Facilities Improvements	05/05/18	6,250,000	-	1,050,000	5,200,000
Parks & Recreation Improvements	05/05/18	13,400,000	-	3,150,000	10,250,000
		<u>\$ 84,680,000</u>	<u>\$ -</u>	<u>\$ 24,000,000</u>	<u>\$ 60,680,000</u>

<sup>(1)</sup> This schedule reflects authorizations which have remaining balances outstanding. Prior authorizations have been completely utilized and are reflected in the total debt outstanding.

<sup>(2)</sup> The 2020 Bonds assume use of par and premium against authorization.

**TABLE CD-14**  
**GENERAL FUND<sup>(1)</sup> COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES**  
(Unaudited)

	<b>Fiscal Year Ending September 30</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Fund Balance -					
Beginning of Year	\$ 30,500,768	\$ 20,760,160	\$ 21,555,016	\$ 19,086,008	\$ 20,804,224
Revenues:					
Taxes & Franchise Fees	101,194,431	97,230,466	90,346,048	84,177,069	78,296,612
Charges for Services	5,789,342	5,716,495	6,158,205	5,892,576	5,485,692
Fines and Forfeitures	4,155,874	4,778,759	4,994,567	5,714,631	6,833,415
Investment Income	1,890,654	936,731	650,967	460,909	337,074
Licenses and Permits	2,920,751	3,580,421	2,525,756	3,038,325	2,797,402
Intergovernmental	118,961	270,572	111,646	96,015	17,328
Miscellaneous	594,174	583,707	740,709	529,415	636,249
Total Revenues	<u>116,664,187</u>	<u>113,097,151</u>	<u>105,527,898</u>	<u>99,908,940</u>	<u>94,403,772</u>
Expenditures:					
General Government and					
Administration	17,087,424	15,594,492	15,321,401	14,014,017	14,249,773
Development Services	12,744,091	11,075,739	10,391,297	10,840,186	9,979,839
Public Safety	61,925,374	58,379,196	55,619,820	52,651,617	50,226,235
Cultural and Recreation	12,367,653	12,552,134	12,172,177	11,320,937	11,013,334
Net Transfers	12,302,712	5,754,982	12,818,059	8,613,175	10,652,807
Total Expenditures	<u>116,427,254</u>	<u>103,356,543</u>	<u>106,322,754</u>	<u>97,439,932</u>	<u>96,121,988</u>
Excess/Deficiency of Revenues over					
Expenditures	<u>236,933</u>	<u>9,740,608</u>	<u>(794,856)</u>	<u>2,469,008</u>	<u>(1,718,216)</u>
Fund Balance -					
End of Year	<u>\$ 30,737,701</u>	<u>\$ 30,500,768</u>	<u>\$ 20,760,160</u>	<u>\$ 21,555,016</u>	<u>\$ 19,086,008</u>

<sup>(1)</sup>The General Fund is the main operating fund of the City, used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in the General Fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund. The General Fund includes most of the basic operating services such as fire and police protection, environmental services, parks and recreation, libraries and street maintenance.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
 Year ended September 30, 2019

**TABLE CD-15**  
**GENERAL FUND**  
**CURRENT OPERATIONS**  
 (Unaudited)

On September 17, 2019, the 2019-20 budget was adopted by the City Council. The following General Fund Operating Budget is presented on a budget basis presentation.

