



Comprehensive Annual Financial Report



For the Year Ended September 30, 2019
City of Cedar Hill, Texas

CITY OF CEDAR HILL, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2019

Prepared by the

CITY OF CEDAR HILL

FINANCE DEPARTMENT

Alan Dickerson, Finance Director
Latifia Coleman, Finance Business Manager
Onya Penton, Controller

CITY COUNCIL

Stephen Mason, Mayor

Chad McCurdy, Council Member
Shirley Daniels, Council Member
Alan E. Sims, Council Member

Daniel C. Haydin Jr., Council Member
Gregory Glover, Council Member
Clifford R. Shaw, Council Member

CITY MANAGER

Greg Porter



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

City of Cedar Hill
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended September 30, 2019

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INTRODUCTORY SECTION



CEDAR HILL

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March 19, 2020

To the Honorable Mayor and City Council,
and Citizens of the City of Cedar Hill:

The Finance Department and City Manager's Office are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Cedar Hill (the "City") for the fiscal year ended September 30, 2019. State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report fulfills that requirement.

Responsibility for the accuracy of the 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. The data is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. To enable the reader to gain an understanding of the City's financial activities, all necessary disclosures have been included.

Crowe L.L.P., Certified Public Accounts, have issued an unmodified ("clean") opinion on the City of Cedar Hill's financial statements for the year ended September 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

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

City Profile

The City was incorporated in 1938 under the general laws of the State of Texas and is one of the oldest organized cities in Dallas County. Cedar Hill became a home-rule city in 1975 and encompasses 35.5 square miles and is approximately 50% developed. The City's current estimated population is 53,096. Since the 2010 census of 46,300, the City's population has grown by 6,796 or 15%. Cedar Hill is roughly 15 miles southwest of Dallas where it boasts to be the highest elevation between the Red River and the Gulf of Mexico. The City is situated along the eastern shore of Joe Pool Lake and Cedar Hill State Park with easy access to I-20 and I-35 from U.S. Highway 67. Cedar Hill is home to many residents who commute to and from employment in the Dallas-Fort Worth (DFW) metropolitan area.

Parks and recreation are important to the City and certainly part of its distinctive character. The inclusion of neighborhood parks, hike and bike trails and the preservation of green space will remain a priority of community and City Council. Some of the most beautiful and fascinating parks and open space areas in the State of Texas are in the City including Cedar Hill State Park and the Dogwood Canyon Audubon Center. A wide selection of charter and private schools in addition to the public-school system add to the expansive set of educational choices available in Cedar Hill.

Government Structure. The City operates under a council-manager form of government. Policy-making and legislative authority are vested in the City Council, consisting of a Mayor and six council members. The City Council appoints committees, boards and hires the City Manager, City Attorney and City Judge. The City Manager is responsible for carrying out the policies and implementing the ordinances of the City Council and oversees the day-to-day operations of the government, appoints the directors of the various departments, and prepares an annual budget.

Services Provided. The City provides a full range of municipal services authorized by statute or charter. These services include police protection, fire suppression, emergency medical services, water distribution, wastewater collection, building inspection, street maintenance and repair, code enforcement, park maintenance, full service recreation services and programming, swimming pool operations, library services, planning and economic development and general administrative services. The City maintains contracts for its water supply and wastewater treatment services and solid waste services.

Reporting Entity. This accompanying CAFR includes all funds of the City including its component units and internal service funds. The City's component units are legally separate entities for which the City is financially accountable. The City has two discretely presented component units. They are the Cedar Hill Economic Development Corporation and the Cedar Hill Community Development Corporation. The Tax Increment Reinvestment Zone Fund (TIRZ#1) or TIF Fund is recorded as a special revenue fund.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues recognized when measurable and available, and expenditures recorded when the liability is incurred. Proprietary operations are maintained on a full accrual basis.

City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. Management must also ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The annual budget serves as the foundation for the City's financial planning and control. Budget objectives, priorities and goals are reviewed by City Council in June. The City Manager's proposed budget is submitted to City Council in early August at which time public input is encouraged and invited. Prior to final adoption, a public hearing is conducted on the budget. The City prepares a multi-year capital budget and updates are done annually with Council review.

Budgetary control has been established at the individual fund level. Financial reports are produced electronically showing budget and actual for expenditures and revenues are reviewed by departmental managers and directors on a routine basis. All Departments have access to the City's core financial system for budget management.

Factors Affecting Financial Condition

Local Economy. The City has seen several consecutive years of tax base growth from both residential and commercial values. Commercial values increased 6% over 2018 as the result of new business construction. Overall, the City's taxable value of properties on the tax roll grew 6.3% over 2018. This growth is from appreciation of existing residential and commercial properties coupled with the completion of various development projects being added to the tax roll. The City is a bedroom community with single family residences making up over 70% of the tax base and offering a more affordable housing option within minutes of major job centers.

Cedar Hill is home to many businesses and is known for its diversified local economy. Cedar Hill has become the regional high-end retail hub with 11 major shopping districts offering over 3,500,000 square feet of retail, restaurants, office and entertainment. Business development in the form of light manufacturing, commercial and retail enterprises have substantially increased since 1998. The City has four industrial parks and several large industrially zoned tracts of land capable of accommodating additional industrial development.

The retail market remains active and strong in Cedar Hill. Hillside Village lifestyle center is a 615,000 square foot open-air regional shopping mall containing 67 active stores. The mall management works with City leaders in planning family events to maintain a family friendly atmosphere. The shopping mall continues to attract and hold national branded retailers and restaurants that attract local and regional shoppers. Fuel City, a convenience store, and gas station, with a specialty shop was completed and opened for business in 2019. Another major retail opening and doing business in the City is Total Wine which opened in late 2019.

Professional office space continues to be constructed to support medical and other specialized professions. In 2019, there was over 12,000 square feet of newly constructed medical and dental office space. Legacy Crossing, a 4,900 square foot medical plaza with planned expansion of over 7,000 square feet was completed in 2019.

Tourism is certainly a big part of the local economy. The City partners on special events in the Historic Downtown to continue to draw residents and visitors to share the area's distinctive character. The growing list of tourism events in the City is a major support for the retail and service industry. Bike rallies and races, concerts and sports tournaments keep the tourism, parks and recreation departments active. The National Audubon Society opened a 250-acre national preserve with an interpretive center in 2011 which draws visitors to the City. This center, in conjunction with Cedar Hill State Park, Cedar Mountain Preserve and the City's trail system and open spaces continues to bring tourism to the City.

Economic Future. The City is expected to see a continued growth trend in the near term that is in line with current and planned commercial and residential development that will add to the tax base. City officials are committed to expanding economic development opportunities that will foster development on its abundant available land within its goal to maintain open green space at 20% or greater.

Covenant Development entered the Cedar Hill market in 2018 to construct Preston Trail Center (the "Jane"), a 20-acre site, located at the intersection of FM 1382 and Straus Road. The goal of Preston Trail Center is to create a thriving, mixed-use area that builds on, enhances, and highlights the unique character of Cedar Hill as a friendly, family-oriented and nature-oriented Texas town. The

multifamily component is under construction and consists of approximately 300 units with high-end amenities, and an emphasis on walkability and connectivity. The first units were occupied in late 2019. The second phase will be developed for retail, restaurant, and service uses to complement the residential component and simultaneously serve as a recreational anchor with a trailhead for the FM 1382 Trail.

A 153-unit senior housing complex, on the south side of East Pleasant Run Road is under construction and will begin leasing in 2020. Additionally, The Lilacs development of duplexes will expand housing options in Historic Downtown. Earlier this year, the CHEDC approved a development agreement with Lake Moreno Partners, LLC for a mixed-use project in Historic Downtown. The 40,000 square foot project, located at W. Belt Line Road and Broad Street, will include retail, restaurants, office space, spaces for craftsmen and artists, live/work studios, and residential dwellings. Construction began in summer 2019.

The City is beginning to see residential development interest. Bear Creek subdivision is a 215-lot residential development which began permitting in 2019. The average home values are \$250,000 to \$300,000. The Vineyards will provide additional buildable inventory of 75 homes. Other residential developments in the planning and platting stages are Stonehill (300 lots) and the Fountains of Lake Ridge with 66 lots.

The hotel tourism industry continues to grow and provide lodging for local and regional sports and recreational events. Fairfield Inn began construction in 2018 and opened its doors in 2019. The City has approved a public private partnership for a new upscale hotel and convention center locate at Hillside Village Shopping Center. The hotel and convention center will offer meeting space that it does not currently have and will bring visitors and meeting attendees to Cedar hill to dine and shop.

Financial Planning and Fiscal Policies. The City has a long tradition of disciplined and prudent fiscal management. During the year, the City began working with a Comprehensive Planning Committee and consultant to update its Comprehensive Plan. The Comprehensive Plan will be completed in late 2020.

Formal financial policies and prudent operating practices have enabled the City to maintain core services. Formal policies exist in areas such as balanced budgets, revenue diversification, operating expenditures, reserves, investments, and debt. The City manages the issuance of new debt and proactively communicates with its financial advisors to ensure that debt is issued prudently and affordably.

