



CARROLLTON
TEXAS



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2022



CARROLLTON
TEXAS

Where Connections Happen

City of Carrollton
1945 E. Jackson Road
Carrollton, Texas 75006

972-466-3000 • cityofcarrollton.com



CARROLLTON

T E X A S

ADOPTED ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year October 1, 2021 – September 30, 2022



Council (L-R): Adam Polter, Councilmember; Christopher Axberg, Councilmember; Richard Fleming, Councilmember; Erin Rinehart, City Manager; Steve Babick, Mayor; Andrew Palacios, Mayor Pro Tem; H.A. “Rusty” Pendleton, Councilmember; Nancy Cline, Deputy Mayor Pro Tem; Young Sung, Councilmember

Prepared By:

Diana Vaughn, CPA, Chief Financial Officer Melissa Everett, MS, Finance Director

Shena Washington, MBA, Controller
Micheal Spanos, CGFO, Sr. Accountant
Elise Loftis, MBA, Sr. Accountant

Gage Hartley, Sr. Budget Analyst
Claudia Gallegos, City Treasurer

CITY OF CARROLLTON, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT YEAR ENDED SEPTEMBER 30, 2022 TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION (unaudited)	
Letter of Transmittal	IV-XI
List of Principal Officials	XII
Organizational Chart	XIII
GFOA Certificate of Achievement	XIV
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis (unaudited)	4-18
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	21
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position	22
Statement of Revenues, Expenditures and Changes in Fund Balances	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Revenues, Expenditures and Changes in Fund Balances- Budget and Actual- General Fund	25
Proprietary Funds:	
Statement of Net Position	26
Statement of Revenues, Expenses and Changes in Net Position	27
Statement of Cash Flows	28-29
Notes to Basic Financial Statements	31-73
Required Supplementary Information (unaudited):	
Texas Municipal Retirement System Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	74
Texas Municipal Retirement System Schedule of Contributions	75
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	76
Combining and Individual Nonmajor Fund Statements and Schedules:	
Combining Financial Statements – Nonmajor Governmental Funds:	
Combining Balance Sheet	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	79

CITY OF CARROLLTON, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT YEAR ENDED SEPTEMBER 30, 2022 TABLE OF CONTENTS

	<u>Page</u>
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Hotel/Motel Tax Special Revenue Fund	83
Public Safety Special Revenue Fund	84
Public Improvement District Fund	85
Cultural and Recreational Revenue Fund	86
Debt Service Fund	87
Supplementary Individual Fund Financial Statements and Schedules – General Fund:	
Comparative Balance Sheets	89
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	90
Schedule of Revenues - Budget and Actual	91
Schedule of Expenditures - Budget and Actual	92-97
Combining Financial Statements – Internal Service Funds:	
Combining Statement of Net Position	99
Combining Statement of Revenues, Expenses and Changes in Net Position	100
Combining Statement of Cash Flows	101
Supplementary Individual Fund Financial Statements – Proprietary Funds:	
Enterprise Funds:	
Water and Sewer Fund:	
Comparative Statements of Net Position	103
Comparative Statements of Revenues, Expenses and Changes in Net Position	104
Comparative Statements of Cash Flows	105
Golf Course Fund:	
Comparative Statements of Net Position	106
Comparative Statements of Revenues, Expenses and Changes in Net Position	107
Comparative Statements of Cash Flows	108
Sanitation Fund:	
Comparative Statements of Net Position	109
Comparative Statements of Revenues, Expenses and Changes in Net Position	110
Comparative Statements of Cash Flows	111
Internal Service Funds:	
Fleet Services Fund:	
Comparative Statements of Net Position	113
Comparative Statements of Revenues, Expenses and Changes in Net Position	114
Comparative Statements of Cash Flows	115

CITY OF CARROLLTON, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT YEAR ENDED SEPTEMBER 30, 2022 TABLE OF CONTENTS

		<u>Page</u>
Risk Management Fund		
Comparative Statements of Net Position		116
Comparative Statements of Revenues, Expenses and Changes in Net Position		117
Comparative Statements of Cash Flows		118
Employee Health and Disability Fund:		
Comparative Statements of Net Position		119
Comparative Statements of Revenues, Expenses and Changes in Net Position		120
Comparative Statements of Cash Flows		121
 STATISTICAL SECTION (Unaudited)		 <u>Tables</u>
Financial Trends		
Net Position by Component	1	124
Changes in Net Position	2	125-126
Fund Balances, Governmental Funds	3	127
Changes in Fund Balances, Governmental Funds	4	128
Revenue Capacity		
Assessed Value and Estimated Actual Value of Taxable Property	5	129
Estimated Net Taxable Value at Budget Adoption	6	130
Direct and Overlapping Property Tax Rates	7	131
Principal Property Tax Payers	8	132
Property Tax Levies and Collections	9	133
Debt Capacity		
Ratio of Outstanding Debt by Type	10	134
Ratio of General Bonded Debt Outstanding	11	135
Direct and Overlapping Governmental Activities Debt	12	136
Pledged-Revenue Coverage	13	137
Direct and Contractually Obligated – Property Tax and Revenue Debt	14	138
Demographic and Economic Information		
Demographic and Economic Statistics	15	139
Principal Employers	16	140
Operating Information		
Full-time Equivalent City Government		
Employees by Function/Program	17	141
Operating Indicators by Function/Program	18	142
Capital Asset Statistics by Function/Program	19	143
Other Information		
Texas Municipal Retirement System – Analysis of Funding		
Progress and Contribution Rates	20	144
Active and Retiree Health Insurance Costs	21	145
 CONTINUING FINANCIAL DISCLOSURE TABLES (Unaudited)	 CD-1 to CD-26	 148-166



January 25, 2023

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 Annual Comprehensive Financial Report for the City of Carrollton, Texas for the fiscal year ending September 30, 2022.

This report provides the City Council, City staff, our citizens, 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.

FORVIS, LLP, Certified Public Accountants, has issued an "unmodified" clean opinion on the City's financial statements for the fiscal year ended September 30, 2022. 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 north of 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 flows east to west through the City, State Highway 121 is 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 include: police and fire protection, emergency ambulance service, developmental and environmental services, water and sewer services, sanitation services, library services, park and recreational facilities, 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 judgments 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. The 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 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-Forth Worth (DFW) economy was strong in its continued recovery from the COVID-19 pandemic and was one of the nation's fastest growing in 2022. Output in manufacturing has continued to increase throughout the year, however demand has slowed in the last quarter of 2022, increasing the inventory in supplies. The increase to interest rates throughout the year has also hampered loan demand for homes and buyer interest. Employment has remained strong in the area and DFW has had a lower unemployment percentage than both the state and national average. In their December update, the Federal Reserve Bank of Dallas reported the following:

Job Growth Annualized (Aug-Oct 22)	Unemployment Rates	Average Hourly Wages	Average Hourly Wage Growth (Year Over Year)
+2.5%	3.5%	\$ 33.62	+3.2%

Dallas-Fort Worth's economy expanded in October. Payroll employment grew broadly and unemployment held steady. Home sales and apartment demand fell again, and home inventories rose. In the third quarter, housing affordability dipped further due to rising mortgage rates.



Carrollton's Position in the Region

Carrollton is 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 4.7% of the total assessed valuation in the City.

The City also benefits from a well-educated and affluent workforce. According to U.S. Census Bureau's 2021 American Community Survey, Carrollton's median household income of \$86,647 compares favorably to \$75,975 for DFW and \$66,963 for Texas. Also, according to the survey, the workforce is educated with 42.6% of the population having a bachelor's degree or more, compared to 38.3% for DFW and 33.1% for Texas.

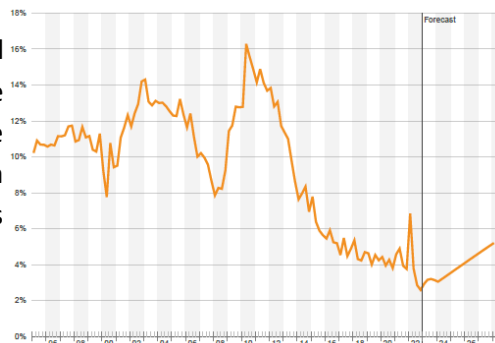
The following facts reflect Carrollton's economic condition and outlook:

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 eight 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 sales 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 September 2022, Carrollton's unemployment was 3.5%, well below the state's rate.

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. The City currently has a 97.2% occupancy rate of its industrial business areas in the city.

Industrial Vacancy Rates





Total certified taxable value, not including estimated value for property under protest, for all residential and commercial property in the City was valued at approximately \$19.1 billion for **tax year 2022**, a 13.54% increase from the previous year.

Sales tax collections, which includes mix-drink sales tax, totaled \$48,705,881 in fiscal year 2022, a 5.5% increase from the previous year. This number is a result of the strong economic recovery over the last twelve months.

Future Economic Outlook

The implementation of the Comptroller's change to rule 3.334, which would redistribute sales tax dollars, was delayed due to a lawsuit which was ruled in favor of the municipalities that filed it. However, the necessary changes were made by the Comptroller to come in compliance with the lawsuit findings, and the rule change has been refiled. The city continues to budget conservatively in fiscal year 2023 in preparations for the implementation of the proposed changes. The city's sales tax budget for fiscal year 2023 was decreased by 5.4% from the mid-year re-estimate budget for fiscal year 2022. In calendar year 2022, the city performed 14.21% better than the previous calendar year, and for fiscal year 2022, the city came in 16.6% over budgeted revenue. The City recognizes its exposure to sales tax volatility and has adopted a sales tax mitigation strategy whereby a portion of sales tax is dedicated to non-recurring capital expenditures.

For fiscal year 2023, property valuations increased 12.81% with a 12.07% increase in residential property and 13.46% increase in commercial and industrial properties. Carrollton has approximately 776 acres of vacant land ready for future development with 575 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 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:

- Maintained conservative financial policies and strong financial position that will allow it to react quickly to development opportunities as well as withstanding economic downturns.



- Continuously evaluated the workforce for possible reductions. The savings from continuous evaluation of the workforce has been reinvested in the community through increased capital expenditure, increased code enforcement, and neighborhood reinvestment programs.
- Aggressively pursued transit-oriented development related to the light rail which arrived in the City in December 2010. Over the last year, the DART's Silver Line project has commenced construction with an expectation of operation in 2024. This line will provide DFW a connection from east to west, through Carrollton, to the Dallas-Fort Worth International Airport. Carrollton's multiple rail lines will allow it to eventually become one of the three mass transit rail hubs in the Metroplex.

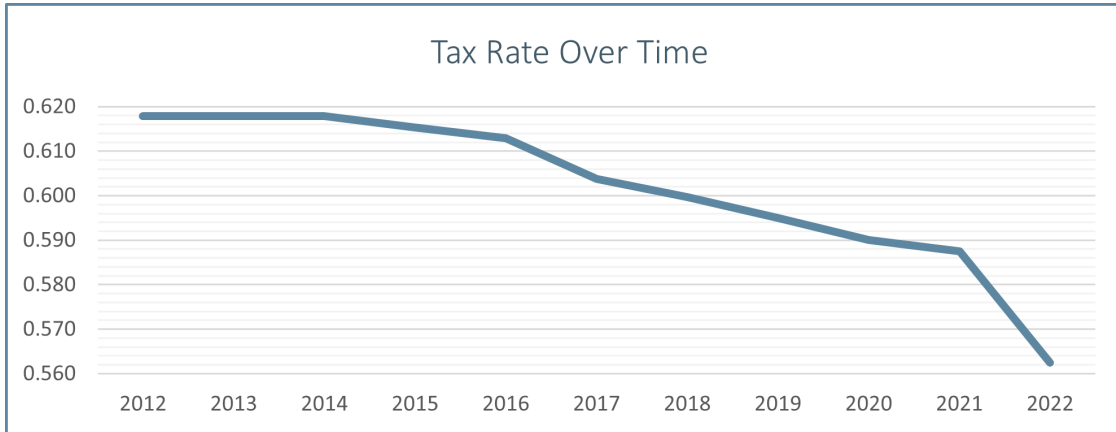
Long-term Financial Planning

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 2022, sales tax exceeded the "cap" for operating purposes by over \$22.3 million. This excess will be used for one-time non-recurring purposes in the fiscal year 2023 and fiscal year 2024 budget cycles.

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 five years. Additionally, a multi-year Capital Plan is prepared and presented to the City Council as part of the annual budget process.

Carrollton continues its focus to be a city that businesses and families want to call home. In the upcoming tax year 2022, the City reduced its tax rate to 0.56250 per \$100 assessed value due to the strong growth of its tax base. The City also increased its senior exemption in 2022 to \$80,000. The City has also continued its focus on the investment of infrastructure throughout its boundaries. In fiscal year 2022, the city budgeted over \$89 million in capital funding. Major budget initiatives in fiscal year 2023 included capital funding of over \$120 million for new projects funded from debt issuance, non-recurring sources, and tax revenue.



In addition, the City has recognized the long-term financial implications of its pension and retiree health benefits. Regarding pensions, the city has significantly stepped up funding to ensure the long-term sustainability of the plan. Due to a large decrease in the city's other post-employment benefits (OPEB) liability in 2022, the city took the opportunity to open its retiree health care plan instead of relying solely on the previous defined contribution plan. In 2022, the city opened this plan to all employees and provided a blended rate to those who have over 10 continuous years of service and are over the age of 60. The city maintains a healthy fund balance in our Employee Health Fund and continues its regular review of its financial status throughout the year.

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 Auditor's Report has been included in this report.

Additionally, the City's Audit, Finance, and Governance Committee serves as a subcommittee of the City Council and functions as an audit committee to hear and review 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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. 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 annual comprehensive financial report (ACFR), whose contents conform to program standards. Such ACFR 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 32 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".

Erin Rinehart
City Manager

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

Diana Vaughn, CPA
Chief Financial Officer

A handwritten signature in blue ink, appearing to read "Melissa Everett".

Melissa Everett, MS
Finance Director

CITY OF CARROLLTON, TEXAS

City Council

Steve Babick, Mayor

Andrew Palacios, Mayor Pro Tem, Place 4

Nancy Cline, Deputy Mayor Pro Tem, Place 5

Christopher Axberg
Place 1

Adam Polter
Place 2

Richard Fleming
Place 3

Young Sung
Place 6

H.A. "Rusty" Pendleton
Place 7

City Manager

Erin Rinehart

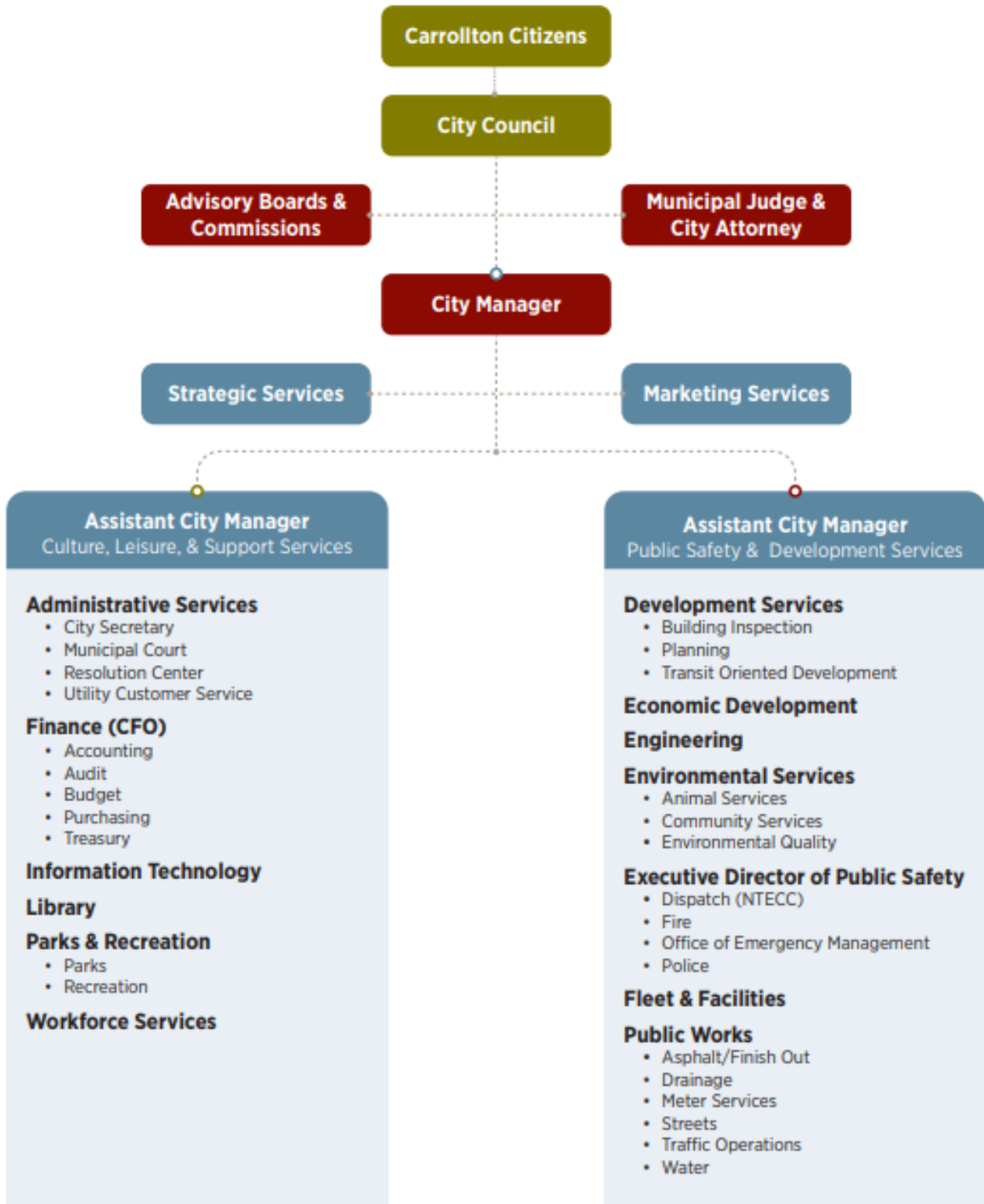
Assistant City Manager

Chrystal Davis

Chief Financial Officer

Diana Vaughn, CPA

Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Carrollton
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO



CARROLLTON
T E X A S

Independent Auditor's Report

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

Opinions

We have audited the 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 (City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit for the year ended September 30, 2022, was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and budgetary schedules for the year ended September 30, 2022, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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 for the year ended September 30, 2022, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance GAAS. In our opinion, the combining and individual fund financial statements and budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended September 30, 2022.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City as of and for the year ended September 30, 2021 (not presented herein), and have issued our report thereon dated February 2, 2022, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The combining and individual fund financial statements and budgetary schedules for the year ended September 30, 2021, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2021 financial statements. The information was subjected to the audit procedures applied in the audit of the 2021 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and budgetary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended September 30, 2021.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises introductory section, statistical section, and continuing financial disclosure tables, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS,LLP

**Dallas, Texas
January 25, 2023**



CARROLLTON
T E X A S

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2022

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

January 25, 2023

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 ended September 30, 2022. 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-vii), the statistical section (pages 122-145), 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. It should be noted from the Report of the Independent Auditor's association with 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 \$732,166. This number must be viewed in the context that the vast majority of the City's net position of \$425,220 (58.1%) 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 \$36,012 (4.9%). The remaining \$270,934 (37.0%) 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 \$27,249 in fiscal year 2022.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$297,395. Within this total \$46,933 is restricted by specific legal requirements (such as by debt covenants), \$1,855 is nonspendable for prepaid items and \$165,401 has been committed and assigned to specific types of expenditures. The remaining \$83,206 is an unassigned fund balance in the General Fund and can be used for any lawful purpose.
- The City's long-term liabilities decreased by \$7,991 due primarily to the elimination of the City's net pension liability due to a strong market performance through the measurement date of December 31, 2021 and a reduction in OPEB liabilities.

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2022

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

In addition to receiving \$11 million in American Rescue Plan (ARP) Act funding, the City continued to see growth in property tax and sales tax 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 recreation. 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 19-20 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

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2022

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

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.

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. Nonfinancial 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 Annual Comprehensive Financial Report. The basic governmental funds financial statements can be found on pages 21-25.

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 government-wide financial statements.

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2022

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

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 Annual Comprehensive Financial Report. The basic proprietary fund financial statements can be found on pages 26-29 of this report.

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 31-73.

Other Information – In addition to the basic financial statements, information required by the Governmental Accounting Standards Board is included herein, 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 \$732,167 as of September 30, 2022.

The largest portion of the City's net position \$425,220 (58.1%) 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 \$36,012 (4.9%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$270,934 (37.0%) may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF CARROLLTON, TEXAS

Management’s Discussion and Analysis
For the Year Ended September 30, 2022

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

CITY OF CARROLLTON'S NET POSITION						
(Amounts in Thousands)						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2021	2022	2021	2022	2021	2022
Current and other assets	\$ 314,725	\$ 377,756	\$ 48,974	\$ 54,045	\$ 363,698	\$ 431,800
Capital assets, net	460,878	485,020	123,228	127,729	584,105	612,749
Total Assets	<u>775,603</u>	<u>862,776</u>	<u>172,202</u>	<u>181,774</u>	<u>947,803</u>	<u>1,044,550</u>
Deferred outflows of resources	7,280	10,783	302	458	7,582	11,241
Long-term liabilities	252,191	245,918	11,728	10,010	263,919	255,928
Other liabilities	17,104	17,635	7,931	8,329	25,034	25,964
Total Liabilities	<u>269,294</u>	<u>263,553</u>	<u>19,659</u>	<u>18,339</u>	<u>288,953</u>	<u>281,892</u>
Deferred inflows of resources	13,671	40,096	575	1,637	14,245	41,732
Net Position:						
Net investment in capital assets	285,331	308,108	110,677	117,112	396,008	425,220
Restricted	11,507	33,991	987	2,021	12,494	36,012
Unrestricted	203,080	227,811	40,606	43,123	243,687	270,934
Total Net Position	<u>\$ 499,919</u>	<u>\$ 569,910</u>	<u>\$ 152,270</u>	<u>\$ 162,256</u>	<u>\$ 652,188</u>	<u>\$ 732,166</u>

As of September 30, 2022, 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.

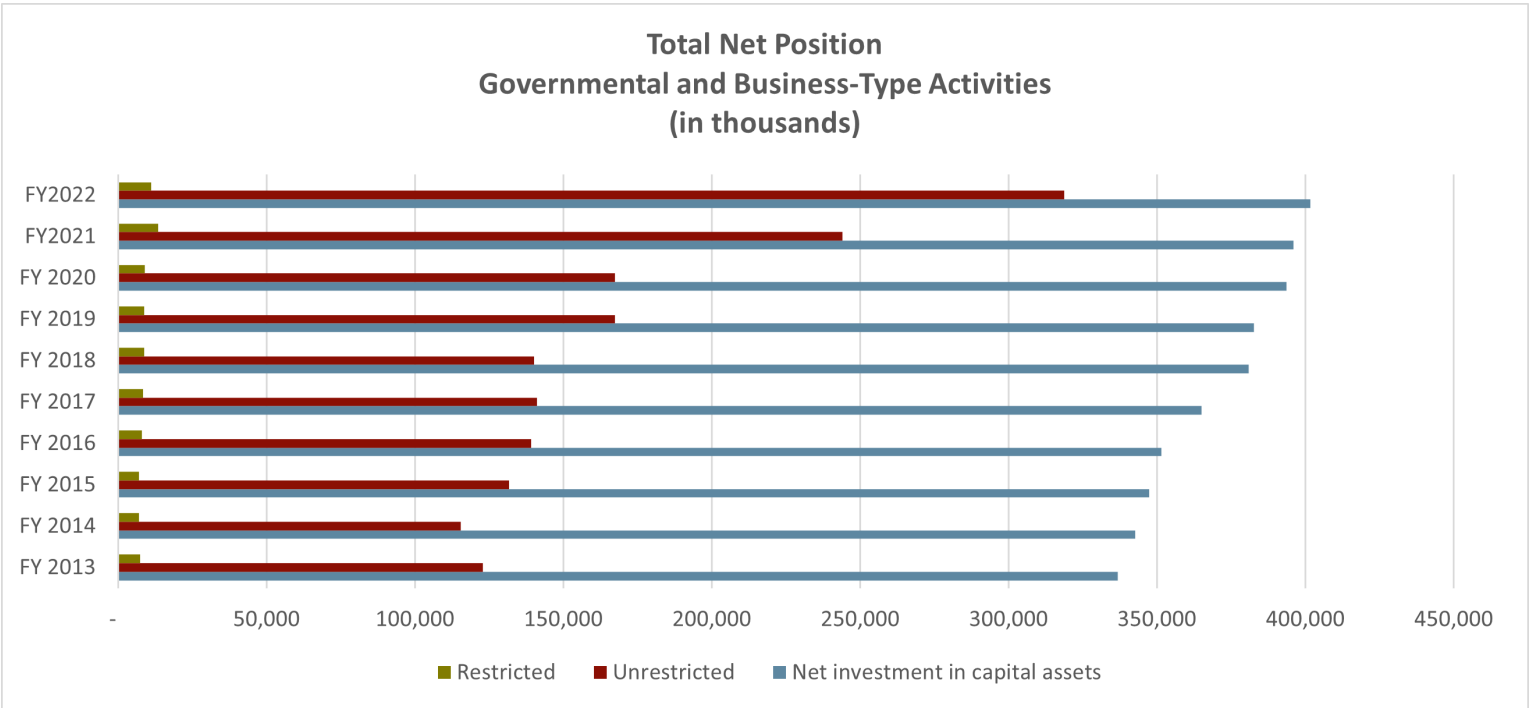
Effective October 1, 2021 the City implemented GASB no. 87. Assets related to this implementation are included in current and other assets in the table above.

Comparative 2021 information presented herein has not been restated for the adoption of GASB87, because the basic financial statements present fiscal year 2022 only.

CITY OF CARROLLTON, TEXAS

Management’s Discussion and Analysis
 For the Year Ended September 30, 2022

Amounts in Thousands Unless Stated Otherwise
 (Unaudited)



The current and other assets increased in the Governmental activities by \$63,031 and increased in the Business-type activities by \$5,071. Increase in the Governmental activities assets is primarily due to unspent proceeds from issuance of debt, accumulation of other funds for future capital purchases, and an increase in pension assets. The current and other assets in Business-type activities are primarily dues to cash increases in the Utility Fund due to a dry year, and in the Golf Fund due to an increase in rounds played at the course.

The City’s long-term liabilities decreased by \$7,991 due primarily to the decrease in pension liabilities and a decrease in OPEB liability, partially offset by the issuance of bonds for capital improvement .

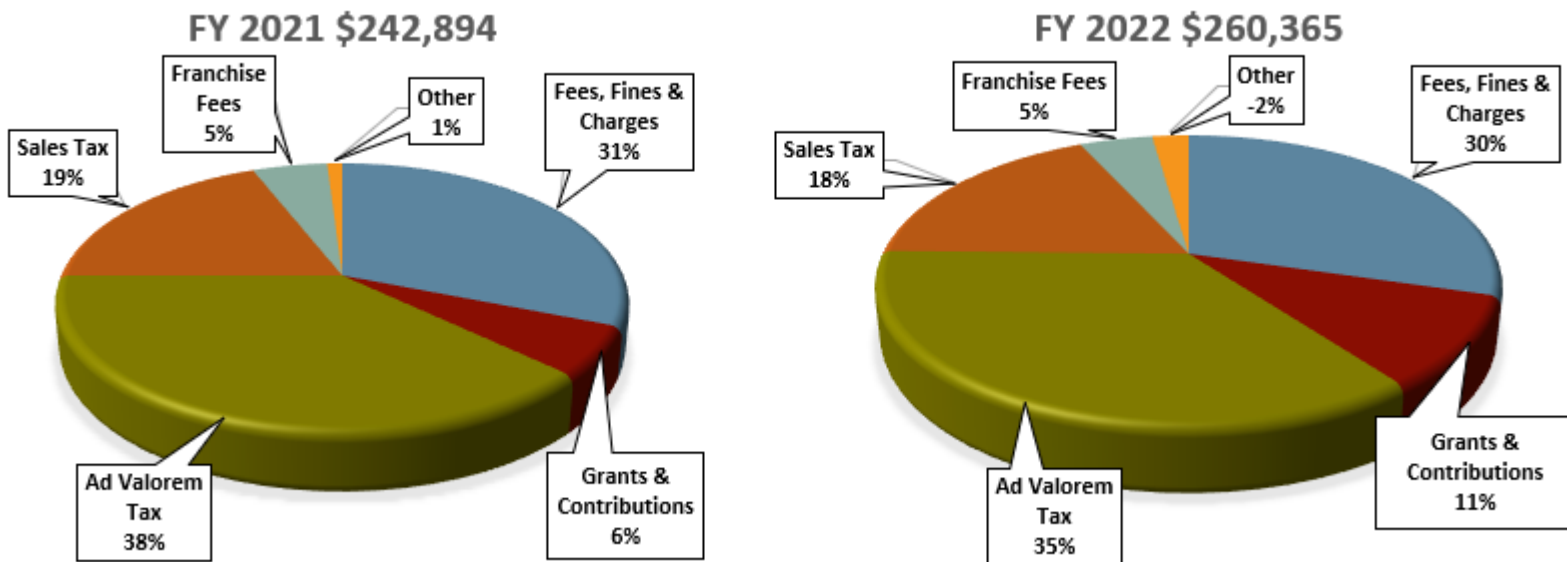
Analysis of the City’s Operations – Overall the City had an increase in net position of \$79,978 or 12.3%.

CITY OF CARROLLTON, TEXAS

Management’s Discussion and Analysis
 For the Year Ended September 30, 2022

Amounts in Thousands Unless Stated Otherwise
 (Unaudited)

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



Governmental Activities: Governmental activities net position increased by \$69,992. Net investment in capital assets increased by \$22,775 or 7.98%. Restricted net position increased by \$22,484 or 195.40%. Unrestricted net position increased by \$24,731 or 12.18%.

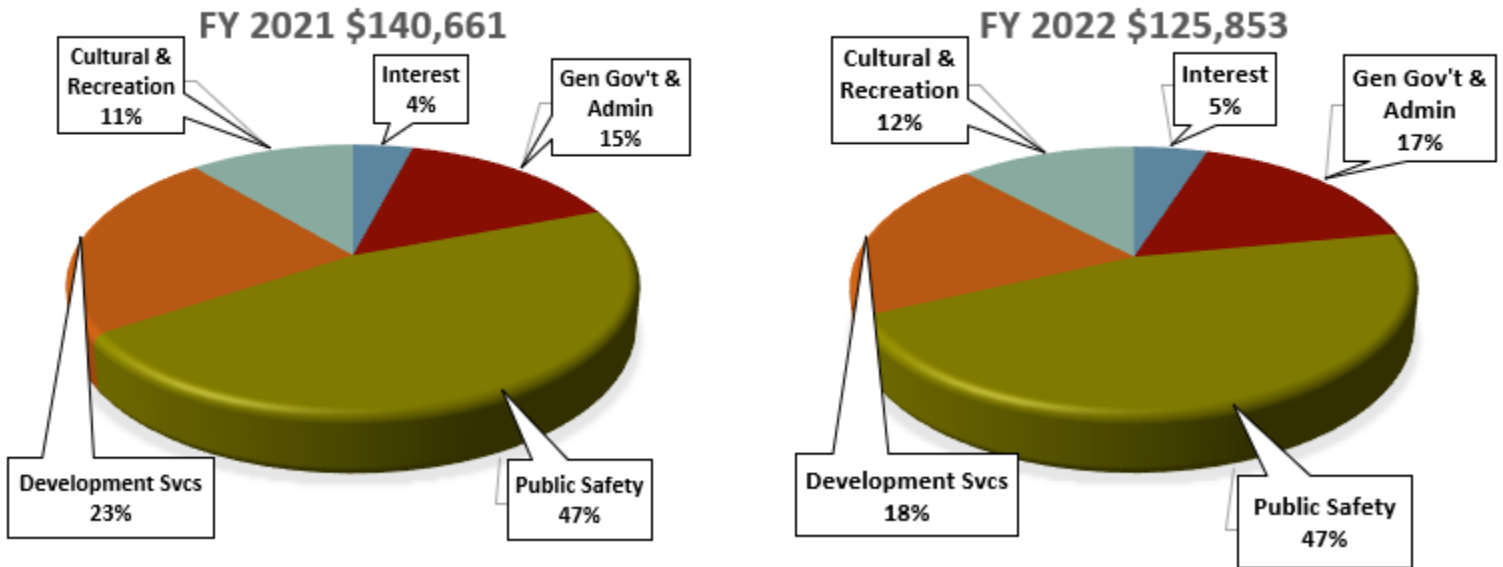
Excluding transfers from business-type activities, total revenues for governmental activities increased from the previous year by \$10,826. General revenue (excluding transfers) had a net decrease of \$979 or (0.64)%. Ad valorem tax experienced an increase of \$3,767 due to growth in assessed valuations from both new construction and increases in existing values. Additionally, an increase was seen in sales taxes of \$2,518. Other general revenues decreased by \$7,263, primarily due to a decrease in investment income. Program revenues had a net increase of \$11,805 primarily due to the receipt of federal American Rescue Plan Act funding. Net transfers from the business-type activities to governmental activities increased by \$221 from the previous year.

CITY OF CARROLLTON, TEXAS

Management’s Discussion and Analysis
For the Year Ended September 30, 2022

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

**Expenses by Type
Governmental Activities**



Total expenses for governmental activities decreased by \$14,808 or (10.53)% primarily due to decreases in public safety and development services expenses.