<u>Revenues</u>	<b>2018-2019</b> <u>Actual<sup>(1)</sup></u>	<b>2019-2020</b> <u>Adopted Budget<sup>(3)</sup></u>	<b>2019-2020</b> <u>Current Estimate<sup>(2)</sup></u>
Property Taxes	\$ 49,728,469	\$ 53,393,999	\$ 53,604,570
Sales Taxes	39,683,051	38,815,765	39,864,851
911 Taxes	-	1,069,525	1,069,525
Franchise Fees	11,729,121	10,688,692	10,688,692
Licenses and Permits	2,920,750	2,416,627	2,378,270
Charges for Services	5,617,846	5,724,940	5,624,891
Fines and Forfeiture	4,057,639	3,942,697	3,679,316
Other Revenues	639,922	529,373	529,373
Investment Income	1,518,459	1,008,458	1,008,458
Transfers In	<u>2,956,023</u>	<u>2,981,928</u>	<u>2,981,928</u>
Total Revenues	<u>\$ 118,851,280</u>	<u>\$ 120,572,004</u>	<u>\$ 121,429,874</u>
 <b><u>Expenditures</u></b>			
Personnel Services	\$ 65,799,952	\$ 68,621,710	\$ 69,186,471
Supplies and Services	14,473,476	15,457,077	15,632,902
Utilities	2,296,038	2,277,154	2,277,154
Allocations	17,494,197	20,516,834	20,516,834
Capital Outlay	1,084,793	908,335	908,335
Transfers Out	<u>18,257,536</u>	<u>16,666,950</u>	<u>15,926,364</u>
Total Expenditures	<u>\$ 119,405,992</u>	<u>\$ 124,448,060</u>	<u>\$ 124,448,060</u>

<sup>(1)</sup>For annual budget purposes, the City utilizes an Administrative Services Fund for internal allocation of overall costs. For year-end financial reporting purposes, this fund is consolidated with the General Fund in the Comprehensive Annual Financial Report. The above figures represent only the General Fund as presented in the annual budget and do not include consolidation of the Administrative Services Fund.

<sup>(2)</sup>As of November 30, 2019. City Staff monitors actual revenues and expenditures monthly and revisions are made to forecasted budget numbers as necessary to reflect changes in the economy and changes in laws or regulations that might affect operations.

<sup>(3)</sup>The City will periodically draw down fund balance to more closely reflect its 60-day of expenditure target. This is accomplished through transfers to the Capital Projects fund. Recurring sources and uses will remain in balance.

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
Year ended September 30, 2019

**TABLE CD-16**  
**CURRENT INVESTMENTS**  
(Unaudited)

As of September 30, 2019 the following percentages of the City's investable funds were invested in the following investment categories and the weighted average maturity of the total City portfolio was 1.61 years

<b><u>Type of Investment</u></b>	<b><u>Amortized Value</u></b>	<b><u>Percentage</u></b>
Coupon Agencies	\$ 162,332,182	66.53%
Municipal Bonds	38,932,629	15.96%
Treasury Notes	12,975,972	5.32%
Government Pools <sup>(1)</sup>	<u>29,748,083</u>	<u>12.19%</u>
Total Securities	<u>\$ 243,988,866</u>	<u>100.00%</u>

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<sup>(1)</sup>The City's government pool investments are in the Texas Local Government Investment Pools ("TexPool") the Local Government Investment Cooperative ("LOGIC"), the Texas Cooperative Liquid Assets Securities System Trust ("TexasCLASS:) and the TexasTERM Local Government Investment Pool ("TexasDaily"). All investment pools are rated AAAM by S&P and operate in a manner consistent with Chapter 2256, Texas

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
 Year ended September 30, 2019

**TABLE CD-17**  
**WATER & WASTEWATER SYSTEM**  
**REVENUE BOND DEBT SERVICE REQUIREMENTS**  
 (Unaudited)

<b>Fiscal Year</b>	<b>Existing Debt</b>		<b>Total</b>
<b><u>Ended</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Debt Service</u></b>
<b><u>30-Sep</u></b>			<b><u>Requirements</u></b>
2020	\$ 1,655,000	\$ 498,950	\$ 2,153,950
2021	1,695,000	457,550	2,152,550
2022	1,750,000	394,500	2,144,500
2023	1,340,000	342,000	1,682,000
2024	515,000	301,800	816,800
2025	540,000	281,200	821,200
2026	560,000	259,600	819,600
2027	585,000	231,600	816,600
2028	615,000	202,350	817,350
2029	645,000	171,600	816,600
2030	675,000	145,800	820,800
2031	700,000	118,800	818,800
2032	730,000	90,800	820,800
2033	755,000	61,600	816,600
2034	785,000	31,400	816,400
<b>Totals</b>	<b><u>\$ 13,545,000</u></b>	<b><u>\$ 3,589,550</u></b>	<b><u>\$ 17,134,550</u></b>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
 Year ended September 30, 2019