The City's budget reflects the community's priorities and the strategic goals set by the City Council to further the vision of Cedar Hill as a premier city. Additionally, it reflects the City's mission to deliver the highest quality municipal services to its citizens and customers, consistent with its community values. The City Council meets in a retreat setting annually to review its strategic plans and priorities.

The City uses its master plans to guide its long-term growth and financial planning. Utilizing these plans, the City annually updates a five-year capital improvement plan for streets, utilities and facilities, including the timing and amounts of debt to be issued to fund the plan.

The City completes a benchmarking survey of budgets, staffing and selected activity measurements of thirteen similar cities as part of the annual budget process. The City's financial history is driven by relatively balanced operations and maintaining strong budgetary performance, meaning that the budget is monitored routinely with ending favorable balances.

The City's fiscal management policies require minimum fund balance goals for its core operating funds. The General Fund of the City calls for an available fund balance of 25% of operational expenditures and the City has historically adhered to this policy. Each of the funds with minimum fund balance requirements meet or exceed these requirements. There were no significant impacts on the current year's operations as a result of the fiscal management policies.

Major Initiatives. The most notable and major initiative during the year was the second phase implementation of the 2017 General Obligation Bond referendum of \$45 million dollars. The City sold general obligation bonds in the amount of \$8.9 million for the community pool, community parks and street improvements. Additionally, the City sold \$5.5 million in Certificates of Obligation for public safety equipment, water and sewer equipment, infrastructure projects and for repairs and improvements to the Government Center.

The City Council's priority is to reflect the community's priorities to further the vision of Cedar Hill as a "premier city". The City has been very proactive in keeping its vision active and alive with several capital improvement projects that maintain a commitment to its premier statements. Several capital improvement projects are in progress:

- Enhanced safety and visibility through installation of median streetlights on major and some minor thoroughfares to include East Joe Wilson, Beltline and Parkville Roads.
- Community Pool: The community pool site selection was accomplished with community input and the Council selected a design team. The design team worked with staff and the community on concepts and features with a completion date in early 2020 and construction to begin in late summer 2020.
- Concrete and asphalt repairs were completed on various streets throughout the City.
- City Library and Signature Park Projects: The land was acquired during the year along with selecting a design team for both the Library and Signature park as joint projects. Design is in progress with construction to begin in 2021.
- Community and Neighborhood Parks: The City completed refurbishments and new improvements to Virginia Weaver Park (interactive playground), Bradford Park and Calf Pasture Park.
- U.S. Highway 67 (US 67) is under improvement construction by Texas Department of Transportation (TXDOT) with widening improvements, adding lanes, improving exit and entrance ramps all of which will enhance traffic flow and reduce congestion for the City. The City has partnered with TXDOT to provide streetscape, signage and lighting enhancements for the section of US 67 through the City.
- The City has approved a master developer agreement for the development and construction of a Hotel Convention Center to be constructed under a public-private-partnership

arrangement. The Hotel franchise is Aloft. The project design is completed with construction to begin in early 2020.

- Historic Downtown revitalization with building codes adopted to augment a street design and parking for walkability and mixed-use development.
- Policy initiative to steward the Joe Pool Lake Fund for long-term preservation of the Joe Pool Lake asset and resources was created by Ordinance of City Council.

Other Information

Independent Audit: The City Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City. The City Charter specifies that such audit be conducted by independent auditors selected by the City Council. Crowe LLP was selected by the City Council to conduct this year's audit. The independent auditors' report on the basic financial statements is included in the financial section of this report.

Certificate of Achievement: The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Cedar Hill for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2018. The Certificate of Achievement is a prestigious national award that recognizes 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 CAFR, whose contents conform to program standards. Such CAFR must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting the 2019 CAFR to the GFOA

Acknowledgements: The preparation of this report could not be accomplished without the efficient and dedicated services of the Finance Department staff. Special thanks are extended to the members of the Finance and Audit Committee for their leadership and support of sound fiscal management and to all members of the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Greg Porter, City Manager



Alan Dickerson, Finance Director



Government Finance Officers Association

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

Presented to

**City of Cedar Hill
Texas**

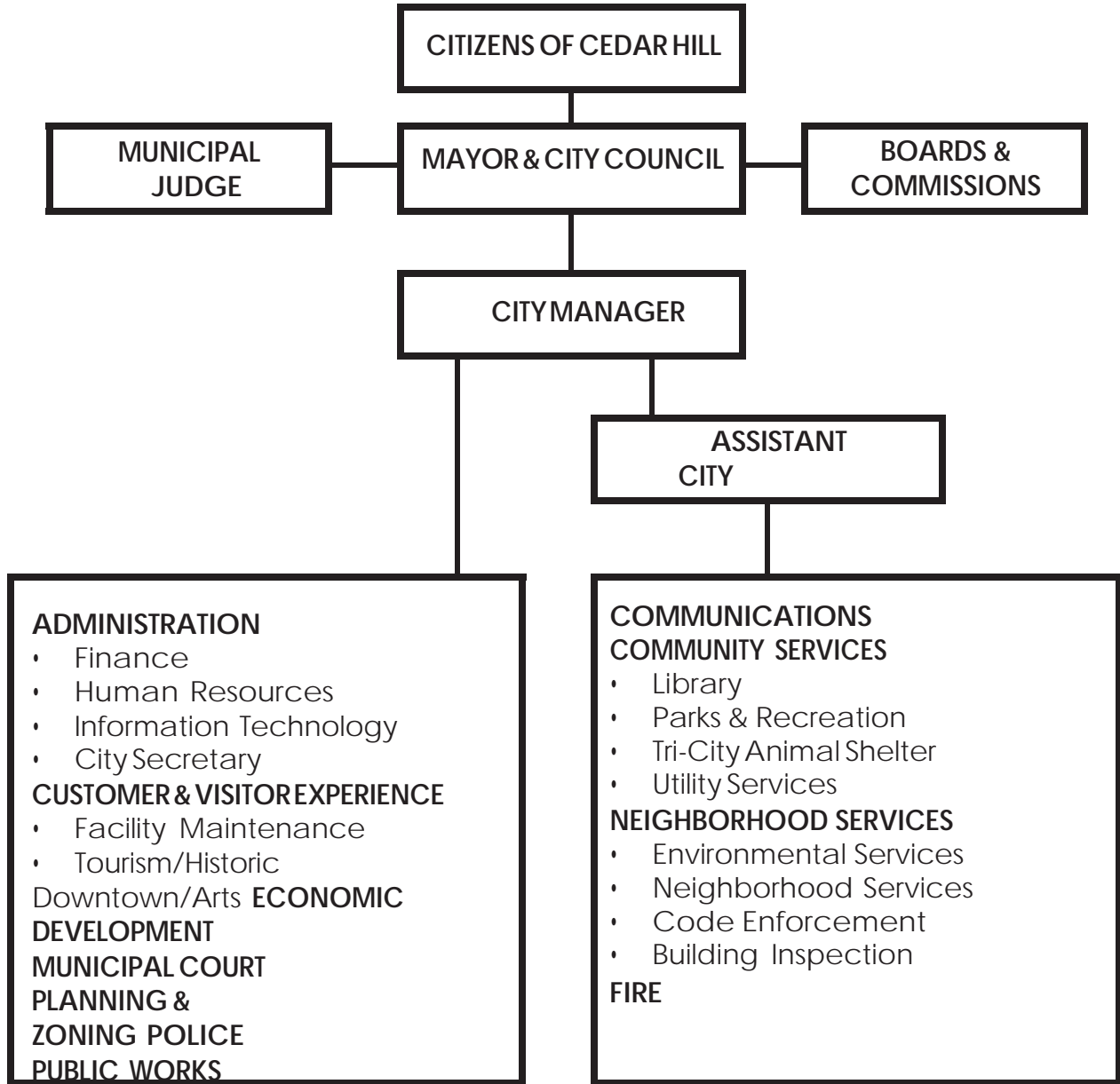
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

ORGANIZATIONAL CHART



**CITY OF CEDAR HILL
List of Principal Officials
at September 30, 2019**

Elected Officials

Title	Name
Mayor	Stephen Mason
Councilmember	Shirley Daniels
Councilmember	Daniel C. Haydin Jr.
Councilmember	Gregory Glover
Councilmember	Alan E. Sims
Councilmember	Chad McCurdy
Councilmember	Clifford R. Shaw

Appointed Officials

City Manager	Greg Porter
Assistant City Manager	Melissa Valadez- Cummings
Finance Director	Alan Dickerson
City Secretary	Belinda Berg
Police Chief	Ely Reyes
Fire Chief	John Ballard
Economic Development Manager	Andy Buffington
Neighborhood Services Director	Stacy Graves
Parks & Recreation Director	Will Ford
Planning Director	LaShondra Stringfellow
Public Works Director	Tom Johnson
Information Technology Director	Earl Shipman
Tri-City Animal Shelter Manager	Tammy Miller

A stylized green silhouette of a cedar tree with a dense, rounded canopy and a short trunk, positioned centrally between the words 'CEDAR' and 'HILL'.