Business-type Activities: Net position from business-type activities increased by \$9,986 or 6.56% from \$152,270 to \$162,256. Net investment in capital assets increased by \$6,435 or 5.81%. Restricted net position increased by \$1,034 or 104.78%. Net pension assets were included in restricted net position in fiscal year 2022. Program revenues for business-type activities increased by \$7,711 due to increased water utilization, increases in sanitation rates and an increase in developer contributions.

CITY OF CARROLLTON, TEXAS

Management’s Discussion and Analysis
For the Year Ended September 30, 2022

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

The following table provides a summary of the City’s operations for year ended September 30, 2022 with comparative totals for year ended September 30, 2021. Figures shown for 2021 have not been restated for GASB No. 87 implementation.

CITY OF CARROLLTON'S CHANGES IN NET POSITION

(Amounts in Thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2021	2022	2021	2022	2021	2022
Revenues						
Program Revenues:						
Fees, Fines, and Charges for Services	\$ 13,383	\$ 14,545	\$ 60,833	\$ 66,165	\$ 74,216	\$ 80,711
Operating Grants and Contributions	8,551	13,222	-	-	8,551	13,222
Capital Grants and Contributions	3,056	9,027	3,200	5,578	6,256	14,606
General Revenues:						
Ad Valorem Taxes	93,158	96,925	-	-	93,158	96,925
Sales Tax	46,188	48,706	-	-	46,188	48,706
Occupancy Tax	123	174	-	-	123	174
Franchise Fees	11,914	12,390	-	-	11,914	12,390
Investment Earnings:						
Net of change in fair value of investments	921	(7,768)	104	(1,134)	1,025	(8,903)
Gain on Sale of Capital Assets	-	326	99	39	99	365
Miscellaneous	926	1,501	438	670	1,364	2,170
Total Revenues	\$ 178,220	\$ 189,046	\$ 64,674	\$ 71,318	\$ 242,894	\$ 260,365
Expenses						
General Government and Administration	\$ 21,796	\$ 21,531	\$ -	\$ -	\$ 21,796	\$ 21,531
Public Safety	64,935	57,636	-	-	64,935	57,636
Development Services	32,895	25,031	-	-	32,895	25,031
Cultural and Recreational	15,110	15,601	-	-	15,110	15,601
Interest on Long-Term Debt	5,924	6,055	-	-	5,924	6,055
Water and Sewer	-	-	42,277	43,754	42,277	43,754
Golf	-	-	845	667	845	667
Sanitation	-	-	9,664	10,112	9,664	10,112
Total Expenses	140,661	125,853	52,787	54,533	193,446	180,385
Increase in Net Position before Transfers	37,559	63,193	11,887	16,785	49,446	79,979
Transfers	6,578	6,799	(6,578)	(6,799)	-	-
Increase in Net Position	44,136	69,993	5,308	9,986	49,445	79,979
Net Position October 1	455,781	499,917	146,961	152,270	602,742	652,187
Net Position September 30	\$ 499,917	\$ 569,910	\$ 152,270	\$ 162,256	\$ 652,187	\$ 732,166

CITY OF CARROLLTON, TEXAS

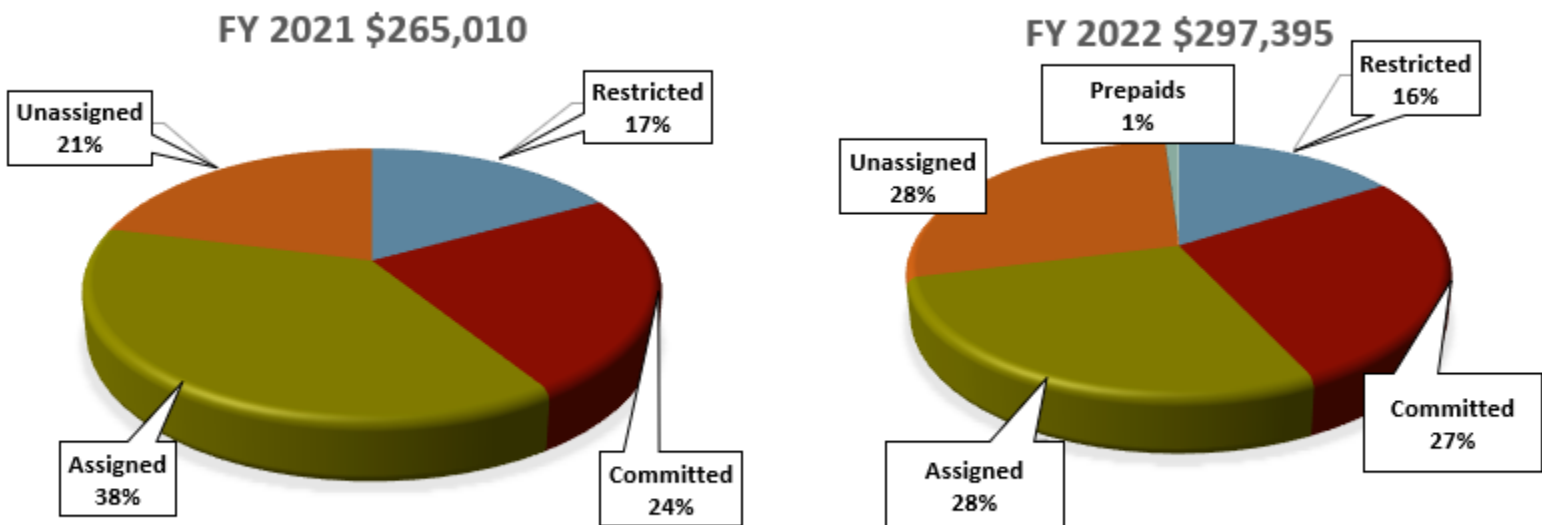
Management’s Discussion and Analysis
For the Year Ended September 30, 2022

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

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, unassigned 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 Activities**



At the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$297,395. Within this total, \$46,932 is restricted by specific legal requirements, such as by debt covenants, \$1,855 for prepaid expenditures, and \$165,401 has been committed and assigned to specific types of expenditure. The remaining \$83,206 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 experienced a growth in sales tax revenue, the General Fund’s second largest revenue. The nature of sales tax in Texas is discussed in

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2022

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

note 6 on pages 51-52 of this report. In order to manage this volatile revenue source, the city council adopted a financial policy to transfer 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 was addressed during the fiscal year 2023 budget deliberations. Additionally, the City received over \$11 million in ARPA funding for lost revenue recognition that it used to reimburse firefighter salaries. This significantly improved the fund balance of the General Fund.

Debt service fund balance increased in 2022 by \$56. Streets and Drainage Capital Projects fund balance increased by \$1,073 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 decreased by \$3,618 primarily due to capital outlay expenditures and transfers to the Utility Capital Fund partially 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 \$40,750 for Water and Sewer, \$2,050 for Golf Course, and \$177 for Sanitation. The total of all enterprise funds' unrestricted net position of \$42,977 is increased by \$146 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 \$43,123. Change in net position for enterprise funds in 2022 were \$9,772 in the Water and Sewer Fund, \$415 in the Golf Course Fund and \$183 in the Sanitation Fund.

General Fund Budgetary Highlights – Actual revenues collected exceeded management's original estimate of the General Fund's revenues by \$27,117 or 21.96% due primarily to the Property Tax, Sales Tax and ARPA funding. Additionally, expenditures were significantly less than budget due to vacancies reflected in personnel costs and numerous supply chain issues.

PENSIONS AND RETIREE HEALTHCARE

Pensions and retiree health care continue 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 that 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," an amendment of GASB Statement No. 27, 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

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2022

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

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 financial statements reflect a Net pension Asset (NPA) as of September 30, 2022 of \$26,577 which is 41.18% of the City's annual covered payroll of \$64,534. The NPA increased by \$26,133 from the previous year primarily due to higher than expected investment return. The sizable amount of fiduciary net position invested for the City by TMRS combined with the natural volatility of investment returns from year to year make both the NPL and pension expense volatile.

Before January 1, 2022, the defined benefit portion of the City's retiree health program was closed to new participants, and had 41 total participants as of the actuarial valuation date.

Effective January 1, 2022, the City re-opened the plan to employees eligible to retire in the City. Employees 60 years of age and with at least ten years of consecutive service with the city will be eligible to pay the same rates as those on the closed retiree health program. This change was made in response to the unaffordability of age-based rates combined with the highest claimant leaving the closed plan. The Total OPEB Liability (TOL) recorded as of September 30, 2022 is \$3,239,342, that represents a decrease of 82% from the previous year.

CAPITAL ASSETS

The City's investment in capital assets net of accumulated depreciation for its governmental and business-type activities as of September 30, 2022, amounts to \$612,749 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, intangibles, improvements, and 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 4.90% (5.24% increase for governmental activities and 3.65% increase in business-type activities.) Accurately estimating useful lives for purposes of depreciation can be difficult particularly for infrastructure. During fiscal year 2023 the City will be reviewing infrastructure useful lives for both governmental and business type activities.

CITY OF CARROLLTON, TEXAS

Management’s Discussion and Analysis
For the Year Ended September 30, 2022

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

Capital Assets at Year-End Net of Accumulated Depreciation						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2021	2022	2021	2022	2021	2022
Land	\$ 100,125	\$ 100,125	\$ 2,378	\$ 2,378	\$ 102,503	\$ 102,503
Buildings	36,089	33,085	2,166	1,867	38,255	34,952
Equipment	19,863	19,599	3,102	2,828	22,965	22,426
Intangibles	3,600	2,769	49	39	3,649	2,808
Improvements	32,494	32,273	3,814	3,303	36,308	35,577
Infrastructure	267,180	287,225	107,560	111,278	374,740	398,503
Construction in Progress	1,528	9,944	4,158	6,036	5,686	15,980
Total	<u>\$ 460,878</u>	<u>\$ 485,020</u>	<u>\$ 123,228</u>	<u>\$ 127,729</u>	<u>\$ 584,104</u>	<u>\$ 612,749</u>

Leased assets are not included in this schedule. Detail on leased assets can be found in Note 4: Capital Assets.

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

- Acquisition of vehicles and equipment totaling \$4.58 million, including \$3.3 million of public safety equipment, vehicles and intangibles assets and \$380 thousand of public works equipment.
- Parks and recreation improvements totaling \$1.9 million including: \$331 thousand for Rosemeade Gym, \$290 thousand for trails and \$1.3 million for Mary Heads Carter Park, Woodlake Court Lights along with other Parks improvements.
- Water and sewer infrastructure improvements totaling \$3.8 million, including \$1.01 million for Northcrest Estates, \$713 thousand for Trinity Mills Station and \$2.16 million for the Crosby South, AW Perry along other water and sewer improvements.
- Street and Alley Improvements of \$19.4 million, including \$12.8 million in Residential Street replacements, \$1.8 million in street and sidewalk panel replacements, \$820 thousand in alley improvements, and \$3.9 million in arterial, collector, sidewalk and traffic improvements.
- Drainage Improvements of \$6.8 million, including \$3.2 million in storm water infrastructure for Castle Hills area (north and southsides) and Kensington Place and \$3.5 million for Trinity Mills Station, Crosby Road among other stormwater infrastructure improvements.

Additional information on the City’s capital assets can be found in note 4 on pages 44-45 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City had a total bonded debt of \$218,238 including unamortized premiums. Of this amount, \$208,895 comprises bonded debt backed by the full faith and credit of the government, and \$9,342 represents bonds secured solely by water and sewer revenues.

CITY OF CARROLLTON, TEXAS

Management’s Discussion and Analysis
For the Year Ended September 30, 2022

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

	Outstanding Debt at Year End					
	Bonds Payable					
	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
General Obligation Bonds	\$ 204,518	\$ 208,895	\$ -	\$ -	\$ 204,518	\$ 208,895
Revenue Bonds	-	-	11,264	9,342	11,264	9,342
Total	\$ 204,518	\$ 208,895	\$ 11,264	\$ 9,342	\$ 215,782	\$ 218,238

During the fiscal year, the City’s total debt increased by \$2,456 or 1.14% due to issuance of \$24,313 (including premium) of a new General Obligation Bond new money issue offset by existing debt retirements of \$19,936 and revenue bond retirements of \$1,921.

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 131, 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 46-49 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS

In the fiscal year 2023 Budget, General Fund recurring revenues are budgeted to increase by 8.49% from the fiscal year 2022 final budget with ad valorem taxes making up 56.55% of General Fund budgeted revenues. The certified assessed values for the City increased by 12.14% for the fiscal year 2023 budget, and included over \$222 million in value as a result of new construction. The City Council reduced the tax rate by 3.4% and maintains the ability to use an unused tax increment in the next budget year which would allow it to raise the tax rate over the 3.5% cap without requiring an election.

CITY OF CARROLLTON, TEXAS

Management's Discussion and Analysis
For the Year Ended September 30, 2022

Amounts in Thousands Unless Stated Otherwise
(Unaudited)

Sales taxes recovered from previous negative impacts. The State of Texas proposed a new rule change that could impact the amount of sales tax that the city could receive from its local businesses. The city reduced its Sales and Use Tax budget to accommodate for this potential decrease. In 2022, the City's municipal courts returned back to full operations which resulted in an increased revenue which is expected to continue into 2023.

The City continues to develop commercially and recently broke ground on the new Trinity Mills Station Urban Development site that will host an additional transit rail station, office buildings, mixed use, commercial and residential buildings. The city also maintains a strong warehouse district that continues to be rented at capacity due to the close proximity to the airport, major highways and the railway.

The Water and Sewer Operating Fund did see a 5% increase in rates for fiscal year 2023. The city is planning for increased debt needs and the implementation of Automated Meter Infrastructure, and is conducting a commercial pilot in 2023. In November 2022, Fitch maintained its AAA rating of the city's Water and Sewer bonds.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a 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: Finance Director, at P.O. Box 110535, Carrollton, Texas 75011-0535, e-mail at Accounting@cityofcarrollton.com or call (972) 466-3110.

CITY OF CARROLLTON, TEXAS

Government-Wide Statement of Net Position
September 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash, cash equivalents, and investments	\$ 259,307,407	\$ 40,371,657	\$ 299,679,064
Receivables (net of allowance for doubtful accounts):			
Sales taxes	8,987,722	-	8,987,722
Franchise fees	3,453,656	-	3,453,656
Accounts	-	7,280,059	7,280,059
Accrued interest	710,453	172,998	883,451
Other	2,709,667	201,293	2,910,960
Public Improvement District assessment	10,772,062	-	10,772,062
Lease receivable	186,194	-	186,194
Due from other governments	507,383	-	507,383
Internal balances	(145,893)	145,893	-
Leased assets	4,775,503	-	4,775,503
Inventories	100,498	-	100,498
Prepays items	1,975,605	-	1,975,605
Net pension asset	25,446,063	1,130,439	26,576,502
Equity interest in joint venture	3,375,875	-	3,375,875
Land held for redevelopment	3,824,754	-	3,824,754
Restricted assets:			
Cash, cash equivalents, and investments	51,769,475	4,742,227	56,511,702
Capital assets:			
Land	100,124,774	2,377,918	102,502,692
Buildings	89,816,169	19,998,757	109,814,926
Equipment	56,200,647	9,530,042	65,730,689
Intangibles	10,716,123	828,392	11,544,515
Improvements	60,045,822	16,169,676	76,215,498
Infrastructure	423,251,635	267,650,112	690,901,747
Construction in progress	9,944,149	6,035,769	15,979,918
Accumulated depreciation	(265,079,769)	(194,861,425)	(459,941,194)
Total assets	862,775,974	181,773,807	1,044,549,781
Deferred outflows of resources			
Deferred charges on refundings	-	13,631	13,631
OPEB contributions after measurement date	36,485	1,504	37,989
Changes in OPEB assumptions	789,758	32,564	822,322
Difference in expected and actual OPEB experience	101,407	4,181	105,588
Difference in expected and actual pension experience	4,184,880	172,554	4,357,434
Pension contributions after measurement date	5,670,261	233,802	5,904,063
Total deferred outflows of resources	10,782,791	458,236	11,241,027
Liabilities			
Accounts payable	15,398,569	5,035,854	20,434,423
Accrued interest	1,038,761	142,500	1,181,261
Unearned revenue	1,197,252	-	1,197,252
Customer deposits payable	-	3,151,098	3,151,098
Noncurrent liabilities:			
Due within one year	21,665,474	1,576,252	23,241,726
Due in more than one year	224,252,818	8,433,557	232,686,375
Total liabilities	263,552,874	18,339,261	281,892,135
Deferred inflows of resources			
Deferred inflows - charges on refunding	483,183	-	483,183
Difference in expected and actual pension experience	869,950	44,598	914,548
Pension investment return difference	30,028,920	1,240,245	31,269,165
Changes in actuarial assumptions used to determine pension liability	14,399	875	15,274
Difference in expected and actual OPEB experience	8,512,938	351,012	8,863,950
Deferred inflows related to leases	186,194	-	186,194
Total deferred inflows of resources	40,095,584	1,636,730	41,732,314
Net position			
Net investment in capital assets	308,107,635	117,112,368	425,220,003
Restricted for:			
Debt service	5,447,165	890,296	6,337,461
Capital projects	812,270	-	812,270
Pension Asset	25,445,863	1,130,439	26,576,302
Special revenue, public safety	2,286,088	-	2,286,088
Unrestricted	227,811,286	43,122,949	270,934,235
Total net position	\$ 569,910,307	\$ 162,256,052	\$ 732,166,359

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Government-Wide Statement of Activities
For the Year Ended September 30, 2022

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		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	\$ 21,530,774	\$ 223,758	\$ 11,966,809	\$ -	\$ (9,340,207)	\$ -	\$ (9,340,207)
Public safety	57,636,204	9,470,330	288,302	2,896	(47,874,676)	-	(47,874,676)
Development services	25,030,749	2,216,129	966,831	9,024,523	(12,823,266)	-	(12,823,266)
Cultural and recreational	15,600,850	2,635,278	-	-	(12,965,572)	-	(12,965,572)
Interest and fiscal charges	6,054,525	-	-	-	(6,054,525)	-	(6,054,525)
Total governmental activities	125,853,102	14,545,495	13,221,942	9,027,419	(89,058,246)	-	(89,058,246)
Business-type activities:							
Water and Sewer	43,753,928	53,318,611	-	5,578,424	-	15,143,107	15,143,107
Golf	666,839	843,940	-	-	-	177,101	177,101
Sanitation	10,112,106	12,002,849	-	-	-	1,890,743	1,890,743
Total business-type activities	54,532,873	66,165,400	-	5,578,424	-	17,210,951	17,210,951
Total government	\$ 180,385,975	\$ 80,710,895	\$ 13,221,942	\$ 14,605,843	(89,058,246)	17,210,951	(71,847,295)
General revenues:							
Taxes:							
Ad valorem					96,924,730	-	96,924,730
Sales					48,705,881	-	48,705,881
Occupancy					173,648	-	173,648
Franchise fees based upon gross receipts					12,389,639	-	12,389,639
Investment earnings net of change in fair value of investments					(7,768,438)	(1,134,235)	(8,902,673)
Gain on sale of capital assets					325,519	39,110	364,629
Miscellaneous					1,500,632	669,593	2,170,225
Transfers					6,799,237	(6,799,237)	-
					Total general revenues and transfers	(7,224,769)	151,826,079
					Change in net position	9,986,182	79,978,784
Net position at beginning of year					499,917,705	152,269,870	652,187,575
Net position at end of year					\$ 569,910,307	\$ 162,256,052	\$ 732,166,359

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Balance Sheet
 Governmental Funds
 September 30, 2022

	General	Debt Service	Streets and Drainage	General and Public Facilities	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 76,131,526	\$ 5,427,403	\$ 104,656,278	\$ 48,944,974	\$ 56,252,538	\$ 291,412,719
Receivables (net, where applicable, of allowance for doubtful accounts):						
Sales taxes	8,987,722	-	-	-	-	8,987,722
Franchise fees	3,401,499	-	-	52,157	-	3,453,656
Accrued interest	23,939	19,762	310,686	148,415	144,441	647,243
Lease receivable	8,034	-	-	178,160	-	186,194
Other	2,678,862	-	-	30,805	-	2,709,667
Due from other governments	318,711	-	-	-	188,672	507,383
Prepaid items	1,769,783	-	-	-	85,455	1,855,238
Land held for redevelopment	-	-	-	3,824,754	-	3,824,754
Total assets	\$ 93,320,076	\$ 5,447,165	\$ 104,966,964	\$ 53,179,265	\$ 56,671,106	\$ 313,584,576
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 6,896,927	\$ -	\$ 3,087,028	\$ 2,003,265	\$ 1,401,699	\$ 13,388,919
Unearned revenue	22,126	-	72,000	886,642	216,484	1,197,252
Total liabilities	6,919,053	-	3,159,028	2,889,907	1,618,183	14,586,171
Deferred inflows of resources						
Deferred inflows related to leases	8,034	-	-	178,160	-	186,194
Unavailable revenue	1,417,648	-	-	-	-	1,417,648
Total deferred inflows of resources	1,425,682	-	-	178,160	-	1,603,842
Fund balances:						
Nonspendable for:						
Prepaid items	1,769,783	-	-	-	85,455	1,855,238
Restricted for:						
Debt service	-	5,447,165	-	-	-	5,447,165
Streets and drainage	-	-	23,938,330	-	-	23,938,330
Public facilities	-	-	-	5,334,839	-	5,334,839
Other capital projects	-	-	-	-	9,926,150	9,926,150
Other purposes	-	-	-	-	2,286,088	2,286,088
Committed to:						
Street rehabilitation	-	-	46,571,139	-	-	46,571,139
Capital projects	-	-	-	-	20,370,277	20,370,277
Assigned to:						
Streets and drainage	-	-	31,298,467	-	-	31,298,467
Public facilities	-	-	-	44,764,679	-	44,764,679
Other capital projects	-	-	-	-	21,488,245	21,488,245
Other purposes	-	-	-	11,680	896,708	908,388
Unassigned	83,205,558	-	-	-	-	83,205,558
Total fund balances	84,975,341	5,447,165	101,807,936	50,111,198	55,052,923	297,394,563
Total liabilities and fund balances	\$ 93,320,076	\$ 5,447,165	\$ 104,966,964	\$ 53,179,265	\$ 56,671,106	\$ 313,584,576

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, 2022

Total fund balance - total governmental funds \$ 297,394,563

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

PID Assessment Receivable is not a current financial resource and therefore is not reported in governmental funds balance sheet. 10,772,062

Equity investment in Joint Venture is not a current financial resource and therefore is not reported in the governmental funds balance sheet. 3,375,875

Net pension asset is not a current financial resource. 25,446,063

Leased assets are not a current financial resource. 4,775,503

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. 485,019,547

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

Pension contributions after measurement date	5,670,261	
Difference in expected and actual Pension Experience	4,184,880	
Difference in actual OPEB experience	101,407	
OPEB assumption change	789,758	
OPEB contributions after measurement date	36,485	
		10,782,791

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	\$ 19,948,238	
Accounts payable	(2,009,649)	
Net amount allocated to business-type activities	(145,893)	17,792,696

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. (1,038,759)

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

Due within one year	\$ 21,665,474	
Due in more than one year	224,252,818	
		(245,918,292)

Deferred inflows for unavailable revenues are not reported in governmentwide statements. 1,417,648

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

Difference in expected and actual pension experience	(869,950)	
Difference in pension investment returns	(30,028,920)	
Charges on refunding	(483,183)	
Difference in expected and actual OPEB experience	(8,512,938)	
Pension assumption changes	(14,399)	(39,909,390)

Net position of governmental activities \$ 569,910,307

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, 2022

	General	Debt Service	Streets and Drainage	General and Public Facilities	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes:						
Ad valorem	\$ 64,659,128	\$ 23,750,669	\$ 3,481,059	\$ -	\$ 4,590,499	\$ 96,481,355
Penalty and interest	370,829	72,546	-	-	-	443,375
Sales	48,705,881	-	-	-	-	48,705,881
911 fees	1,164,967	-	-	-	-	1,164,967
Occupancy	-	-	-	-	173,648	173,648
Franchise fees	12,165,857	-	-	223,782	-	12,389,639
Assessments	-	-	-	-	96,118	96,118
Charges for services	6,338,012	-	-	-	168,489	6,506,501
Intergovernmental	12,234,388	-	-	99,708	1,256,607	13,590,703
Licenses and permits	3,087,566	-	-	-	-	3,087,566
Fines and forfeitures	3,203,560	-	-	76,781	292,091	3,572,432
Investment earnings net of change in fair value of investments	(1,694,404)	(2,966)	(2,685,698)	(1,270,489)	(1,613,186)	(7,266,743)
PID assessment revenue	-	-	-	-	1,223,792	1,223,792
Miscellaneous	355,112	-	-	968,392	248,558	1,572,062
Total Revenues	150,590,896	23,820,249	795,361	98,174	6,436,616	181,741,296
Expenditures						
Current:						
General government and administration	20,478,164	-	-	-	-	20,478,164
Public safety	67,516,215	-	-	-	481,496	67,997,711
Development services	11,859,954	-	-	-	-	11,859,954
Cultural and recreational	12,945,140	-	-	-	582,079	13,527,219
PID Development Reimbursement	-	-	-	-	1,223,792	1,223,792
Capital outlay	-	-	20,790,538	13,771,929	6,259,252	40,821,719
Debt service:						
Principal retirement	527,067	15,505,000	-	129,614	-	16,161,681
Interest and fiscal charges	27,705	7,939,566	-	1,740	-	7,969,011
Total Expenditures	113,354,245	23,444,566	20,790,538	13,903,283	8,546,619	180,039,251
Excess (deficiency) of revenues over (under) expenditures	37,236,651	375,683	(19,995,177)	(13,805,109)	(2,110,003)	1,702,045
Other financing sources (uses):						
Leases issued	-	-	-	434,154	-	434,154
Bonds issued	-	1,458,917	13,336,083	3,200,000	4,600,000	22,595,000
Premium on bonds issued	-	-	1,718,104	-	-	1,718,104
Payment to refunded bond escrow agent	-	(1,778,525)	-	-	-	(1,778,525)
Transfers in	8,191,596	-	6,014,264	13,360,718	2,680,000	30,246,578
Transfers out	(15,725,718)	-	-	(6,807,364)	-	(22,533,082)
Total other financing sources (uses)	(7,534,122)	(319,608)	21,068,451	10,187,508	7,280,000	30,682,229
Net change in fund balances	29,702,529	56,075	1,073,274	(3,617,601)	5,169,997	32,384,274
Fund balances at beginning of year	55,272,812	5,391,090	100,734,662	53,728,799	49,882,926	265,010,289
Fund balances at end of year	\$ 84,975,341	\$ 5,447,165	\$ 101,807,936	\$ 50,111,198	\$ 55,052,923	\$ 297,394,563

See accompanying notes to basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2022

Net change in fund balances - total governmental funds \$ 32,384,274

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

The City's share of net gain from investment in joint venture is not reflected in fund financial statements 1,118,485

Revenue from court warrants for the City not recognized in fund financial statements on the modified accrual basis is recognized in the government-wide financial statements on the accrual basis 92,298

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 and leased assets in the current period. 35,286,261

The net effect of various transactions involving capital assets

Capital contributions	\$ 8,658,655	
Asset retirements/disposals/adjustments	<u>901,099</u>	9,559,754

Principal payments on leases		656,681
Amortization of lease assets		(720,832)

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. (22,286,031)

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 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.

Leases issued	\$ (434,154)	
Bonds issued	(22,595,000)	
Premium on bonds issued	(1,718,104)	
Bond principal retirement	15,505,000	
Payment to refunding bond escrow agent	1,778,525	
Change in accrued interest on Bonds Payable	(34,906)	
Amortization of bond premiums	2,037,310	
Amortization of deferred charges on refundings	<u>(87,919)</u>	(5,549,248)

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	\$ 158,001	
Pension costs & OPEB, net	<u>17,547,572</u>	17,705,573

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	\$ (382,926)	
Net of amount allocated to business activities	18,079	
Depreciation expense	<u>2,110,234</u>	<u>1,745,387</u>

Change in net position of governmental activities \$ 69,992,602

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, 2022

	<u>Budgeted Amounts</u>		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)
	Original	Final				
Revenues:						
Taxes:						
Ad valorem	\$ 63,500,775	\$ 64,913,864	\$ 64,659,128	\$ -	\$ 64,659,128	\$ (254,736)
Penalty and interest	300,000	300,000	370,829	-	370,829	70,829
Sales	35,410,487	41,714,690	48,705,881	-	48,705,881	6,991,191
911 fees	1,050,899	1,050,899	1,164,967	-	1,164,967	114,068
Franchise fees	10,984,493	11,268,741	12,165,857	-	12,165,857	897,116
Charges for services	5,262,404	5,049,850	6,338,012	-	6,338,012	1,288,162
Intergovernmental	-	-	12,234,388	-	12,234,388	12,234,388
Licenses and permits	2,427,637	2,375,726	3,087,566	-	3,087,566	711,840
Fines and forfeitures	3,167,765	3,236,106	3,203,560	-	3,203,560	(32,546)
Investment earnings						
Net of change in fair value of investments	678,222	375,200	(1,694,404)	2,379,163	684,759	309,559
Miscellaneous	691,000	631,000	355,112	-	355,112	(275,888)
Total revenues	123,473,682	130,916,076	150,590,896	2,379,163	152,970,059	22,053,983
Expenditures:						
Current:						
General government and administration	28,578,971	28,578,971	20,478,164	153,891	20,632,055	7,946,916
Public safety	68,318,492	68,318,492	67,516,215	213,725	67,729,940	588,552
Development services	14,072,541	14,362,689	11,859,954	16,305	11,876,259	2,486,430
Cultural and recreational	13,151,927	13,151,927	12,945,140	-	12,945,140	206,787
Principal retirement	-	-	527,067	-	527,067	(527,067)
Interest and fiscal charges	-	-	27,705	-	27,705	(27,705)
Total expenditures	124,121,931	124,412,079	113,354,245	383,921	113,738,166	10,673,913
Excess (deficiency) of revenues over (under) expenditures	(648,249)	6,503,997	37,236,651	1,995,242	39,231,893	32,727,896
Other financing sources (uses):						
Transfers in	2,669,036	4,104,341	8,191,596	-	8,191,596	4,087,255
Transfers out	(16,493,088)	(16,493,088)	(15,725,718)	-	(15,725,718)	767,370
Total other financing sources (uses)	(13,824,052)	(12,388,747)	(7,534,122)	-	(7,534,122)	4,854,625
Net change in fund balances	(14,472,301)	(5,884,750)	29,702,529	1,995,242	31,697,771	37,582,521
Fund balances at beginning of year	55,272,812	55,272,812	55,272,812	-	55,272,812	-
Fund balances at end of year	\$ 40,800,511	\$ 49,388,062	\$ 84,975,341	\$ 1,995,242	\$ 86,970,583	\$ 37,582,521

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Net Position
 Proprietary Funds
 September 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Assets					
Current Assets:					
Cash and cash equivalents	\$ 37,770,846	\$ 1,860,199	\$ 740,612	\$ 40,371,657	\$ 19,664,163
Receivables (net where applicable of allowance for doubtful accounts)					
Accounts	5,914,389	-	1,365,670	7,280,059	-
Accrued interest	166,500	2,257	4,241	172,998	63,210
Other	-	201,293	-	201,293	-
Inventories	-	-	-	-	100,498
Prepaid items	-	-	-	-	120,367
Restricted assets:					
Cash and cash equivalents	3,851,931	-	-	3,851,931	-
Total current assets	<u>47,703,666</u>	<u>2,063,749</u>	<u>2,110,523</u>	<u>51,877,938</u>	<u>19,948,238</u>
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	890,296	-	-	890,296	-
Capital assets:					
Land	1,382,918	995,000	-	2,377,918	-
Buildings	18,073,186	1,925,571	-	19,998,757	176,409
Equipment	6,648,908	1,420,831	1,460,303	9,530,042	25,583,879
Intangibles	828,392	-	-	828,392	104,714
Improvements	-	16,169,676	-	16,169,676	-
Infrastructure	267,650,112	-	-	267,650,112	-
Construction in progress	6,035,769	-	-	6,035,769	-
Accumulated depreciation	(177,584,728)	(15,816,394)	(1,460,303)	(194,861,425)	(15,709,679)
Total capital assets, net of accumulated depreciation	123,034,557	4,694,684	-	127,729,241	10,155,323
Net pension asset	1,130,439	-	-	1,130,439	-
Total noncurrent assets	<u>125,055,292</u>	<u>4,694,684</u>	<u>-</u>	<u>129,749,976</u>	<u>10,155,323</u>
Total assets	<u>172,758,958</u>	<u>6,758,433</u>	<u>2,110,523</u>	<u>181,627,914</u>	<u>30,103,561</u>
Deferred outflows of resources					
Deferred charges on refundings	13,631	-	-	13,631	-
Pension contributions after measurement date	233,802	-	-	233,802	-
Difference in expected / actual pension experience	172,554	-	-	172,554	-
OPEB contributions after measurement date	1,504	-	-	1,504	-
Changes in OPEB assumptions	32,564	-	-	32,564	-
Difference in expected and actual OPEB experience	4,181	-	-	4,181	-
Total deferred outflows of resources	<u>458,236</u>	<u>-</u>	<u>-</u>	<u>458,236</u>	<u>-</u>
Liabilities					
Current liabilities:					
Accounts payable	3,088,359	14,096	1,933,399	5,035,854	2,009,649
Estimated health claims payable	-	-	-	-	788,496
Customer deposits payable	3,151,098	-	-	3,151,098	-
Revenue bonds payable	1,483,806	-	-	1,483,806	-
Compensated absences	92,446	-	-	92,446	-
Accrued interest	142,500	-	-	142,500	-
Total current liabilities	<u>7,958,209</u>	<u>14,096</u>	<u>1,933,399</u>	<u>9,905,704</u>	<u>2,798,145</u>
Noncurrent liabilities:					
Revenue bonds payable	7,858,502	-	-	7,858,502	-
Total OPEB liability	128,278	-	-	128,278	-
Compensated absences	446,777	-	-	446,777	51,075
Long-term risk liability	-	-	-	-	1,212,786
Total noncurrent liabilities	<u>8,433,557</u>	<u>-</u>	<u>-</u>	<u>8,433,557</u>	<u>1,263,861</u>
Total liabilities	<u>16,391,766</u>	<u>14,096</u>	<u>1,933,399</u>	<u>18,339,261</u>	<u>4,062,006</u>
Deferred inflows of resources					
Difference in expected and actual pension experience	44,598	-	-	44,598	-
Changes in actuarial assumptions used to determine pension liability	875	-	-	875	-
Net difference in projected and actual earnings on pension plan investments	1,240,245	-	-	1,240,245	-
Difference in actual and expected OPEB experience	351,012	-	-	351,012	-
	<u>1,636,730</u>	<u>-</u>	<u>-</u>	<u>1,636,730</u>	<u>-</u>
Net Position					
Net investment in capital assets	112,417,684	4,694,684	-	117,112,368	10,155,323
Restricted for:					
Revenue bond retirement	890,296	-	-	890,296	-
Net pension asset	1,130,439	-	-	1,130,439	-
Unrestricted	40,750,279	2,049,653	177,124	42,977,056	15,886,232
Total net position	<u>\$ 155,188,698</u>	<u>\$ 6,744,337</u>	<u>\$ 177,124</u>	<u>\$ 162,110,159</u>	<u>\$ 26,041,555</u>
Reconciliation to government-wide statement of net position:					
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds				145,893	
Net position of business-type activities				<u>\$ 162,256,052</u>	

CITY OF CARROLLTON, TEXAS

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 For the Year Ended September 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water and Sewer	Golf Course	Sanitation	Total	
Operating revenues:					
Charges for services	\$ 53,318,611	\$ 843,940	\$ 12,002,849	\$ 66,165,400	\$ 20,306,220
Miscellaneous	384,501	285,092	-	669,593	-
Total operating revenues	<u>53,703,112</u>	<u>1,129,032</u>	<u>12,002,849</u>	<u>66,834,993</u>	<u>20,306,220</u>
Operating expenses:					
Personnel services	3,714,564	-	-	3,714,564	981,409
Supplies and services	31,718,521	56,333	9,977,134	41,751,988	16,376,804
Utilities	906,878	-	-	906,878	42,373
Allocations	1,202,288	1,100	122,156	1,325,544	42,338
Depreciation	5,981,781	608,919	-	6,590,700	2,110,236
Total operating expenses	<u>43,524,032</u>	<u>666,352</u>	<u>10,099,290</u>	<u>54,289,674</u>	<u>19,553,160</u>
Income (loss) from operations	<u>10,179,080</u>	<u>462,680</u>	<u>1,903,559</u>	<u>12,545,319</u>	<u>753,060</u>
Nonoperating revenues (expenses):					
Investment earnings net of change in fair value of investments	(1,075,741)	(48,141)	(10,353)	(1,134,235)	(501,695)
Gain on sale/retirement of capital assets	38,830	280	-	39,110	279,968
Interest expense	(225,120)	-	-	(225,120)	-
Total nonoperating revenues (expenses)	<u>(1,262,031)</u>	<u>(47,861)</u>	<u>(10,353)</u>	<u>(1,320,245)</u>	<u>(221,727)</u>
Income/(Loss) before contributions and transfers	8,917,049	414,819	1,893,206	11,225,074	531,333
Capital contributions	5,578,424	-	-	5,578,424	-
Transfers in	700,000	-	-	700,000	-
Transfers out	<u>(5,423,162)</u>	<u>-</u>	<u>(2,076,075)</u>	<u>(7,499,237)</u>	<u>(914,259)</u>
Change in net position	9,772,311	414,819	(182,869)	10,004,261	(382,926)
Net position at beginning of year	<u>145,416,387</u>	<u>6,329,518</u>	<u>359,993</u>		<u>26,424,481</u>
Net position at end of year	<u>\$ 155,188,698</u>	<u>\$ 6,744,337</u>	<u>\$ 177,124</u>		<u>\$ 26,041,555</u>
Reconciliation to government-wide statement of activities:					
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(18,079)	
Change in net position of business-type activities				<u>\$9,986,182</u>	

See accompanying notes to basic financial statements.