**TABLE CD-18**  
**WATER AND WASTEWATER SYSTEM OPERATING STATEMENT AND**  
**REVENUE BONDS COVERAGE**  
 (Unaudited)

	<b>Fiscal Year Ending September 30</b>				
	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Revenues</b>	\$ 46,192,294	\$ 45,476,534	\$ 40,014,788	\$ 37,738,309	\$ 35,668,929
Expenses:					
Personnel Services	4,320,610	4,206,038	3,989,218	4,160,938	3,740,948
Supplies and Services	29,152,264	29,415,211	26,136,178	23,785,815	21,505,088
Utilities	937,553	890,563	946,111	874,429	858,560
Allocations	859,139	810,228	1,222,871	1,209,405	1,175,733
Provision for					
Doubtful accounts	103,091	102,478	39,523	44,919	44,450
Transfers Out	4,497,117	3,970,635	3,658,286	3,663,133	3,587,841
<b>Total Expenses</b>	<u>39,869,774</u>	<u>39,395,153</u>	<u>35,992,187</u>	<u>33,738,639</u>	<u>30,912,620</u>
<b>Net Available for Debt Service</b>	<u>\$ 6,322,520</u>	<u>\$ 6,081,381</u>	<u>\$ 4,022,601</u>	<u>\$ 3,999,670</u>	<u>\$ 4,756,309</u>
<b>Customer Count Water/Sewer</b>	37,482	37,686	37,168	36,841	38,975
<b>Average Annual Debt Service</b>	\$ 1,142,303	\$ 1,237,640	\$ 1,385,524	\$ 1,426,329	\$ 1,460,318
<b>Coverage</b>	5.53 x	4.91 x	2.90 x	2.80 x	3.26 x
Average Annual Debt Service - 2019/2034					\$ 1,142,303
Coverage of Average Annual Debt Service at 9/30/19 Net Available					\$ 5.53
Maximum Annual Debt Service - 2020/2034					\$ 2,153,950
Coverage of Maximum Annual Debt Service at 9/30/19 Net Available					\$ 2.94

**TABLE CD-19**  
**FUND BALANCES**  
**(As of September 30, 2019)**  
 (Unaudited)

Reserve Fund	\$ 1,142,303
Interest and Sinking Fund	<u>889,146</u>
<b>Total Fund Balances</b>	<u><b>\$ 2,031,449</b></u>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
Year ended September 30, 2019

**TABLE CD-20**  
**WATER AND WASTEWATER OPERATING FUND**  
**SUMMARY OF BUDGETED REVENUES AND EXPENDITURES**  
(Unaudited)

	<b>2018-2019</b>	<b>2019-20</b>
	<b>Actual <sup>(1)</sup></b>	<b>Adopted Budget <sup>(1)(2)</sup></b>
<b><u>Beginning Operating Funds</u></b>	\$ 11,699,623	\$ 12,594,993
<b><u>Revenues</u></b>		
Water Sales & Charges	25,830,689	27,814,740
Sewer Sales & Charges	18,050,056	17,431,078
Rate Increase	-	2,773,359
Tag & Reconnect Fees	475,595	395,000
Industrial Surcharge	371,420	465,000
Backflow Prevention Charges	197,929	220,000
Investment Income	251,629	200,000
Miscellaneous	141,065	175,000
Transfers In	-	-
Total Revenues	\$ 45,318,383	\$ 49,474,177
<b><u>Total Funds Available</u></b>	\$ 57,018,006	\$ 62,069,170
<b><u>Expenditures</u></b>		
Personnel Services	3,711,355	4,371,406
Supplies and Services	28,627,386	32,537,231
Utilities	930,528	774,266
Allocations	4,043,824	4,043,531
Capital Outlay	-	-
Canceled Encumbrances	(2,028)	-
Transfers Out	5,091,720	8,714,578
Total Expenditures	\$ 42,402,785	\$ 50,441,012
<b><u>Ending Operating Funds</u></b>	\$ 14,615,221	\$ 11,628,158

<sup>(1)</sup>Budget basis.