CEDAR HILL

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FINANCIAL SECTION



CEDAR HILL

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INDEPENDENT AUDITOR'S REPORT

*Honorable Mayor and Members of City Council,
Cedar Hill, Texas*

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Cedar Hill (the "City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Schedule of Changes in Net Pension Liability and Related Ratios (Last 10 Years)- TMRS Plan, Schedule of Contributions – TMRS Plan, Schedule of Changes in Total Other Post Employment Benefits Plan Liability and Related Ratios - Health Care (Last Ten Years), Schedule of Changes in Total Other Post Employment Benefits Plan Liability and Related Ratios - SDBF (Last Ten Years), Schedules of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund and Joe Pool Fund* on pages 4 – 16, 80, 81, 82, 83, 84 and 85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements, budgetary comparison schedules, the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, schedules and component units fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and component units fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The word "Crowe" is written in a cursive style, and "LLP" is in a simpler, blocky font.

Crowe LLP

Dallas, Texas
March 19, 2020



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

**CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

The City of Cedar Hill offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with our letter of transmittal in the introductory section and the financial reports that follow in this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of September 30, 2019 by \$199,064,406 (total net position). Of this amount, \$150,463,022 (76%) is net investment in capital assets and \$30,641,969 (15%) is restricted for specific purposes. Other restricted assets are related to Joe Pool Lake (JPL) assets and total \$19,201,073 (10%) and are allocated by City policy into \$4,201,073 expendable and \$15,000,000 nonexpendable assets. The remaining \$(1,241,658) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. However, the negative unrestricted balance is attributable to a financial policy change relating to the JPL assets.
- The City's total net position has increased by \$2,165,227 over 2018. Net position for governmental activities increased by \$2,454,693 or 1.8% and business-type net position decreased by \$289,466 or 0.5%. The increase in governmental activities is primarily due to an increase in property and other tax revenues. The decrease in business type activities is due to an increase in water and sewer service expenses.
- At September 30, 2019, the City's governmental funds reported combined ending fund balances of \$66,835,510, an increase of \$16,260,242 when compared to prior year. With expenditures exceeding revenues by \$3,125,439, this increase was offset by \$19,057,676 in net bond issuance proceeds and \$328,000 net transfers in. Within total fund balance, \$33,752,295 (51%) is restricted by specific legal requirements, \$15,076,879 (23%) is nonspendable as it relates to prepaids, inventories and the JPL Permanent Fund; and further, \$946,461 (1.4%) is assigned to specific types of expenditures, and \$7,233,714 (11%) is committed by policy of the governing board for specific community projects as it relates to prepaids and inventories and the JPL nature corridor. The remainder of the fund balance, \$9,826,161 (14.7%), is unassigned in the general and special revenue funds. The \$10,074,245 unassigned fund balance in the general fund is approximately 29% of total general fund expenditures.
- The City's non-current liabilities increased by \$23,740,948 or 24.6% which includes the issuance of \$21,840,000 in bonded debt offset with bonded debt retirements of \$7,560,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Cedar Hill's basic financial statements. The City of Cedar Hill's basic financial statements are comprised of three components:

- 1) Government-wide financial statements
- 2) Fund financial statements

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3) Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements—the government-wide financial statements include the Statement of Net Position and Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to that of a private-sector business with a goal of ascertaining whether the City is in a better financial position at the end of the fiscal year compared to the previous year. Both are prepared using the economic resources focus and the accrual basis of accounting, meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, including capital assets and long-term liabilities, and deferred inflows of resources. The differences between these items are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the City's financial position should be taken into consideration such as the change in the City's property tax base and condition of the City's infrastructure (i.e., roads, drainage systems, water and sewer lines, facilities, etc.), in order to more accurately assess the overall financial condition of the City.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. It focuses on both the gross and net costs of the City's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

The Statement of Net Position and Statement of Activities divide the City's activities into two types:

Governmental Activities—Most of the City's basic services are reported here, including general government, public safety, community services, public works, etc. Property taxes, sales taxes and franchise fees provide the majority of financing for these activities.

Business-Type Activities—Activities for which the City charges a fee to customers to pay most or all of the costs of a service it provides are reported here. The City's business-type activities include its water and wastewater systems.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from the functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental activities include most of the City's basic services such as police, fire, code compliance, parks and recreation, community services, library, and public works. The business-type activities of the City include water and sewer.

The government-wide financial statements include not only the City (primary government) but also the discretely presented component units: Community Development Corporation (CDC) and

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the Economic Development Corporation (EDC). These component units are legal, separate entities for which the City is financially accountable.

Fund Financial Statements—a fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be classified into three categories: governmental funds, proprietary funds and fiduciary funds.

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

The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. By comparing information presented for governmental funds with the governmental activities in the government-wide statements, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental funds' balance sheet and the governmental fund statement of revenues, expenditures, and changes in the fund balances provide a reconciliation to facilitate the comparison between the governmental funds and the governmental activities.

The City reports twenty-five individual governmental funds. Information is presented separately in the governmental fund's Balance Sheet and in the governmental fund's Statement of Revenues, Expenditures and Changes in Fund Balances for the City's four major funds (General Fund, Debt Service Fund, Joe Pool Lake Fund and Capital Projects Fund). Financial data for other nonmajor governmental funds are combined into a single, aggregated presentation (Nonmajor Governmental Funds). Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds—The City of Cedar Hill maintains two types of proprietary funds. The enterprise fund is used to report the same functions presented as business-type activities in the government-wide statements. The City uses an enterprise fund to account for its water and sewer activities. The internal service funds are utilized to accumulate and allocate costs among the City's various functions and activities. The City uses its internal service funds to account for its self-funded health program and capital replacement program. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds statements provide the same type of information found in the business-type activities in the government-wide financial statements, only in more detail.

Fiduciary Funds—The City has one fiduciary fund, pension trust fund. This fund is used to account for police reserve pension benefits.

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Notes to the Financial Statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information—In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information of the City's budget to actual variance and schedules of funding progress for retirement plans.

The combining statements referred to earlier in connection with non-major governmental funds and budget to actual variance schedules for non-major governmental funds and the component unit fund financial statements are presented following the required supplemental information.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

Total assets of the City at September 30, 2019 were \$317,062,093, deferred outflows of resources were \$8,571,741, total liabilities were \$126,102,599, and deferred inflows of resources were \$466,829 resulting in a net position balance of \$199,064,406.

The largest portion of the City's net position, \$150,463,022 reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The table below is provided as a summary of the City's net position at year-end compared to the prior year:

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current assets	\$ 74,532,146	\$ 56,855,389	\$17,093,506	\$ 12,598,086	\$ 91,625,652	\$ 69,453,475
Capital and other assets	166,892,226	166,838,451	58,392,310	58,403,155	225,284,536	225,241,606
Other assets	151,905	273,640	-	-	151,905	273,640
Total assets	<u>241,576,277</u>	<u>223,967,480</u>	<u>75,485,816</u>	<u>71,001,241</u>	<u>317,062,093</u>	<u>294,968,721</u>
Deferred outflows of resources	7,766,190	3,994,028	805,551	341,785	8,571,741	4,335,813
Current liabilities	4,033,001	3,150,575	1,690,013	1,372,788	5,723,014	4,523,363
Noncurrent liabilities	100,729,834	80,606,803	19,649,751	16,031,834	120,379,585	96,638,637
Total liabilities	<u>104,762,835</u>	<u>83,757,378</u>	<u>21,339,764</u>	<u>17,404,622</u>	<u>126,102,599</u>	<u>101,162,000</u>
Deferred inflows of resources	416,352	2,495,543	50,477	253,244	466,829	2,748,787
Net position						
Net investment in capital	105,638,798	106,180,335	44,824,224	46,436,363	150,463,022	152,616,698
Restricted	44,459,438	17,678,071	5,383,604	3,859,296	49,843,042	21,537,367
Unrestricted	<u>(5,934,956)</u>	<u>17,850,181</u>	<u>4,693,298</u>	<u>4,894,933</u>	<u>(1,241,658)</u>	<u>22,745,114</u>
Total net position	<u>\$ 144,163,280</u>	<u>\$ 141,708,587</u>	<u>\$54,901,126</u>	<u>\$ 55,190,592</u>	<u>\$ 199,064,406</u>	<u>\$ 196,899,179</u>

An additional portion of the City's net position totaling \$49,843,042 or 25.1%, represent resources that are subject to external restrictions on how these funds can be used. The remaining balances of unrestricted net position is a negative \$1,241,658 is due to a reclassification of Joe Pool Lake resources from unrestricted to restricted assets per the City's financial policies revised during the year.

The net position of the primary government (City) increased by \$2,165,227 or 1.8% for the fiscal year ended September 30, 2019. The primary government's overall revenues increased by \$2,223,565 or 3% while overall expenses increased by \$3,751,402 or 5.1%.