CITY OF CARROLLTON, TEXAS

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended September 30, 2022

	Business -Type Activities- Enterprise Funds			Governmental
	Water and Sewer	Golf Course	Sanitation	Activities- Internal Service Funds
Cash flows from operating activities:				
Cash received from customers for services	\$ 52,941,713	\$ 1,048,324	\$ 11,876,277	\$ 65,866,314
Cash received from employees for services	-	-	-	-
Cash received from other funds for services	-	-	-	-
Cash received from loss claim recoveries	-	-	-	-
Other operating cash receipts	384,408	-	-	384,408
Cash payments to suppliers for goods and services	(32,688,124)	(53,556)	(9,873,875)	(42,615,555)
Cash payments to employees for services	(2,999,252)	-	-	(2,999,252)
Cash payment for loss claims	-	-	-	-
Cash payments to other funds for services	(1,811,853)	(1,100)	(122,156)	(1,935,109)
Net cash provided by operating activities	<u>15,826,892</u>	<u>993,668</u>	<u>1,880,246</u>	<u>18,700,806</u>
Cash flows from noncapital financing activities:				
Transfer in	700,000	-	-	700,000
Transfers out	(5,423,162)	-	(2,076,075)	(7,499,237)
Net cash provided by (used in) noncapital financing activities	<u>(4,723,162)</u>	<u>-</u>	<u>(2,076,075)</u>	<u>(6,799,237)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(5,789,795)	-	-	(5,789,795)
Proceeds from sale of capital assets	39,806	280	-	40,086
Interest paid on bonds	(395,050)	-	-	(395,050)
Interest paid on intrafund loan	-	-	-	-
Retirement of bonds	(1,750,000)	-	-	(1,750,000)
Retirement of intrafund loan	-	-	-	-
Capital contributions	570,750	-	-	570,750
Net cash provided by (used in) capital and related financing activities	<u>(7,324,289)</u>	<u>280</u>	<u>-</u>	<u>(7,324,009)</u>
Cash flows from investing activities:				
Investment loss on cash and cash equivalents	(1,095,192)	(48,122)	(10,629)	(1,153,943)
Net increase (decrease) in cash and cash equivalents	2,684,249	945,826	(206,458)	3,423,617
Cash and cash equivalents, October 1	39,828,824	914,373	947,070	41,690,267
Cash and cash equivalents, September 30	<u>\$ 42,513,073</u>	<u>\$ 1,860,199</u>	<u>\$ 740,612</u>	<u>\$ 45,113,884</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, 2022

	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 operating activities:					
Income (loss) from operations	\$ 10,179,080	\$ 462,680	\$ 1,903,559	\$ 12,545,319	\$ 753,060
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:					
Depreciation	5,981,781	608,919	-	6,590,700	2,110,236
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	(419,328)	-	(110,369)	(529,697)	-
(Increase) decrease in other receivables	-	(80,709)	-	(80,709)	-
(Increase) decrease in due from other governments	-	-	-	-	-
(Increase) decrease in inventories	-	-	-	-	(19,855)
(Increase) decrease in prepaid items	-	-	-	-	-
(Increase) decrease in pension related deferred outflows	(141,374)	-	-	(141,374)	-
(Increase) decrease in OPEB related deferred outflows	(38,249)	-	-	(38,249)	-
Increase (decrease) in accounts payable	(7,513)	2,778	87,056	82,321	(100,226)
Increase (decrease) in estimated health claims payable	-	-	-	-	(63,085)
Increase (decrease) in customer deposits payable	42,430	-	-	42,430	-
(Increase) decrease in net pension asset	(1,034,753)	-	-	(1,034,753)	-
Increase (decrease) in net OPEB liability	128,278	-	-	128,278	-
Increase (decrease) in liability for compensated absences	74,566	-	-	74,566	4,314
Increase (decrease) in long-term risk liability	-	-	-	-	347,703
Increase (decrease) in OPEB related deferred inflows	351,012	-	-	351,012	-
Increase (decrease) in pension related deferred inflows	710,962	-	-	710,962	-
Net cash provided by (used in) operating activities	<u>\$ 15,826,892</u>	<u>\$ 993,668</u>	<u>\$ 1,880,246</u>	<u>\$ 18,700,806</u>	<u>\$ 3,032,147</u>

Noncash investing, capital and financing activities:

During the past year, the Enterprise Funds received \$5,007,674 of noncash capital contributions from developers consisting of water and sewer infrastructure. Retainage payable as of 9/30/2022 equals \$919,099

Reconciliation of total cash and cash equivalents:

Current assets:

Cash and cash equivalents	\$ 37,770,846	\$ 1,860,199	\$ 740,612	\$ 40,371,657	\$ 19,664,163
Restricted assets - cash and cash equivalents	3,851,931	-	-	3,851,931	-

Noncurrent assets:

Restricted assets - cash and cash equivalents	890,296	-	-	890,296	-
Total cash and cash equivalents	<u>\$ 42,513,073</u>	<u>\$ 1,860,199</u>	<u>\$ 740,612</u>	<u>\$ 45,113,884</u>	<u>\$ 19,664,163</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, 2022

(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) operation 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, 2022

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 operation 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

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2022

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.

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. The City has designated it as a major fund.

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. The City has designated it as a major fund.

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. The operating statements present increases (revenues) and decreases (expenses) in net 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 most

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2022

revenues as available if they are collected within 45 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.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income, intergovernmental revenues and court fines and fees. 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. Taxes, franchise fees, and court fines and fees are deemed available if they are collected within 45 days of the year end. Sales taxes are deemed available if they are collected within 60 days of the year end.

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, which were adopted. Budget amendments that occurred throughout the year ensured proper recording of expenditures in appropriate funds. In addition, the major budget adjustments during mid-year re-estimates to reflect an increase to expected sales tax revenue and the recognition of ARPA funding recognition in the General Fund. 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.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2022

F. Cash, Cash Equivalents, and Investments

Cash of 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 recorded at amortized cost or NAV. 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.

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.

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 \$3,375,875 as of September 30, 2022, 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.

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

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

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 system. The City of Carrollton’s portion of the system costs as of September 30, 2022 is included in the costs for the Dispatch center.

K. Land Held for Redevelopment

Land held for redevelopment is valued at the lower of estimated realizable value or historical acquisition cost.

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:

Restricted Cash and Investments	
Governmental Activities:	
Debt Service Fund	\$ 5,427,403
Bond Construction Account	38,387,049
Other Capital Project Funds	5,123,658
Special Revenue Funds	2,831,365
	51,769,475
Business-Type Activities:	
Revenue Bond Accrued Interest Payable	142,500
Current Maturities of Revenue Bonds	558,333
Reserve for Revenue Bond Retirement	890,296
Customer Deposits	3,151,098
Unspent Bond Proceeds	-
	4,742,227
Total Restricted Cash and Investments	\$ 56,511,702

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 acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Leased assets are discussed in Note 4.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

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

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. Right to use assets have a capitalization threshold of \$25,000. 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	2.5 – 12 Years
Leased Equipment	2 - 10 Years
Intangibles	4 – 20 Years
Improvements	10 – 40 Years
Infrastructure	20 – 40 Years

N. Pensions & OPEB

For purposes of measuring the net pension liability/(asset), 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 consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Codification Section P20 – Pension Activities.

For the purpose of measuring the total other post-employment benefits (OPEB) liability, OPEB-related deferred outflows and inflows of resources, and OPEB expense in the City’s defined benefit health plan (Plan) have been determined on the same basis as they are reported by the plan. For this purpose, plan benefits are recognized when due and payable in accordance with the benefit terms. The City’s Total OPEB Liability is obtained through a report prepared for the City by consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Codification Section P50 - Post-employment Benefits Other than Pensions .

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:

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2022

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.

P. Nature and Purpose of Classifications of Fund Balances

Governmental Funds fund balances classified as restricted are balances with constraints placed on the use of resources by creditors, grantors, contributors, or 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.

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

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2022

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.

The City utilizes bond funds (restricted) before unrestricted funds.

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 budget purposes. During the year ended September 30, 2022, the City allocated \$4,081,744 as a budgetary transfer.

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 assets 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.
- Differences between actuarial assumptions used and actual experience for determination of pension or OPEB liability (asset) – These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine OPEB liability – 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 a consumption of net assets that applies to future reporting period and 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.

- 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

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Difference in expected and actual pension or OPEB experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Changes in actuarial assumptions used to determine pension liability (asset) – This difference is deferred amortized over the estimated average remaining lives of all member determined as of the measurement date.
- Deferred inflows related to leases – This amount is deferred and amortized over the life of lease term.
- Unavailable revenue (governmental fund level only) - deferred inflow of resources that represents amounts earned, but which are not available.
- Of the \$1,197,252 unearned revenue in the governmental funds, \$883,642 (73.81%) are related to unrecognized ARP grant funds.

U. Accounts payable at September 30, 2022 for the government's individual major funds, which have payables, and non-major in the aggregate are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Streets and Drainage</u>	<u>General and Public Facilities</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Accounts payable						
Retainage payable	\$ -	\$ -	\$ 1,305,465	\$ 721,417	\$ 269,279	\$ 2,296,161
Accrued payroll liabilities	3,213,732	-	6,283	1,395	6,077	3,227,487
Accounts payable	<u>3,683,195</u>	<u>-</u>	<u>1,775,280</u>	<u>1,280,453</u>	<u>1,126,343</u>	<u>7,865,271</u>
Total accounts payable	\$ 6,896,927	\$ -	\$ 3,087,028	\$ 2,003,265	\$ 1,401,699	\$ 13,388,919

	<u>Business-Type Activites - Enterprise Funds</u>				<u>Governmental Activities</u>
	<u>Water and Sewer</u>	<u>Golf Course</u>	<u>Sanitation</u>	<u>Total</u>	<u>Internal Service Funds</u>
Accounts payable					
Retainage payable	\$ 919,099	\$ -	\$ -	\$ 919,099	\$ -
Accrued payroll liabilities	125,955	-	-	125,955	1,638,523
Accounts payable	<u>2,043,305</u>	<u>14,096</u>	<u>1,933,399</u>	<u>3,990,800</u>	<u>371,126</u>
Total accounts payable	\$ 3,088,359	\$ 14,096	\$ 1,933,399	\$ 5,035,854	\$ 2,009,649

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

(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 with 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 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	\$ 31,697,771
Beginning of year adjustment for encumbrances recognized as expenditures	(82,449)
End of year adjustment for encumbrances not recognized as expenditures	466,370
Unrealized investment gain/(loss) recognized for GAAP basis only	<u>(2,379,163)</u>
Net change in fund balance - GAAP basis	<u>\$ 29,702,529</u>

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

(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. Bank 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 \$9,902,227.

At September 30, 2022, the carrying amount of the City's deposits was \$5,098,144 and the respective bank balances totaled \$8,657,436, and the City’s cash on hand totaled \$9,520 for petty cash and change funds.

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 certificated 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.

The City’s investments balances as of September 30, 2022, were:

Investments:	Fair Market Value	Weighted Average Maturity (Years)	Credit Risk
Coupon Agencies	\$ 148,781,518	0.51	AA+ - AAA
Discount Agencies	12,848,553	0.01	AA+ - AAA
Municipal Bonds	68,525,732	0.18	A+ -AAA
Treasuries	71,138,019	0.17	AA+
Government Pools	49,789,280	0.01	AAAm
Total Fair Market Value	\$ 351,083,102		
Portfolio Weighted Average Maturity		0.88	

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2022

Following the criteria for GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, TexPool uses amortized cost and LOGIC, Texas CLASS, and Texas Term use NAV 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, 2022, the City has the recurring fair value measurements for coupon, discount agencies, treasury notes and municipal bonds of \$301,293,822 valued using quoted prices for similar assets in active markets. (Level 2 inputs.) Investments in local government investment pools valued at amortized cost or NAV as of September 30, 2022 total \$49,789,280 .

Interest Rate Risk – In compliance with the City’s Investment Policy, as of September 30, 2022, 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, 2022, 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 that 5% of the investment portfolio in commercial paper and bankers’ acceptances of a single issuer. As of September 30, 2022, 5% or more of the City’s total investment are in: Treasury Bonds (20.26%), Federal Home Loan Bank (16.31%), Federal Farm Credit Bank (10.76%), Federal National Mortgage Association (8.33%), Federal Home Loan Mortgage Corporation (7.32%), TexasClass (6.86%), and TexPool (5.58%).

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

(4) CAPITAL ASSETS

Capital asset activity for the year-ended September 30, 2022, was as follows:

	<u>Balance October 1</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Balance September 30</u>
Governmental Activities				
Capital Assets not being depreciated:				
Land	\$ 100,124,774	\$ -	\$ -	\$ 100,124,774
Construction in Progress	1,527,705	8,416,444		9,944,149
<i>Total Capital Assets not being depreciated</i>	<u>101,652,479</u>	<u>8,416,444</u>	<u>-</u>	<u>110,068,923</u>
Capital Assets being depreciated:				
Buildings	89,821,519	-	(5,350)	89,816,169
Equipment	53,981,026	4,509,986	(2,290,365)	56,200,647
Intangibles	10,716,124	-	(1)	10,716,123
Improvements	58,110,468	1,935,354		60,045,822
Infrastructure	391,614,137	31,637,498		423,251,635
<i>Total Capital Assets being depreciated</i>	<u>604,243,274</u>	<u>38,082,839</u>	<u>(2,295,716)</u>	<u>640,030,396</u>
Less accumulated depreciation for:				
Buildings	(53,732,923)	(3,003,805)	5,350	(56,731,378)
Equipment	(34,117,882)	(4,724,572)	2,240,361	(36,602,093)
Intangibles	(7,116,078)	(809,887)	(21,432)	(7,947,397)
Improvements	(25,616,646)	(2,155,750)		(27,772,396)
Infrastructure	(124,434,488)	(11,592,017)		(136,026,505)
<i>Total accumulated depreciation</i>	<u>(245,018,017)</u>	<u>(22,286,031)</u>	<u>2,224,279</u>	<u>(265,079,769)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>359,225,257</u>	<u>15,796,808</u>	<u>(71,437)</u>	<u>374,950,627</u>
<i>Governmental Activities Capital Assets, net</i>	<u>\$ 460,877,736</u>	<u>\$ 24,213,252</u>	<u>\$ (71,437)</u>	<u>\$ 485,019,550</u>
	<u>Balance October 1</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Balance September 30</u>
Business-Type Activities				
Capital Assets not being depreciated:				
Land	\$ 2,377,918	\$ -	\$ -	\$ 2,377,918
Construction in Progress	4,157,999	1,877,770	-	6,035,769
<i>Total Capital Assets not being depreciated</i>	<u>6,535,917</u>	<u>1,877,770</u>	<u>-</u>	<u>8,413,687</u>
Capital Assets being depreciated:				
Buildings	19,998,757	-	-	19,998,757
Equipment	9,362,713	372,502	(205,173)	9,530,042
Intangibles	828,392	-	-	828,392
Improvements	16,169,676	-	-	16,169,676
Infrastructure	258,743,673	8,906,439	-	267,650,112
<i>Total Capital Assets being depreciated</i>	<u>305,103,211</u>	<u>9,278,941</u>	<u>(205,173)</u>	<u>314,176,979</u>
Less accumulated depreciation for:				
Buildings	(17,832,360)	(299,450)	-	(18,131,810)
Equipment	(6,260,928)	(582,239)	140,814	(6,702,353)
Intangibles	(779,169)	(9,850)		(789,019)
Improvements	(12,355,707)	(510,569)	-	(12,866,276)
Infrastructure	(151,183,374)	(5,188,592)	-	(156,371,966)
<i>Total accumulated depreciation</i>	<u>(188,411,538)</u>	<u>(6,590,700)</u>	<u>140,814</u>	<u>(194,861,425)</u>
<i>Total Capital Assets being depreciated, net</i>	<u>116,691,673</u>	<u>2,688,242</u>	<u>(64,359)</u>	<u>119,315,554</u>
<i>Business-Type Activities Capital Assets, net</i>	<u>\$ 123,227,590</u>	<u>\$ 4,566,012</u>	<u>\$ (64,359)</u>	<u>\$ 127,729,241</u>

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

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

Depreciation Expense	
Governmental Activities:	
General Government and Administration	\$ 1,370,872
Public Safety	4,435,438
Development Services	12,898,478
Cultural and Recreational	3,581,243
<i>Total Depreciation Expense</i>	<u><u>\$ 22,286,031</u></u>
Business-Type Activities:	
Water and Sewer	\$ 5,981,781
Golf Course	608,919
Sanitation	-
<i>Total Depreciation Expense</i>	<u><u>\$ 6,590,700</u></u>

Leased asset activity for the year-ended September 30, 2022, was as follows:

	Balance Restated October 1	Additions/ Completions	Retirements/ Adjustments	Balance September 30
Governmental Activities				
Leased assets	\$ 5,032,736	\$ 434,154	\$ -	\$ 5,466,890
<i>Total leased assets being amortized</i>	<u>5,032,736</u>	<u>434,154</u>	<u>-</u>	<u>5,466,890</u>
Less accumulated amortization for:				
Leased assets	-	(691,387)	-	(691,387)
<i>Total accumulated amortization</i>	<u>-</u>	<u>(691,387)</u>	<u>-</u>	<u>(691,387)</u>
<i>Total leased assets being amortized, net</i>	<u>\$ 5,032,736</u>	<u>\$ (257,233)</u>	<u>\$ -</u>	<u>\$ 4,775,503</u>

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

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

Amortization Expense	
Governmental Activities:	
General Government and Administration	\$ 38,112
Public Safety	523,866
Development Services	129,409
Cultural and Recreation	-
Total Amortization Expense	\$ 691,387

(5) LONG-TERM DEBT AND LIABILITIES:

General Obligation Bonds

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 year, General Obligation (GO) Improvement and Refunding Bonds Series 2022 of \$24,313,104 including premium, were issued for capital improvements for \$22,595,000 and to refund \$1,755,000 par value of the City's previously issued and outstanding 2012 GO Improvement Bonds with unamortized premiums of \$638,443 for a total carrying value of \$2,393,443. As the transaction was completed within 90 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 accounting was used to calculate the related gain on refunded. Issuance costs associated with these bonds were \$185,932.

The proceeds were used to deposit cash in a bond escrow fund with the U.S Bank National Association designated as the escrow agent. The net carrying amount of the old debt exceeded the reacquisition price of the old debt by \$614,919, which is being amortized over the remaining life of the refunded debt. Under the escrow reserve agreement, the escrow fund is irrevocable 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 \$481,077 and obtained an economic gain (difference between present value of the debt service payments on the old and new debt) of \$441,895.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

At September 30, 2022, general obligation bonds currently outstanding are as follows:

	Interest Rate	Issue Date	Maturity Date	Outstanding at Par
	%			
Improvement, Series 2013	2 - 4.5	7/15/2013	8/15/2033	5,975,000
Improvement, Series 2014	3 - 4	4/15/2014	8/15/2034	13,850,000
Improvement and Refunding, Series 2015	2 - 5	5/1/2015	8/15/2035	20,885,000
Improvement and Refunding, Series 2016	3 - 5	5/15/2016	8/15/2031	18,230,000
Improvement, Series 2017	2 - 5	4/1/2017	8/15/2032	13,925,000
Improvement, Series 2018	3 - 5	5/1/2018	8/15/2033	15,380,000
Improvement and Refunding, Series 2019	3 - 5	5/1/2019	8/15/2034	32,670,000
Improvement, Series 2020	3 - 5	6/4/2020	8/15/2035	17,665,000
Improvement and Refunding, Series 2021	2 - 5	6/1/2021	8/15/2036	23,535,000
Improvement and Refunding, Series 2022	3.25 - 5	6/1/2022	8/15/2037	\$ 22,595,000
				<u>\$ 184,710,000</u>

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

General Obligation Bonds			
Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2023	\$ 16,855,000	\$ 8,103,461	\$ 24,958,461
2024	17,005,000	7,093,683	24,098,683
2025	17,345,000	6,281,958	23,626,958
2026	16,925,000	5,544,678	22,469,678
2027	16,265,000	4,737,278	21,002,278
2028-2032	70,070,000	13,599,362	83,669,362
2033-2037	30,245,000	2,224,449	32,469,449
Total	<u>\$ 184,710,000</u>	<u>\$ 47,584,869</u>	<u>\$ 232,294,869</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.

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 2022, net revenue available for debt service was 10.9 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

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

believes that it is in compliance with all significant financial requirements as of September 30, 2022.

At September 20, 2022, revenue bonds currently outstanding are as follows:

	Interest Rate %	Issue Date	Maturity Date	Outstanding at Par
Waterworks and Sewer System Revenue Refunding, Series 2012	2 - 4	5/1/2012	5/1/2023	840,000
Waterworks and Sewer System Revenue Improvement, Series 2019	2 - 4	5/1/2019	5/1/2034	7,605,000
				<u>\$ 8,445,000</u>

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

Revenue Bonds			
Year Ending September 30	Business-Type Activities		
	Principal	Interest	Total
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
2028-2032	3,365,000	729,350	4,094,350
2033-2034	1,540,000	93,000	1,633,000
Total	<u>\$ 8,445,000</u>	<u>\$ 2,238,550</u>	<u>\$ 10,683,550</u>

Bonds Authorized and Unissued – At September 30, 2022, the City has \$126,435,000 in general obligation bonds which were authorized and unissued.

Net Pension Liability/(Asset) – The net pension liability/(asset) 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. The City allocates pension items between governmental activities and business type activities on the basis of employee payroll funding. The city's Net Pension Liability is an asset in 2022 and is not included in the Liability Rollforward below.

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.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2022

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.

The 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. The City includes OPEB items within the governmental and business-type activities on the basis of employee payroll funding.

Note Payable in Governmental Funds – Represents the amount owed for the Castle Hills Public Improvement District (PID) to the developer that will be paid by PID collections from property owners within the PIDS. Amount owed is contingent upon collection from property owners. Each PID has a maturity of 20 years, but individual parcel owners may pay off their PID assessment without a prepayment penalty.

Changes in long-term liabilities – On the next schedule, the additions to the General Obligation Bonds in the Governmental Type Activities represent the issuance of \$22,595,000 of General Obligation Improvement Bonds and Refunding, Series 2022.

Lease Liabilities - Represents the obligation to make lease payments and is measured at the present value of future lease payments.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

Transactions for the year ended September 30, 2022 are summarized as follows:

	Restated Balance October 1	Additions	Reductions	Balance September 30	Due within one year
Governmental Activities					
Bonds Payable:					
General Obligation Bonds	\$ 179,375,000	\$ 22,595,000	\$ (17,260,000)	\$ 184,710,000	\$ 16,855,000
Premiums	25,142,993	1,718,104	(2,675,753)	24,185,344	2,075,359
Total Bonds Payable	<u>204,517,993</u>	<u>24,313,104</u>	<u>(19,935,753)</u>	<u>208,895,344</u>	<u>18,930,359</u>
Compensated Absences	16,405,609	1,706,468	(1,813,394)	16,298,683	1,224,329
Health Claims Liability	851,581	8,371,659	(8,434,744)	788,496	788,496
Other Postemployment Benefits Liability	18,319,744	-	(15,208,680)	3,111,064	-
Lease Liability	5,062,183	434,154	(656,681)	4,839,656	722,290
PID Notes Payable	11,184,547	-	(412,484)	10,772,063	-
Long-Term Risk Liability	865,083	1,601,301	(1,253,598)	1,212,786	-
Total Governmental Activities	<u>257,206,740</u>	<u>36,426,686</u>	<u>(47,715,334)</u>	<u>245,918,092</u>	<u>21,665,474</u>
Business-Type Activities					
Bonds Payable:					
Revenue Bonds	\$ 10,195,000	\$ -	\$ (1,750,000)	\$ 8,445,000	\$ 1,340,000
Premiums	1,068,730	-	(171,422)	897,308	143,806
Total Bonds Payable	<u>11,263,730</u>	<u>-</u>	<u>(1,921,422)</u>	<u>9,342,308</u>	<u>1,483,806</u>
Compensated Absences	464,656	78,065	(3,498)	539,223	92,446
Other Postemployment Benefits Liability	-	128,278	-	128,278	-
Total Business-Type Activities	<u>11,728,386</u>	<u>206,343</u>	<u>(1,924,920)</u>	<u>10,009,809</u>	<u>1,576,252</u>
Total Government	<u>\$ 268,935,126</u>	<u>\$ 36,633,029</u>	<u>\$ (49,640,254)</u>	<u>\$ 255,927,901</u>	<u>\$ 23,241,726</u>

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

(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 or required by State Law. 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, 2022 were 99.35% 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 45 days after year-end.

The City Charter does not provide for a debt limit; therefore, no computation can be made. However, at September 30, 2022, the City had a tax margin of approximately \$1.92 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 City 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. In the 2019 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 know 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.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2022

The State of Texas utilizes origin-based sourcing for most municipal sales transactions. Under this approach, sales tax is sourced to the taxing jurisdiction in which the selling business is located 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 Comptroller revised Texas Administrative Code Section 3.334 which sets forth how sales tax is handled: origin based or destination-based. This change was to be effective October 1, 2021 but has been challenged by several cities, including Carrollton. During the pendency of this lawsuit, the effective date has been enjoined until the case can be heard. The identity of and the amount paid by individual sales and use tax payers is strictly confidential under state law.

Use tax relates to sales of goods or services shipped into the State by sellers without a physical presence in the State. Use tax is generally on a destination basis.

(7) EMPLOYEE BENEFIT PLANS:

A. Texas Municipal Retirement System (TMRS)

Plan Description:

The City participates as one of 901 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.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.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

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. Member 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 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's employees do not participate in Social Security.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	768
Inactive employees entitled to but not yet receiving benefits	725
Active employees	842
	<hr/>
	2,335
	<hr/>

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 2022, the city made contributions of 12.67% for the months in calendar year 2021 and 11.83% for the months in calendar year 2022. The City provided for an additional voluntary contribution of 0.83 percentage points over the required contribution of 11.84% for the months in 2021 and 1.00 percentage points over the actuarially required contribution of 10.83% for the months in 2022. During the 2022 fiscal year, employees contributed \$4,578,509 and the City contributed \$7,867,711, which was \$627,758 more than the actuarially required contribution.

Net Pension Liability/(Asset):

The City's Net Pension Asset (NPA) was measured as of December 31, 2021, and the total pension Liability (TPL) used to calculate the net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions –

The Total Pension Liability/(Asset) in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

Inflation	2.5% per year
Overall payroll growth	2.65% 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 are based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, health retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set forward for males and a 3-year set forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study. 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 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:

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
 For Year Ended September 30, 2022

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Real Return	12.0%	7.22%
Real Estate	12.0%	6.85%
Absolute Return	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

Discount Rate – The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee 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, 2022

Changes in the Net Pension Liability/(Asset) –

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a)-(b)
Balance at 12/31/2020	\$ 466,999,463	\$ 467,443,323	\$ (443,860)
Charges for the year:			
Service Cost	9,951,153	-	9,951,153
Interest	31,121,665	-	31,121,665
Difference between expected and actual experience	6,107,408	-	6,107,408
Change in assumptions	-	-	-
Contributions - Employer	-	8,176,468	(8,176,468)
Contributions - Employee	-	4,517,385	(4,517,385)
Net Investment Income	-	60,899,041	(60,899,041)
Benefit Payments, including refunds of employee contributions	(21,826,659)	(21,826,659)	-
Administrative Expense	-	(281,958)	281,958
Other Changes	-	1,931	(1,931)
Net Changes	<u>25,353,567</u>	<u>51,486,209</u>	<u>(26,132,641)</u>
Balance at 12/31/2021	<u>\$ 492,353,030</u>	<u>\$ 518,929,532</u>	<u>\$ (26,576,502)</u>

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

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

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
City's net pension liability / (asset) \$	39,844,197	\$ (26,576,502)	\$ (81,319,583)

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

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.

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

For the year ended September 30, 2022, the City recognized pension income of \$4,360,016. This amount is included as part of Personal Services decrease on expenses within the functional program activities, and such decrease was due to vacancy.

At September 30, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions after measurement date	\$ 5,904,063	\$ -
Net difference in projected and actual earnings on pension assets	-	31,269,165
Changes in actuarial assumptions used to determine pension liability	-	15,274
Difference in expected and actual pension experience	4,357,434	914,548
Total	\$ 10,261,497	\$ 32,198,987

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$5,904,063 will be recognized as an increase of the net pension asset for the measurement year ending December 31, 2022 (i.e. recognized in the city’s financial statements September 30, 2023). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year ended December 31	
2022	(4,289,759)
2023	(11,931,801)
2024	(5,750,672)
2025	(5,869,321)
Total	\$ (27,841,553)

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

B. Deferred Compensation Plan

The City offers all employees a deferred compensation plan through Mission Squared (Trustee) in accordance with Internal Revenue Code Section 457. The ICMA-RC 457 plan provides employees the option to supplement their TMRS retirement benefits by making pre-tax contributions to their plan. If employees contribute at least 4.6% of their gross pay per pay period the City will match 2.35%. The 457 Plan contribution maximums for 2022 are: \$20,500; \$27,000 for age 50 catch-up and \$41,000 for the regular catch-up provision. Employees may enroll in the plan and /or change their contribution amounts at any time. The total amount contributed by the City for Fiscal Year 2022 was \$1,017,259.