<sup>(2)</sup>Includes a projected average increase of 8.2% on water and sewer rates effective 1/1/2020.

**TABLE CD-21**  
**UTILITY PLANT IN SERVICE**  
**(As of September 30, 2019)**  
(Unaudited)

Land	\$ 1,382,918
Utility Plant	268,969,159
Equipment and Intangibles	7,016,083
Construction in Progress	204,753
Total Capital Assets	277,572,913
Less Accumulated Depreciation	(160,575,142)
<b>Net Utility Plant in Service</b>	<b>\$ 116,997,771</b>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
Year ended September 30, 2019

**TABLE CD-22**  
**WATER AND WASTEWATER FUND**  
**CITY'S EQUITY IN SYTEM**  
(Unaudited)

	Fiscal Year Ending September 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Water & Wastewater					
System in Service	\$ 277,572,913	\$ 271,625,960	\$ 267,226,393	\$ 264,861,970	\$ 262,394,907
Reserve for Depreciation	<u>(160,575,142)</u>	<u>(154,489,548)</u>	<u>(146,879,329)</u>	<u>(139,366,148)</u>	<u>(132,053,043)</u>
Net plant in Service	116,997,771	117,136,412	120,347,064	125,495,822	130,341,864
Construction Funds Net Position	<u>19,722,465</u>	<u>12,771,837</u>	<u>12,594,277</u>	<u>10,930,257</u>	<u>9,882,200</u>
Net Plant in Service and Coming on Line	<u>136,720,236</u>	<u>129,908,249</u>	<u>132,941,341</u>	<u>136,426,079</u>	<u>140,224,064</u>
Plus Other Assets/Deferred Outflows of Resources	2,089,151	425,502	1,167,529	1,438,770	537,237
Plus Operating Working Capital Assets and Deferred Outflows of Resources Net of Current Liabilities and Debt Reserves	<u>12,287,310</u>	<u>10,190,231</u>	<u>11,351,689</u>	<u>12,195,938</u>	<u>12,528,176</u>
	<u>151,096,697</u>	<u>140,523,982</u>	<u>145,460,559</u>	<u>150,060,787</u>	<u>153,289,477</u>
Long Term Debt	13,153,490	4,854,536	10,710,117	12,169,237	13,578,357
Less Debt Reserves	<u>(1,142,303)</u>	<u>(1,237,640)</u>	<u>(1,385,524)</u>	<u>(1,426,329)</u>	<u>(1,460,318)</u>
Net Long Term Debt	12,011,187	3,616,896	9,324,593	10,742,908	12,118,039
Plus Other Liabilities/ Deferred Inflows of Resources	<u>2,876,023</u>	<u>1,141,541</u>	<u>1,857,549</u>	<u>2,027,075</u>	<u>1,006,277</u>
Total Obligations and Deferred Inflows of Resources	14,887,210	4,758,437	11,182,142	12,769,983	13,124,316
City's Equity in System	<u>\$ 136,209,487</u>	<u>\$ 135,765,545</u>	<u>\$ 134,278,417</u>	<u>\$ 137,290,804</u>	<u>\$ 140,165,161</u>
% Equity	90.15%	96.61%	92.31%	91.49%	91.44%

**Notes:**

The City implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have been restated for the effects of this standard.

The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years presented have not been restated for the effects of this standard.

The City implemented GASB Statement No. 75 in fiscal year 2018. The amounts for all prior fiscal years presented have not been restated for the effects of this standard.



CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables  
Year ended September 30, 2019

**TABLE CD-23**  
**TOP TEN WATER CUSTOMERS**  
**AS OF 9/30/2019**  
(Unaudited)

<u>Name</u>	<u>Type</u>	<u>Revenues</u>	<u>% of Total Water Revenues<sup>(1)</sup></u>
1. Carrollton-Farmers Branch ISD	School District	\$ 375,688	1.45%
2. Rudy's Tortillas	Manufacturing	177,511	0.69%
3. Lewisville ISD	School District	159,104	0.62%
4. Western Extrusions Inc.	Apartments	150,289	0.58%
5. Frankel Family Trust	Manufacturing	131,060	0.51%
6. Autumn Chase Apartments	Apartments	108,043	0.42%
7. Prologis	Manufacturing	98,730	0.38%
6. Mansions at Sunset Ridge	Apartments	94,030	0.36%
9. SPA Castle	Hospitality Services	93,304	0.36%
10. Meridian Apartments	Apartments	85,685	0.33%
<b>TOTAL</b>		<b>\$ 1,473,444</b>	<b>5.70%</b>

**NOTES:**

<sup>(1)</sup>Total water revenues from October 1, 2019 through September 30, 2020 was \$ 25,830,689

Source: City of Carrollton Utility Customer Service Department.

**TABLE CD-24**  
**WATER USAGE**  
(Unaudited)

<u>Fiscal Year Ended 9/30</u>	<u>Average Daily Use In Gallons</u>	<u>Maximum Daily Use In Gallons</u>	<u>Total Gallons for Year</u>
2010	19,635,000	40,022,000	7,166,971,000
2011	22,311,000	41,106,000	8,143,386,000
2012	20,808,000	40,680,000	7,594,764,000
2013	20,171,000	38,388,000	7,362,343,000
2014	18,890,000	32,262,000	6,954,726,000
2015	19,548,000	41,609,000	7,151,918,000
2016	19,524,000	35,439,000	7,126,366,000
2017	19,753,000	29,339,000	7,209,845,000
2018	20,711,000	37,720,000	7,578,297,000
2019	19,203,000	37,735,000	7,410,532,000

Source: City of Carrollton Water Distribution Department.

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
Year ended September 30, 2019

**TABLE CD-25**  
**WATER & WASTEWATER RATES<sup>(1)</sup>**  
(Unaudited)

**Monthly Water Rates:**

**Minimum monthly charge, including the first 2,000 gallons of use:**

Single-family residential domestic and irrigation use	\$	14.34
Commercial (including apartments and portable meters), industrial and commercial irrigation use:		
5/8" meter	\$	14.62
1" meter		22.52
1.5" meter		35.74
2" meter		51.58
3" meter		93.80
4" meter		141.30
6" meter		273.31
8" meter		431.72
10" meter		616.50
Fire Line regardless of size		74.16

**Use over the 2,000 gallons included in the minimum monthly charge:**

Single-family residential domestic use		
Meter Readings from October through April:		
All Over 2,000 gallons (per 1,000 gallons)	\$	3.39
Meter Readings from May through September:		
Next 8,000 gallons (per 1,000 gallons)		3.39
All Over 10,000 gallons (per 1,000 gallons)		4.55
All Over 25,000 gallons (per 1,000 gallons)		5.68
Irrigation use:		
Next 23,000 gallons (per 1,000 gallons)	\$	3.48
Next 25,000 gallons (per 1,000 gallons)		4.15
Next 50,000 gallons (per 1,000 gallons)		4.70
Next 100,000 gallons (per 1,000 gallons)		5.29
All use over 200,000 gallons (per 1,000 gallons)		5.90
Commercial use (including apartments and portable meters)		
All use over 2,000 gallons (per 1,000 gallons)	\$	2.41
Industrial Use: Industrial use rates for water service will apply to customers in the business of assembly or manufacturing of goods and for which water usage equals or exceed 750,000 gallons per month for nine out of twelve months in the year:		
All use over 2,000 gallons (per 1,000 gallons)	\$	2.13

**Monthly Sewer Rates:**

Residential use:		
First 2,000 gallons, minimum	\$	15.55
All use over 2,000 gallons (per 1,000 gallons)		3.62
Commercial (including apartments), Industrial and Irrigation minimum monthly charges, including the first 2,000 gallons of use:		
5/8" meter	\$	15.55
1" meter		22.52
1.5" meter		34.07
2" meter		47.91
3" meter		84.89
4" meter		126.81
6" meter		241.88
8" meter		380.44
10" meter		542.07
Commercial and Industrial use:		
All use over 2,000 gallons (per 1,000 gallons)	\$	3.62

<sup>(1)</sup> Rates effective January 1, 2020.