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The fiscal year 2019 compared to fiscal year 2018 changes in the City's net position were as follows:

Changes in Net Position	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 10,608,716	\$ 10,305,764	\$ 17,997,411	\$ 18,621,798	\$ 28,606,127	\$ 28,927,562
Operating grants and contributions	3,824,331	6,282,484	-	-	3,824,331	6,282,484
Capital grants and contributions	853,951	(812,075)	480,156	357,101	1,334,107	(454,974)
General revenues:						
Property taxes	27,083,238	24,781,268	-	-	27,083,238	24,781,268
Sales taxes	9,434,328	9,097,038	-	-	9,434,328	9,097,038
Hotel/motel taxes	341,579	250,304	-	-	341,579	250,304
Franchise taxes	3,615,024	3,639,798	-	-	3,615,024	3,639,798
Investment earnings	1,341,530	928,939	358,088	131,821	1,699,618	1,060,760
Gain on disposal of fixed assets	54,187	82,623	35,650	5,450	89,837	88,073
Miscellaneous	333,050	465,361	-	-	333,050	465,361
Total revenues	<u>57,489,934</u>	<u>55,021,504</u>	<u>18,871,305</u>	<u>19,116,170</u>	<u>76,361,239</u>	<u>74,137,674</u>
Expenses						
General government	7,123,089	6,960,084	-	-	7,123,089	6,960,084
Public safety	29,519,851	25,902,749	-	-	29,519,851	25,902,749
Public works	4,879,498	7,021,452	-	-	4,879,498	7,021,452
Community service	11,409,000	10,801,267	-	-	11,409,000	10,801,267
Water and sewer services	-	-	18,832,771	17,848,255	18,832,771	17,848,255
Interest and fiscal charges	2,431,803	1,910,803	-	-	2,431,803	1,910,803
Total expenses	<u>55,363,241</u>	<u>52,596,355</u>	<u>18,832,771</u>	<u>17,848,255</u>	<u>74,196,012</u>	<u>70,444,610</u>
Increase in net position before transfers	2,126,693	2,425,149	38,534	1,267,915	2,165,227	3,693,064
Transfers	328,000	1,232,882	(328,000)	(1,232,882)	-	-
Change in net position	2,454,693	3,658,031	(289,466)	35,033	2,165,227	3,693,064
Net position, beginning of year	141,708,587	138,050,556	55,190,592	55,155,559	196,899,179	193,206,115
Net position, end of year	<u>\$ 144,163,280</u>	<u>\$ 141,708,587</u>	<u>\$ 54,901,126</u>	<u>\$ 55,190,592</u>	<u>\$ 199,064,406</u>	<u>\$ 196,899,179</u>

Governmental Activities—Governmental activities increased the City's net position by \$2,454,693 in comparison with the beginning of the year net position, which is due in large part to property taxes, sales tax, and investment earnings. There was a net increase of \$2,468,430 or 4.5% in revenues over 2018 and an increase in governmental expenses by \$2,766,886 or 5%. The increase in expenses was largely related to repairs and maintenance in community services and public safety initiatives. Net position of governmental operations accounts for 72.4% of total net position.

Business-type Activities—Business-type activities decreased the City's net position by \$289,466 in comparison with the beginning of the year net position. Total revenue decreased by \$244,865 or 1.3%, which was due to a decrease in charges for services. Business-type activity expenses before transfers have increased by \$984,516 or 5.2%. Transfers to other funds decreased by \$904,882 due to a reduction in transfers to other funds. Net position for business-type activities represents 28% of total primary government net position.

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FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Government 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 financial requirements. Specifically, unassigned fund balance may serve as a useful measure of a government's net resources at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances were \$66,835,510. Of this amount, \$9,826,161 or 14.7% constitutes unassigned fund balance and is available for spending at the City's discretion. Fund balances restricted for specific purposes total \$33,752,295 or 50.5%, which are not available for new spending. Specific purposes include non-spendable inventories and prepaid items; amounts restricted by statutes, bond covenants or granting agencies either for debt service payments, grant related use, special taxing districts, or for capital projects. Fund balances committed by City Council total \$7,233,714 or 10.8% and can only be used for the purpose they are committed for and require formal action by City Council to spend. Assigned fund balance is \$946,461 or 1.4%. Unassigned fund balance is \$9,826,161 or 14.7%.

The General Fund is the main operating fund of the City. The revenues of the General Fund totaled \$35,598,811 and the expenditures of the fund before other financing sources and users, totaled \$34,616,668 for an excess of revenues over expenditures amount of \$982,143. After other financing sources and uses in the General Fund (transfers), the change to fund balance was an increase of \$1,335,170. This increase was due to an increase in property and franchise tax revenue. The City's ending fund balance of \$10,151,124 is 29.3% of operating expenditures and meets the City's policy initiative of 25% of operating expenditures.

Other major funds such as the Debt Service Fund balance has increased by \$376,725. This increase was a due to an increase in property tax revenue. The ending fund balance of the Debt Service Fund is 20.8% of expenditures and meets the City's policy initiative of 15%.

The JPL Permanent Fund accounts for funds for the purpose of providing resources for the maintenance of the lake asset and the Joe Pool nature corridor. The change in fund balance for the year was an increase of \$326,433 due to an increase in investment earnings.

The Capital Projects Fund accounts for all bond funds used for infrastructure improvements and other investments in the City. The fund had revenues of \$1,530,345 from investment earnings and other government contributions during the fiscal year and incurred capital expenditures and fiscal charges totaling \$6,430,567. During fiscal year 2019, the City issued bonded debt obligations of \$18,090,000 to fund capital projects for streets, parks, pool, and library projects as per the City's Capital Improvement Plan (CIP).

The total fund balance of the Non-Major governmental funds increased by \$7,526,894. The increase is attributable to the issuance of taxable bonds for the hotel conference center in the amount of \$7,360,000.

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Proprietary Funds— The City has two proprietary funds types, a water and sewer (enterprise) fund and two internal service funds. The enterprise fund financial statements provide similar information found in the government-wide financial statements but includes more detail. The Enterprise Fund had operating loss of \$494,565 at September 30, 2019. After other non-operating revenues and expenses, transfers and contributions, the net change in the net position of the City's enterprise fund was a decrease of \$289,467. The unrestricted current assets of the Enterprise fund at the end of the fiscal year were \$10,941,265. These assets can be used in operations and pay other legally contracted obligations and debt. The restricted assets of the Enterprise Fund totaled \$6,152,241. and are to be used for construction activities and a portion are deposits held for customers.

The Equipment Fund, an internal service fund, accounts for equipment purchased and leased to governmental funds. The Self-Insurance Fund, also an internal service fund accounts for premiums received and health claims paid on behalf of city employees and retirees of the City. The net position of the combined Internal Service funds at the end of the fiscal year was \$5,877,448. Because these services benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

General Fund Budgetary Highlights—Actual General Fund revenue received in comparison to the final budget was a negative variance of \$39,172. General Fund expenditures before transfers had a final budget to actual positive variance of \$920,342. This positive variance is primarily salary and benefit savings in various departments. The transfers to the General Fund were from the City's Enterprise Fund and Landscape Beautification Fund and where cost-recovery amounts for Information Technology services and contract mowing services.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets—The City's investment in capital assets, net of accumulated depreciation, for its governmental and business-type activities at fiscal year-end totaled \$225,284,536. The investment in capital assets includes land, buildings, equipment, improvements, construction-in-progress (CIP), water rights (Joe Pool Lake), and improvements other than buildings (includes infrastructure). The change in capital assets for the primary government over the prior year increased by \$42,930.

Major capital assets additions as completed or in progress during the fiscal year included the following:

- Bradford, Virginia Weaver Park, and Calf Pasture Park improvements completed.
- Weaver Street sidewalk replaced with community block grant funding
- Installation of Storm Drainage System on Texas Hardy
- Senior Center Improvements in progress
- FM 1382 Phase I & II Hike and Bike Trail in progress
- Alan E. Sims exercise equipment and meeting room flooring replaced
- Fire Rescue equipment replaced
- Fire Life Pak Monitors and Defibrillators replaced

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- Public Safety in car camera systems installed in City Marshall vehicles
- Hwy 67 improvements in progress in partnership with TxDOT
- Various water and sewer lines replaced under rehab program
- Texas Hardy Drainage improvements
- Lake Ridge Lift Station replaced
- Warning Sirens Upgraded
- Land Purchase for Hotel Motel Conference Center & Library

The City's capital assets, net of accumulated depreciation, at fiscal year-end was as follows:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land	\$ 17,479,236	\$ 15,673,084	\$ 367,764	\$ 367,764	\$ 17,847,000	\$ 16,040,848
Construction in progress	6,832,501	3,257,003	218,239	3,251	7,050,740	3,260,254
Buildings	36,405,605	36,671,641	75,085	80,429	36,480,690	36,752,070
Water System	-	-	40,795,654	41,597,967	40,795,654	41,597,967
Sewer System	-	-	15,436,236	15,941,463	15,436,236	15,941,463
Equipment	4,278,308	4,467,734	1,499,332	411,604	5,777,640	4,879,338
Infrastructure	94,331,991	98,713,693	-	-	94,331,991	98,713,693
Water rights	7,545,350	8,034,779	-	-	7,545,350	8,034,779
Master studies	19,235	20,517	-	677	19,235	21,194
Total	\$ 166,892,226	\$ 166,838,451	\$ 58,392,310	\$ 58,403,155	\$ 225,284,536	\$ 225,241,606

Additional information on the City's capital assets can be found in Note 4 to the financial statements.