(8) INTERFUND ACTIVITY:

Interfund transfers during the year ended September 30, 2022, were as follows:

	<u>Transfers In/Internal Contribution</u>					<u>Total</u>
	<u>General Fund</u>	<u>Streets and Drainage</u>	<u>General and Public Facilities</u>	<u>Non-Major Governmental</u>	<u>Water and Sewer</u>	
<u>Transfers Out</u>						
General Fund	\$ -	\$ 1,200,000	\$ 13,160,718	\$ 1,365,000	\$ -	\$ 15,725,718
Internal Service	914,259	-	-	-	-	914,259
General and Public Facilities	1,435,305	3,357,059	-	1,315,000	700,000	6,807,364
Water and Sewer	5,223,162	-	200,000	-	-	5,423,162
Sanitation	618,870	1,457,205	-	-	-	2,076,075
<u>Total</u>	<u>\$ 8,191,596</u>	<u>\$ 6,014,264</u>	<u>\$ 13,360,718</u>	<u>\$ 2,680,000</u>	<u>\$ 700,000</u>	<u>\$ 30,946,578</u>

Transfers are primarily used to move funds from:

- The Proprietary Funds to the General Fund for a budgeted allocation amount.
- 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

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2022

water usage. The rates charged are subject to minimum annual contract payments. Water expense for the year ended September 30, 2022 was \$16,337,608.

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 year ended September 30, 2022 was \$12,918,421. 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
For Year Ended September 30, 2022

<u>Policy</u>	<u>Retention</u>	<u>Limits on Liability</u>
General Liability	\$25,000 per occurrence	\$2,000,000 per occurrence and \$4,000,000 policy aggregate
Law Enforcement Liability	\$50,000 per occurrence	\$3,000,000 per occurrence and \$6,000,000 policy aggregate
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	\$ 241,840,398
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
Cyber Insurance - 5 Towers	\$20,000 to \$50,000 per occurrence depending on type	\$200,000 to \$3,000,000 per tower, multiple aggregate sublimits

All funds of the City participate in the program and make payments to the Risk Management Fund. As of the end of fiscal year 2022, the loss reserve was estimated at \$1,212,786.

Changes in this reserve amount in fiscal years 2021 and 2022 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>
2020-2021	\$ 747,908	\$ 1,335,799	\$ 1,218,624	\$ 865,083
2021-2022	\$ 865,083	\$ 1,601,301	\$ 1,253,598	\$ 1,212,786

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

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

addition, excess insurance has been obtained for an individual employee’s health care claims exceeding \$225,000.

Revenues are recognized from payroll deductions and City contributions. At September 30, 2022, a liability of \$788,496 has been recorded, which represents estimated claims incurred by not yet reported.

Changes in this claim liability during fiscal years 2021 and 2022 were as follows:

	Balance at Beginning of Fiscal Year	Current-year Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2020-2021	\$ 1,027,400	\$ 9,130,931	\$ 9,306,750	\$ 851,581
2021-2022	\$ 851,581	\$ 8,371,659	\$ 8,434,744	\$ 788,496

There have been no significant increases in insurance coverage during the fiscal year 2022.

(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 17 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 2022, the City rebated property taxes of \$3,290,929 or 3.29% of the \$100,086,098 total levy and hotel occupancy taxes of \$315,495 or 65% of the \$489,143 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 \$466,370.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2022

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.

Construction Commitments – The City has active construction projects as of September 30, 2022. Total accumulated commitments for ongoing capital projects are composed of the following:

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

Streets and Drainage	\$	115,488,081
Traffic		1,420,750
Parks and Recreation		24,602,517
General Facilities		44,664,326
Community Development		14,254,541
Water and Sewer		28,777,182
Golf Course		384,431
Total	\$	229,591,828

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

(13) OTHER POSTEMPLOYMENT BENEFITS:

a) Retiree Health Care Plan:

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. No assets are accumulated in a trust that meet the criteria in paragraph 4 of statement 75.

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 Program). For financial reporting purposes, the Retiree Health Existing Program is accounted for in the Employee Health and Disability Fund. No other financial statements are issued related to the Retiree Health Existing Program. No assets are accumulated in the fund.

Effective January 1, 2022, the city reopened the plan to employees eligible to retire in the City. Employees 60 years of age and with at least 10 years of consecutive service with the City will

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2022

be eligible to pay the same rates as those on the Retiree Health Program. The current year's OPEB valuation included the removal of a high cost claimant and the consideration of the January 1, 2022 changes to the plan.

Membership in the Retiree Health Program is as follows:

Membership	
Number of	
- Retirees and Beneficiaries	17
- Inactive, Nonretired Members	0
- Active Members	778
- Total	795

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. 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.

Funding Policy:

Current retirees contribute to the Retiree Health Existing Program the total blended premium for active and retired participants. The city contribution to the Retiree Health Existing Program consists of Pay-as-you-go claims in excess of the retiree contributions for the year. Retiree contribution rates for fiscal year 2022 were \$8,037 to \$48,624 per year depending on coverage levels selected. In fiscal year 2022, total member contributions were \$330,107. Retiree contributions to the retiree health fund exceeded retiree expenses for fiscal year 2022.

Funded Status and Funding Progress:

As of December 31, 2021, the most recent actuarial valuation date, the total OPEB liability (TOL) for benefits was \$3,239,342, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) for measurement year 2021 was \$64,155,364. The ratio of the total OPEB Liability to the covered payroll was 5%.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2022

Actuarial valuation 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. OPEB liabilities are liquidated with funds from the General Fund and Water Sewer.

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, 2021 actuarial valuation, the Individual Entry Age cost method was used. The actuarial assumptions include a 1.84% discount rate (2.00% as of December 31, 2020), based on the Fidelity 20-year Municipal GO AA Index, an annual healthcare cost trend rate of 6.75% (7.00% as of December 31, 2020) initially, reduced by decrements to an ultimate rate of 4.15% after 12 years, and salary increases from 3.5% to 11.5%, including inflation. The rate of inflation is assumed to be 2.5%. For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas Mortality Tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements. Demographic assumptions are based on the experience study covering the four year period ending December 31, 2018 as conducted for TMRS.

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.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

Service Cost	\$	8,582
Interest on Total OPEB Liability		364,544
Changes of Assumptions		41,265
Benefit Payments		(193,655)
Change in benefit terms		2,426,763
Difference between expected and actual experience of the total OPEB liability		(17,727,901)
Net Change in Total OPEB Liability		(15,080,402)
Total OPEB Liability - beginning		18,319,744
Total OPEB Liability - ending	\$	3,239,342

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 1.84%, 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 (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
City's Total OPEB Liability	\$ 3,511,253	\$ 3,239,342	\$ 2,991,060

Sensitivity of the total 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:

	1% Decrease in Trend Rate	Current Health Care Trend Rate	1% Increase in Trend Rate
City's Total OPEB Liability	\$ 2,956,780	\$ 3,239,342	\$ 3,573,356

For the year ended September 30, 2022, the City recognized OPEB income of \$5,136,151.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

Contributions after the measurement date totaled \$37,989. Difference between expected and actual experience and changes in actuarial assumptions used to determine total OPEB liability are amortized as follows:

Year Ending September 30	Net Deferred Outflows / (Inflows)
2023	\$ (8,843,318)
2024	-
2025	-
2026	-
2027	-
Thereafter	907,278
Total	\$ (7,936,040)

At September 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB which are detailed in the following table.

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions after measurement date	\$ 37,989	\$ -
Difference between expected and actual experience	105,588	8,863,950
Changes in actuarial assumptions used to determine total OPEB liability	822,322	-
Total	\$ 965,899	\$ 8,863,950

b) Retiree Health Savings Plan (RHS)

Non-grandfathered employees will be required to participated in the City's Retiree Health Savings (hereafter referred to as RHS) plan as described below.

Eligible employees will receive contributions to their RHS accounts on the second pay period in January of each year with the first year starting after the completion of ten full years of continuous service with the City of Carrollton. Years of service will be determined as of January 1 of each year. Contributions will vary based on years of service.

Employees will be 50% vested at 15 years and 100% vested at 20 years. Vesting includes all RHS account balances including investment earnings. RHS accounts will be administered through

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2022

through ICMA-RC and investment options will be similar or identical to those offered by ICMA-RC in their 457 plan with the City. The benefits and terms are established and amended by the City.

Employees are eligible for disbursement from their vested RHS account balances upon termination of city employment according to the vesting schedule above and IRS regulations. Upon termination, RHS balances may be disbursed for any eligible health-related expenses as defined by IRS Regulations. Upon separating from service, prior to benefit eligibility, a participant's non-vested funds shall remain in the plan and be reallocated among fully vested plan participants.

Benefit provisions are contained in the plan document and were established and can be amended by action of the City's governing body. Contributions actually made by the City aggregated \$586,500 during 2022.

Nonvested forfeitures are used to cover a portion of the OPEB plans administrative expenses. For the year ended September 30, 2022, forfeitures reduced the OPEB expense by \$43,733.

(14) POLLUTION REMEDIATION

During Fiscal Year 2022, the city experienced a fuel leak from its pumps located at City's Municipal Complex. An immediate response was provided by the City of Carrollton Environmental Services Team and expenses were reflected in the current fiscal year. No further remediation liability is expected.

(15) LEASES

Effective October 1, 2021, the City implemented GASB Statement No. 87, *Leases*, which required the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The adoption of GASB No. 87 had no historical impact on the City's net position and no restatement of net position was made.

Lessee -

The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide funds financial statements.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease right-to-use asset was initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2022

commencement date, plus certain initial direct costs. Subsequently, the lease right-to use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leased assets are reported on the government-wide Statement of Net Position and lease liabilities are reported with noncurrent liabilities on the Statement of Net Position.

Lessor –

The City recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental funds financial statements.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the City initially measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts. The City uses the lessee's rate or the rate disclosed in the agreement. If the rate is not readily available, the City uses its estimated incremental borrowing rate as the discount rate. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a re-measurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements For Year Ended September 30, 2022

1. Lease receivable

At the start of current fiscal year, the City was leasing live-work spaces, land and building space. These leases all had varying terms between two and three years. The City recognized \$370,439 in lease and interest revenue during the current fiscal year related to these leases. As of September 30, 2022, the City's receivable for lease payments was \$186,194. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of September 30, 2022, the balance of the deferred inflow of resources was \$186,194.

2. Lease payable

Prior to beginning of the current fiscal year, the City entered into a ten-year lease agreement as lessee for the acquisition and use of police equipment and building lease for space. During the fiscal year the City, entered into two additional leases as the lessee for digital space and advertising billboard space. At the beginning of the fiscal year the initial lease liability was recorded in the amount of \$5,062,183. As of September 30, 2022, the value of the lease liability was \$4,839,656.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

The future principal and interest lease payments as of September 30, 2022, were as follows:

Maturity Analysis	Principal	Interest	Total
10/01/2022 - 09/30/2023	\$ 768,173	\$ 35,184	\$ 803,357
10/01/2023 - 09/30/2024	730,374	28,929	759,303
10/01/2024 - 09/30/2025	697,032	23,062	720,094
10/01/2025 - 09/30/2026	672,898	16,256	689,154
10/01/2026 - 09/30/2027	574,385	11,401	585,786
10/01/2027 - 09/30/2032	1,396,795	15,773	1,412,568
10/01/2032 - 09/30/2037	-	-	-
Total	\$ 4,839,657	\$ 130,605	\$ 4,970,262
Lease Liability	\$ 4,839,657		

(16) FUTURE FINANCIAL REPORTING REQUIREMENT:

The City is in the process of reviewing possible impacts of GASB pronouncements which will become effective in future years, and notes the following statements are applicable to the City.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This statement will become effective for the City in fiscal year 2023.

Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement will become effective for the City in fiscal year 2023.

Statement No. 99, *Omnibus 2022*. This statement will become effective for the City in fiscal year 2023.

Statement No. 100, *Accounting Changes and Error Corrections*. This Statement will become effective for the city in fiscal year 2024.

Statement No. 101, *Compensated Absences*. This statement will become effective for the City by fiscal year 2025.

CITY OF CARROLLTON, TEXAS

Notes to Basic Financial Statements
For Year Ended September 30, 2022

(17) SUBSEQUENT EVENTS

During Fiscal Year 2023, the City experienced a line of duty death of a first responder which will impact the Risk Management Internal Service Fund. The City has maintained its insurance coverage and deductible will be met. The city maintains a strong fund balance for this fund and will continue to monitor the effects on the Risk Management Fund.

The City has also planned for a bond defeasance in Spring 2023 for \$2,715,000 in principal of the City of Carrollton, Texas General Obligation Bonds, Series 2013 in an effort to maintain a constant debt service rate. Council has approved this measure and the defeasance will be made prior to the end of fiscal year 2023.

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

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021
Total pension liability:								
Service cost	\$ 6,592,786	\$ 7,652,932	\$ 8,018,638	\$ 8,406,143	\$ 8,686,029	\$ 9,041,317	\$ 9,731,090	\$ 9,951,153
Interest	23,690,265	24,739,518	25,320,101	26,477,155	27,654,253	28,782,762	29,983,251	31,121,665
Difference between expected and actual experience	(2,087,560)	(964,785)	(726,584)	192,522	(491,951)	(472,361)	(1,948,426)	6,107,408
Change in assumptions	-	4,666,507	-	-	-	(98,593)	-	-
Benefit payments, including refunds of employee contributions	(13,257,578)	(14,214,900)	(14,957,304)	(16,371,432)	(19,183,121)	(19,431,525)	(20,194,442)	(21,826,659)
Net change in total pension liability	14,937,913	21,879,272	17,654,851	18,704,388	16,665,210	17,821,600	17,571,473	25,353,567
Total pension liability - beginning	341,764,756	356,702,669	378,581,941	396,236,792	414,941,180	431,606,390	449,427,990	466,999,463
Total pension liability - ending (a)	356,702,669	378,581,941	396,236,792	414,941,180	431,606,390	449,427,990	466,999,463	492,353,030
Plan fiduciary net position:								
Contributions - employer	6,822,121	7,332,309	7,258,922	7,063,344	7,332,214	7,472,522	7,990,471	8,176,468
Contributions - employee	3,423,287	3,679,294	3,642,470	3,820,974	3,966,963	4,132,806	4,414,623	4,517,385
Net investment income	19,077,452	515,477	23,404,549	50,642,626	(12,286,647)	60,244,834	33,524,687	60,899,041
Benefit payments, including refunds of employee contributions	(13,257,578)	(14,214,900)	(14,957,304)	(16,371,432)	(19,183,121)	(19,431,525)	(20,194,442)	(21,826,659)
Administrative expense	(199,188)	(313,987)	(264,342)	(262,459)	(237,525)	(340,567)	(217,064)	(281,958)
Other	(16,377)	(15,507)	(14,242)	(13,301)	(12,410)	(10,230)	(8,470)	1,931
Net change in plan fiduciary net position	15,849,717	(3,017,314)	19,070,053	44,879,752	(20,420,526)	52,067,840	25,509,805	51,486,208
Plan fiduciary net position - beginning	333,503,997	349,353,714	346,336,400	365,406,453	410,286,205	389,865,679	441,933,518	467,443,323
Plan fiduciary net position - ending (b)	349,353,714	346,336,400	365,406,453	410,286,205	389,865,679	441,933,519	467,443,323	518,929,531
Net pension liability (asset) - ending (a) - (b)	\$ 7,348,955	\$ 32,245,541	\$ 30,830,339	\$ 4,654,975	\$ 41,740,711	\$ 7,494,471	\$ (443,860)	\$ (26,576,501)
Plan fiduciary net position as a percentage of total pension liability	97.94%	91.48%	92.22%	98.88%	90.33%	98.33%	100.10%	105.40%
Covered payroll	\$ 48,904,096	\$ 52,561,347	\$ 52,035,292	\$ 54,585,343	\$ 56,586,510	\$ 58,977,932	\$ 63,066,038	\$ 64,534,068
Net pension liability (asset) as a percentage of covered payroll	15.03%	61.35%	59.25%	8.53%	73.76%	12.71%	-0.70%	-41.18%

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)
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	5,979,973	6,310,121	330,148	58,214,153	10.27%	10.84%
2020	7,397,973	7,763,315	365,342	61,273,205	12.07%	12.67%
2021	8,045,686	8,554,378	508,692	67,516,799	11.92%	12.67%
2022	7,239,953	7,867,711	627,758	65,407,272	11.07%	12.03%

Notes to Schedule:

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rate for 2021:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other information: There were no benefit changes during the year.

Significant assumption differences for fiscal years prior to 2022

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)

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021
Total OPEB liability					
Service cost	\$ 23,938	\$ 26,985	\$ 18,757	\$ 17,884	\$ 8,582
Interest	681,288	622,194	651,460	455,920	364,544
Changes of benefit terms	-	-	-	-	2,426,763
Difference between expected and actual experience	-	(170,261)	(1,713,950)	211,176	(17,727,901)
Changes of assumptions	1,118,690	(864,664)	1,066,615	1,603,380	41,265
Benefit payments	(1,052,441)	(766,795)	(929,130)	(1,077,134)	(193,655)
Net change in total OPEB liability	771,475	(1,152,541)	(906,248)	1,211,226	(15,080,402)
Total OPEB liability - beginning	18,395,832	19,167,307	18,014,766	17,108,518	18,319,744
Total OPEB liability - ending (a)	19,167,307	18,014,766	17,108,518	18,319,744	3,239,342
Covered employee payroll	\$ 2,658,886	\$ 2,617,211	\$ 2,009,270	\$ 2,268,981	\$ 64,155,364
Total OPEB liability as a percentage of covered employee payroll	720.88%	688.32%	851.48%	807.40%	5.05%

Note to Schedule

Changes 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.

2017	3.31%
2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%

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

The City has no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

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.

Public Improvement District Fund - to account for PID assessment fees collected to cover the costs associated with improvements within the district(s).

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, 2022

	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	
Assets									
Cash and cash equivalents	\$ 312,008	\$ 2,519,357	\$ 41,102	\$ 929,990	\$ 20,309,659	\$ 1,981,353	\$ 4,687,702	\$ 25,471,367	\$ 56,252,538
Accrued interest	-	5,281	-	942	41,577	5,778	6,758	84,105	144,441
Due from other governments	-	-	-	-	-	37,100	-	151,572	188,672
Prepaid items	85,455	-	-	-	-	-	-	-	85,455
Total assets	\$ 397,463	\$ 2,524,638	\$ 41,102	\$ 930,932	\$ 20,351,236	\$ 2,024,231	\$ 4,694,460	\$ 25,707,044	\$ 56,671,106
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ 138,585	\$ 361,345	\$ 41,102	\$ 34,224	\$ 348,586	\$ 849	\$ -	\$ 477,008	\$ 1,401,699
Unearned revenue	50,628	-	-	-	-	165,856	-	-	216,484
Total liabilities	189,213	361,345	41,102	34,224	348,586	166,705	-	477,008	1,618,183
Fund Balances									
Nonspendable:									
Prepaid items	85,455	-	-	-	-	-	-	-	85,455
Restricted for:									
Capital projects	-	-	-	-	5,231,690	-	4,694,460	-	9,926,150
Other purposes	122,795	2,163,293	-	-	-	-	-	-	2,286,088
Committed to:									
Capital projects	-	-	-	-	917,557	1,857,526	-	17,595,194	20,370,277
Assigned to:									
Capital projects	-	-	-	-	13,853,403	-	-	7,634,842	21,488,245
Other purposes	-	-	-	896,708	-	-	-	-	896,708
Total fund balances	208,250	2,163,293	-	896,708	20,002,650	1,857,526	4,694,460	25,230,036	55,052,923
Total liabilities and fund balances	\$ 397,463	\$ 2,524,638	\$ 41,102	\$ 930,932	\$ 20,351,236	\$ 2,024,231	\$ 4,694,460	\$ 25,707,044	\$ 56,671,106

CITY OF CARROLLTON, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Non-Major Governmental Funds
 For the Year Ended September 30, 2022

	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	
Revenues									
Ad valorem tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 974,925	\$ 3,615,574	\$ 4,590,499
Occupancy tax	173,648	-	-	-	-	-	-	-	173,648
Assessments	-	-	-	-	50,410	45,708	-	-	96,118
Charges for services	18,906	-	-	3,845	145,738	-	-	-	168,489
Intergovernmental	-	14,849	-	-	6,094	37,100	365,865	832,699	1,256,607
Fines and forfeitures	-	292,091	-	-	-	-	-	-	292,091
Investment earnings net of change in fair value of investments	(75,921)	(16,230)	-	(161,557)	(534,023)	(50,034)	(120,072)	(655,349)	(1,613,186)
PID assessment revenue	-	-	1,223,792	-	-	-	-	-	1,223,792
Miscellaneous	44,882	-	-	70,160	69,715	-	-	63,801	248,558
Total Revenues	\$ 161,515	\$ 290,710	\$ 1,223,792	\$ (87,552)	\$ (262,066)	\$ 32,774	\$ 1,220,718	\$ 3,856,725	\$ 6,436,616
Expenditures									
Current:									
Public safety	-	481,496	-	-	-	-	-	-	481,496
Cultural and recreational	510,057	-	-	72,022	-	-	-	-	582,079
PID development reimbursement	-	-	1,223,792	-	-	-	-	-	1,223,792
Capital outlay	-	-	-	-	2,216,818	37,059	-	4,005,375	6,259,252
Total Expenditures	510,057	481,496	1,223,792	72,022	2,216,818	37,059	-	4,005,375	8,546,619
Excess (deficiency) of revenues over (under) expenditures	(348,542)	(190,786)	-	(159,574)	(2,478,884)	(4,285)	1,220,718	(148,650)	(2,110,003)
Other financing sources:									
Bonds issued	-	-	-	-	4,600,000	-	-	-	4,600,000
Transfers in	270,000	-	-	-	2,410,000	-	-	-	2,680,000
	270,000	-	-	-	7,010,000	-	-	-	7,280,000
Net change in fund balances	(78,542)	(190,786)	-	(159,574)	4,531,116	(4,285)	1,220,718	(148,650)	5,169,997
Fund balances at beginning of year	286,792	2,354,079	-	1,056,282	15,471,534	1,861,811	3,473,742	25,378,686	49,882,926
Fund balances at end of year	\$ 208,250	\$ 2,163,293	\$ -	\$ 896,708	\$ 20,002,650	\$ 1,857,526	\$ 4,694,460	\$ 25,230,036	\$ 55,052,923



CARROLLTON
T E X A S

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – 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, 2022
 With Comparative Actual Totals for 2021

	2022				2021
	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final			
Revenues					
Occupancy	\$ 565,000	\$ 506,944	\$ 173,648	\$ (333,296)	\$ 122,512
Charges for services	-	-	18,906	18,906	-
Investment earnings net of change in fair value of investments	-	-	(75,921)	(75,921)	(90)
Miscellaneous	75,000	75,000	44,882	(30,118)	-
Total Revenues	640,000	581,944	161,515	(420,429)	122,422
Expenditures					
Current:					
Cultural and recreational	910,000	815,000	510,057	304,943	2,136
Excess (deficiency) of revenues over (under) expenditures	(270,000)	(233,056)	(348,542)	(115,486)	120,286
Other financing sources:					
Transfers in	270,000	270,000	270,000	-	145,000
Net change in fund balances	-	36,944	(78,542)	(115,486)	265,286
Fund balances at beginning of year	286,792	286,792	286,792	-	21,506
Fund balances at end of year	\$ 286,792	\$ 323,736	\$ 208,250	\$ (115,486)	\$ 286,792

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, 2022
 With Comparative Actual Totals for 2021

	2022			2021	
	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final			
Revenues					
Intergovernmental	\$ 18,122	\$ 14,849	\$ 14,849	\$ -	\$ 29,794
Fines and forfeitures	342,000	214,984	292,091	77,107	320,970
Investment earnings net of change in fair value of investments	10,002	5,917	(16,230)	(22,147)	3,916
Miscellaneous	-	-	-	-	2,159
Total Revenues	370,124	235,750	290,710	54,960	356,839
Expenditures					
Current:					
Public safety	1,494,724	743,565	481,496	262,069	288,838
Net change in fund balances	(1,124,600)	(507,815)	(190,786)	317,029	68,001
Fund balances at beginning of year	2,354,079	2,354,079	2,354,079	-	2,286,078
Fund balances at end of year	\$ 1,229,479	\$ 1,846,264	\$ 2,163,293	\$ 317,029	\$ 2,354,079

CITY OF CARROLLTON, TEXAS

Public Improvement District
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2022
 With Comparative Actual Totals for 2021

	2022			2021	
	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final			
Revenues					
PID assessment revenue	\$ 1,192,367	\$ 1,221,596	\$ 1,223,792	\$ 2,196	\$ 3,630,288
Total Revenues	<u>1,192,367</u>	<u>1,221,596</u>	<u>1,223,792</u>	<u>2,196</u>	<u>3,630,288</u>
Expenditures					
Current:					
PID Development Reimbursement	26,821	26,821	1,223,792	(1,196,971)	3,630,288
Principal retirement	410,949	413,783	-	413,783	-
Interest and fiscal charges	754,597	780,992	-	780,992	-
Total Expenditures	<u>1,192,367</u>	<u>1,221,596</u>	<u>1,223,792</u>	<u>(2,196)</u>	<u>3,630,288</u>
Net change in fund balances	-	-	-	-	-
Fund balances at beginning of year	-	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2022
 With Comparative Actual Totals for 2021

	<u>2022</u>				<u>2021</u>
	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual GAAP Basis</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Charges for services	\$ 1,000	\$ 2,438	\$ 3,845	\$ 1,407	\$ 1,300
Licenses and permits	25,000	-	-	-	267,048
Investment earnings net of change in fair value of investments	1,200	366	(161,557)	(161,923)	(2,038)
Miscellaneous	74,000	57,667	70,160	12,493	49,054
Total Revenues	<u>101,200</u>	<u>60,471</u>	<u>(87,552)</u>	<u>(148,023)</u>	<u>315,364</u>
Expenditures					
Cultural and recreational	923,000	83,674	72,022	11,652	56,162
Net change in fund balances	(821,800)	(23,203)	(159,574)	(136,371)	259,202
Fund balances at beginning of year	1,056,282	1,056,282	1,056,282	-	797,080
Fund balances at end of year	<u>\$ 234,482</u>	<u>\$ 1,033,079</u>	<u>\$ 896,708</u>	<u>\$ (136,371)</u>	<u>\$ 1,056,282</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, 2022
 With Comparative Actual Totals for 2021

	2022						2021	
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis	
	Original	Final						
Revenues								
Taxes:								
Ad valorem	\$ 23,861,483	\$ 23,746,807	\$ 23,750,669	\$ -	\$ 23,750,669	\$ 3,862	\$ 23,633,543	
Penalty and interest	50,000	87,124	72,546	-	72,546	(14,578)	53,521	
Investment earnings net of change in fair value of investments	-	14,540	(2,966)	-	(2,966)	(17,506)	4	
Total Revenues	23,911,483	23,848,471	23,820,249	-	23,820,249	(28,222)	23,687,068	
Expenditures								
Debt service:								
Principal retirement	16,061,887	15,953,710	15,505,000	-	15,505,000	448,710	15,390,000	
Interest and fiscal charges	7,915,079	7,810,943	7,939,566	-	7,939,566	(128,623)	7,621,560	
Total Expenditures	23,976,966	23,764,653	23,444,566	-	23,444,566	320,087	23,011,560	
Excess (deficiency) of revenues over (under) expenditures	(65,483)	83,818	375,683	-	375,683	291,865	675,508	
Other financing sources:								
Bonds issued	-	-	1,458,917	-	1,458,917	1,458,917	7,646,436	
Payment to refunded bond escrow agent	-	-	(1,778,525)	-	(1,778,525)	(1,778,525)	(8,362,131)	
Total other financing sources	-	-	(319,608)	-	(319,608)	(319,608)	(715,695)	
Net change in fund balances	\$ (65,483)	\$ 83,818	56,075	\$ -	\$ 56,075	\$ (27,743)	(40,187)	
Fund balances at beginning of year	5,391,090	5,391,090	5,391,090	-	5,391,090	-	5,431,277	
Fund balances at end of year	\$ 5,325,607	\$ 5,474,908	\$ 5,447,165	\$ -	\$ 5,447,165	\$ (27,743)	\$ 5,391,090	

**SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

General Fund

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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Cash and cash equivalents	\$ 76,131,526	\$ 47,988,480
Receivables (net, where applicable, of allowance for doubtful accounts)		
Ad valorem taxes	-	88,915
Sales taxes	8,987,722	8,045,079
Franchise fees	3,401,499	3,102,264
Accrued interest	23,939	54,935
Lease receivable	8,034	-
Other	2,678,862	2,187,186
Due from other governments	318,711	49,900
Prepaid items	1,769,783	860,066
Total Assets	<u>\$ 93,320,076</u>	<u>\$ 62,376,825</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 6,896,927	\$ 5,756,537
Unearned revenue	22,126	22,126
Total liabilities	<u>6,919,053</u>	<u>5,778,663</u>
Deferred inflows of resources		
Deferred inflows related to leases	8,034	-
Unavailable revenue	1,417,648	1,325,350
Total deferred inflows of resources	<u>1,425,682</u>	<u>1,325,350</u>
Fund Balances		
Nonspendable for:		
Prepaid items	1,769,783	860,066
Unassigned	83,205,558	54,412,746
Total Fund Balances	<u>84,975,341</u>	<u>55,272,812</u>
Total Liabilities and Fund Balances	<u>\$ 93,320,076</u>	<u>\$ 62,376,825</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2022
 With Comparative Actual Totals for 2021

	2022						2021
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
Revenues							
Taxes:							
Ad valorem	\$ 63,500,775	\$ 64,913,864	\$ 64,659,128	\$ -	\$ 64,659,128	\$ (254,736)	\$ 60,961,814
Penalty and interest	300,000	300,000	370,829	-	370,829	70,829	308,595
Sales	35,410,487	41,714,690	48,705,881	-	48,705,881	6,991,191	46,187,884
911 fees	1,050,899	1,050,899	1,164,967	-	1,164,967	114,068	1,178,780
Franchise fees	10,984,493	11,268,741	12,165,857	-	12,165,857	897,116	11,668,365
Charges for services	5,262,404	5,049,850	6,338,012	-	6,338,012	1,288,162	5,199,239
Intergovernmental	-	-	12,234,388	-	12,234,388	12,234,388	6,739,738
Licenses and permits	2,427,637	2,375,726	3,087,566	-	3,087,566	711,840	2,757,109
Fines and forfeitures	3,167,765	3,236,106	3,203,560	-	3,203,560	(32,546)	3,051,687
Investment earnings net of change in fair value of investments	678,222	375,200	(1,694,404)	2,379,163	684,759	309,559	403,197
Miscellaneous	691,000	631,000	355,112	-	355,112	(275,888)	582,020
Total Revenues	123,473,682	130,916,076	150,590,896	2,379,163	152,970,059	22,053,983	139,038,428
Expenditures							
Current:							
General government and administration	28,578,971	28,578,971	20,478,164	153,891	20,632,055	7,946,916	19,666,339
Public safety	68,318,492	68,318,492	67,516,215	213,725	67,729,940	588,552	67,160,136
Development services	14,072,541	14,362,689	11,859,954	16,305	11,876,259	2,486,430	11,611,302
Cultural and recreational	13,151,927	13,151,927	12,945,140	-	12,945,140	206,787	12,228,224
Principal retirement	-	-	527,067	-	527,067	(527,067)	-
Interest and fiscal charges	-	-	27,705	-	27,705	(27,705)	-
Total Expenditures	124,121,931	124,412,079	113,354,245	383,921	113,738,166	10,673,913	110,666,001
Excess (deficiency) of revenues over expenditures	(648,249)	6,503,997	37,236,651	1,995,242	39,231,893	32,727,896	28,372,427
Other financing sources (uses):							
Sale of general capital assets	-	-	-	-	-	-	4,185
Transfers in	2,669,036	4,104,341	8,191,596	-	8,191,596	4,087,255	6,255,538
Transfers out	(16,493,088)	(16,493,088)	(15,725,718)	-	(15,725,718)	767,370	(19,927,058)
Total other financing sources (uses)	(13,824,052)	(12,388,747)	(7,534,122)	-	(7,534,122)	4,854,625	(13,667,335)
Net change in fund balances	(14,472,301)	(5,884,750)	29,702,529	1,995,242	31,697,771	37,582,521	14,705,092
Fund balances at beginning of year	55,272,812	55,272,812	55,272,812	-	55,272,812	-	40,567,720
Fund balances at end of year	\$ 40,800,511	\$ 49,388,062	\$ 84,975,341	\$ 1,995,242	\$ 86,970,583	\$ 37,582,521	\$ 55,272,812

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Revenues - Budget and Actual
 For the Year Ended September 30, 2022
 With Comparative Actual Totals for 2021