**CITY OF CARROLLTON, TEXAS**

Continuing Disclosure Tables  
Year ended September 30, 2019

**TABLE CD-26**

**COMPARATIVE WATER AND SEWER REVENUES, EXPENSES AND CHANGES IN NET POSITION (GAAP BASIS)**  
(Unaudited)

	<b>Fiscal Year Ending September 30</b>				
	2019	2018	2017	2016	2015
Operating revenues:					
Charges for services	\$ 45,058,318	\$ 45,005,225	\$ 39,630,140	\$ 37,361,058	\$ 35,301,330
Miscellaneous	263,300	224,795	197,032	204,467	174,697
Total operating revenues	<u>45,321,618</u>	<u>45,230,020</u>	<u>39,827,172</u>	<u>37,565,525</u>	<u>35,476,027</u>
Operating expenses:					
Personal services	4,320,610	4,206,038	3,989,218	4,160,938	3,740,948
Supplies and Services	29,255,355	29,517,689	26,175,701	23,830,734	21,549,538
Utilities	937,553	890,563	946,111	874,429	858,560
Allocations	859,139	810,228	1,222,871	1,209,405	1,175,733
Depreciation	6,645,933	7,628,552	7,595,388	7,443,949	7,291,949
Total operating expenses	<u>42,018,590</u>	<u>43,053,070</u>	<u>39,929,289</u>	<u>37,519,455</u>	<u>34,616,728</u>
Income (loss) from operations	<u>3,303,028</u>	<u>2,176,950</u>	<u>(102,117)</u>	<u>46,070</u>	<u>859,299</u>
Nonoperating revenues (expenses):					
Investment earnings net of change in fair value	870,676	246,514	187,616	172,784	192,902
Gain on sale/retirement of capital assets	94,551	4,232	21,514	37,256	29,757
Interest expense	(250,672)	(236,632)	(426,206)	(477,678)	(521,786)
Total nonoperating revenues (expenses)	<u>714,555</u>	<u>14,114</u>	<u>(217,076)</u>	<u>(267,638)</u>	<u>(299,127)</u>
Income (loss) before contributions and transfers	4,017,583	2,191,064	(319,193)	(221,568)	560,172
Capital contributions	923,476	3,266,699	965,092	1,003,684	2,027,734
Transfers in	-	-	-	6,660	-
Transfers out	<u>(4,497,117)</u>	<u>(3,970,635)</u>	<u>(3,658,286)</u>	<u>(3,663,133)</u>	<u>(3,587,841)</u>
Change in net position	443,942	1,487,128	(3,012,387)	(2,874,357)	(999,935)
Net position at beginning of year, as previously reported	135,765,545	134,278,417	137,290,804	140,165,161	141,339,826
Impact of change in accounting principle	-	-	-	0	(174,730)
Net position at beginning of year, as restated	<u>135,765,545</u>	<u>134,278,417</u>	<u>137,290,804</u>	<u>140,165,161</u>	<u>141,165,096</u>
Net position at end of year	<u>\$ 136,209,487</u>	<u>\$135,765,545</u>	<u>\$134,278,417</u>	<u>\$137,290,804</u>	<u>\$140,165,161</u>

**NOTES:**

The City implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have been restated for the effects of this standard.

The City implemented GASB Statement No. 68 in fiscal year 2015. The amounts for all prior fiscal years presented have not been restated for the effects of this standard.

The City implemented GASB Statement No. 75 in fiscal year 2018. The amounts for all prior fiscal years presented have not been restated for the effects of this standard.



**CARROLLTON**  
**T E X A S**