Long-term debt—At September 30, 2019, the City had the following long-term liabilities:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Gross bonded debt:						
General obligation	\$ 58,985,000	\$ 56,111,795	\$ 4,915,000	\$ 5,608,205	\$ 63,900,000	\$ 61,720,000
Certificates of obligation	14,405,000	5,535,000	11,660,000	8,430,000	26,065,000	13,965,000
Total bonded debt	73,390,000	61,646,795	16,575,000	14,038,205	89,965,000	75,685,000
Other long-term debt:						
Unamortized premiums	4,067,780	3,859,905	919,730	790,046	4,987,510	4,649,951
Compensated absences	4,583,722	4,116,281	46,785	38,985	4,630,507	4,155,266
OPEB liability - Retiree Health	950,145	998,818	144,326	151,335	1,094,471	1,150,153
OPEB liability - SDBP	726,619	756,291	73,736	76,747	800,355	833,038
Net pension liability	17,011,568	9,228,713	1,890,174	936,516	18,901,742	10,165,229
Total other long-term debt	27,339,834	18,960,008	3,074,751	1,993,629	30,414,585	20,953,637
Total	\$ 100,729,834	\$ 80,606,803	\$ 19,649,751	\$ 16,031,834	\$ 120,379,585	\$ 96,638,637

The total bonded debt outstanding of the City is \$89,965,000, which is backed by the full faith and credit of the City with a property tax pledge.

The total outstanding for the general government was \$73,390,000 in bonded debt while that of the business-type was \$16,575,000. Property taxes are levied annually to pay annual principal and interest payments. The City maintains solid self-supporting annual debt commitments from

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the City’s Water and Sewer Fund, the Community Development Corporation and the Economic Development Corporation. The self-supported outstanding bonded indebtedness by these entities’ totals \$40,135,000 or 44.6% of the total bonded debt of the primary government. The supporting entities are the Tri-City Animal Shelter, Economic Development Corporation, Community Development Corporation, the City’s Enterprise Fund and the Hotel/Tourism Fund.

Other long-term liabilities relate to compensated absences, unamortized premiums, OPEB and Pension liabilities as identified in the table above. Additional information is detailed in the Notes to the Basic Financial Statements (Note 6).

The City’s bond ratings by Standard & Poor’s and Moody’s Investor Services are currently as follows:

	Standard and Poor’s	Moody’s Investor Services
General Obligation Bonds	AA	Aa2
Certificates of Obligation	AA	Aa2

COMPONENT UNITS

Economic Development Corporation (EDC)—is a legally separate governmental entity that promotes (a) existing business enterprise expansion and retention, and (b) new business enterprise development. A one-eighth of one percent sales tax (\$.00375) is collected to support EDC operations. The EDC’s net position at September 30, 2019 was \$11,750,013. The EDC increased its net position by \$454,605 or 4% which is primarily attributable to sales tax.

The EDC’s net investment in capital assets was \$2,900,770 with unrestricted assets of \$8,849,243. The unrestricted assets are available for permitted uses by the EDC Board of Directors. The EDC fund balance at September 30, 2019 was \$8,896,097. The EDC’s total revenues were \$3,295,841 of which \$3,107,809 was from sales taxes. For the year, the EDC had expenditures of \$2,962,715, and of this amount, \$1,166,953 was contractually required payments to the City for debt service payments.

The EDC’s Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances can be viewed in the Other Supplemental Information section of this report.

Community Development Corporation (CDC)— is a legally separate governmental entity tasked with bringing recreational, park facility development and tourism opportunities to the City. A one-half of one percent sales tax (\$.0050) supports the CDC’s primary operations with supplements from fees and charges for recreational programs through the Alan E. Sims Recreation Center. The CDC’s net position at September 30, 2019 was \$12,719,226. The CDC increased its net position by \$1,529,216 which primarily sales tax and user charges.

The CDC’s net investment in capital assets was \$2,411,400 with unrestricted assets of \$10,307,826. The unrestricted assets are available for permitted uses by the CDC Board of Directors. The CDC fund balance at September 30, 2019 was \$10,457,582. The CDC’s total revenues were \$4,976,774 of which \$4,143,745 or 83.3% was from sales taxes. There were

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\$555,137 or 11.2% in revenue from fees supporting programs at the Alan E. Sims Recreation Center.

For the year, the CDC had expenditures of \$3,444,097, and of this amount, \$975,653 or 23.8% was contractually required payments to the City for debt service payments and \$45,442 or 1.3% were capital related expenditures for park improvements, trail improvements (F.M.1382), exercise equipment and building infrastructure improvements at the Alan E. Sims Recreation Center. The CDC's Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances can be viewed in the Other Supplemental Information section of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City continues to experience an upward trend of growth that is expected to continue into the next decade. Valuation data released from the Dallas and Ellis County Appraisal Districts indicate taxable values will continue to increase in the region. Building and development growth rates indicate healthy activities in single-family residential and multi-family residential as well as commercial/retail sectors for the City and the region. There has been an increase in both residential and commercial development. Phase II of the Bear Creek neighborhood is being developed in two phases, and it is anticipated between 40 –50 homes will be developed in 2019. Additional development for this year includes the preliminary platting of The Vineyards at Bear Creek neighborhood with approximately 60 single family lots along with the Stonehill addition with 329 single-family lots.

The City continues to work with local partners on special events in the Historic Downtown to continue to draw residents and visitors and share the area's distinctive character. Interest in development of Cedar Hill's historic downtown continues to grow. Earlier this year, the Cedar Hill Economic Development Corporation approved a development agreement with Lake Moreno Partners, LLC for a mixed-use project in Historic Downtown. The 40,000 square foot project, located at W. Belt Line Road and Broad Street, will include retail, restaurants, office space, spaces for craftsmen and artists, live/work studios, and residential dwellings.

The retail market remains strong in Cedar Hill with the addition of Fuel City and Total Wine, to name a few. In 2018, Legacy Crossing, located at the southeast corner of Joe Wilson Road and Pleasant Run Road, constructed 4,900 square feet of medical office space with plans for future construction of 7,000 square feet of additional office and retail space. Dr. Lopez and Ruiz Financial completed construction of new professional office space in 2019 with approximately 6,000 square feet per building.

Industrial expansion includes the future construction of a 18,248 square-foot facility for API Precision Machining in the High Meadows Industrial Park in 2020. Newly constructed tenant space with 11,900 square feet opened in 2019. Additionally, future construction plans include 15,000 square feet of tenant space, 6,000 square feet of warehouse as well as a facility expansion for Delta Steel to take place in 2020.

The City's tourism sector continues to grow with the addition of the Fairfield Inn in December 2018 and the A-Loft hotel and convention center at Hillside Village. The hotel and convention center is a

**CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

partnership between the City and Taj Hospitality with construction scheduled to begin in 2020. The City will begin construction of a new Library and Signature Park that will be a combined program in adjacent space. The land was purchased in this fiscal year and design is underway. The Library and Signature Park are major projects in the 2017 Bond Referendum.

The CHEDC owns lots in the 150-acre rail-served Cedar Hill Business Park, which is managed by the Business Park Property Owners Association and marketed by the City to prospective industries. Most recently, Lone Star Packaging Solutions opened offices on KCK Way and P&T Manufacturing joined the industrial district. The Cedar Hill Business Park recently ranked in "Top 25 Office Parks in North Texas" by the Dallas Business Journal.

Budget and Planning—Although there are trends of new construction growth from single-family residential, multi-family and the City's commercial tax base, the 2020 budget was developed with fiscal conservative initiatives and with the attitude of growing the budget smartly. The City's elected and appointed officials considered many factors when setting the fiscal year 2019 budget and tax rate:

- A 7,17% increase in assessed taxable property values resulting from appreciation of market and taxable values seen throughout the region
- Maintaining a property tax rate that supports the goals and initiatives of the City with an emphasis on maintaining a safe and diverse City
- A 5% increase in water and sewer rates due to increased costs of water resources and sewer treatment.
- Focus on City's financial policy objective of maintain a 25% fund balance (reserve)

The general fund's largest single revenue source is property taxes, followed by sales taxes. The property tax rate for Fiscal Year 2020 was adopted at \$0.697028 cents per \$100 valuation. The 2020 budgeted tax revenue increase was \$1,510,222 or 5.68% over fiscal year 2019. Of this amount about \$209,616 is from new construction.

The City expects conservative and stable revenue growth in other governmental activities due to expected growth in service requirements for public safety, parks and community services. The City's revenues other than property taxes are projected to remain stable but yet with growth potential.

The City's portion of the sales tax rate is \$.1875, and the City has seen stable growth in its sales tax. The fiscal year 2020 budget included a 2.49% increase in sales tax over estimated. In November 2012, voters approved the creation of a Crime Control and Prevention District (CCPD) at one-eighth cent. This sales tax was approved by the voters in November 2017 to continue for 15 years. The CCPD continues to prove successful in its efforts of crime control and prevention. The CCPD sales tax takes some of the pressure off the General Fund for public safety expense at approximately 3 cents per \$100 of taxable value.