	2022						2021
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
Taxes:							
Ad valorem	\$ 63,500,775	\$ 64,913,864	\$ 64,659,128	\$ -	\$ 64,659,128	\$ (254,736)	\$ 60,961,814
Penalty and interest	300,000	300,000	370,829	-	370,829	70,829	308,595
911 Taxes	1,050,899	1,050,899	1,164,967	-	1,164,967	114,068	1,178,780
Sales:							
City sales	35,201,316	41,514,051	48,396,857	-	48,396,857	6,882,806	45,940,723
Mixed drink	209,171	200,639	309,024	-	309,024	108,385	247,161
Total sales	35,410,487	41,714,690	48,705,881	-	48,705,881	6,991,191	46,187,884
Franchise fees:							
Electric	6,146,903	6,572,251	6,443,378	-	6,443,378	(128,873)	5,948,119
Telecommunications	1,135,185	1,135,474	847,689	-	847,689	(287,785)	1,184,487
Gas	1,468,603	1,292,622	2,125,765	-	2,125,765	833,143	1,620,696
Cable	1,095,596	1,118,962	1,118,639	-	1,118,639	(323)	1,229,200
Solid waste	1,138,206	1,149,432	1,630,386	-	1,630,386	480,954	1,685,863
Total franchise	10,984,493	11,268,741	12,165,857	-	12,165,857	897,116	11,668,365
Charges for services:							
Public safety service fees	2,706,795	2,636,054	3,461,252	-	3,461,252	825,198	2,655,244
Culture and recreation fees	2,101,170	1,970,172	2,339,610	-	2,339,610	369,438	1,844,120
Other service fees	454,439	443,624	537,150	-	537,150	93,526	699,875
Total charges for services	5,262,404	5,049,850	6,338,012	-	6,338,012	1,288,162	5,199,239
Intergovernmental	-	-	12,234,388	-	12,234,388	12,234,388	6,739,738
Licenses and permits:							
Building permits	1,300,000	1,287,734	1,900,614	-	1,900,614	612,880	1,562,256
Licenses	175,425	148,146	54,060	-	54,060	(94,086)	102,070
Environmental health charges	803,047	790,681	947,826	-	947,826	157,145	934,714
Other licenses and permits	149,165	149,165	185,066	-	185,066	35,901	158,069
Total licenses and permits	2,427,637	2,375,726	3,087,566	-	3,087,566	711,840	2,757,109
Fines and forfeitures:							
Municipal court	3,131,945	3,200,088	3,183,653	-	3,183,653	(16,435)	2,994,575
Other fines	35,820	36,018	19,907	-	19,907	(16,111)	57,112
Total fines and forfeitures	3,167,765	3,236,106	3,203,560	-	3,203,560	(32,546)	3,051,687
Investment earnings							
Net of change in fair value of investments	678,222	375,200	(1,694,404)	2,379,163	684,759	309,559	403,197
Miscellaneous	691,000	631,000	355,112	-	355,112	(275,888)	586,205
Total Revenues	123,473,682	130,916,076	150,590,896	2,379,163	152,970,059	22,053,983	139,042,613

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2022
 With Comparative Actual Totals for 2021

	2022						2021
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
General government and administration:							
City council:							
Personnel services	\$ 23,500	\$ 23,500	\$ (14,093)	\$ -	\$ (14,093)	\$ 37,593	\$ 23,422
Supplies and services	88,038	88,038	157,432	35,817	193,249	(105,211)	349,275
Utilities	6,111	6,111	5,415	-	5,415	696	5,299
Allocations	4,880	4,880	4,880	-	4,880	-	4,657
	<u>122,529</u>	<u>122,529</u>	<u>153,634</u>	<u>35,817</u>	<u>189,451</u>	<u>(66,922)</u>	<u>382,653</u>
City management:							
Personnel services	1,437,624	1,437,624	1,148,822	-	1,148,822	288,802	1,099,317
Supplies and services	124,372	124,372	100,663	-	100,663	23,709	73,357
Utilities	7,654	7,654	3,536	-	3,536	4,118	3,460
Allocations	15,709	15,709	15,709	-	15,709	-	18,343
	<u>1,585,359</u>	<u>1,585,359</u>	<u>1,268,730</u>	<u>-</u>	<u>1,268,730</u>	<u>316,629</u>	<u>1,194,477</u>
Marketing Services:							
Personnel services	706,950	706,950	664,308	-	664,308	42,642	686,369
Supplies and services	176,206	176,206	144,414	6,226	150,640	25,566	112,034
Utilities	1,700	1,700	1,504	-	1,504	196	1,473
Allocations	10,722	10,722	10,722	-	10,722	-	10,231
	<u>895,578</u>	<u>895,578</u>	<u>820,948</u>	<u>6,226</u>	<u>827,174</u>	<u>68,404</u>	<u>810,107</u>
Accounting:							
Personnel services	612,384	612,384	621,189	-	621,189	(8,805)	622,674
Supplies and services	221,004	221,004	218,889	1,500	220,389	615	434,396
Utilities	1,916	1,916	1,697	-	1,697	219	1,660
Allocations	9,876	9,876	9,875	-	9,875	1	9,621
	<u>845,180</u>	<u>845,180</u>	<u>851,650</u>	<u>1,500</u>	<u>853,150</u>	<u>(7,970)</u>	<u>1,068,351</u>
Finance administration:							
Personnel services	634,967	634,967	733,115	-	733,115	(98,148)	652,435
Supplies and services	591,005	591,005	655,893	-	655,893	(64,888)	548,828
Utilities	1,420	1,420	1,258	-	1,258	162	1,231
Allocations	15,468	15,468	15,468	-	15,468	-	14,124
	<u>1,242,860</u>	<u>1,242,860</u>	<u>1,405,734</u>	<u>-</u>	<u>1,405,734</u>	<u>(162,874)</u>	<u>1,216,618</u>
Budget and management analysis:							
Personnel services	318,920	318,920	287,124	-	287,124	31,796	288,109
Supplies and services	57,268	57,268	57,302	-	57,302	(34)	54,126
Utilities	1,566	1,566	1,385	-	1,385	181	1,356
Allocations	4,352	4,352	4,352	-	4,352	-	4,109
	<u>382,106</u>	<u>382,106</u>	<u>350,163</u>	<u>-</u>	<u>350,163</u>	<u>31,943</u>	<u>347,700</u>
Purchasing:							
Personnel services	237,942	237,942	217,494	-	217,494	20,448	230,423
Supplies and services	55,758	55,758	40,764	732	41,496	14,262	33,248
Utilities	2,220	2,220	1,967	-	1,967	253	1,925
Allocations	3,445	3,445	3,445	-	3,445	-	2,685
	<u>299,365</u>	<u>299,365</u>	<u>263,670</u>	<u>732</u>	<u>264,402</u>	<u>34,963</u>	<u>268,281</u>
General Services:							
Personnel services	54,478	54,478	48,622	-	48,622	5,856	49,846
Supplies and services	48,815	48,815	35,760	-	35,760	13,055	25,932
Utilities	2,616	2,616	2,317	-	2,317	299	2,268
Allocations	6,010	6,010	6,010	-	6,010	-	4,559
Capital outlay	-	-	6,077	-	6,077	(6,077)	-
	<u>111,919</u>	<u>111,919</u>	<u>98,786</u>	<u>-</u>	<u>98,786</u>	<u>13,133</u>	<u>82,605</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2022
 With Comparative Actual Totals for 2021

	2022						2021
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
General government and administration (continued):							
Information technology:							
Personnel services	\$ 4,150,485	\$ 4,150,485	\$ 3,425,241	\$ -	\$ 3,425,241	\$ 725,244	\$ 3,338,277
Supplies and services	3,054,787	3,054,787	3,366,327	(16,942)	3,349,385	(294,598)	3,040,535
Utilities	27,748	27,748	23,157	-	23,157	4,591	24,516
Allocations	185,096	185,096	112,602	-	112,602	72,494	89,804
Capital outlay	933,997	933,997	620,227	116,691	736,918	197,079	1,218,387
	<u>8,352,113</u>	<u>8,352,113</u>	<u>7,547,554</u>	<u>99,749</u>	<u>7,647,303</u>	<u>704,810</u>	<u>7,711,519</u>
Workforce services:							
Personnel services	693,762	693,762	614,620	-	614,620	79,142	735,030
Supplies and services	113,759	113,759	79,038	9,867	88,905	24,854	87,186
Utilities	3,630	3,630	3,217	-	3,217	413	3,149
Allocations	9,577	9,577	9,577	-	9,577	-	9,292
	<u>820,728</u>	<u>820,728</u>	<u>706,452</u>	<u>9,867</u>	<u>716,319</u>	<u>104,409</u>	<u>834,657</u>
City attorney:							
Personnel services	979,712	979,712	904,402	-	904,402	75,310	906,256
Supplies and services	431,879	431,879	197,424	-	197,424	234,455	134,705
Utilities	2,258	2,258	1,999	-	1,999	259	1,956
Allocations	13,298	13,298	13,297	-	13,297	1	13,105
Capital outlay	23,345	23,345	-	-	-	23,345	-
	<u>1,450,492</u>	<u>1,450,492</u>	<u>1,117,122</u>	<u>-</u>	<u>1,117,122</u>	<u>333,370</u>	<u>1,056,022</u>
Facilities services:							
Personnel services	556,774	556,774	529,533	-	529,533	27,241	541,297
Supplies and services	894,200	894,200	881,866	-	881,866	12,334	853,389
Utilities	107,751	107,751	118,812	-	118,812	(11,061)	110,095
Allocations	62,399	62,399	41,710	-	41,710	20,689	40,574
	<u>1,621,124</u>	<u>1,621,124</u>	<u>1,571,921</u>	<u>-</u>	<u>1,571,921</u>	<u>49,203</u>	<u>1,545,355</u>
Resolution center:							
Personnel services	1,477,045	1,477,045	856,992	-	856,992	620,053	783,780
Supplies and services	954,069	954,069	132,962	-	132,962	821,107	22,764
Utilities	15,350	15,350	7,309	-	7,309	8,041	7,155
Allocations	80,362	80,362	11,586	-	11,586	68,776	9,500
	<u>2,526,826</u>	<u>2,526,826</u>	<u>1,008,849</u>	<u>-</u>	<u>1,008,849</u>	<u>1,517,977</u>	<u>823,199</u>
Managed Competition / OD:							
Personnel services	473,947	473,947	408,849	-	408,849	65,098	374,524
Supplies and services	72,142	72,142	72,838	-	72,838	(696)	118,181
Utilities	2,139	2,139	1,842	-	1,842	297	2,015
Allocations	5,133	5,133	5,133	-	5,133	-	5,775
	<u>553,361</u>	<u>553,361</u>	<u>488,662</u>	<u>-</u>	<u>488,662</u>	<u>64,699</u>	<u>500,495</u>
Non-departmental:							
Personnel services	3,740,045	3,740,045	635,392	-	635,392	3,104,653	615,395
Supplies and services	2,097,645	2,097,645	2,103,359	-	2,103,359	(5,714)	1,154,140
Allocations	1,326,430	1,326,430	-	-	-	1,326,430	-
Capital outlay	58,000	58,000	85,538	-	85,538	(27,538)	54,765
	<u>7,222,120</u>	<u>7,222,120</u>	<u>2,824,289</u>	<u>-</u>	<u>2,824,289</u>	<u>4,397,831</u>	<u>1,824,300</u>
Total general government and administration	<u>28,031,660</u>	<u>28,031,660</u>	<u>20,478,164</u>	<u>153,891</u>	<u>20,632,055</u>	<u>7,399,605</u>	<u>19,666,339</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2022
 With Comparative Actual Totals for 2021

	2022						2021
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
Public safety:							
Police management services:							
Personnel services	\$ 13,843,311	\$ 13,843,311	\$ 13,063,712	\$ -	\$ 13,063,712	\$ 779,599	\$ 13,708,021
Supplies and services	1,941,489	1,941,489	1,016,115	8,545	1,024,660	916,829	1,129,199
Utilities	78,032	78,032	73,013	-	73,013	5,019	77,441
Allocations	209,717	209,717	209,771	-	209,771	(54)	154,369
Capital outlay	1,800	1,800	599,036	10,085	609,121	(607,321)	4,823
	<u>16,074,349</u>	<u>16,074,349</u>	<u>14,961,647</u>	<u>18,630</u>	<u>14,980,277</u>	<u>1,094,072</u>	<u>15,073,853</u>
Police operations:							
Personnel services	11,277,383	11,277,383	10,842,264	-	10,842,264	435,119	11,241,699
Supplies and services	1,265,071	1,265,071	1,226,770	51,723	1,278,493	(13,422)	880,236
Utilities	22,892	22,892	21,704	-	21,704	1,188	26,092
Allocations	1,042,544	1,042,544	789,889	-	789,889	252,655	951,548
Capital outlay	299,027	299,027	162,210	-	162,210	136,817	113,125
	<u>13,906,917</u>	<u>13,906,917</u>	<u>13,042,837</u>	<u>51,723</u>	<u>13,094,560</u>	<u>812,357</u>	<u>13,212,700</u>
Fire operations:							
Personnel services	21,764,862	21,764,862	23,308,269	-	23,308,269	(1,543,407)	23,130,511
Supplies and services	2,440,305	2,440,305	2,320,752	93,355	2,414,107	26,198	2,831,868
Utilities	110,966	110,966	109,852	-	109,852	1,114	102,764
Allocations	1,626,196	1,626,196	1,375,529	-	1,375,529	250,667	1,226,408
Capital outlay	143,892	143,892	613,584	-	613,584	(469,692)	12,316
	<u>26,086,221</u>	<u>26,086,221</u>	<u>27,727,986</u>	<u>93,355</u>	<u>27,821,341</u>	<u>(1,735,120)</u>	<u>27,303,867</u>
Fire support services:							
Personnel services	2,080,023	2,080,023	2,159,117	-	2,159,117	(79,094)	2,049,554
Supplies and services	138,062	138,062	129,858	21,708	151,566	(13,504)	157,191
Utilities	6,287	6,287	5,537	-	5,537	750	5,879
Allocations	81,616	81,616	59,400	-	59,400	22,216	59,320
	<u>2,305,988</u>	<u>2,305,988</u>	<u>2,353,912</u>	<u>21,708</u>	<u>2,375,620</u>	<u>(69,632)</u>	<u>2,271,944</u>
Emergency dispatch:							
Supplies and services	4,483,757	4,483,757	5,241,207	-	5,241,207	(757,450)	4,444,109
Allocations	56,268	56,268	56,267	-	56,267	1	52,782
	<u>4,540,025</u>	<u>4,540,025</u>	<u>5,297,474</u>	<u>-</u>	<u>5,297,474</u>	<u>(757,449)</u>	<u>4,496,891</u>
Municipal court:							
Personnel services	1,286,880	1,286,880	1,070,442	-	1,070,442	216,438	1,155,041
Supplies and services	301,170	301,170	267,293	-	267,293	33,877	305,061
Utilities	33,846	33,846	35,654	-	35,654	(1,808)	32,309
Allocations	69,045	69,045	42,193	-	42,193	26,852	39,914
	<u>1,690,941</u>	<u>1,690,941</u>	<u>1,415,582</u>	<u>-</u>	<u>1,415,582</u>	<u>275,359</u>	<u>1,532,325</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2022
 With Comparative Actual Totals for 2021

	2022						2021
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
Public safety (continued):							
Environmental services:							
Personnel services	\$ 2,116,740	\$ 2,116,740	\$ 1,842,446	\$ -	\$ 1,842,446	\$ 274,294	\$ 1,915,802
Supplies and services	454,831	454,831	507,017	-	507,017	(52,186)	362,199
Utilities	9,379	9,379	8,314	-	8,314	1,065	8,136
Allocations	82,147	82,147	81,920	-	81,920	227	78,875
Capital outlay	1,541	1,541	245	-	245	1,296	2,259
	<u>2,664,638</u>	<u>2,664,638</u>	<u>2,439,942</u>	<u>-</u>	<u>2,439,942</u>	<u>224,696</u>	<u>2,367,271</u>
Animal control:							
Personnel services	730,658	730,658	572,213	-	572,213	158,445	719,272
Supplies and services	106,846	106,846	127,134	-	127,134	(20,288)	108,878
Utilities	43,778	43,778	43,862	-	43,862	(84)	35,601
Allocations	32,633	32,633	23,756	-	23,756	8,877	37,534
	<u>913,915</u>	<u>913,915</u>	<u>766,965</u>	<u>-</u>	<u>766,965</u>	<u>146,950</u>	<u>901,285</u>
Total public safety	<u>68,182,994</u>	<u>68,182,994</u>	<u>68,006,345</u>	<u>185,416</u>	<u>68,191,761</u>	<u>(8,767)</u>	<u>67,160,136</u>
Development services:							
Transportation engineering:							
Personnel services	743,648	743,648	667,511	-	667,511	76,137	856,863
Supplies and services	62,642	62,642	32,882	-	32,882	29,760	10,740
Utilities	2,462	2,462	2,182	-	2,182	280	2,135
Allocations	12,827	12,827	12,826	-	12,826	1	13,313
Capital outlay	6,247	6,247	1,021	-	1,021	5,226	4,277
	<u>827,826</u>	<u>827,826</u>	<u>716,422</u>	<u>-</u>	<u>716,422</u>	<u>111,404</u>	<u>887,328</u>
Civil engineering:							
Personnel services	1,179,507	1,179,507	979,520	-	979,520	199,987	728,426
Supplies and services	142,206	142,206	119,273	-	119,273	22,933	98,317
Utilities	9,749	9,749	9,446	-	9,446	303	9,466
Allocations	47,968	47,968	39,698	-	39,698	8,270	35,411
Capital outlay	141,752	141,752	120,025	-	120,025	21,727	8,500
	<u>1,521,182</u>	<u>1,521,182</u>	<u>1,267,962</u>	<u>-</u>	<u>1,267,962</u>	<u>253,220</u>	<u>880,120</u>
Contract administration:							
Supplies and services	-	-	16	-	16	(16)	-
Personnel services	-	-	20,199	-	20,199	(20,199)	-
	<u>-</u>	<u>-</u>	<u>20,215</u>	<u>-</u>	<u>20,215</u>	<u>(20,215)</u>	<u>-</u>
Traffic operations:							
Personnel services	1,054,662	1,054,662	951,536	-	951,536	103,126	1,110,489
Supplies and services	396,803	396,803	332,470	14,576	347,046	49,757	273,101
Utilities	1,151,599	1,151,599	1,081,580	-	1,081,580	70,019	1,177,219
Allocations	284,938	284,938	281,534	-	281,534	3,404	258,733
Capital outlay	500	500	-	-	-	500	-
	<u>2,888,502</u>	<u>2,888,502</u>	<u>2,647,120</u>	<u>14,576</u>	<u>2,661,696</u>	<u>226,806</u>	<u>2,819,542</u>
Streets:							
Personnel services	1,941,494	1,941,494	1,514,000	-	1,514,000	427,494	1,632,262
Supplies and services	1,153,979	1,153,979	1,474,412	1,729	1,476,141	(322,162)	1,136,653
Allocations	460,275	460,275	448,786	-	448,786	11,489	444,583
Capital outlay	-	-	3,376	-	3,376	(3,376)	-
	<u>3,555,748</u>	<u>3,555,748</u>	<u>3,440,574</u>	<u>1,729</u>	<u>3,442,303</u>	<u>113,445</u>	<u>3,213,498</u>
Drainage:							
Personnel services	599,065	599,065	439,800	-	439,800	159,265	455,439
Supplies and services	150,833	150,833	175,373	-	175,373	(24,540)	151,340
Allocations	315,287	315,287	313,592	-	313,592	1,695	295,107
	<u>1,065,185</u>	<u>1,065,185</u>	<u>928,765</u>	<u>-</u>	<u>928,765</u>	<u>136,420</u>	<u>901,886</u>

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2022
 With Comparative Actual Totals for 2021

	2022						2021
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
Development services (continued):							
Public works administration:							
Personnel services	\$ -	\$ -	\$ 193,247	\$ -	\$ 193,247	\$ (193,247)	\$ 153,758
Supplies and services	-	-	(43,111)	-	(43,111)	43,111	(44,105)
Utilities	-	-	827	-	827	(827)	422
Allocations	(418,178)	(418,178)	(418,178)	-	(418,178)	-	(337,393)
	(418,178)	(418,178)	(267,215)	-	(267,215)	(150,963)	(227,318)
Planning:							
Personnel services	403,758	403,758	393,565	-	393,565	10,193	374,505
Supplies and services	56,622	56,622	59,403	-	59,403	(2,781)	39,828
Utilities	4,563	4,563	7,148	-	7,148	(2,585)	5,379
Allocations	8,808	8,808	8,807	-	8,807	1	8,196
Capital outlay	5,083	5,083	-	-	-	5,083	147
	478,834	478,834	468,923	-	468,923	9,911	428,055
Building inspection:							
Personnel services	2,106,538	2,106,538	2,024,350	-	2,024,350	82,188	2,039,878
Supplies and services	151,138	151,138	118,110	-	118,110	33,028	109,760
Utilities	6,407	6,407	5,678	-	5,678	729	5,557
Allocations	55,049	55,049	53,489	-	53,489	1,560	52,476
Capital outlay	463	463	-	-	-	463	-
	2,319,595	2,319,595	2,201,627	-	2,201,627	117,968	2,207,671
Transit oriented development:							
Utilities	-	-	-	-	-	-	1,155
	-	-	-	-	-	-	1,155
Economic development:							
Personnel services	271,868	271,868	279,346	-	279,346	(7,478)	282,352
Supplies and services	1,550,503	1,840,651	145,483	-	145,483	1,695,168	206,901
Utilities	2,122	2,122	1,879	-	1,879	243	1,839
Allocations	8,854	8,854	8,853	-	8,853	1	8,273
Capital outlay	500	500	-	-	-	500	-
	1,833,847	2,123,995	435,561	-	435,561	1,688,434	499,365
Total development services	14,072,541	14,362,689	11,859,954	16,305	11,876,259	2,486,430	11,611,302
Cultural and recreational:							
Library:							
Personnel services	2,253,299	2,253,299	2,245,582	-	2,245,582	7,717	2,313,439
Supplies and services	349,362	349,362	306,831	-	306,831	42,531	275,533
Utilities	93,853	93,853	79,823	-	79,823	14,030	85,759
Allocations	45,026	45,026	45,025	-	45,025	1	43,666
Capital outlay	293,965	293,965	302,149	-	302,149	(8,184)	306,705
	3,035,505	3,035,505	2,979,410	-	2,979,410	56,095	3,025,102
Park operations:							
Personnel services	4,206,434	4,206,434	3,619,725	-	3,619,725	586,709	3,876,517
Supplies and services	2,039,352	2,039,352	2,173,680	-	2,173,680	(134,328)	1,789,979
Utilities	762,040	762,040	831,729	-	831,729	(69,689)	755,669
Allocations	465,126	465,126	474,462	-	474,462	(9,336)	424,305
Capital outlay	73,499	73,499	63,568	-	63,568	9,931	1,867
	7,546,451	7,546,451	7,163,164	-	7,163,164	383,287	6,848,337

CITY OF CARROLLTON, TEXAS

General Fund
 Schedule of Expenditures - Budget and Actual
 For the Year Ended September 30, 2022
 With Comparative Actual Totals for 2021

	2022					2021	
	Budgeted Amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis
	Original	Final					
Cultural and recreational (continued):							
Tennis center:							
Supplies and services	\$ 18,708	\$ 18,708	\$ 19,620	\$ -	\$ 19,620	\$ (912)	\$ 9,418
Utilities	16,379	16,379	16,626	-	16,626	(247)	15,734
Allocations	2,963	2,963	2,963	-	2,963	-	2,783
	<u>38,050</u>	<u>38,050</u>	<u>39,209</u>	<u>-</u>	<u>39,209</u>	<u>(1,159)</u>	<u>27,935</u>
Leisure services:							
Personnel services	481,757	481,757	478,789	-	478,789	2,968	469,334
Supplies and services	66,145	66,145	66,915	-	66,915	(770)	45,304
Utilities	1,888	1,888	2,840	-	2,840	(952)	1,350
Allocations	10,197	10,197	10,197	-	10,197	-	9,456
	<u>559,987</u>	<u>559,987</u>	<u>558,741</u>	<u>-</u>	<u>558,741</u>	<u>1,246</u>	<u>525,444</u>
Rosemeade recreation center:							
Personnel services	111,682	111,682	75,072	-	75,072	36,610	73,232
Supplies and services	289,049	289,049	213,490	-	213,490	75,559	114,996
Utilities	38,890	38,890	40,372	-	40,372	(1,482)	37,146
Allocations	11,522	11,522	12,950	-	12,950	(1,428)	9,467
	<u>451,143</u>	<u>451,143</u>	<u>341,884</u>	<u>-</u>	<u>341,884</u>	<u>109,259</u>	<u>234,841</u>
Crosby recreation center:							
Personnel services	47,850	47,850	48,249	-	48,249	(399)	42,236
Supplies and services	140,228	140,228	91,436	-	91,436	48,792	67,004
Utilities	31,234	31,234	30,991	-	30,991	243	32,227
Allocations	9,309	9,309	7,275	-	7,275	2,034	5,604
	<u>228,621</u>	<u>228,621</u>	<u>177,951</u>	<u>-</u>	<u>177,951</u>	<u>50,670</u>	<u>147,071</u>
Perry museum:							
Personnel services	93,588	93,588	80,427	-	80,427	13,161	81,200
Supplies and services	25,571	25,571	(7,466)	-	(7,466)	33,037	8,837
Utilities	7,675	7,675	8,971	-	8,971	(1,296)	6,846
Allocations	4,237	4,237	4,237	-	4,237	-	4,175
	<u>131,071</u>	<u>131,071</u>	<u>86,169</u>	<u>-</u>	<u>86,169</u>	<u>44,902</u>	<u>101,058</u>
Senior center:							
Personnel services	106,561	106,561	68,563	-	68,563	37,998	69,916
Supplies and services	66,662	66,662	90,660	-	90,660	(23,998)	53,742
Utilities	36,257	36,257	45,854	-	45,854	(9,597)	40,460
Allocations	6,246	6,246	6,247	-	6,247	(1)	5,446
	<u>215,726</u>	<u>215,726</u>	<u>211,324</u>	<u>-</u>	<u>211,324</u>	<u>4,402</u>	<u>169,564</u>
Athletics:							
Personnel services	1,113,913	1,113,913	1,076,595	-	1,076,595	37,318	917,256
Supplies and services	355,931	355,931	287,853	-	287,853	68,078	209,975
Allocations	22,840	22,840	22,840	-	22,840	-	21,641
	<u>1,492,684</u>	<u>1,492,684</u>	<u>1,387,288</u>	<u>-</u>	<u>1,387,288</u>	<u>105,396</u>	<u>1,148,872</u>
Emergency management:							
Allocation	74,584	74,584	-	-	-	74,584	-
Capital outlay	60,914	60,914	14,293	28,309	42,602	18,312	-
Personnel services	-	-	23	-	23	(23)	-
Supplies and services	-	-	50,326	-	50,326	(50,326)	-
	<u>135,498</u>	<u>135,498</u>	<u>64,642</u>	<u>28,309</u>	<u>92,951</u>	<u>42,547</u>	<u>-</u>
Total cultural and recreational	<u>13,834,736</u>	<u>13,834,736</u>	<u>13,009,782</u>	<u>28,309</u>	<u>13,038,091</u>	<u>796,645</u>	<u>12,228,224</u>
Total expenditures	<u>\$ 124,121,931</u>	<u>\$ 124,412,079</u>	<u>\$ 113,354,245</u>	<u>\$ 383,921</u>	<u>\$ 113,738,166</u>	<u>\$ 10,673,913</u>	<u>\$ 110,666,001</u>

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, 2022

	<u>Fleet Services</u>	<u>Risk Management</u>	<u>Employee Health and Disability</u>	<u>Total</u>
Assets				
Current assets:				
Cash and cash equivalents	\$ 7,418,545	\$ 4,514,790	\$ 7,730,828	\$ 19,664,163
Receivables:				
Accrued interest	22,693	16,061	24,456	63,210
Inventories	100,498	-	-	100,498
Prepaid items	-	113,000	7,367	120,367
Total current assets	<u>7,541,736</u>	<u>4,643,851</u>	<u>7,762,651</u>	<u>19,948,238</u>
Noncurrent assets:				
Capital assets:				
Buildings	176,409	-	-	176,409
Equipment	25,583,879	-	-	25,583,879
Intangibles	34,314	70,400	-	104,714
Accumulated depreciation	<u>(15,639,279)</u>	<u>(70,400)</u>	<u>-</u>	<u>(15,709,679)</u>
Total capital assets, net of accumulated depreciation	<u>10,155,323</u>	<u>-</u>	<u>-</u>	<u>10,155,323</u>
Total assets	<u>17,697,059</u>	<u>4,643,851</u>	<u>7,762,651</u>	<u>30,103,561</u>
Liabilities				
Current liabilities:				
Accounts payable	235,745	104,079	1,669,825	2,009,649
Estimated health claims payable	-	-	788,496	788,496
Total current liabilities	<u>235,745</u>	<u>104,079</u>	<u>2,458,321</u>	<u>2,798,145</u>
Noncurrent liabilities:				
Compensated absences	-	51,075	-	51,075
Long-term risk liability	-	1,212,786	-	1,212,786
Total noncurrent liabilities	<u>-</u>	<u>1,263,861</u>	<u>-</u>	<u>1,263,861</u>
Total liabilities	<u>235,745</u>	<u>1,367,940</u>	<u>2,458,321</u>	<u>4,062,006</u>
Net Position				
Net investment in capital assets	10,155,323	-	-	10,155,323
Unrestricted	<u>7,305,991</u>	<u>3,275,911</u>	<u>5,304,330</u>	<u>15,886,232</u>
Total net position	<u>\$ 17,461,314</u>	<u>\$ 3,275,911</u>	<u>\$ 5,304,330</u>	<u>\$ 26,041,555</u>

CITY OF CARROLLTON, TEXAS

Internal Service Funds
 Combining Statement of Revenues, Expenses and Changes in Net Position
 For the Year Ended September 30, 2022

	Fleet Services	Risk Management	Employee Health and Disability	Totals
Operating revenues:				
Charges for services	\$ 6,527,151	\$ 2,213,265	\$ 11,565,804	\$ 20,306,220
Operating expenses:				
Personnel services	112,174	111,010	758,225	981,409
Supplies and services	3,260,867	2,328,047	10,787,890	16,376,804
Utilities	42,094	279	-	42,373
Allocations	42,338	-	-	42,338
Depreciation	2,110,236	-	-	2,110,236
Total operating expenses	5,567,709	2,439,336	11,546,115	19,553,160
Income (loss) from operations	959,442	(226,071)	19,689	753,060
Nonoperating revenues:				
Investment earnings net of change in fair value of investments	(191,928)	(115,359)	(194,408)	(501,695)
Gain on sale/retirement of capital assets	279,968	-	-	279,968
Total nonoperating revenues	88,040	(115,359)	(194,408)	(221,727)
Income (loss) before transfers	1,047,482	(341,430)	(174,719)	531,333
Transfers out	(433,786)	(480,473)	-	(914,259)
Change in net position	613,696	(821,903)	(174,719)	(382,926)
Net position at beginning of year	16,847,618	4,097,814	5,479,049	26,424,481
Net position at end of year	\$ 17,461,314	\$ 3,275,911	\$ 5,304,330	\$ 26,041,555

CITY OF CARROLLTON, TEXAS

Internal Service Funds
 Combining Statement of Cash Flows
 For the Year Ended September 30, 2022