For 2020, Utility Fund operating revenues were to increase by 5% as a result of a rate increase implemented effective October 1, 2019. Operating expenses for 2020 were projected to increase by 8.8% or \$1,669,383 primarily due to pass-thru costs for wastewater treatment costs through

**CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2019**

the City's contract with Trinity River Authority. The working capital balances of the City's Utility are healthy and meet financial policy initiatives.

The City completed a comprehensive utility rate and cost of service study with the result of the need for a rate increase of 5% effective October 1, 2019. The proposed rate increase will sustain and keep the water and sewer fund healthy in order to meet ongoing operation, debt, and capital costs.

Capital Planning Budget—The City's approved appropriations for capital projects in fiscal year 2020 totals \$15,000,000. The voters approved a \$45,000,000 general obligation referendum in fiscal year 2018 for park improvements, a new library, improvements to the Senior Center and various street infrastructure improvements. The City will phase in the bond program over a 5-year period. The City sold general obligations bonds for \$4,200,000 in 2018 and \$18,090,000 in 2019 for the Library, City-Center Park and infrastructure projects.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need additional financial information, contact the Finance Department, City of Cedar Hill, 285 Uptown Blvd., Bldg. 100, Cedar Hill, Texas 75104, or call (972) 291-5100, extension 1063.



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

BASIC FINANCIAL STATEMENTS



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

EXHIBIT A-1

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Community Development Corporation	Economic Development Corporation
ASSETS					
Equity in pooled cash and cash equivalents	\$ 69,005,519	\$ 7,261,305	\$ 76,266,824	\$ 10,009,412	\$ 6,361,132
Investments	-	-	-	-	2,031,554
Receivables (net of allowances for uncollectible)	5,449,748	3,679,960	9,129,708	737,875	532,881
Inventory	13,900	-	13,900	-	-
Prepaid and other items	62,979	-	62,979	-	11,237
Restricted cash and investments	-	6,152,241	6,152,241	-	-
Capital assets:					
Nondepreciable	24,311,737	586,003	24,897,740	2,411,400	2,797,571
Depreciable-net of accumulated depreciation	142,580,489	57,806,307	200,386,796	-	86,046
Other assets	151,905	-	151,905	-	-
TOTAL ASSETS	241,576,277	75,485,816	317,062,093	13,158,687	11,820,421
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refundings	608,911	6,577	615,488	-	-
Deferred outflows from pension	7,005,276	778,364	7,783,640	-	-
Deferred outflows from total OPEB	152,003	20,610	172,613	9,109	2,603
TOTAL DEFERRED OUTFLOWS OF RESOURCES	7,766,190	805,551	8,571,741	9,109	2,603
LIABILITIES					
Accounts payable	1,305,652	641,449	1,947,101	67,471	20,213
Accrued liabilities	1,878,932	149,739	2,028,671	74,178	20,494
Unpaid claims liabilities	449,602	-	449,602	-	-
Unearned revenue	-	-	-	126,088	-
Customer deposits	-	720,212	720,212	21,968	-
Interest payable	398,815	76,624	475,439	-	-
Payable from restricted assets-current	-	101,989	101,989	-	-
Noncurrent liabilities:					
Due within one year	9,443,642	1,449,301	10,892,943	41,506	1,805
Due in more than one year	91,286,192	18,200,450	109,486,642	106,540	27,408
TOTAL LIABILITIES	104,762,835	21,339,764	126,102,599	437,751	69,920
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pension	214,920	23,880	238,800	-	-
Deferred inflows from total OPEB	201,432	26,597	228,029	10,819	3,091
TOTAL DEFERRED INFLOWS OF RESOURCES	416,352	50,477	466,829	10,819	3,091
NET POSITION					
Net investment in capital assets	105,638,798	44,824,224	150,463,022	2,411,400	2,900,770
Restricted for:					
Debt service	1,570,315	-	1,570,315	-	-
Construction	20,489,862	5,383,604	25,873,466	-	-
Dispatch center	151,905	-	151,905	-	-
Other	3,046,283	-	3,046,283	-	-
JPL permanent fund:					
Nonexpendable	15,000,000	-	15,000,000	-	-
Expendable	4,201,073	-	4,201,073	-	-
Unrestricted	(5,934,956)	4,693,298	(1,241,658)	10,307,826	8,849,243
TOTAL NET POSITION	\$ 144,163,280	\$ 54,901,126	\$ 199,064,406	\$ 12,719,226	\$ 11,750,013

The Notes to the Basic Financial Statements are an integral part of this statement.

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED
SEPTEMBER 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 7,123,089	\$ 788,815	\$ -	\$ -
Public safety	29,519,851	5,733,331	594,160	-
Public works	4,879,498	126,256	-	808,509
Community services	11,409,000	3,960,314	1,087,565	45,442
Interest and fiscal charges	2,431,803	-	2,142,606	-
Total governmental activities	55,363,241	10,608,716	3,824,331	853,951
BUSINESS-TYPE ACTIVITIES:				
Water and sewer	18,832,771	17,997,411	-	480,156
Total business-type activities	18,832,771	17,997,411	-	480,156
TOTAL PRIMARY GOVERNMENT	\$ 74,196,012	\$ 28,606,127	\$ 3,824,331	\$ 1,334,107
COMPONENT UNITS:				
Community Development Corporation	3,447,558	555,137	-	-
Economic Development Corporation	2,914,763	-	-	-
TOTAL COMPONENT UNITS	\$ 6,362,321	\$ 555,137	\$ -	\$ -
GENERAL REVENUES:				
Taxes:				
Property Taxes				
Sales Taxes				
Hotel/motel Taxes				
Franchise Taxes				
Investment earnings				
Gain on disposal				
Miscellaneous				
TRANSFERS				
Total general revenues and transfers				
CHANGE IN NET POSITION				
NET POSITION-Beginning				
NET POSITION-Ending				

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT A-2

Net (Expenses) Revenues and Changes in NET POSITION				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Community Development	Economic Development
\$ (6,334,274)	\$ -	\$ (6,334,274)	\$ -	\$ -
(23,192,360)	-	(23,192,360)	-	-
(3,944,733)	-	(3,944,733)	-	-
(6,315,679)	-	(6,315,679)	-	-
(289,197)	-	(289,197)	-	-
<u>(40,076,243)</u>	<u>-</u>	<u>(40,076,243)</u>	<u>-</u>	<u>-</u>
-	(355,204)	(355,204)	-	-
-	(355,204)	(355,204)	-	-
<u>(40,076,243)</u>	<u>(355,204)</u>	<u>(40,431,447)</u>	<u>-</u>	<u>-</u>
-	-	-	(2,892,421)	-
-	-	-	-	(2,914,763)
-	-	-	<u>(2,892,421)</u>	<u>(2,914,763)</u>
27,083,238	-	27,083,238	-	-
9,434,328	-	9,434,328	4,143,745	3,107,809
341,579	-	341,579	-	-
3,615,024	-	3,615,024	-	-
1,341,530	358,088	1,699,618	254,914	188,032
54,187	35,650	89,837	-	73,527
333,050	-	333,050	22,978	-
328,000	(328,000)	-	-	-
<u>42,530,936</u>	<u>65,738</u>	<u>42,596,674</u>	<u>4,421,637</u>	<u>3,369,368</u>
2,454,693	(289,466)	2,165,227	1,529,216	454,605
<u>141,708,587</u>	<u>55,190,592</u>	<u>196,899,179</u>	<u>11,190,010</u>	<u>11,295,408</u>
<u>\$ 144,163,280</u>	<u>\$ 54,901,126</u>	<u>\$ 199,064,406</u>	<u>\$ 12,719,226</u>	<u>\$ 11,750,013</u>

**CITY OF CEDAR HILL, TEXAS
BALANCE SHEET-GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

ASSETS	General	Debt Service Fund	JPL Permanent Fund
EQUITY IN POOLED CASH AND CASH EQUIVALENTS	\$ 9,912,113	\$ 1,857,224	\$ 19,183,760
RECEIVABLES (NET OF ALLOWANCE)	3,557,324	135,062	17,313
INTERFUND LOAN RECEIVABLE	-	-	-
PREPAID ITEMS	62,979	-	-
INVENTORY	13,900	-	-
TOTAL ASSETS	<u>\$ 13,546,316</u>	<u>\$ 1,992,286</u>	<u>\$ 19,201,073</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	421,964	-	-
Accrued liabilities	1,562,465	-	-
Interfund loan payable	-	-	-
Total liabilities	<u>1,984,429</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	1,410,763	131,454	-
Total deferred inflows of resources	<u>1,410,763</u>	<u>131,454</u>	<u>-</u>
FUND BALANCES:			
Nonspendable			
Prepaid and inventory	76,879	-	-
JPL permanent fund	-	-	15,000,000
Restricted for:			
General government	-	-	-
Public works	-	-	-
Public safety	-	-	-
Community services	-	-	-
Debt service	-	1,860,832	-
Committed for:			
JPL nature corridor	-	-	4,201,073
Infrastructure	-	-	-
Facilities	-	-	-
Assigned	-	-	-
Unassigned	10,074,245	-	-
Total fund balances	<u>10,151,124</u>	<u>1,860,832</u>	<u>19,201,073</u>
TOTAL	<u>\$ 13,546,316</u>	<u>\$ 1,992,286</u>	<u>\$ 19,201,073</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT B-1

<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 15,595,443	\$ 19,472,778	\$ 66,021,318
907,321	813,371	5,430,391
-	336,689	336,689
-	-	62,979
-	-	13,900
<u>\$ 16,502,764</u>	<u>\$ 20,622,838</u>	<u>\$ 71,865,277</u>
374,981	447,645	1,244,590
7,176	309,291	1,878,932
-	336,689	336,689
<u>382,157</u>	<u>1,093,625</u>	<u>3,460,211</u>
-	27,339	1,569,556
-	27,339	1,569,556
-	-	76,879
-	-	15,000,000
-	831,191	831,191
16,120,607	11,151,620	27,272,227
-	1,476,465	1,476,465
-	2,311,580	2,311,580
-	-	1,860,832
-	95,391	4,296,464
-	2,752,812	2,752,812
-	184,438	184,438
-	946,461	946,461
-	(248,084)	9,826,161
<u>16,120,607</u>	<u>19,501,874</u>	<u>66,835,510</u>
<u>\$ 16,502,764</u>	<u>\$ 20,622,838</u>	<u>\$ 71,865,277</u>

**CITY OF CEDAR HILL, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

EXHIBIT B-2

TOTAL FUND BALANCES-Governmental funds	\$ 66,835,510
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (including internal service fund assets of \$3,384,554).	166,892,226
The regional dispatch center is not reported at the fund level.	151,905
Certain receivables will be collected this year but are not available soon enough to pay for the current period's expenditures and are therefore deferred in the funds.	1,569,556
Deferred outflows of resources - unamortized loss on refunding bonds.	608,911
Pension and OPEB related deferred outflows and inflows	6,740,927
Bond interest is not payable with current financial resources and is therefore not accrued at the fund level.	(398,815)
Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported in the funds. Long-term liabilities consist of:	
General obligation bonds	(58,985,000)
Certificates of obligation	(14,405,000)
Unamortized premiums	(4,067,780)
Compensated absences	(4,583,722)
Total OPEB liability	(1,676,764)
Net pension liability	(17,011,568)
Internal service funds are used by management to charge the costs of various services to individual funds. The assets and liabilities of the internal service funds are included with governmental activities. Amount represents net assets excluding capital assets included above.	<u>2,492,894</u>
TOTAL NET POSITION-Governmental activities	<u>\$ 144,163,280</u>



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	General	Debt Service Fund	JPL Permanent Fund
REVENUES:			
Taxes, penalties and interest	\$ 27,691,193	\$ 7,006,990	\$ -
Franchise taxes	3,521,909	-	-
License fees and permits	894,811	-	-
Intergovernmental	367,218	2,142,606	-
Charges for services	1,631,207	-	-
Fines and forfeitures	1,163,517	-	-
Investment earnings	196,093	59,715	421,667
Grants and donations	-	-	-
Miscellaneous	132,863	-	-
Total revenues	35,598,811	9,209,311	421,667
EXPENDITURES:			
Current:			
General government	5,420,935	-	-
Public works	2,082,880	-	-
Public safety	22,339,029	-	-
Community services	4,773,824	-	-
Debt service:			
Principal retirement	-	6,346,795	-
Interest and fiscal charges	-	2,579,616	-
Capital outlay:			
Public works	-	-	-
Public safety	-	-	-
Community services	-	-	-
Total expenditures	34,616,668	8,926,411	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	982,143	282,900	421,667
OTHER FINANCING SOURCES (USES):			
Transfer in	578,000	93,825	-
Transfer out	(224,978)	-	(95,234)
Premiums on issuance of debt	-	-	-
Issuance of bonds	-	-	-
Sale of capital assets	5	-	-
Total other financing sources (uses)	353,027	93,825	(95,234)
CHANGE IN FUND BALANCES	1,335,170	376,725	326,433
FUND BALANCES-Beginning	8,815,954	1,484,107	18,874,640
FUND BALANCES-Ending	\$ 10,151,124	\$ 1,860,832	\$ 19,201,073

The Notes to the Basic Financial Statements
are an integral part of this statement.

EXHIBIT B-3

Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 2,151,051	\$ 36,849,234
-	87,403	3,609,312
-	-	894,811
1,261,162	185,914	3,956,900
-	3,349,731	4,980,938
-	613,560	1,777,077
269,183	336,255	1,282,913
-	374,599	374,599
-	594,268	727,131
<u>1,530,345</u>	<u>7,692,781</u>	<u>54,452,915</u>
-	2,976	5,423,911
-	117,424	2,200,304
-	2,338,389	24,677,418
-	3,453,916	8,227,740
-	-	6,346,795
181,565	166,146	2,927,327
4,776,949	-	4,776,949
1,472,053	122,466	1,594,519
-	1,403,391	1,403,391
<u>6,430,567</u>	<u>7,604,708</u>	<u>57,578,354</u>
<u>(4,900,222)</u>	<u>88,073</u>	<u>(3,125,439)</u>
-	373,781	1,045,606
-	(397,394)	(717,606)
865,242	102,434	967,676
10,730,000	7,360,000	18,090,000
-	-	5
<u>11,595,242</u>	<u>7,438,821</u>	<u>19,385,681</u>
6,695,020	7,526,894	16,260,242
<u>9,425,587</u>	<u>11,974,980</u>	<u>50,575,268</u>
<u>\$ 16,120,607</u>	<u>\$ 19,501,874</u>	<u>\$ 66,835,510</u>

**CITY OF CEDAR HILL, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT B-4

NET CHANGE IN FUND BALANCES-Total governmental funds	\$ 16,260,242
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount does not include \$925,822 of capital assets acquired by the internal service fund.	7,746,148
Depreciation expense on capital assets is reported in the government-wide statements of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds. This amount does not include \$919,661 in depreciation expense recorded in the internal service fund.	(7,653,499)
Governmental funds do not recognize assets contributed by other entities. However, in the statement of activities the fair market value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.	45,442
The net decrease in equity of the regional dispatch center joint venture is not reported at the fund level; however, it is reported at the government-wide level.	(121,735)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements an interest expenditure is reported when due.	(80,830)
Additions to vacation and sick liabilities are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.	(467,441)
Additions to OPEB liabilities and related deferred outflows/inflows are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.	(126,862)
Additions to TMRS pension liabilities and related deferred outflows/infls are not shown in the fund financial statements. The net effect of the current year increase is to increase (decrease) net position.	(1,542,848)
Current year bond proceeds are other financing sources in the fund financial statements but are shown as an increase in the liabilities in the government-wide financial statements.	(19,057,676)
Current year long-term debt principal payments on contractual obligations, bonds payable, and capital leases are expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements.	6,346,795
Amortization of bond premium and discount amounts is not recognized in the governmental funds. The effect of recording current year's amortization is to increase net position.	759,801
Amortization of deferred refunding amounts is not recognized in the governmental funds. The effect of recording current year's amortization is to decrease net position.	(183,447)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	9,286
Internal service funds are used by management to charge the costs of equipment services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>521,317</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,454,693</u>

The Notes to the Basic Financial Statements are an integral part of this statement.



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019**

	Business-Type Activities Enterprise Funds Water and Sewer Fund	Governmental Activities Internal Service Funds
ASSETS:		
Current assets:		
Equity in pooled cash and cash equivalents	\$ 7,261,305	\$ 2,984,201
Receivables (net, of allowances for uncollectibles):		
Accounts	3,679,960	17,553
Interest	-	1,804
Prepaid expenses	-	-
Restricted assets:		
Restricted for debt service:		
Equity in pooled cash and cash equivalents	-	-
Restricted-customer deposits	720,212	-
Restricted-capital recovery fee funds-equity in pooled cash and cash equivalents	1,444,746	-
Restricted-pro rata funds-equity in pooled cash and cash equivalents	67,216	-
Restricted-bond proceeds-equity in pooled cash and cash equivalents	3,920,067	-
Total current assets	17,093,506	3,003,558
Noncurrent assets:		
Capital assets:		
Nondepreciable	586,003	-
Depreciable-net of accumulated depreciation	57,806,307	3,384,554
Total noncurrent assets	58,392,310	3,384,554
Total assets	75,485,816	6,388,112
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding	6,577	-
Deferred outflows from pension	778,364	-
Deferred outflows from total OPEB	20,610	-
Total deferred outflows of resources	805,551	-

The Notes to the Basic Financial Statements are an integral part of this statement.

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019**

EXHIBIT C-1

	Business-Type Activities Enterprise Funds Water and Sewer Fund	Governmental Activities Internal Service Funds
LIABILITIES:		
Current liabilities:		
Payable from current assets:		
Accounts and contracts payable	641,449	61,062
Accrued liabilities	149,739	-
Unpaid claims liabilities	-	449,602
Compensated absences-current	21,054	-
Total payable from current assets	812,242	510,664
Payable from restricted assets:		
Accounts and contracts payable	53,564	-
Accrued liabilities	48,425	-
Accrued Interest	76,624	-
Customer deposits	720,212	-
Current bonds payable	1,428,247	-
Total payable from restricted assets	2,327,072	-
Total current liabilities	3,139,314	510,664
Noncurrent liabilities:		
Bonds payable	16,066,482	-
Compensated absences	25,732	-
Total OPEB liability	218,062	-
Net pension liability	1,890,174	-
Total noncurrent liabilities	18,200,450	-
Total liabilities	21,339,764	510,664
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from pension	23,880	-
Deferred inflows from total OPEB	26,597	-
Total deferred inflows of resources	50,477	-
NET POSITION:		
Net investment in capital assets	44,824,224	3,384,554
Restricted for:		
Construction	5,383,604	-
Unrestricted	4,693,298	2,492,894
Total net position	\$ 54,901,126	\$ 5,877,448

The Notes to the Basic Financial Statements are an integral part of this statement.