	Fleet Services	Risk Management	Employee Health and Disability	Totals
Cash flows from operating activities:				
Cash received from employees for services	\$ -	\$ -	2,164,900	\$ 2,164,900
Cash received from other funds for services	6,527,151	2,213,265	9,400,903	18,141,319
Cash received from loss claim recoveries and refunds	-	528,986	650,047	1,179,033
Cash payments to suppliers for goods and services	(3,359,204)	(1,195,854)	(2,562,426)	(7,117,484)
Cash payments to employees for services	(102,079)	(97,863)	-	(199,942)
Cash payments for loss claims	-	(1,240,741)	(9,836,897)	(11,077,638)
Cash payments to other funds for services	(49,478)	(8,563)	-	(58,041)
Net cash provided (used) by operating activities	<u>3,016,390</u>	<u>199,230</u>	<u>(183,473)</u>	<u>3,032,147</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	(433,786)	(480,473)	-	(914,259)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(2,818,573)	-	-	(2,818,573)
Proceeds from sale of capital assets	294,261	-	-	294,261
Net cash used by capital and related financing activities	<u>(2,524,312)</u>	<u>-</u>	<u>-</u>	<u>(2,524,312)</u>
Cash flows from investing activities:				
Investment loss on cash and cash equivalents	(194,843)	(117,453)	(198,263)	(510,559)
Net increase (decrease) in cash and cash equivalents	(136,551)	(398,696)	(381,736)	(916,983)
Cash and cash equivalents, October 1	7,555,096	4,913,486	8,112,564	20,581,146
Cash and cash equivalents, September 30	<u>\$ 7,418,545</u>	<u>\$ 4,514,790</u>	<u>\$ 7,730,828</u>	<u>\$ 19,664,163</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:				
Income (loss) from operations	\$ 959,442	\$ (226,071)	\$ 19,689	\$ 753,060
Adjustments to reconcile income from operations to net cash provided (used) by operating activities:				
Depreciation	2,110,236	-	-	2,110,236
Change in assets and liabilities:				
(Increase) decrease in inventories	(19,855)	-	-	(19,855)
Increase (decrease) in accounts payable	(33,433)	73,284	(140,077)	(100,226)
Increase (decrease) in estimated health claims payable	-	-	(63,085)	(63,085)
Increase (decrease) in liability for compensated absences	-	4,314	-	4,314
Increase (decrease) in long-term risk liability	-	347,703	-	347,703
Net cash provided (used) by operating activities	<u>\$ 3,016,390</u>	<u>\$ 199,230</u>	<u>\$ (183,473)</u>	<u>\$ 3,032,147</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, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 37,770,846	\$ 34,686,140
Receivables:		
Accounts	5,914,389	5,495,061
Accrued interest	166,500	147,049
Restricted assets:		
Cash and cash equivalents	3,851,931	4,155,911
Total current assets	<u>47,703,666</u>	<u>44,484,161</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	890,296	986,773
Capital assets:		
Land	1,382,918	1,382,918
Buildings	18,073,186	18,073,186
Equipment	6,648,908	6,481,579
Intangibles	828,392	828,392
Infrastructure	267,650,112	258,743,673
Construction in progress	6,035,769	4,157,999
Accumulated depreciation	(177,584,728)	(171,743,760)
Total capital assets, net of accumulated depreciation	123,034,557	117,923,987
Net pension asset	1,130,439	95,586
Total noncurrent assets	<u>125,055,292</u>	<u>119,006,346</u>
Total assets	<u>172,758,958</u>	<u>163,490,507</u>
Deferred outflows of resources		
Deferred charges on refundings	13,631	36,999
Pension contributions after measurement date	233,802	264,982
Difference in expected / actual pension experience	172,554	-
OPEB contributions after measurement date	1,504	-
Changes in OPEB assumptions	32,564	-
Difference in expected and actual OPEB experience	4,181	-
Total deferred outflows of resources	<u>458,236</u>	<u>301,981</u>
Liabilities		
Current liabilities:		
Accounts payable	3,088,359	2,799,915
Customer deposits payable	3,151,098	3,108,668
Revenue bonds payable	1,483,806	1,944,790
Compensated absences	92,446	104,661
Accrued interest	142,500	164,375
Total current liabilities	<u>7,958,209</u>	<u>8,122,409</u>
Noncurrent liabilities:		
Revenue bonds payable	7,858,502	9,318,940
Total OPEB liability	128,278	-
Compensated absences	446,777	359,996
Total noncurrent liabilities	<u>8,433,557</u>	<u>9,678,936</u>
Total liabilities	<u>16,391,766</u>	<u>17,801,345</u>
Deferred Inflows of resources		
Difference in expected and actual pension experience	44,598	75,168
Changes in actuarial assumptions used to determine pension liability	875	1,975
Net difference in projected and actual earnings on pension plan investments	1,240,245	497,613
Difference in actual and expected OPEB experience	351,012	-
Total deferred inflows of resources	<u>1,636,730</u>	<u>574,756</u>
Net Position		
Net investment in capital assets	112,417,684	105,373,268
Restricted for:		
Revenue bond retirement	890,296	986,773
Net pension assets	1,130,439	-
Unrestricted	40,750,279	39,056,346
Total net position	<u>\$ 155,188,698</u>	<u>\$ 145,416,387</u>

CITY OF CARROLLTON, TEXAS

Water and Sewer Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Charges for services	\$ 53,318,611	\$ 48,800,547
Miscellaneous	384,501	337,653
Total operating revenues	<u>53,703,112</u>	<u>49,138,200</u>
Operating expenses:		
Personnel services	3,714,564	3,765,284
Supplies and services	31,718,521	30,287,030
Utilities	906,878	885,921
Allocations	1,202,288	1,123,539
Depreciation	5,981,781	5,968,356
Total operating expenses	<u>43,524,032</u>	<u>42,030,130</u>
Income from operations	<u>10,179,080</u>	<u>7,108,070</u>
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	(1,075,741)	96,755
Gain on sale/retirement of capital assets	38,830	99,209
Interest expense	(225,120)	(311,618)
Total nonoperating revenues (expenses)	<u>(1,262,031)</u>	<u>(115,654)</u>
Income before contributions and transfers	8,917,049	6,992,416
Capital contributions	5,578,424	3,199,625
Transfers in	700,000	-
Transfers out	<u>(5,423,162)</u>	<u>(4,919,956)</u>
Change in net position	9,772,311	5,272,085
Net position at beginning of year	<u>145,416,387</u>	<u>140,144,302</u>
Net position at end of year	<u>\$ 155,188,698</u>	<u>\$ 145,416,387</u>

CITY OF CARROLLTON, TEXAS

**Water and Sewer Fund
Comparative Statements of Cash Flows
For the years Ended September 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 52,941,713	\$ 49,320,975
Other operating cash receipts	384,408	337,758
Cash payments to suppliers for goods and services	(32,688,124)	(31,133,657)
Cash payments to employees for services	(2,999,252)	(3,480,027)
Cash payments to other funds for services	(1,811,853)	(1,872,916)
Net cash provided by operating activities	<u>15,826,892</u>	<u>13,172,133</u>
Cash flows from noncapital financing activities:		
Transfers in	700,000	-
Transfers out	(5,423,162)	(4,919,956)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(5,789,795)	(7,199,600)
Proceeds from sale of capital assets	39,806	99,209
Interest paid on bonds	(395,050)	(458,075)
Interest paid on intrafund loan	-	(27,869)
Retirement of bonds	(1,750,000)	(1,695,000)
Retirement of loan	-	(2,012,241)
Capital contributions	570,750	705,690
Net cash (used in) capital and related financing activities	<u>(7,324,289)</u>	<u>(10,587,886)</u>
Cash flow from investing activities:		
Investment gain (loss) on cash and cash equivalents	(1,095,192)	120,008
Net increase (decrease) in cash and cash equivalents	1,984,249	(2,215,701)
Cash and cash equivalents, October 1	39,828,824	42,044,525
Cash and cash equivalents, September 30	<u>\$ 41,813,073</u>	<u>\$ 39,828,824</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 10,179,080	\$ 7,108,070
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	5,981,781	5,968,356
Provision for doubtful accounts		89,923
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources		
(Increase) decrease in accounts receivable	(419,328)	303,473
(Increase) decrease in OPEB related deferred outflows	(38,249)	
(Increase) decrease in pension related deferred outflows	(141,374)	(5,881)
Increase (decrease) in accounts payable	(7,513)	(64,286)
Increase (decrease) in customer deposits payable	42,430	127,033
Increase (decrease) in OPEB liability	128,278	-
Increase (decrease) in net pension liability (asset)	(1,034,753)	(338,164)
Increase (decrease) in liability for compensated absences	74,566	(18,999)
Increase (decrease) in OPEB related deferred inflows	351,012	-
Increase (decrease) in pension related deferred inflows	710,962	2,608
Net cash provided by operating activities	<u>\$ 15,826,892</u>	<u>\$ 13,172,133</u>
Noncash investing, capital, and financing activities:		
During the past year, the water and sewer fund received \$5,007,674 noncash capital contributions from developers consisting of water and sewer infrastructure.		
Reconciliation of total cash and cash equivalents:		
Current assets:		
Cash and cash equivalents	37,770,846	34,686,140
Restricted assets - cash and cash equivalents	3,851,931	4,155,911
Noncurrent assets:		
Restricted assets - cash and cash equivalents	890,296	986,773
Total cash and cash equivalents	<u>\$ 42,513,073</u>	<u>\$ 39,828,824</u>

CITY OF CARROLLTON, TEXAS

Golf Course Fund
 Comparative Statements of Net Position
 September 30, 2022 and 2021

Assets	2022	2021
Current assets:		
Cash and cash equivalents	\$ 1,860,199	\$ 914,373
Receivables:		
Accrued interest	2,257	2,276
Other	201,293	120,584
Total current assets	2,063,749	1,037,233
Noncurrent assets:		
Capital assets:		
Land	995,000	995,000
Buildings	1,925,571	1,925,571
Equipment	1,420,831	1,420,831
Improvements	16,169,676	16,169,676
Accumulated depreciation	(15,816,394)	(15,207,475)
Total capital assets, net of accumulated depreciation	4,694,684	5,303,603
Total assets	6,758,433	6,340,836
Liabilities		
Current liabilities:		
Accounts payable	14,096	11,318
Total liabilities	14,096	11,318
Net Position		
Net investment in capital assets	4,694,684	5,303,603
Unrestricted	2,049,653	1,025,915
Total net position	\$ 6,744,337	\$ 6,329,518

CITY OF CARROLLTON, TEXAS

Golf Course Fund
 Comparative Statements of Revenues, Expenses and Changes in Net Position
 For the Years Ended September 30, 2022 and 2021

	2022	2021
Operating revenues:		
Charges for services	\$ 843,940	\$ 580,383
Miscellaneous	285,092	-
Total operating revenues	1,129,032	580,383
Operating expenses:		
Supplies and services	56,333	44,518
Utilities	-	122,132
Allocations	1,100	23,055
Depreciation	608,919	652,727
Total operating expenses	666,352	842,432
Income (loss) from operations	462,680	(262,049)
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	(48,141)	2,448
Gain on sale/retirement of capital assets	280	-
Total nonoperating revenues (expenses)	(47,861)	2,448
Income (loss) before contributions and transfers	414,819	(259,601)
Transfers in	-	200,000
Change in net position	414,819	(59,601)
Net position at beginning of year	6,329,518	6,389,119
Net position at end of year	\$ 6,744,337	\$ 6,329,518

CITY OF CARROLLTON, TEXAS

Golf Course Fund
 Comparative Statements of Cash Flows
 For the years Ended September 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Cash received from customers for services	\$ 1,048,324	\$ 535,345
Cash payments to suppliers for goods and services	(53,556)	(166,337)
Cash payments to other funds for services	(1,100)	(23,055)
Net cash provided by operating activities	993,668	345,953
Cash flows from noncapital financing activities:		
Transfers from other funds	-	200,000
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	-	(18,422)
Proceeds from sale of capital assets	280	-
Net cash provided by (used in) capital and related financing activities	280	(18,422)
Cash flow from investing activities:		
Investment gain (loss) on cash and cash equivalents	(48,122)	1,186
Net increase (decrease) in cash and cash equivalents	945,826	528,717
Cash and cash equivalents, October 1	914,373	385,656
Cash and cash equivalents, September 30	\$ 1,860,199	\$ 914,373
Reconciliation of income (loss) from operations to net cash provided by operating activities:		
Income (loss) from operations	\$ 462,680	\$ (262,049)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation	608,919	652,727
Change in assets and liabilities:		
(Increase) decrease in other receivables	(80,709)	(45,038)
Increase (decrease) in accounts payable	2,778	313
Net cash provided by operating activities	\$ 993,668	\$ 345,953

CITY OF CARROLLTON, TEXAS

Sanitation Fund
 Comparative Statements of Net Position
 September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 740,612	\$ 947,070
Receivables:		
Accounts	1,365,670	1,255,301
Accrued interest	4,241	3,965
Total current assets	<u>2,110,523</u>	<u>2,206,336</u>
Noncurrent assets:		
Capital assets:		
Equipment	1,460,303	1,460,303
Accumulated depreciation	<u>(1,460,303)</u>	<u>(1,460,303)</u>
Total capital assets, net of accumulated depreciation	<u>-</u>	<u>-</u>
Total assets	<u>2,110,523</u>	<u>2,206,336</u>
Liabilities		
Current liabilities:		
Accounts payable	<u>1,933,399</u>	<u>1,846,343</u>
Total liabilities	<u>1,933,399</u>	<u>1,846,343</u>
Net Position		
Unrestricted	177,124	359,993
Total net position	<u>\$ 177,124</u>	<u>\$ 359,993</u>

CITY OF CARROLLTON, TEXAS

Sanitation Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Charges for services	\$ 12,002,849	\$ 11,552,462
Total operating revenues	<u>12,002,849</u>	<u>11,552,462</u>
Operating expenses:		
Supplies and services	9,977,134	9,508,935
Allocations	<u>122,156</u>	<u>144,121</u>
Total operating expenses	<u>10,099,290</u>	<u>9,653,056</u>
Income from operations	<u>1,903,559</u>	<u>1,899,406</u>
Nonoperating revenues (expenses):		
Investment earnings net of change in fair value of investments	<u>(10,353)</u>	<u>4,741</u>
Total nonoperating revenues (expenses)	<u>(10,353)</u>	<u>4,741</u>
Income before contributions and transfers	1,893,206	1,904,147
Transfers out	<u>(2,076,075)</u>	<u>(1,857,681)</u>
Change in net position	(182,869)	46,466
Net position at beginning of year	<u>359,993</u>	<u>313,527</u>
Net position at end of year	<u>\$ 177,124</u>	<u>\$ 359,993</u>

CITY OF CARROLLTON, TEXAS

Sanitation Fund
 Comparative Statements of Cash Flows
 For the years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash received from customers for services	\$ 11,876,277	\$ 11,448,284
Cash payments to suppliers for goods and services	(9,873,875)	(9,100,703)
Cash payments to other funds for services	(122,156)	(109,027)
Net cash provided by operating activities	<u>1,880,246</u>	<u>2,238,554</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(2,076,075)</u>	<u>(1,857,681)</u>
Cash flow from investing activities:		
Investment gain (loss) on cash and cash equivalents	<u>(10,629)</u>	<u>7,298</u>
Net increase (decrease) in cash and cash equivalents	(206,458)	388,171
Cash and cash equivalents, October 1	947,070	558,899
Cash and cash equivalents, September 30	<u>\$ 740,612</u>	<u>\$ 947,070</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 1,903,559	\$ 1,899,406
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Provisions for doubtful accounts	-	35,092
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(110,369)	(104,178)
Increase (decrease) in accounts payable	87,056	408,234
Net cash provided by (used in) operating activities	<u>\$ 1,880,246</u>	<u>\$ 2,238,554</u>



CARROLLTON
T E X A S

CITY OF CARROLLTON, TEXAS

Fleet Services Fund
 Comparative Statements of Net Position
 September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,418,545	\$ 7,555,096
Accrued interest receivable	22,693	19,778
Inventories	100,498	80,643
Total current assets	<u>7,541,736</u>	<u>7,655,517</u>
Noncurrent assets:		
Capital assets:		
Buildings	176,409	176,409
Equipment	25,583,879	24,593,109
Intangibles	34,314	34,314
Accumulated depreciation	<u>(15,639,279)</u>	<u>(15,279,720)</u>
Total capital assets, net of accumulated depreciation	<u>10,155,323</u>	<u>9,524,112</u>
Total assets	<u>17,697,059</u>	<u>17,179,629</u>
Liabilities		
Current liabilities:		
Accounts payable	<u>235,745</u>	<u>332,011</u>
Total liabilities	<u>235,745</u>	<u>332,011</u>
Net Position		
Net investment in capital assets	10,155,323	9,524,112
Unrestricted	<u>7,305,991</u>	<u>7,323,506</u>
Total net position	<u>\$ 17,461,314</u>	<u>\$ 16,847,618</u>

CITY OF CARROLLTON, TEXAS

Fleet Services Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position
for the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Charges for services	\$ 6,527,151	\$ 6,220,832
Operating expenses:		
Personnel services	112,174	109,239
Supplies and services	3,260,867	2,903,743
Utilities	42,094	33,881
Allocations	42,338	85,914
Depreciation	2,110,236	2,241,791
Total operating expenses	<u>5,567,709</u>	<u>5,374,568</u>
Income from operations	<u>959,442</u>	<u>846,264</u>
Nonoperating revenues:		
Investment earnings		
net of change in fair value		
of investments	(191,928)	17,738
Gain on sale/retirement of capital assets	279,968	410,190
Total nonoperating revenues	<u>88,040</u>	<u>427,928</u>
Income before transfers	1,047,482	1,274,192
Transfers out	<u>(433,786)</u>	<u>(398,389)</u>
Change in net position	613,696	875,803
Net position at beginning of year	<u>16,847,618</u>	<u>15,971,815</u>
Net position at end of year	<u>\$ 17,461,314</u>	<u>\$ 16,847,618</u>

CITY OF CARROLLTON, TEXAS

Fleet Services Fund
 Comparative Statements of Cash Flows
 For the years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash received from other funds for services	\$ 6,527,151	\$ 6,220,832
Cash payments to suppliers for goods and services	(3,359,204)	(2,897,452)
Cash payments to employees for services	(102,079)	(101,640)
Cash payments to other funds for services	(49,478)	(93,571)
Net cash provided by operating activities	<u>3,016,390</u>	<u>3,128,169</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(433,786)</u>	<u>(398,389)</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,818,573)	(1,366,260)
Proceeds from sale of capital assets	294,261	413,254
Net cash used by capital and related financing activities	<u>(2,524,312)</u>	<u>(953,006)</u>
Cash flow from investing activities:		
Investment gain (loss) on cash and cash equivalents	<u>(194,843)</u>	<u>20,879</u>
Net increase (decrease) in cash and cash equivalents	(136,551)	1,797,653
Cash and cash equivalents, October 1	7,555,096	5,757,443
Cash and cash equivalents, September 30	<u>\$ 7,418,545</u>	<u>\$ 7,555,096</u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 959,442	\$ 846,264
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	2,110,236	2,241,791
Change in assets and liabilities:		
(Increase) decrease in inventories	(19,855)	(36,911)
Increase (decrease) in accounts payable	(33,433)	77,025
Net cash provided by operating activities	<u>\$ 3,016,390</u>	<u>\$ 3,128,169</u>

CITY OF CARROLLTON, TEXAS

Risk Management Fund
 Comparative Statements of Net Position
 September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,514,790	\$ 4,913,486
Accrued interest receivable	16,061	13,967
Prepaid items	<u>113,000</u>	<u>113,000</u>
Total current assets	<u>4,643,851</u>	<u>5,040,453</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>4,643,851</u>	<u>5,040,453</u>
Liabilities		
Current liabilities:		
Accounts payable	104,079	30,795
Noncurrent liabilities:		
Compensated absences	51,075	46,761
Long-term risk liability	<u>1,212,786</u>	<u>865,083</u>
Total noncurrent liabilities	<u>1,263,861</u>	<u>911,844</u>
Total liabilities	<u>1,367,940</u>	<u>942,639</u>
Net Position		
Unrestricted	<u>3,275,911</u>	<u>4,097,814</u>
Total net position	<u>\$ 3,275,911</u>	<u>\$ 4,097,814</u>

CITY OF CARROLLTON, TEXAS

Risk Management Fund

Comparative Statements of Revenues, Expenses and Changes in Net Position
for the Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Charges for services	\$ 2,213,265	\$ 2,143,267
Operating expenses:		
Personnel services	111,010	104,967
Supplies and services	2,328,047	2,231,652
Utilities	279	272
Total operating expenses	<u>2,439,336</u>	<u>2,336,891</u>
Income (loss) from operations	<u>(226,071)</u>	<u>(193,624)</u>
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	<u>(115,359)</u>	<u>9,001</u>
Total nonoperating revenues	<u>(115,359)</u>	<u>9,001</u>
Income (loss) before transfers	(341,430)	(184,623)
Transfers out	<u>(480,473)</u>	<u>(417,118)</u>
Change in net position	(821,903)	(601,741)
Net position at beginning of year	<u>4,097,814</u>	<u>4,699,555</u>
Net position at end of year	<u>\$ 3,275,911</u>	<u>\$ 4,097,814</u>

CITY OF CARROLLTON, TEXAS

Risk Management Fund
 Comparative Statements of Cash Flows
 For the years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash received from other funds for services	\$ 2,213,265	\$ 2,143,267
Cash received from loss claim recoveries	528,986	343,017
Cash payments to suppliers for goods and services	(1,195,854)	(1,227,616)
Cash payments to employees for services	(97,863)	(99,525)
Cash payments for loss claims	(1,240,741)	(1,218,625)
Cash payments to other funds for services	(8,563)	(9,508)
Net cash provided by (used in) operating activities	<u>199,230</u>	<u>(68,990)</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(480,473)</u>	<u>(417,118)</u>
Cash flow from investing activities:		
Investment gain (loss) on cash and cash equivalents	<u>(117,453)</u>	<u>17,717</u>
Net increase (decrease) in cash and cash equivalents	(398,696)	(468,391)
Cash and cash equivalents, October 1	4,913,486	5,381,877
Cash and cash equivalents, September 30	<u>\$ 4,514,790</u>	<u>\$ 4,913,486</u>
Reconciliation of loss from operations to net cash (used in) operating activities:		
Loss from operations	\$ (226,071)	\$ (193,624)
Adjustments to reconcile loss from operations to net cash (used in) operating activities:		
Change in assets and liabilities:		
Increase (decrease) in accounts payable	73,284	8,674
Increase (decrease) in liability for compensated absences	4,314	(1,215)
Increase (decrease) in long-term risk liability	347,703	117,175
Net cash provided by (used in) operating activities	<u>\$ 199,230</u>	<u>\$ (68,990)</u>

CITY OF CARROLLTON, TEXAS

Employee Health and Disability Fund
 Comparative Statements of Net Position
 September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,730,828	\$ 8,112,564
Receivables:		
Accrued interest receivable	24,456	20,601
Prepaid items	<u>7,367</u>	<u>7,367</u>
Total assets	<u>7,762,651</u>	<u>8,140,532</u>
Liabilities		
Current liabilities:		
Accounts payable	1,669,825	1,809,902
Estimated health claims payable	<u>788,496</u>	<u>851,581</u>
Total current liabilities	<u>2,458,321</u>	<u>2,661,483</u>
Total liabilities	<u>2,458,321</u>	<u>2,661,483</u>
Net Position		
Unrestricted	<u>5,304,330</u>	<u>5,479,049</u>
Total net position	<u>\$ 5,304,330</u>	<u>\$ 5,479,049</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating revenues:		
Charges for services	\$ 11,565,804	\$ 13,180,493
Operating expenses:		
Personnel services	758,225	795,565
Supplies and services	<u>10,787,890</u>	<u>11,750,790</u>
Total operating expenses	<u>11,546,115</u>	<u>12,546,355</u>
Income from operations	<u>19,689</u>	<u>634,138</u>
Nonoperating revenues:		
Investment earnings net of change in fair value of investments	<u>(194,408)</u>	<u>13,807</u>
Total nonoperating revenues	<u>(194,408)</u>	<u>13,807</u>
Change in net position	(174,719)	647,945
Net position at beginning of year	<u>5,479,049</u>	<u>4,831,104</u>
Net position at end of year	<u>\$ 5,304,330</u>	<u>\$ 5,479,049</u>

CITY OF CARROLLTON, TEXAS

Employee Health and Disability Fund
 Comparative Statements of Cash Flows
 For the years Ended September 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Cash received from employees and retirees for services	\$ 2,164,900	\$ 2,128,815
Cash received from other funds for services	9,400,903	11,051,676
Cash received from loss claim recoveries and refunds	650,047	1,321,825
Cash payments to suppliers for goods and services	(2,562,426)	(2,099,578)
Cash payments for loss claims	(9,836,897)	(11,654,384)
Net cash provided by (used in) operating activities	(183,473)	748,354
Cash flow from investing activities:		
Investment gain (loss) on cash and cash equivalents	(198,263)	17,343
Net increase (decrease) in cash and cash equivalents	(381,736)	765,697
Cash and cash equivalents, October 1	8,112,564	7,346,867
Cash and cash equivalents, September 30	\$ 7,730,828	\$ 8,112,564
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 19,689	\$ 634,138
Adjustments to reconcile income from operations to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
Increase (decrease) in accounts payable	(140,077)	290,035
Increase (decrease) in estimated health claims payable	(63,085)	(175,819)
Net cash provided by (used in) operating activities	\$ (183,473)	\$ 748,354

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities										
Net investment in capital assets	\$ 220,454,089	\$ 224,428,585	\$ 229,578,674	\$ 236,475,739	\$ 253,789,783	\$ 266,335,524	\$ 265,348,739	\$ 288,354,589	\$ 285,331,250	\$ 308,107,635
Restricted	5,782,452	5,488,442	5,539,348	6,452,006	6,939,678	7,568,306	7,567,836	9,466,620	11,506,974	33,991,386
Unrestricted	93,366,902	95,744,744	108,636,055	115,146,522	115,867,856	116,877,252	142,352,531	157,960,043	203,079,481	227,811,286
Total governmental activities net position	\$ 319,603,443	\$ 325,661,771	\$ 343,754,077	\$ 358,074,267	\$ 376,597,317	\$ 390,781,082	\$ 415,269,106	\$ 455,781,252	\$ 499,917,705	\$ 569,910,307
Business-type activities										
Net investment in capital assets	\$ 116,211,135	\$ 119,325,732	\$ 117,734,922	\$ 114,890,769	\$ 111,162,794	\$ 114,574,032	\$ 117,224,597	\$ 113,405,237	\$ 110,676,871	\$ 117,112,368
Restricted	1,552,989	1,488,696	1,460,318	1,426,329	1,385,524	1,237,640	1,142,303	1,070,043	986,773	2,020,735
Unrestricted	29,389,768	22,994,428	23,051,098	24,004,120	25,184,803	23,311,006	24,937,146	32,485,159	40,606,226	43,122,949
Total business-type activities net position	\$ 147,153,892	\$ 143,808,856	\$ 142,246,338	\$ 140,321,218	\$ 137,733,121	\$ 139,122,678	\$ 143,304,046	\$ 146,960,439	\$ 152,269,870	\$ 162,256,052
Primary government										
Net investment in capital assets	\$ 336,665,224	\$ 343,754,317	\$ 347,313,596	\$ 351,366,508	\$ 364,952,577	\$ 380,909,556	\$ 382,573,336	\$ 401,759,826	\$ 396,008,121	\$ 425,220,003
Restricted	7,335,441	6,977,138	6,999,666	7,878,335	8,325,202	8,805,946	8,710,139	10,536,663	12,493,747	36,012,121
Unrestricted	122,756,670	118,739,172	131,687,153	139,150,642	141,052,659	140,188,258	167,289,677	190,445,202	243,685,707	270,934,235
Total primary government net position	\$ 466,757,335	\$ 469,470,627	\$ 486,000,415	\$ 498,395,485	\$ 514,330,438	\$ 529,903,760	\$ 558,573,152	\$ 602,741,691	\$ 652,187,575	\$ 732,166,359

Source: Annual Comprehensive 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 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Expenses										
Governmental activities:										
General government and administration	\$ 14,683,787	\$ 15,613,314	\$ 16,606,809	\$ 15,894,255	\$ 17,122,310	\$ 17,189,961	\$ 19,121,014	\$ 22,837,935	\$ 21,796,441	\$ 21,530,774
Public safety	47,660,301	52,091,965	52,732,524	59,993,080	64,012,046	63,047,061	69,201,673	66,625,840	64,935,344	57,636,204
Development services	36,202,493	39,284,802	21,534,165	26,750,336	27,011,842	25,002,278	32,233,127	27,137,264	32,895,331	25,030,749
Cultural and recreational	14,111,727	14,319,443	14,677,561	15,487,148	16,754,985	16,390,220	16,790,697	14,859,202	15,110,009	15,600,850
Interest on long term debt	6,274,635	6,310,607	6,251,466	6,125,135	6,293,033	6,325,530	6,037,670	6,265,337	5,924,098	6,054,525
Total governmental activities expenses	<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>	<u>137,725,578</u>	<u>140,661,223</u>	<u>125,853,102</u>
Business-type activities:										
Water and sewer	35,451,627	36,268,921	35,091,342	38,169,394	40,370,208	43,285,640	42,145,572	41,908,407	42,277,481	43,753,928
Golf	825,711	406,286	1,354,149	1,770,254	951,127	451,994	2,172,913	2,205,324	844,841	666,839
Sanitation	5,559,233	5,813,267	6,000,423	7,396,452	7,794,237	8,076,094	8,410,160	9,269,390	9,664,433	10,112,106
Total business-type activities expenses	<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>	<u>53,383,121</u>	<u>52,786,755</u>	<u>54,532,873</u>
Total primary government expenses	<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>	<u>191,108,699</u>	<u>193,447,978</u>	<u>180,385,975</u>
Program Revenues										
Governmental activities:										
Fees, Fines, and Charges for Services:										
General government and administration	216,802	196,574	223,621	276,789	136,535	192,134	171,494	193,747	209,167	223,758
Public safety	9,632,597	10,818,681	11,344,328	10,225,750	9,695,265	9,144,151	8,986,909	10,933,565	8,663,179	9,470,330
Development services	1,939,146	2,856,299	2,147,052	2,642,431	2,177,917	3,201,667	2,485,491	1,815,359	2,273,936	2,216,129
Cultural and recreational	2,718,241	2,943,837	2,505,008	2,767,833	2,718,579	2,699,398	2,093,847	1,225,921	2,236,900	2,635,278
Operating grants and contributions	84,112	30,116	59,753	324,816	143,608	247,088	83,567	9,301,172	8,550,938	13,221,942
Capital grants and contributions	5,857,808	7,039,163	3,916,199	2,317,548	5,945,697	2,677,227	9,199,209	2,335,856	3,055,845	9,027,419
Total governmental activities program revenues	<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>	<u>25,805,620</u>	<u>24,989,965</u>	<u>36,794,856</u>
Business-type activities:										
Charges for services:										
Water and sewer	35,171,954	33,789,304	35,301,330	37,361,058	39,630,140	45,005,225	45,058,318	48,863,523	48,800,443	53,318,611
Golf	1,040,473	1,101,340	556,913	976,527	1,131,464	617,176	1,163,979	1,092,696	479,789	843,940
Sanitation	7,629,080	7,882,627	8,231,572	9,492,356	9,839,216	10,361,672	10,614,355	10,773,015	11,552,462	12,002,849
Operating grants and contributions	-	-	-	557,072	-	-	-	-	-	-
Capital grants and contributions	1,741,476	2,104,033	2,027,734	1,003,684	965,092	3,266,699	923,476	727,166	3,199,625	5,578,424
Total business-type activities program revenues	<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>	<u>61,456,400</u>	<u>64,032,319</u>	<u>71,743,824</u>
Total primary government program revenues	<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>	<u>\$ 87,262,020</u>	<u>\$ 89,022,284</u>	<u>\$ 108,538,680</u>

(continued)

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

Table 2

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense) Revenue										
Governmental Activities	\$ (98,484,237)	\$ (103,735,461)	\$ (91,606,564)	\$ (105,694,787)	\$ (110,376,615)	\$ (109,793,384)	\$ (120,363,664)	\$ (111,919,958)	\$ (115,671,258)	\$ (89,058,246)
Business-type Activities	3,746,412	2,388,830	3,671,635	2,054,597	2,450,340	7,437,044	5,031,483	8,073,279	11,245,564	17,210,951
Total Primary government net expense	<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>	<u>(103,846,679)</u>	<u>(104,425,694)</u>	<u>(71,847,295)</u>
General Revenues										
and Other Changes in Net Assets										
Governmental Activities:										
Taxes:										
Ad valorem	55,859,536	58,744,957	61,990,961	66,690,804	71,827,346	77,233,249	82,924,296	89,122,477	93,158,498	96,924,730
Sales	25,446,798	27,708,160	31,238,022	34,512,467	36,782,925	39,811,034	39,683,052	40,032,543	46,187,884	48,705,881
Occupancy	156,061	181,025	210,835	243,946	292,908	237,466	189,529	211,851	122,512	173,648
Franchise Fees	10,556,411	12,023,980	11,768,644	11,778,705	12,069,944	12,526,523	12,036,367	12,098,114	11,914,107	12,389,639
Investment earnings net of change										
in fair value of investments	41,353	718,161	1,202,294	1,280,470	1,480,990	2,184,503	6,519,218	4,251,840	921,062	(7,768,438)
Gain on sale of capital assets	120,011	230,961	1,306,445	123,312	113,009	4,248	267,029	328,051	-	325,519
Public-private partnership recovery	3,160,500	3,013,646	-	-	-	-	-	-	-	-
Miscellaneous	882,757	1,008,224	793,144	977,691	874,112	950,672	932,282	891,770	926,010	1,500,632
Transfers	5,963,729	6,164,675	5,475,266	4,407,582	5,458,431	6,539,304	2,299,915	5,495,458	6,577,638	6,799,237
Total Governmental Activities	<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>	<u>152,432,104</u>	<u>159,807,711</u>	<u>159,050,848</u>
Business-type Activities:										
Investment earnings net of change										
in fair value of investments	(11,503)	162,754	206,134	186,142	201,448	262,790	925,005	707,328	103,944	(1,134,235)
Gain on sale of capital assets	62,393	108,520	35,012	37,256	21,514	4,232	261,495	18,143	99,209	39,110
Miscellaneous	99,716	159,535	174,697	204,467	197,032	224,795	263,300	353,101	438,352	669,593
Transfers	(5,963,729)	(6,164,675)	(5,475,266)	(4,407,582)	(5,458,431)	(6,539,304)	(2,299,915)	(5,495,458)	(6,577,638)	(6,799,237)
Total Business-type Activities	<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>	<u>(4,416,886)</u>	<u>(5,936,133)</u>	<u>(7,224,769)</u>
Total Primary Government	<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>	<u>148,015,218</u>	<u>153,871,578</u>	<u>151,826,079</u>
Change in Net Position										
Governmental Activities	3,702,919	6,058,328	22,379,047	14,320,190	18,523,050	29,693,615	24,488,024	40,512,146	44,136,453	69,992,602
Business-type Activities	(2,066,711)	(3,345,036)	(1,387,788)	(1,925,120)	(2,588,097)	1,389,557	4,181,368	3,656,393	5,309,431	9,986,182
Total Primary Government	<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>	<u>\$ 44,168,539</u>	<u>\$ 49,445,884</u>	<u>\$ 79,978,784</u>

(concluded)

Source: Annual Comprehensive 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									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Nonspendable for prepaid item	\$ -	\$ -	\$ 145,345	\$ -	\$ 637,076	\$ 615,544	\$ 165,821	\$ -	\$ 860,066	\$ 1,769,783
Assigned to purchases on order	248,282	166,593	331,730	213,086	249,535	368,299	370,937	-	-	-
Unassigned	18,145,105	20,637,631	18,608,933	21,341,930	19,873,549	29,516,925	30,200,943	40,567,720	54,412,746	83,205,558
Total general fund	<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>	<u>\$ 40,567,720</u>	<u>\$ 55,272,812</u>	<u>\$ 84,975,341</u>
All Other Governmental Funds										
Nonspendable for:										
Other receivables	\$ -	\$ -	\$ -	\$ -	\$ 1,012,080	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid items	421,950	51,584	739,994	-	-	-	-	-	-	85,455
Restricted for:										
Debt service	4,986,970	4,785,315	4,297,818	4,691,760	4,819,196	4,872,308	5,194,332	5,431,277	5,391,090	5,447,165
Streets and drainage	7,039,695	14,147,187	11,224,037	5,196,877	10,002,200	21,348,943	21,375,992	27,915,981	28,346,663	23,938,330
Public facilities	1,797,929	5,261,597	8,903,016	6,607,230	723,553	731,229	743,463	1,639,503	2,114,201	5,334,839
Other capital projects	769,916	2,698,419	1,691,992	1,660,411	1,240,675	675,940	2,457,650	3,765,317	6,149,025	9,926,150
Other purposes	1,242,218	1,269,055	1,515,400	1,825,818	2,102,688	2,781,971	1,943,079	2,307,584	2,640,871	2,286,088
Committed to:										
Transit oriented development	3,677,459	-	-	-	-	-	-	-	-	-
Street rehabilitation	9,995,506	14,546,936	17,497,861	20,249,854	23,893,942	27,700,435	32,331,403	38,671,297	43,090,080	46,571,139
Other capital projects	748,664	1,030,872	2,169,019	4,026,554	8,337,252	12,230,707	15,021,556	16,230,673	20,558,077	20,370,277
Assigned to:										
Streets and drainage	13,745,553	18,646,548	20,915,762	23,188,407	29,081,306	24,607,591	24,446,260	27,780,430	29,297,919	31,298,467
Public facilities	32,601,027	29,433,092	36,456,726	38,049,489	27,230,627	32,232,184	42,924,450	43,692,177	51,614,598	44,764,679
Other capital projects	7,808,482	9,848,273	11,734,537	12,782,783	17,222,929	16,592,403	15,504,426	18,476,246	19,478,671	21,488,245
Other purposes	172,506	356,731	382,462	447,335	416,120	693,296	775,981	2,460,132	1,056,282	908,388
Unassigned:	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 188,370,617</u>	<u>\$ 209,737,477</u>	<u>\$ 212,419,222</u>

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
REVENUES:										
Taxes:										
Ad valorem	\$ 55,615,260	\$ 58,347,979	\$ 61,676,895	\$ 66,398,279	\$ 71,469,785	\$ 76,855,743	\$ 82,592,460	\$ 88,768,605	\$ 92,796,382	\$ 96,481,355
Penalty and interest	244,276	396,978	314,066	292,525	357,561	377,506	331,836	353,872	362,116	443,375
Sales	25,446,798	27,708,160	31,238,022	34,512,467	36,782,925	39,811,034	39,683,052	40,032,543	46,187,884	48,705,881
911 Taxes	-	-	-	-	-	-	-	1,071,761	1,178,780	1,164,967
Occupancy tax	156,061	181,025	210,835	243,946	292,908	237,466	189,529	211,851	122,512	173,648
Franchise fees	10,556,411	12,023,980	11,768,644	11,778,705	12,069,944	12,526,523	12,036,367	12,098,114	11,914,107	12,389,639
Assessments	173,671	386,810	264,430	332,882	119,602	193,024	35,051	6,000	245,151	96,118
Charges for services	5,185,010	5,639,116	5,670,254	6,110,532	6,403,950	5,928,261	5,994,144	4,796,116	5,313,457	6,506,501
Intergovernmental	3,784,017	3,227,526	1,493,099	1,844,504	5,156,464	2,941,484	1,812,798	11,163,313	8,906,495	13,590,703
Licenses and permits	2,345,502	3,003,123	2,805,727	3,073,660	2,534,636	3,842,351	3,456,916	2,644,682	3,024,157	3,087,566
Fines and forfeitures	6,802,603	7,786,343	7,479,597	6,395,729	5,670,108	5,273,714	4,251,630	3,549,876	3,451,446	3,572,432
Investment earnings net of change in fair value of investments	48,699	621,710	1,080,213	1,175,370	1,366,353	2,046,739	6,064,714	3,951,260	791,278	(7,266,743)
PID Assessment Revenue	-	-	-	-	-	-	1,447,982	1,448,765	3,630,288	1,223,792
Public-private partnership recovery	1,896,300	4,264,200	-	-	-	-	-	-	-	-
Miscellaneous	882,757	1,021,870	793,144	977,691	874,112	950,673	932,282	896,467	1,722,281	1,572,062
Total Revenues	113,137,365	124,608,820	124,794,926	133,136,290	143,098,348	150,984,518	158,828,761	170,993,225	179,646,334	181,741,296
EXPENDITURES:										
General government and administration	13,818,786	14,233,668	14,249,773	14,014,017	15,321,401	15,594,492	17,087,424	19,597,405	19,666,339	20,478,164
Public safety	45,468,794	48,805,629	50,460,748	52,904,040	55,951,997	59,132,645	62,330,071	64,353,549	67,448,974	67,997,711
Development services	9,245,445	9,357,484	9,979,839	10,913,353	10,391,297	11,075,739	12,744,091	11,663,392	11,611,302	11,859,954
Cultural and recreational	11,173,466	11,192,930	11,487,238	11,925,191	12,744,442	13,067,844	12,930,099	12,273,811	12,286,522	13,527,219
Capital outlay	24,185,644	32,113,446	29,891,737	44,075,358	47,987,312	29,673,776	35,434,318	33,092,153	34,379,273	40,821,719
PID Development Reimbursement	-	-	-	-	-	-	1,447,982	1,448,765	3,630,288	1,223,792
Debt Service:										
Principal retirement	12,250,000	13,020,000	13,885,000	13,980,000	14,535,000	15,435,000	16,240,000	15,620,000	15,390,000	16,161,681
Interest and fiscal charges	6,619,954	6,489,618	6,839,976	6,727,253	7,097,030	7,225,382	7,332,656	7,713,093	7,621,560	7,969,011
Total expenditures	122,762,089	135,212,775	136,794,311	154,539,212	164,028,479	151,204,878	165,546,641	165,762,168	172,034,258	180,039,251
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(9,624,724)	(10,603,955)	(11,999,385)	(21,402,922)	(20,930,131)	(220,360)	(6,717,880)	5,231,057	7,612,076	1,702,045
OTHER FINANCING SOURCES (USES):										
Bonds issued	9,465,000	20,485,000	17,420,000	17,680,000	19,550,000	19,680,000	45,293,634	20,025,000	25,015,000	22,595,000
Refunding bonds issued	-	-	26,660,000	11,435,000	-	-	-	-	-	-
Premium on bonds issued	530,902	677,905	4,910,134	4,702,702	1,817,737	1,768,771	6,153,639	4,223,669	4,697,762	1,718,104
Payment to refunded bond escrow agent	-	-	(29,919,123)	(13,532,110)	-	-	(29,075,932)	-	(8,362,131)	(1,778,525)
Leases issued	-	-	-	-	-	-	-	-	-	434,154
Sale of capital assets	-	2,318,824	1,367,838	36,838	323,080	4,248	165,010	10,555	(283,900)	-
Transfers in	20,190,224	18,906,036	21,848,581	20,456,457	30,119,111	18,735,652	25,091,259	22,000,556	27,320,203	30,246,578
Transfers out	(13,810,283)	(12,305,239)	(16,553,246)	(15,709,063)	(24,318,903)	(11,842,964)	(22,421,212)	(16,008,793)	(19,927,058)	(22,533,082)
Total Other Financing Sources (Uses)	16,375,843	30,082,526	25,734,184	25,069,824	27,491,025	28,345,707	25,206,398	30,250,987	28,459,876	30,682,229
NET CHANGE IN FUND BALANCES	\$ 6,751,119	\$ 19,478,571	\$ 13,734,799	\$ 3,666,902	\$ 6,560,894	\$ 28,125,347	\$ 18,488,518	\$ 35,482,044	\$ 36,071,952	\$ 32,384,274
Debt service as a percentage of noncapital expenditures	19.1%	16.7%	17.5%	15.7%	16.8%	20.4%	16.9%	16.7%	15.5%	16.7%

Source: Annual Comprehensive Financial Reports

CITY OF CARROLLTON, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Table 5

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Estimated Market Value		Less:	Total Taxable	Total Direct Tax Rate
	Real Property	Personal Property	Tax-Exempt Property	Assessed Value	
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
2020	15,984,400,142	3,229,734,057	3,703,096,727	15,511,037,472	0.589970
2021	11,750,320,003	3,464,642,682	4,014,858,327	11,200,104,358	0.587500
2022	17,326,687,644	3,801,954,737	4,275,155,797	16,853,486,584	0.582500

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. In 2021, due to the impact of COVID, the original budget was based upon a certified estimate provided by two of our appraisal districts. After the final role was certified, the budget was amended to adopt a budget related to the certified role of \$15,869,999,609.

CITY OF CARROLLTON, TEXAS

ESTIMATED NET TAXABLE VALUE AT BUDGET ADOPTION

Table 6

Current Year and Nine Years Ago

(Unaudited)

	<u>Fiscal Year 2022</u>		<u>Fiscal Year 2013</u>		<u>Ten Year Change</u>
		<u>Percentage of Total Market Value</u>		<u>Percentage of Total Market Value</u>	
Market value:					
Certified Values:					
Real property:					
Land	\$ 4,189,654,337	19.45%	\$ 2,873,351,279	24.95%	45.81%
Improvements	\$ 13,137,033,307	60.99%	6,383,427,221	55.43%	105.80%
Business personal property	\$ 3,801,954,737	17.65%	2,198,511,234	19.09%	72.93%
Property Under Protest	\$ 410,076,971	1.90%	61,189,385	0.53%	570.18%
Total Market value	<u>21,538,719,352</u>	<u>100.00%</u>	<u>11,516,479,119</u>	<u>100.00%</u>	87.03%
Less property exemptions/reductions:					
Single Family Residential:					
Homestead	1,566,921,155	7.27%	851,107,798	7.39%	84.10%
Over 65	501,249,782	2.33%	317,832,811	2.76%	57.71%
Disabled	20,246,204	0.09%	22,563,769	0.20%	-10.27%
Disabled veterans	40,368,195	0.19%	7,455,702	0.06%	441.44%
Capped value	117,119,165	0.54%	1,122,160	0.01%	10336.94%
Total Single Family Residential	<u>2,245,904,501</u>	<u>10.43%</u>	<u>1,200,082,240</u>	<u>10.40%</u>	87.15%
Commercial:					
Agricultural	58,312,564	0.27%	75,905,901	0.66%	-23.18%
Freeport	913,715,124	4.24%	400,742,699	3.48%	128.01%
Abatements/Tax grants	-	0.00%	110,074,684	0.96%	-100.00%
Low income housing	13,005,040	0.06%	8,405,854	0.07%	54.71%
Other exemptions	5,011,288	0.02%	582,441	0.01%	760.39%
TIF Incremental Value	235,980,752	1.10%	2,646,835	0.02%	8815.58%
Total Commercial	<u>1,226,024,768</u>	<u>5.69%</u>	<u>598,358,414</u>	<u>5.20%</u>	104.90%
Totally exempt*	<u>1,039,207,280</u>	<u>4.82%</u>	<u>670,770,932</u>	<u>5.82%</u>	54.93%
Total property exemptions/reductions	<u>4,511,136,549</u>	<u>20.94%</u>	<u>2,469,211,586</u>	<u>21.42%</u>	82.70%
Estimated Net Taxable Value	<u>\$ 17,027,582,803</u>	<u>79.06%</u>	<u>\$ 9,047,267,533</u>	<u>78.58%</u>	88.21%

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

Notes:

* 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)
 Last Ten Fiscal Years
 (Unaudited)

Table 7

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 a	Collin County b	Denton County	Valwood Improvement Authority c
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
2020	0.438870	0.151100	0.589970	1.268350	1.310385	1.337500	1.330900	1.337350	0.646600	0.256173	0.225278	0.180000
2021	0.441146	0.146354	0.587500	1.254700	1.296735	1.347300	1.131000	1.327500	0.629840	0.253753	0.224985	0.180000
2022	0.442807	0.139693	0.582500	1.201250	1.248235	1.308700	1.292000	1.320750	0.606456	0.249309	0.233086	0.170000

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 & School Equalization.
- (b) Collin County includes Collin County and Collin County Community College District.
- (c) A typical property tax bill would consist of 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

Fiscal Year 2022			Fiscal Year 2013		
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
Pratt & Whitney ¹	\$ 107,809,667	0.64%	Haliburton Co. Inc.	\$ 72,248,349	0.79%
Softlayer	98,518,210	0.58%	Oncor Electric Delivery	60,862,050	0.67%
Mansions at Sunset Ridge Partners, LP	84,976,640	0.50%	AT&T Communications	57,240,460	0.63%
SLOA Land, LTD	75,500,000	0.45%	Realty Associates Rienzi	50,040,640	0.55%
IMP Castle Hills, LP	72,470,000	0.43%	JPMorgan Chase Bank NA	49,971,530	0.55%
Oncor Electric Delivery	69,040,460	0.41%	Hewlett Parkard	49,883,850	0.55%
Prologis	69,021,130	0.41%	Bella Vida Gardens Associates LLC	42,421,768	0.47%
Cyruson, LLC	68,000,000	0.40%	Mansion At Sunset Ridge Partners KP	42,055,583	0.46%
Wal-Mart Stores, Inc.	66,345,350	0.39%	Texas Dugan LTD	40,420,929	0.44%
Meridian Apartment Owner, LLC	64,800,000	0.38%	ThinkTech Inc.	40,069,840	0.44%
Total Assessed Value of Top-ten Taxpayers:	776,481,457	4.61%	Total Assessed Value of Top-ten Taxpayers:	505,214,999	5.55%
Total Assessed Value of Other Taxpayers:	16,077,005,127	95.39%	Total Assessed Value of Other Taxpayers:	8,593,584,668	94.45%
Total Assessed Value:	\$ 16,853,486,584	100.00%	Total Assessed Value:	\$ 9,098,799,667	100.00%

(1)Pratt & Whitney taxable value is related mainly to tangible personal property (tpp) subject to a 95% tax rebate until Fiscal Year 2024.

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
2013	54,782,788	56,407,488	71,422	\$ 56,478,910	56,013,200	99.18%	\$ 401,142	\$ 56,414,342	99.89%
2014	57,132,835	59,049,086	(19,508)	59,029,578	58,752,099	99.53%	217,358	58,969,457	99.90%
2015	61,028,968	62,839,506	(7,515)	62,831,991	62,505,443	99.48%	220,900	62,726,343	99.83%
2016	65,141,963	68,039,266	(589,846)	67,449,420	67,692,625	100.36%	(350,496)	67,342,129	99.84%
2017	71,793,263	73,359,863	(184,098)	73,175,765	72,990,754	99.75%	77,189	73,067,943	99.85%
2018	77,367,377	79,069,384	(274,415)	78,794,969	78,587,752	99.74%	53,161	78,640,913	99.80%
2019	84,016,514	85,625,004	(343,383)	85,281,621	85,127,427	99.82%	9,711	85,137,138	99.83%
2020	91,009,376	91,990,778	(372,591)	91,618,187	91,506,515	99.88%	(56,489)	91,450,026	99.82%
2021	94,307,109	97,255,897	(926,215)	96,329,682	96,422,620	100.10%	(342,937)	96,079,683	99.74%
2022	97,677,806	100,086,098	72,410	100,158,508	99,510,007	99.35%	-	99,510,007	99.35%

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 (a)	Per Capita (a)
	General Obligation Bonds		Certificates of Obligation		Water and Sewer Revenue Bonds		Certificates of Obligation			
	Par	Premium	Par	Premium	Par	Premium	Par			
2013	154,315,000	6,890,494	-	-	17,115,000	950,717	1,440,000	\$ 180,711,211	4.63%	1,532
2014	161,780,000	6,948,244	-	-	15,400,000	851,597	-	184,979,841	4.78%	1,478
2015	162,600,000	10,058,724	-	-	14,185,000	752,477	-	187,596,201	4.51%	1,487
2016	165,015,000	13,939,418	-	-	12,925,000	653,357	-	192,532,775	4.66%	1,498
2017	170,030,000	14,707,459	-	-	11,615,000	554,238	-	196,906,697	4.31%	1,504
2018	174,275,000	15,324,781	-	-	5,625,000	453,470	-	195,678,251	4.49%	1,505
2019	173,540,000	19,696,604	-	-	13,545,000	1,411,434	-	208,193,038	4.49%	1,531
2020	177,945,000	22,559,632	-	-	11,890,000	1,240,153	-	213,634,785	3.91%	1,552
2021	179,260,000	25,142,993	-	-	10,195,000	1,068,730	-	215,666,723	4.23%	1,548
2022	184,710,000	24,185,344	-	-	8,445,000	897,308	-	218,237,652	4.02%	1,615

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

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Less: Amounts Available in Debt Service Fund (a)	Net General Bonded Debt	Percentage of Actual Taxable Value of Property (b)	Per Capita (c)
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	1.27%	1,390
2020	200,504,632	-	200,504,632	4,481,765	196,022,867	1.26%	1,424
2021	204,517,993	-	204,517,993	5,391,089	199,126,904	1.78%	1,429
2022	208,895,344	-	208,895,344	5,447,165	203,448,179	1.21%	1,506

Notes:

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

^a This is the amount restricted for debt service principal payments. Government-Wide Statement of Net Position.

^b See Table 5 for property value data.

^c See Table 15 for population data.

CITY OF CARROLLTON, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

Current Year

(Unaudited)

Table 12

Governmental Unit (b)	Debt Outstanding	Estimated Percentage Applicable (a)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Carrollton-Farmers Branch Independent School District	\$ 336,185,000	37.20%	\$ 125,060,820
Collin County	543,645,000	0.08%	434,916
Collin County Community College	498,565,000	0.08%	398,852
Coppell Independent School District	335,954,846	0.01%	33,595
Dallas County	236,605,000	2.45%	5,796,823
Dallas County Community College District	110,835,000	2.45%	2,715,458
Dallas County Hospital District	559,905,000	2.45%	13,717,673
Dallas Independent School District	3,467,730,000	1.08%	37,451,484
Denton County	559,930,000	8.27%	46,306,211
Lewisville Independent School District	1,204,815,000	14.76%	177,830,694
Plano Independent School District	492,195,000	0.21%	1,033,610
Valwood Improvement Authority	7,015,000	56.64%	3,973,296
Subtotal, overlapping debt			<u>414,753,430</u>
City of Carrollton (direct debt)	208,895,344	100.00%	<u>208,895,344</u>
Total direct and overlapping debt			<u><u>\$ 623,648,774</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

Waterworks and Sewer System Revenue Bonds						
Fiscal Year	Total Revenues (a)	Less: Operating Expenses (b)	Net Available Revenue	Average Annual Requirement	Times Coverage	
2013	35,256,384	30,439,911	\$ 4,816,473	1,609,769	3.35	
2014	34,102,074	31,036,497	3,065,577	1,552,989	3.10	
2015	35,668,929	30,912,620	4,756,309	1,488,696	2.06	
2016	37,738,309	33,738,639	3,999,670	1,460,318	3.26	
2017	40,014,788	35,992,187	4,022,601	1,426,329	2.80	
2018	45,476,534	39,395,153	6,081,381	1,385,524	2.90	
2019	46,192,294	39,869,774	6,322,520	1,142,303	5.53	
2020	49,848,279	40,521,415	9,326,864	1,070,043	8.72	
2021	49,234,955	40,981,730	8,253,225	986,773	8.36	
2022	52,627,371	42,965,413	9,661,958	890,296	10.85	

Source: Annual Comprehensive 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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City of Carrollton - direct debt:						
Paid with property taxes	\$ 208,895,344	\$ 204,402,993	\$ 200,504,632	\$ 193,509,604	\$ 189,599,781	\$ 184,737,459
Paid with dedicated revenues:						
Water and sewer revenues	<u>9,342,308</u>	<u>11,263,730</u>	<u>13,130,153</u>	<u>14,956,434</u>	<u>6,078,470</u>	<u>12,169,238</u>
Total direct debt	<u>218,237,652</u>	<u>215,666,723</u>	<u>213,634,785</u>	<u>208,466,038</u>	<u>195,678,251</u>	<u>196,906,697</u>
Other Entities - contractually obligated to be paid with water and sewer revenues:						
Dallas Water Utilities (DWU)(a)	57,038,446	57,190,532	50,268,153	52,503,899	48,356,487	46,668,317
Trinity River Authority (TRA) - Central Regional Wastewater System (CRWS)(b)	<u>94,333,322</u>	<u>97,381,397</u>	<u>107,365,652</u>	<u>91,360,670</u>	<u>84,464,932</u>	<u>66,176,912</u>
Total contractually obligated debt	<u>\$ 151,371,768</u>	<u>\$ 154,571,929</u>	<u>\$ 157,633,805</u>	<u>\$ 143,864,569</u>	<u>\$ 132,821,419</u>	<u>\$ 112,845,229</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 application 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 part" 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

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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%
2020	137,650	5,460,576	39,670	37.0	16,127	6.8%
2021	139,350	5,103,554	36,624	37.0	18,058	5.1%
2022	135,110	5,427,098	40,168	37.4	17,849	3.2%

Source: Estimated population provided by the North Central Texas Council of Governments. 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

Note: A delay in census reporting led to population estimates being used in 2020 and 2021. These values were updated in North Central Texas Council of Government's reports and were lower than previous estimates.

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

Table 16

2022			2013		
Employer (a)	Employees	Percentage of Total City Employment	Employer (a)	Employees	Percentage of Total City Employment
Amerisource Bergen	1,350	1.54%	Halliburton Energy Services	1,300	1.78%
Western Extrusion	800	0.91%	McKesson Corporation	999	1.37%
Securus Technologies	735	0.84%	GE Automation Services, Inc.	875	1.20%
AER Manufacturing	600	0.68%	G6 Hospitality	727	1.00%
Schnieder Electric	574	0.65%	Baylor Medical Center	700	0.96%
Hilton Reservation Worldwide	518	0.59%	General Aluminum	700	0.96%
Toni & Guy	515	0.59%	RIA Computer Software	650	0.89%
Brandt	500	0.57%	Western Extrusions Coporation	600	0.82%
G6 Hospitality	500	0.57%	Brandt	550	0.75%
Varel International Energy	500	0.57%	RealPage Internet Access Support	500	0.69%
Total	<u>6,592</u>	<u>7.50% (b)</u>		<u>7,601</u>	<u>10.42% (b)</u>

Source: City of Carrollton Economic Development, Direct Company Contact (2022), City of Carrollton ACFR (2013)

Notes:

(a) Listing includes only private sector employers.

(b) Based on estimated Total Labor Force of 87,934 and 72,946 in 2013.

CITY OF CARROLLTON, TEXAS**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**

Table 17

Last Ten Fiscal Years
(Unaudited)

Function/Program	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Government and Administration	75.9	82.9	86.0	86.1	88.9	88.9	80.4	87.4	117.2	121.2
Public Safety	439.3	451.1	451.6	457.1	446.1	447.6	451.3	456.3	455.0	464.5
Development Services	108.7	108.0	112.0	113.0	113.0	108.0	108.5	108.5	107.5	109.3
Culture and Recreational	118.0	116.3	118.3	115.8	118.8	118.8	119.25	119.30	119.30	117.00
Water and Sewer	51.0	52.0	52.0	52.0	52.0	58.0	66.0	66.0	66.0	63.7
Fleet Services	0.5	0.5	0.5	0.5	0.5	0.5	0.8	0.8	0.8	0.8
Risk Management	1.0	1.0	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>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>7.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>	<u>10.0</u>
Total	<u>801.4</u>	<u>817.8</u>	<u>827.4</u>	<u>831.5</u>	<u>827.3</u>	<u>830.8</u>	<u>835.3</u>	<u>847.3</u>	<u>874.8</u>	<u>887.5</u>

Source: City Budget Office**NOTE:** In FY2021, Information Technology transitioned from an outsourced service to full-time Carrollton staff.

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

Table 18

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police										
Number of Employees	206	211	210	217	221	226	215	231	231	236
Number of Violations (Citations)	51,451	60,793	47,594	41,435	35,926	32,361	27,574	29,300	23,181	23,275
Fire										
Number of Employees	154	159	158	158	173	171	175	175	175	177
Number of Fire runs	3,295	3,469	3,350	3,868	3,677	4,048	4,125	4,046	5,255	4,594
Number of EMS runs	6,993	7,098	7,381	7,770	8,093	8,344	8,636	8,738	9,732	10,347
Development Services										
Street Resurfacing (miles)	4	4	1	5	1	0	2	2	2	6
Cultural and Recreational										
Parks and Recreation										
Participants in Leisure Service Programs(b)(e)(f)	65,459	65,187	61,656	36,024	36,781	22,981	40,052	23,127	48,975	47,207
Participants in Athletic Programs (d)(f)(j)	82,988	83,713	79,775	78,216	68,928	59,967	5,286	4,485	-	-
Library(h)										
Volumes in Collection	188,182	190,691	193,004	193,453	185,244	183,173	177,667	170,212	159,253	144,475
Water and Sewer										
Number of Water Consumers	35,710	36,055	38,975	36,841	37,168	37,686	37,482	39,300	36,902	37,138
Average Daily Water Consumption (gallons)(a)	20,171,000	18,890,000	19,548,000	19,524,000	19,753,000	20,711,000	19,203,000	21,698,000	21,792,000	24,218,000
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	48,075,000	48,575,000
Unaccounted for Water (i)	4.48%	3.88%	5.37%	7.17%	7.64%	8.26%	9.91%	6.27%	11.21%	6.40%
Sanitation (residential)(g)(l)										
Refuse Collected (tons)	36,668	37,405	36,112	30,062	28,674	28,126	33,638	43,344	35,504	28,755
Bulk/Brush Pickups (tons)	7,674	7,368	7,846	16,611	18,790	18,111	21,772	19,164	18,657	10,186
Recyclables Collected (tons)	7,166	7,651	7,796	7,947	7,800	7,130	6,304	5,580	7,098	7,047
Golf Course(c)(f)										
Number of Paid Rounds Played	58,394	72,676	33,759	16,968	63,312	52,986	37,133	19,398	78,656	95,364

Source: City Departments

Notes:

- (a) Fiscal Year 2022 Average Daily Water Consumption increased as a result of unseasonably dry weather throughout the spring and summer.
- (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.
 In Fiscal Year 2019, the Golf Course was closed due to repairs from December 18, 2018 to February 7, 2019
 In Fiscal Year 2020, the Golf Course was closed or had restricted availability as a result of the Coronavirus pandemic.
- (d) - In Fiscal Year 2019, the Rosemeade Aquatics Center was closed for remodel for the entire season.
- (e) - In Fiscal Year 2019, the Leisure Services expanded the number of special events and Senior Center participants returned to normal levels.
- (f) - In Fiscal Year 2020, Recreation and Athletic facilities were closed or had restricted availability as a result of the Coronavirus pandemic.
- (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.
 In Fiscal Year 2020, Library continued to withdraw worn and outdated materials while transitioning to an RFID Security System.
- (i) FY2021 - Un accounted for water increase was a result of broken pipes related to Winter Storm in February 2021.
- (j) In FY2021, the Parks & Recreation restructured their department which combined participation into one entity.
- (k) Figures decrease from Fiscal Year 2020 to Fiscal Year 2022 due to a decrease in work-from-home employment and damage from the 2021 Winter Storm.

CITY OF CARROLLTON, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Table 19

Last Ten Fiscal Years

(Unaudited)

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units (a)	36	36	36	36	36	36	46	49	51	51
Police Motorcycle Units	7	8	8	8	7	4	2	2	2	2
Fire Stations	7	8	8	8	8	8	8	8	8	8
Development Services										
Streets- Paved (miles) (b)	1,176	1,176	1,176	1,176	1,176	1,176	1,068	1,068	1,068	1,121
Alleys - Paved (miles)	190	189	189	189	189	210	210	210	210	210
Cultural and Recreational										
Parks (acres)	1,493	1,493	1,493	1,493	1,493	1,493	1,493	1,493	1,493	1,493
Playgrounds	25	25	25	25	25	25	29	29	29	29
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Splash Parks	-	-	1	1	2	2	2	2	2	2
Tennis Courts	29	29	29	29	28	28	28	28	27	27
Pickle Ball Courts	-	-	-	-	-	-	-	-	-	4
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	570	584	584	580	600	612	612	631	631
Fire Hydrants	4,995	5,110	5,192	5,278	5,363	5,398	5,398	5,409	5,590	5,590
Sanitary Sewers (miles)	410	414	417	417	418	425	430	432	432	432

Source: City Departments

Notes:

(a) Motorcycles have been transitioned to full-size vehicles; an additional patrol beat was added in 2019. PD restructured the departments and transitioned unmarked vehicles to marked vehicles and added an SRO position in 2020.

(b) Pavement Condition Index (PCI) was updated in 2019

CITY OF CARROLLTON, TEXAS

TEXAS MUNICIPAL RETIREMENT SYSTEM

ANALYSIS OF FUNDING PROGRESS AND CONTRIBUTION RATES (FUNDING BASIS)

Last Ten Fiscal Years

(Unaudited)

Table 20

Fiscal Year	(1) Actuarial Value of Assets**	(2) Actuarial Accrued Liability*	(3) Funded Ratio (1/2)	(4) Unfunded Actuarial Accrued Liability	(5) Annual Covered Payroll	(6) UAAL as a Percentage of ACP (4/5)	(7) Total TMRS Required Contribution Rate	(8) Prior Service Portion of the TMRS Rate
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%
2020	429,681,970	449,427,990	95.6%	19,746,020	58,997,932	33.5%	12.12%	3.79%
2021	452,176,561	466,999,463	96.8%	14,822,902	64,112,408	23.1%	11.84%	3.41%
2022	477,686,020	492,353,030	97.0%	14,667,010	66,684,036	22.0%	10.84%	2.43%

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 year 2013, and Entry Age Normal actuarial funding method for fiscal year 2014 and forward.

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 reportion 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, TEXAS

ACTIVE AND RETIREE HEALTH INSURANCE COSTS

Last Ten Fiscal Years

(Unaudited)

Table 21

Fiscal Year	Total Health Plan Expenses	Retiree Expenses	Percentage Retiree Costs to Total	Active Members	Retirees Using City Health Plan	Total TMRS Retirees	Percentage Retirees Using Plan to Total Members	Retiree Contributions	Net Subsidy of Retirees	Subsidy as Percentage of Total Expense	Cost per Active Member	Cost per Retiree
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
2020	9,928,645	535,969	5.4%	763	21	697	2.7%	388,603	(147,366)	1.5%	12,310	25,522
2021	11,750,790	247,966	2.1%	746	24	737	3.1%	113,431	(134,535)	1.1%	15,419	10,332
2022	10,787,890	108,776	1.0%	740	21	768	2.8%	330,107	221,331	-2.1%	14,431	5,180
Total	<u>\$ 113,277,506</u>	<u>\$ 6,755,538</u>	<u>6.0%</u>					<u>\$ 4,250,348</u>	<u>\$ (2,505,190)</u>	<u>2.2%</u>		
Average	\$ 11,327,751	\$ 675,554		727	33	601	4.3%	\$ 425,035	\$ 404,193		14,657	20,841

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

Notes: During FY 2018, Total Health Plan expenses increased during FY 2018 due to claims run out during the change of a third party administrator. During FY 2022, total healthplan expenses decreased due to the removal of a high cost claimant from the plan and a high level of vacancies from retiree plan.

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, 2022

Table CD-1
TAX AND DEBT FINANCIAL INFORMATION
 (Unaudited)

Tax Year 2022	Appraised Value of Taxable Property ¹	\$ 24,471,139,255
Less Exemptions:		
	Agricultural Land Use	\$ 64,169,653
	Homestead	1,780,065,078
	Disabled Veterans	51,163,304
	Over 65	688,695,754
	Disabled Persons	24,446,641
	Totally Exempt	1,368,238,615
	Freeport	552,198,496
	Capped Value	784,876,003
	Low Income Housing	20,016,543
	Other Exemptions	1,687,625
	Total Exemptions	<u>5,335,557,712</u>
Tax Year 2022	Certified Assessed Valuation ¹	<u>\$ 19,135,581,543</u>
Gross General Obligation Bonded Debt:		
	General Purpose Bonds and Certificates (Par Value Only) Projected as of 9/30/2023	\$ 194,255,000
	Less: General Obligation Interest & Sinking Fund Balances as of 09/30/2022 ²	<u>5,447,165</u>
	Net General Obligation Bonded Debt	<u>\$ 188,807,835</u>
Ratio of Gross General Obligation Bonded Debt to		
	2022 Taxable Valuation	1.02%
Ratio of Net General Obligation Bonded Debt to		
	2022 Taxable Valuation	0.99%

2020 Census Population - 133,251
 2022 Estimated Population - 135,110
 Per Capita Taxable Valuation - \$141,630
 Per Capita Gross General Obligation Bonds Bonded Debt - \$1,438
 Per Capita Net General Obligation Bonds Bonded Debt - \$1,397

(1) Certified tax roll provided by the Dallas Central and Collin Central Appraisal Districts (the "Appraisal Districts") and a Certified Estimate was provided by Denton Central Appraisal District in July 2022 (Fiscal year 2023). 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 \$19,123,690,278 which includes an increase of \$327,206,309 for estimated valuation on property under protest less \$339,097,574 of the incremental value assigned to the City's Tax Increment Reinvestment Zone.

(2) Debt service fund balance at end of year per Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances, GAAP Basis.

Source: City of Carrollton

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
 Year ended September 30, 2022

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

<u>Fiscal Year</u>	<u>Taxable Valuation</u> ¹	<u>% Valuation Increase/Decrease Over Prior Year (100% of Market Value Basis)</u>	<u>Funded Debt Outstanding At Year End</u>	<u>Ratio Funded Debt to Taxable Valuation %</u>
2013/14	9,556,642,945	5.03%	161,780,000 ²	1.69%
2014/15	10,280,594,071	7.58%	162,600,000 ²	1.58%
2015/16	11,086,019,064	7.83%	165,015,000 ²	1.49%
2016/17	11,944,206,839	7.74%	170,030,000 ²	1.42%
2017/18	13,004,287,702	8.88%	174,275,000 ²	1.34%
2018/19	14,235,500,120	9.47%	173,540,000 ²	1.22%
2019/20	15,511,037,472	8.96%	182,420,000 ²	1.18%
2020/21	15,869,999,604	2.31%	179,375,000 ²	1.13%
2021/22	16,853,486,584	6.20%	184,710,000 ²	1.10%
2022/23	19,135,581,543	13.54%	194,255,000 ³	1.02%

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

(2) Amount reflects outstanding par amount only at fiscal year end.

(3) Amount reflects outstanding par amount plus the 2023 bond issuance of \$26,400,000 at par.

TABLE CD-3
TOTAL TAXABLE VALUATION BY CATEGORY¹
 (Unaudited)

<u>Fiscal Year</u>	<u>Real Property</u>		<u>Personal & Other Property</u>		<u>Total Taxable Valuation</u>
	<u>Taxable Valuation</u>	<u>% of Total</u>	<u>Taxable Valuation</u>	<u>% of Total</u>	
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
2020/21	13,041,776,312	82%	2,828,223,292	18%	15,869,999,604
2021/22	13,970,258,259	83%	2,883,228,325	17%	16,853,486,584
2022/23	15,906,035,930	83%	3,229,545,613	17%	19,135,581,543

(1) Source: Dallas Central, Denton Central and Collin Central Appraisal Districts.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2022

TABLE CD-4
TOTAL APPRAISED VALUATION BY CATEGORY¹
(Unaudited)

<u>Property Use Category</u>	<u>Tax Year</u> <u>2022</u>	<u>Tax Year</u> <u>2021</u>	<u>Tax Year</u> <u>2020</u>	<u>Tax Year</u> <u>2019</u>	<u>Tax Year</u> <u>2018</u>
Real, Residential, Single Family, and Mobile Homes Real	\$ 12,412,788,589	\$ 10,280,684,597	\$ 9,719,635,877	\$ 9,187,906,609	\$ 8,576,816,519
Residential, Multiple Family	2,642,321,481	2,220,965,526	2,121,063,077	1,891,550,100	1,607,676,258
Real, Vacant Lots/ Tracts	193,658,339	189,818,844	188,819,991	206,008,675	206,972,910
Real, Acreage (Land Only)	64,274,213	58,416,485	60,816,853	60,234,015	54,510,365
Real, Commercial, Industrial and Utilities	4,419,456,790	3,980,536,656	3,900,831,527	3,731,673,675	3,519,298,365
Tangible Personal, Commercial Industrial and Utilities	3,781,844,634	3,848,926,523	3,870,808,969	3,252,118,964	3,015,599,099
Tangible Personal, Special Inventory Other	74,360,841	63,131,869	74,290,228	68,768,520	64,078,220
Total Appraised Valuation ^{1,2}	<u>\$ 23,588,704,887</u>	<u>\$ 20,642,480,500</u>	<u>\$ 19,936,266,522</u>	<u>\$ 18,398,260,558</u>	<u>\$ 17,044,951,736</u>
Total Exempt Property	1,388,854,893	1,052,573,091	1,022,196,382	982,263,745	905,323,671
Disputed ARB/ ERV Market Value	(506,420,525)	(566,411,210)	(858,704,137)	(166,390,104)	(185,972,529)
Total Market Value	<u>\$ 24,471,139,255</u>	<u>\$ 21,128,642,381</u>	<u>\$ 20,099,758,767</u>	<u>\$ 19,214,134,199</u>	<u>\$ 17,764,302,878</u>
Productivity Loss	(64,169,653)	(58,312,564)	(57,080,964)	(58,242,960)	(54,366,741)
Homestead Cap	(784,876,003)	(117,119,165)	(134,939,417)	(203,944,828)	(219,508,680)
Exemptions	<u>(4,486,512,056)</u>	<u>(4,099,724,068)</u>	<u>(4,037,738,782)</u>	<u>(3,440,908,940)</u>	<u>(3,254,927,337)</u>
	\$ -	\$ -	\$ -	\$ -	\$ -
Total Property Exemptions	<u>\$ (5,335,557,712)</u>	<u>\$ (4,275,155,797)</u>	<u>\$ (4,229,759,163)</u>	<u>\$ (3,703,096,728)</u>	<u>\$ (3,528,802,758)</u>
Certified Assessed Valuation	<u>\$ 19,135,581,543</u>	<u>\$ 16,853,486,584</u>	<u>\$ 15,869,999,604</u>	<u>\$ 15,511,037,471</u>	<u>\$ 14,235,500,120</u>

(1) 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 value for totally exempt properties

(2) Represents gross values, prior to exemptions.

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

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
 Year ended September 30, 2022

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

<u>Property Use Category</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Real Property					
Single-Family Residential	52.6%	49.8%	48.8%	49.9%	50.4%
Multi-Family Residential	11.2%	10.8%	10.6%	10.3%	9.4%
Vacant Lots/Tracts	0.8%	0.9%	0.9%	1.1%	1.2%
Acreage-Land Only	0.3%	0.3%	0.3%	0.3%	0.3%
Commercial, Industrial, and Utilities	18.7%	19.3%	19.6%	20.3%	20.6%
Tangible Personal Property					
Commercial, Industrial, and Utilities	16.1%	18.6%	19.4%	17.7%	17.7%
Other	0.3%	0.3%	0.4%	0.4%	0.4%
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, 2022

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 Year¹</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>			
2013/14	0.617875	0.414447	0.203428	\$ 59,029,578	99.53 %	99.90 %
2014/15	0.615375	0.417389	0.197986	62,831,991	99.48 %	99.83 %
2015/16	0.612875	0.420043	0.192832	67,449,420	100.36 %	99.84 %
2016/17	0.603700	0.425787	0.177913	73,175,765	99.75 %	99.85 %
2017/18	0.599700	0.427790	0.171910	78,794,969	99.74 %	99.80 %
2018/19	0.594970	0.430220	0.164750	85,281,621	99.82 %	99.83 %
2019/20	0.589970	0.438870	0.151100	91,618,187	99.88 %	99.82 %
2020/21	0.587500	0.441146	0.146354	97,049,587	100.10 %	99.74 %
2021/22	0.582500	0.442807	0.139693	100,563,679	99.35 %	99.35 %
2022/23	0.562500	0.417274	0.145226	106,373,731	- % ²	- % ²

Source: City of Carrollton.

(1) Adjusted Tax Levy and Collections at Fiscal Year End.

(2) In process of collection.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2022

TABLE CD-7
TOP TEN TAXPAYERS
Fiscal Year 2022
(Unaudited)

<u>Name</u>	<u>Nature of Property</u>	<u>Total Taxable Value</u> ¹	<u>% of Total Taxable Value</u>
1 Pratt & Whitney	² Technology	\$ 128,202,372	0.67%
2 Sreit Castle Hills LLC	Apartments	105,500,000	0.55%
3 IBM Corporation	Technology	96,013,360	0.50%
4 4253 Hunt Drive LLC	Apartments	94,641,100	0.49%
5 Mansions at Sunset Ridge	Apartments	89,887,306	0.47%
6 Meridian Apartments Owner LLC	Apartments	83,561,822	0.44%
7 Imp Castle Hills LP	Apartments	83,500,000	0.44%
8 Prologis LP	Technology	76,792,160	0.40%
9 Bspmt Broadway Carrollton LLC	Apartments	76,605,970	0.40%
10 Oncor Electric Delivery	Utilities	74,812,380	0.39%
Total		<u>\$ 909,516,470</u>	<u>4.75%</u>

(1) Total taxable value including real and personal property is \$19,135,581,543

(2) Pratt & Whitney taxable value is related mainly to tangible personal property (tpp) subject to a 95% tax rebate until Fiscal Year 2024

Source: Dallas & Denton County Tax Office, City Report of Property Value, 2022 (Fiscal Year 2023)

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

General Obligation Debt Service Requirements, Fiscal Year Ending 9/30/23		\$ 24,958,461 ¹
Debt Service Fund, All General Obligation Issues 9/30/22 ²	\$ 5,447,165	
Budget for Fiscal Year 2022/23 Debt Service Fund Tax Levy @ 100% Collection	27,772,498	<u>33,219,663</u>
Estimated Debt Service Fund Balance, Fiscal Year Ending 9/30/23		<u>\$ 8,261,202²</u>

(1) Includes bonds to be issued in 2023. Preliminary, subject to change

(2) Debt Service Fund balance at Fiscal Year End as of September 30, 2022 GAAP Basis

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, 2023	\$ 24,958,461
\$0.145226 Tax Rate @ 100% Collection ¹	27,772,498

(1) Calculation based on 2022/23 taxable value of \$19,123,690,278 which is calculated as: certified assessed valuation of \$19,135,581,543 plus estimated valuation of property under protest of \$327,206,309 less the incremental value assigned to the City's Tax Increment Reinvestment Zone of \$339,097,574.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2022

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 a 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.

Fiscal Year Ended 9/30	Total Collected	Percentage of Adjusted Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2014	27,491,706	46.57% ¹	0.287761 ¹	220.99
2015	31,146,385	49.57% ¹	0.305047 ¹	248.67
2016	34,553,336	51.23% ¹	0.313967 ¹	269.99
2017	36,626,570	50.05% ¹	0.302169 ¹	279.98
2018	39,632,629	50.30% ¹	0.301640 ¹	299.50
2019	39,603,512	46.44% ¹	0.276295 ¹	290.84
2020	39,836,732	43.48% ¹	0.256526 ¹	289.41
2021	45,814,939 ³	47.21% ²	0.277346 ¹	328.78
2022	48,413,698 ³	48.14% ²	0.280429 ¹	358.33 ²
2023	40,289,524 ⁴	37.88% ¹	0.213049 ¹	298.20 ²

⁽¹⁾ Based on 98% collection rate of the total tax levy used for budget proposes through Fiscal Year 2016, 98.5% from Fiscal Year 2017 to 2019, 99.5% in Fiscal Year 2020, 98% (100% for Debt Service fund) in fiscal Year 2021 and 98.5% (100% for Debt Service fund) in fiscal Year 2022.

⁽²⁾ Based on estimated population of 135,110 as of September 30, 2022.

⁽³⁾ FY 2021 includes thirteen (13) months of sales tax collections to accrue September 2021 taxes received in November 2021. Future fiscal years will continue to include twelve months of sales tax receipts.

Note: The total sales tax and use tax rate is 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

⁽⁴⁾ Projected amount, not actual. Based on City of Carrollton budget projections.

TABLE CD-11
COMPARATIVE MONTHLY SALES TAX COLLECTIONS¹
(Unaudited)

Month	2022-2023	2021-2022	2020-2021
October	\$ 4,281,206	\$ 3,733,305	\$ 3,512,054
November	2,996,011 ²	3,617,036	3,167,000
December	3,651,849 ²	4,470,246	2,894,342
January	3,115,119 ²	3,781,584	3,570,489
February	2,674,451 ²	3,217,532	2,984,763
March	3,577,910 ²	4,655,522	2,570,832
April	3,213,118 ²	3,487,285	4,165,168
May	3,189,706 ²	4,076,926	3,936,130
June	3,725,008 ²	4,214,451	3,237,262
July	3,421,238 ²	4,172,089	4,265,688
August	3,088,141 ²	4,356,323	3,466,132
September	3,355,767 ²	4,631,399	8,045,079
	<u>\$ 40,289,524</u>	<u>\$ 48,413,698</u>	<u>\$ 45,814,939</u>

Source: Comptroller of Public Accounts; City of Carrollton

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

⁽²⁾ Projected amount, not actual. Based on City of Carrollton budget projections. Based on year to date sales tax collections, which for the first month of the fiscal year have been 31.43% over the original budget and 17.43% above 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, 2022

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

Fiscal Year <u>Ended</u> <u>30-Sep</u>	Existing Debt <u>Service</u>	\$26,400,000 ¹ General Obligation Improvement Bonds			Total Debt Service Requirements
		<u>Principal</u>	Series 2023 <u>Interest</u>	<u>Total Debt Service</u>	
2023	\$ 24,958,461	\$ -	\$ -	\$ -	\$ 24,958,461
2024	24,098,682	1,320,000	1,056,000	2,376,000	26,474,682
2025	23,626,957	1,370,000	1,003,200	2,373,200	26,000,157
2026	22,469,678	1,425,000	948,400	2,373,400	24,843,078
2027	21,002,277	1,485,000	891,400	2,376,400	23,378,677
2028	19,539,528	1,540,000	832,000	2,372,000	21,911,528
2029	18,371,821	1,605,000	770,400	2,375,400	20,747,221
2030	16,537,909	1,670,000	706,200	2,376,200	18,914,109
2031	15,401,940	1,735,000	639,400	2,374,400	17,776,340
2032	13,818,165	1,805,000	570,000	2,375,000	16,193,165
2033	12,009,853	1,875,000	497,800	2,372,800	14,382,653
2034	9,525,178	1,950,000	422,800	2,372,800	11,897,978
2035	6,299,570	2,030,000	344,800	2,374,800	8,674,370
2036	3,163,730	2,110,000	263,600	2,373,600	5,537,330
2037	1,471,120	2,195,000	179,200	2,374,200	3,845,320
2038	-	2,285,000	91,400	2,376,400	2,376,400
	<u>\$ 232,294,869</u>	<u>\$ 26,400,000</u>	<u>\$ 9,216,600</u>	<u>\$ 35,616,600</u>	<u>\$ 267,911,469</u>

(1) Estimated 2023 debt issuance. Assumed rate of 4.0%

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
 Year ended September 30, 2022

TABLE CD-13
AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS ¹
 (Unaudited)

<u>Authorization Purpose</u>	<u>Authorization Date</u>	<u>Amount Authorized</u>	<u>Prior Issuance</u>	<u>2023 Bonds ²</u>	<u>Balance Unissued</u>
Street Improvements & Traffic Flow	05/05/18	\$ 78,010,000	\$ 65,375,000	\$ 12,635,000	\$ -
Public Safety Facilities Improvements	05/05/18	6,250,000	5,250,000	1,000,000	-
Parks & Recreation Improvements	05/05/18	22,420,000	20,170,000	2,250,000	-
Street Improvements & Traffic Flow	11/08/22	102,450,000	-	8,515,000	93,935,000
Public Safety Facilities Improvements	11/08/22	8,800,000	-	-	8,800,000
Parks & Recreation Improvements	11/08/22	18,900,000	-	2,000,000	16,900,000
Animal Shelter Facilities Improvements	11/08/22	4,800,000	-	-	4,800,000
Trail Improvements	11/08/22	2,000,000	-	-	2,000,000
		<u>\$ 243,630,000</u>	<u>\$ 90,795,000</u>	<u>\$ 26,400,000</u>	<u>\$ 126,435,000</u>

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

⁽²⁾ Preliminary, subject to change. The 2023 Bonds assume use of par and premium against authorization.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
 Year ended September 30, 2022

TABLE CD-14
GENERAL FUND ¹ COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
 (Unaudited)

	2022	2021	2020	2019	<u>2018</u>
Fund Balance -					
Beginning of Year	\$ 55,272,812	\$ 40,567,720	\$ 30,737,701	\$ 30,500,768	\$ 20,760,160
Revenues:					
Taxes & Franchise Fees	125,901,695	119,126,658 ²	105,225,686	101,194,431	97,230,466
Wireless 911 fees	1,164,967	1,178,780	1,071,761	-	-
Charges for Services	6,338,012	5,199,239	4,692,777	5,789,342	5,716,495
Fines and Forfeitures	3,203,560	3,051,687	2,828,801	4,155,874	4,778,759
Investment Income	(1,694,404)	403,197	1,317,474	1,890,654	936,731
Licenses and Permits	3,087,566	2,757,109	2,640,242	2,920,751	3,580,421
Intergovernmental	12,234,388	6,739,738	7,985,045	118,961	270,572
Miscellaneous	355,112	582,020	538,171	594,174	583,707
Total Revenues	<u>150,590,896</u>	<u>139,038,428</u>	<u>126,299,957</u>	<u>116,664,187</u>	<u>113,097,151</u>
Expenditures:					
General Government and					
Administration	20,478,164	19,662,154	19,597,405	17,087,424	15,594,492
Development Services	11,859,954	11,611,302	10,726,575	12,744,091	11,075,739
Public Safety	67,516,215	67,160,136	63,991,068	61,925,374	58,379,196
Cultural and Recreation	12,945,140	12,228,224	11,813,834	12,367,653	12,552,134
Net Transfers	7,534,122	13,671,520	10,341,056	12,302,712	5,754,982
Debt Service	554,772	-	-	-	-
Total Expenditures	<u>120,888,367</u>	<u>124,333,336</u>	<u>116,469,938</u>	<u>116,427,254</u>	<u>103,356,543</u>
Excess/Deficiency of Revenues over					
Expenditures	<u>29,702,529</u>	<u>14,705,092</u>	<u>9,830,019</u>	<u>236,933</u>	<u>9,740,608</u>
Fund Balance -					
End of Year	<u>\$ 84,975,341</u>	<u>\$ 55,272,812</u>	<u>\$ 40,567,720</u>	<u>\$ 30,737,701</u>	<u>\$ 30,500,768</u>

(1) 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.

(2) Fiscal Year 2021 includes thirteen (13) months of sales tax collections to accrue September 2021 taxes received in November 2021. Future fiscal years will continue to include twelve months of sales tax receipts.

CITY OF CAROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2022

**TABLE CD-15
GENERAL FUND
CURRENT OPERATIONS**

(Unaudited)

On September 13, 2022, the Fiscal Year 2022-2023 budget was adopted by the City Council. The following General Fund Operating Budget is presented on a budget basis presentation.

<u>Revenues</u>	2021-2022 <u>Actual</u> ¹	2022-2023 <u>Adopted Budget</u> ³	2022-2023 <u>Current Estimate</u> ²
Property Taxes	\$ 64,688,549	\$ 71,696,876	\$ 70,433,996
Sales and Use Taxes	48,705,881	39,486,402	39,526,042
911 Taxes	1,164,967	1,061,408	1,061,408
Franchise Fees	12,165,857	11,264,869	10,984,493
Licenses and Permits	3,056,316	2,392,124	2,380,735
Charges for Services	6,069,535	5,092,185	5,076,540
Fines and Forfeiture	3,087,339	3,105,413	3,107,023
Other Revenues	12,548,630	1,274,640	1,274,640
Investment Income	623,508	355,698	355,698
Transfers In	2,725,241	2,695,726	2,695,726
Total Revenues	\$ 154,835,823	\$ 138,425,341	\$ 136,896,301
<u>Expenditures</u>			
Personnel Services	\$ 68,647,989	\$ 77,302,442	\$ 77,302,442
Supplies and Services	19,007,739	19,049,393	19,049,393
Utilities	2,469,297	2,408,346	2,408,346
Allocations	19,878,901	24,701,756	24,701,756
Capital Outlay	2,022,003	1,610,906	1,610,906
Transfers Out	13,793,858	54,246,090	54,246,090
Total Expenditures	\$ 125,819,787	\$ 179,318,933	\$ 179,318,933

(1) 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 Annual Comprehensive 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.

(2) As of October 31, 2022. 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.

(3) 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, 2022

TABLE CD-16
CURRENT INVESTMENTS
(Unaudited)

As of September 30, 2022 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 0.88 years.

<u>Type of Investment</u>	<u>Fair Market Value</u>	<u>Percentage</u>
Coupon Agencies	\$ 148,781,518	42.38%
Discount Agencies	12,848,553	3.66%
Municipal Bonds	68,525,732	19.52%
Treasuries	71,138,019	20.26%
Government Pools ¹	<u>49,789,280</u>	<u>14.18%</u>
Total Securities	<u>\$ 351,083,102</u>	<u>100.00%</u>

(1) 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 Government Code.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
 Year ended September 30, 2022

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

Fiscal Year Ended 30-Sep	Existing Debt		Total Debt Service Requirements
	Principal	Interest	
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
Totals	\$ 8,445,000	\$ 2,238,550	\$ 10,683,550

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2022

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

	Fiscal Year Ending September 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues	\$ 52,627,371	\$ 49,234,955	\$ 49,848,279	\$ 46,192,294	\$ 45,476,534
Expenses:					
Personnel Services	3,714,564	3,765,284	3,983,593	4,320,610	4,206,038
Supplies and Services	31,718,521	30,287,031	30,109,494	29,152,264	29,415,211
Utilities	906,878	885,921	1,011,379	937,553	890,563
Allocations	1,202,288	1,033,616	774,800	859,139	810,228
Provision for Doubtful accounts	-	89,923	89,923	103,091	102,478
Transfers Out	5,423,162	4,919,956	4,497,117	4,497,117	3,970,635
Total Expenses	<u>42,965,413</u>	<u>40,981,731</u>	<u>40,466,306</u>	<u>39,869,774</u>	<u>39,395,153</u>
Net Available for Debt Service	<u>\$ 9,661,958</u>	<u>\$ 8,253,224</u>	<u>\$ 9,381,973</u>	<u>\$ 6,322,520</u>	<u>\$ 6,081,381</u>
Customer Count Water/Sewer	37,138	36,902	39,300	37,482	37,686
Average Annual Debt Service	\$ 890,296	\$ 986,773	\$ 1,070,043	\$ 1,142,303	\$ 1,237,640
Times of the Average Annual Debt Service	10.85	8.36	8.77	5.53	4.91
Average Annual Debt Service - 2022/2034					\$ 890,296
Coverage of Average Annual Debt Service at 9/30/22 Net Available					\$ 10.85
Maximum Annual Debt Service - 2022/2034					1,682,000
Coverage of Maximum Annual Debt Service at 9/30/22 Net Available					\$ 5.74

TABLE CD-19
FUND BALANCES
(As of September 30, 2022)
(Unaudited)

Reserve Fund	\$ 890,296
Interest and Sinking Fund	700,833
Total Fund Balances	<u><u>\$ 1,591,129</u></u>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
 Year ended September 30, 2022

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

	<u>2021-2022</u>	<u>2022-2023</u>
	<u>Actual ¹</u>	<u>Adopted Budget ^{1 2}</u>
<u>Beginning Operating Funds</u>	\$ 17,106,602	\$ 14,957,012
<u>Revenues</u>		
Water Sales & Charges	31,174,223	28,390,266
Sewer Sales & Charges	20,867,781	21,353,621
Rate Increase	-	1,642,824
Tag & Reconnect Fees	574,934	450,000
Industrial Surcharge	353,222	375,000
Backflow Prevention Charges	243,666	220,000
Investment Income	114,518	112,226
Miscellaneous	112,553	175,000
Transfers In	-	-
Total Revenues	<u>\$ 53,440,897</u>	<u>\$ 52,718,937</u>
<u>Total Funds Available</u>	<u>\$ 70,547,499</u>	<u>\$ 67,675,949</u>
<u>Expenditures</u>		
Personnel Services	3,496,578	4,454,744
Supplies and Services	31,389,299	34,465,109
Utilities	899,988	929,668
Allocations	4,953,175	6,069,953
Capital Outlay	-	9,671
Transfers Out	10,010,120	9,290,729
Total Expenditures	<u>\$ 50,749,160</u>	<u>\$ 55,219,874</u>
<u>Ending Operating Funds</u>	<u>\$ 19,798,339</u>	<u>\$ 12,456,075</u>

(1) Budget basis.

(2) Includes a projected average increase of 4.4% on water and sewer rates effective 1/1/2023.

TABLE CD-21
UTILITY PLANT IN SERVICE
(As of September 30, 2022)
 (Unaudited)

Land	\$ 1,382,918
Utility Plant	285,723,298
Equipment and Intangibles	7,477,300
Construction in Progress	6,035,769
Total Capital Assets	<u>300,619,285</u>
Less Accumulated Depreciation	<u>(177,584,728)</u>
Net Utility Plant in Service	<u>\$ 123,034,557</u>

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2022

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

	Fiscal Year Ending September 30				
	2022	2021	2020	2019	2018
Water & Wastewater					
System in Service	\$ 300,619,285	\$ 289,667,747	\$ 280,501,602	\$ 277,572,913	\$ 271,625,960
Reserve for Depreciation	(177,584,728)	(171,743,760)	(166,255,601)	(160,575,142)	(154,489,548)
Net plant in Service	<u>123,034,557</u>	<u>117,923,987</u>	<u>114,246,001</u>	<u>116,997,771</u>	<u>117,136,412</u>
Construction Funds Net Position	<u>21,546,082</u>	<u>19,657,568</u>	<u>21,556,852</u>	<u>19,722,465</u>	<u>12,771,837</u>
Net Plant in Service and Coming on Line	<u>144,580,639</u>	<u>137,581,555</u>	<u>135,802,853</u>	<u>136,720,236</u>	<u>129,908,249</u>
Plus Other Assets/Deferred Outflows of Resources	1,588,675	301,981	319,467	2,089,151	425,502
Plus Operating Working Capital Assets and Deferred Outflows of Resources Net of Current Liabilities and Debt Reserves	<u>18,199,375</u>	<u>16,799,770</u>	<u>14,811,155</u>	<u>12,287,310</u>	<u>10,190,231</u>
	<u>164,368,689</u>	<u>154,683,306</u>	<u>150,933,475</u>	<u>151,096,697</u>	<u>140,523,982</u>
Long Term Debt	7,858,502	9,318,940	11,287,068	13,153,490	4,854,536
Less Debt Reserves	(890,296)	(986,773)	(1,070,043)	(1,142,303)	(1,237,640)
Net Long Term Debt	<u>6,968,206</u>	<u>8,332,167</u>	<u>10,217,025</u>	<u>12,011,187</u>	<u>3,616,896</u>
Plus Other Liabilities/ Deferred Inflows of Resources	<u>2,211,785</u>	<u>934,752</u>	<u>572,148</u>	<u>2,876,023</u>	<u>1,141,541</u>
Total Obligations and Deferred Inflows of Resources	9,179,991	9,266,919	10,789,173	14,887,210	4,758,437
City's Equity in System	<u>\$ 155,188,698</u>	<u>\$ 145,416,387</u>	<u>\$ 140,144,302</u>	<u>\$ 136,209,487</u>	<u>\$ 135,765,545</u>
% Equity	94.42%	94.01%	92.85%	90.15%	96.61%

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2022

**TABLE CD-23
TOP TEN WATER CUSTOMERS
AS OF 9/30/2022
(Unaudited)**

<u>Name</u>	<u>Type</u>	<u>Revenues</u>	<u>% of Total Water Revenues ¹</u>
1 Carrollton-Farmers Branch ISD	School District	\$ 393,249	1.26%
2 Lewisville ISD	School District	213,104	0.68%
3 Rudy's Tortillas	Manufacturing	156,148	0.50%
4 Western Extrusions INC.	Manufacturing	145,869	0.47%
5 Prologis	Real State	143,157	0.46%
6 Frankel Family Trust	Apartments	139,116	0.45%
7 Billingsley Property Srvcs IBP	Office Buildings	115,313	0.37%
8 Sreit Castle Hills LLC	Apartments	113,276	0.36%
9 Meridian Apartments Owner	Apartments	111,903	0.36%
10 Billingsley Property II, INC	Apartments	104,366	0.33%
TOTAL		\$ 1,635,501	5.25%

⁽¹⁾ Total water revenues from October 1, 2021 through September 30, 2022 was \$31,174,223.

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>
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
2020	21,698,000	38,799,000	7,953,874,000
2021	21,792,000	37,337,000	7,962,892,000
2022	24,218,000 ¹	48,423,000 ¹	8,864,496,000

Source: City of Carrollton Water Distribution Department.

⁽¹⁾ Fiscal Year 2022 daily use increase as a result of unseasonably dry weather throughout spring and summer.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
 Year ended September 30, 2022

TABLE CD-25
WATER & WASTEWATER RATES ¹
 (Unaudited)

Monthly Water Rates:

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

Single-family residential domestic and irrigation use	\$	15.06
Commercial (including apartments and portable meters), industrial and commercial irrigation use:		
5/8" meter	\$	15.35
1" meter		23.65
1.5" meter		37.53
2" meter		54.16
3" meter		98.49
4" meter		148.37
6" meter		286.98
8" meter		453.31
10" meter		647.33
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)	\$	3.56
Meter Readings from May through September:		
Next 8,000 gallons (per 1,000 gallons)		3.56
All Over 15,000 gallons (per 1,000 gallons)		4.78
All Over 25,000 gallons (per 1,000 gallons)		5.96
Irrigation use:		
Next 23,000 gallons (per 1,000 gallons)	\$	3.72
Next 25,000 gallons (per 1,000 gallons)		4.44
Next 50,000 gallons (per 1,000 gallons)		5.03
Next 100,000 gallons (per 1,000 gallons)		5.66
All use over 200,000 gallons (per 1,000 gallons)		6.31
Commercial use (including apartments and portable meters):		
All use over 2,000 gallons (per 1,000 gallons)	\$	2.58
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)	\$	2.28

Monthly Sewer Rates:

Residential use:		
First 2,000 gallons, minimum	\$	16.33
All use over 2,000 gallons (per 1,000 gallons)		3.80
Commercial (including apartments), Industrial and Irrigation minimum monthly charges, including the first 2,000 gallons of use:		
5/8" meter	\$	16.48
1" meter		23.87
1.5" meter		36.11
2" meter		50.78
3" meter		89.98
4" meter		134.42
6" meter		256.39
8" meter		403.27
10" meter		574.59
Commercial and Industrial use:		
All use over 2,000 gallons (per 1,000 gallons)	\$	3.87

⁽¹⁾ Rates effective January 1, 2023.

CITY OF CARROLLTON, TEXAS

Continuing Disclosure Tables
Year ended September 30, 2022

TABLE CD-26

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

	Fiscal Year Ending September 30				
	2022	2021	2020	2019	2018
Operating revenues:					
Charges for services	\$ 53,318,611	\$ 48,800,547	\$ 48,870,110	\$ 45,058,318	\$ 45,005,225
Miscellaneous	384,501	337,653	297,912	263,300	224,795
Total operating revenues	<u>53,703,112</u>	<u>49,138,200</u>	<u>49,168,022</u>	<u>45,321,618</u>	<u>45,230,020</u>
Operating expenses:					
Personal services	3,714,564	3,765,284	3,983,596	4,320,610	4,206,038
Supplies and Services	31,718,521	30,287,030	30,109,494	29,255,355	29,517,689
Utilities	906,878	885,921	1,011,379	937,553	890,563
Allocations	1,202,288	1,123,539	864,723	859,139	810,228
Depreciation	5,981,781	5,968,356	5,758,477	6,645,933	7,628,552
Total operating expenses	<u>43,524,032</u>	<u>42,030,130</u>	<u>41,727,669</u>	<u>42,018,590</u>	<u>43,053,070</u>
Income (loss) from operations	<u>10,179,080</u>	<u>7,108,070</u>	<u>7,440,353</u>	<u>3,303,028</u>	<u>2,176,950</u>
Nonoperating revenues (expenses):					
Investment earnings net of change in fair value	(1,075,741)	96,755	680,257	870,676	246,514
Gain on sale/retirement of capital assets	38,830	99,209	14,826	94,551	4,232
Interest expense	(225,120)	(311,618)	(375,564)	(250,672)	(236,632)
Total nonoperating revenues (expenses)	<u>(1,262,031)</u>	<u>(115,654)</u>	<u>319,519</u>	<u>714,555</u>	<u>14,114</u>
Income (loss) before contributions and transfers	<u>8,917,049</u>	<u>6,992,416</u>	<u>7,759,872</u>	<u>4,017,583</u>	<u>2,191,064</u>
Capital contributions	5,578,424	3,199,625	727,166	923,476	3,266,699
Transfers in	700,000			-	-
Transfers out	(5,423,162)	(4,919,956)	(4,552,223)	(4,497,117)	(3,970,635)
Change in net position	<u>9,772,311</u>	<u>5,272,085</u>	<u>3,934,815</u>	<u>443,942</u>	<u>1,487,128</u>
Net position at beginning of year	<u>145,416,387</u>	<u>140,144,302</u>	<u>136,209,487</u>	<u>135,765,545</u>	<u>134,278,417</u>
Net position at end of year	<u>\$ 155,188,698</u>	<u>\$ 145,416,387</u>	<u>\$ 140,144,302</u>	<u>\$ 136,209,487</u>	<u>\$ 135,765,545</u>



CARROLLTON
T E X A S



CARROLLTON
TEXAS

Where Connections Happen

City of Carrollton
1945 E. Jackson Road
Carrollton, Texas 75006

972-466-3000 • cityofcarrollton.com