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT C-2

	Business-Type Activities Enterprise Funds	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
OPERATING REVENUES:		
Water sales	\$ 9,823,907	\$ -
Sewer charges	7,577,437	-
City and employee contributions	-	3,717,357
Miscellaneous	417,603	1,002,966
Total operating revenues	17,818,947	4,720,323
OPERATING EXPENSES:		
Sewage treatment	6,603,899	-
Purchase of water	3,364,221	-
Personnel services	3,314,393	-
Depreciation	1,866,466	919,661
Gross receipts fee	918,000	-
Heat, light and power	255,147	-
Maintenance	249,053	-
Contractual services	1,421,859	-
Materials and supplies	239,187	176,731
Claims paid and change in estimate	-	2,358,267
Administrative and fiscal services	-	676,548
Miscellaneous	81,286	186,598
Total operating expenses	18,313,511	4,317,805
OPERATING INCOME (LOSS)	(494,564)	402,518
NON-OPERATING REVENUES (EXPENSES):		
Other non-operating revenue	178,464	6,000
Investment income	358,088	58,617
Interest and fiscal charges	(519,260)	-
Gain (loss) on retirement of assets	35,650	54,182
Total nonoperating revenue (expenses)	52,942	118,799
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(441,622)	521,317
Impact fees	480,156	-
Transfers out	(328,000)	-
Total contributions and transfers	152,156	-
CHANGE IN NET POSITION	(289,466)	521,317
NET POSITION-October 1	55,190,592	5,356,131
NET POSITION-End of year	\$ 54,901,126	\$ 5,877,448

The Notes to the Basic Financial Statements are an integral part of this statement.



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Business-Type Activities Enterprise Funds	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 17,471,705	\$ 1,010,756
Cash received from city and employee contributions	-	3,657,928
Cash received from the wellness program	-	62,052
Cash paid to suppliers	(12,588,769)	(158,278)
Cash paid to employees	(3,314,393)	-
Cash payments for claims	-	(2,247,163)
Cash paid for administrative and fiscal services	-	(863,147)
Net cash provided by operations	1,568,543	1,462,148
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to (from) other funds	(328,000)	-
Net cash used in noncapital financing activities	(328,000)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,855,621)	(835,345)
Proceeds from sales of assets	35,650	54,182
Other non-operating sources	178,464	6,000
Contributions - impact fees and other	480,156	-
Bond proceeds and accrued interest	4,030,139	-
Principal paid on outstanding bonds	(1,213,205)	-
Interest paid on related debt financing	(657,908)	-
Net cash used in capital and related financing activities	997,675	(775,163)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	358,088	58,617
Net cash provided by investing activities	358,088	58,617
NET DECREASE IN CASH AND CASH EQUIVALENTS	2,596,306	745,602
CASH AND CASH EQUIVALENTS-Beginning of year	10,817,240	2,238,599
CASH AND CASH EQUIVALENTS-End of year	\$ 13,413,546	\$ 2,984,201

The Notes to the Basic Financial Statements
are an integral part of this statement.

	Business-Type Activities Enterprise Funds	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income(loss)	\$ (494,564)	\$ 402,518
Adjustments:		
Depreciation expense	1,866,466	919,661
Provision for bad debt		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(393,682)	(7,036)
(Increase) decrease in deferred pension & opeb outflows	(469,236)	
Increase (decrease) in accounts payable	149,392	35,901
Increase (decrease) in deferred inflows	(202,767)	-
Increase in pension and opeb liabilities	943,638	-
Increase (decrease) in accrued liabilities	115,056	-
Decrease in claims liabilities	-	111,104
Increase in customer deposits	46,440	-
Increase in compensated absences	7,800	-
Total adjustments	2,063,107	1,059,630
NET CASH PROVIDED BY OPERATIONS	\$ 1,568,543	\$ 1,462,148
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Equity in pooled cash and cash equivalents	7,261,305	2,984,201
Restricted-customer deposits	720,212	-
Restricted-capital recovery fee funds-equity in pooled cash and investments	1,444,746	-
Restricted-pro rata funds-equity in pooled cash and cash equivalents	67,216	-
Restricted-bond proceeds-equity in pooled cash and cash equivalents	3,920,067	-
	\$ 13,413,546	\$ 2,984,201

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2019**

EXHIBIT D-1

	Pension Trust Fund
	Police Reserves
	Benefit Fund
ASSETS:	
Investments	\$ 106,487
Total assets	<u>106,487</u>
NET POSITION:	
Net position restricted for pensions	<u>106,487</u>
Total NET POSITION	<u>\$ 106,487</u>

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT D-2

	<u>Pension Trust Fund</u>
	<u>Police Reserves Benefit Fund</u>
ADDITIONS:	
Investment income	\$ 4,672
Total additions	<u>4,672</u>
DEDUCTIONS:	
Pension payments	13,968
Special services	<u>1,463</u>
Total deductions	<u>15,431</u>
NET DECREASE	(10,759)
NET POSITION RESTRICTED FOR PENSION BENEFITS-Beginning of year	<u>117,246</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS-End of year	<u>\$ 106,487</u>



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cedar Hill (the City) was incorporated in 1938. The City operates as a home-rule city under a council-manager form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, water and sewer utilities, public library, parks and recreation, public improvements, economic development, planning, zoning and code enforcement, and general administrative services. Sanitation collection services are provided through a private contractor.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These notes are organized to provide concise explanations, including required disclosures of budgetary matters, assets, liabilities, fund equity, revenues, expenditures/expenses, and other information considered important to gaining a clear picture of the City's financial activities for the fiscal year ended September 30, 2019. The significant accounting and reporting policies and practices used by the City are described below.

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member council. As required by GAAP, the financial statements present the City (the primary government) and its component units, entities for which the City is considered to be financially accountable. This report includes the financial statements of the City's primary government, which cover all funds or organizations that are part of the legal entity for which the primary government is financially responsible.

Additionally, the component unit columns in the basic financial statements present the financial data of the discretely presented component units, which are legally separate entities responsible to the City's governing body, the City Council. The Community Development Corporation (CDC) is a legally separate entity incorporated May 12, 1994. The City Council appoints the governing board of this entity, which serves the purpose of developing community recreational, educational and similar facilities, and approves its budget. The City is financially accountable for the Corporation and has the ability to control the Corporation's activities. The Corporation was established for the financial benefit of the City. The Economic Development Corporation (EDC) is a legally separate entity incorporated September 8, 1994. The City Council appoints the governing board for this entity, which serves the purpose of (a) promoting existing business enterprise expansion and retention and (b) new business enterprise development and attraction, and (c) approves its budget. The City is financially accountable for the Corporation and has the ability to control the Corporation's activities. The Corporation was established for the financial benefit of the City.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
– Continued**

Property taxes, franchise taxes, sales taxes, certain public safety and other revenues associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Licenses, permits, charges for services, and fines and forfeitures are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest earnings and intergovernmental revenue are recorded as earned since they are measurable and available.

The City reports the following major governmental funds:

- The *General Fund* is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- The *Debt Service Fund* accounts for the accumulation of resources (primarily property tax levies) to be used for the payment of principal, interest and related costs of general long-term liabilities.
- The *Joe Pool Permanent Fund* accounts for and maintains equity for the Joe Pool Lake (JPL) nature corridor for a perpetual revenue stream for preservation and development of the JPL recreational and economic asset associated with the lake's resources. The fund also accounts for resources related to operations and maintenance expenditures; and, one-time capital related projects specific to the JPL nature corridor.
- The *Capital Projects Fund* accounts for funds to be used for infrastructure improvements relating to streets, parks, trails and facilities. This major fund aggregates all of the City's bond funds.

The City reports the following major proprietary fund:

- The *Enterprise Fund* accounts for the operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's water and sewer system is accounted for through this fund.

Additionally, the City reports the following funds:

- *Fiduciary Fund – The Police Reserves Benefit Fund* is used to hold assets for the benefit of third party participants (Police Reserve Officer participants/retirees) and cannot be used to address activities or obligations of the primary government.
- The *Internal Service Funds- the Equipment Services Fund* is used to purchase equipment and lease it to other funds of the City. The *Self Insurance Fund* is used to account for the City's self-insurance activities provide to other departments or funds of the City on a cost reimbursement basis.
- *Nonmajor funds* include both special revenue funds and capital projects funds.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
– Continued**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are franchise fees and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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. The principal operating revenues of the enterprise fund and internal service fund are charges to customers for sales and services. Operating expenses for the enterprise fund and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources as they are needed. Governmental funds with legally adopted annual budgets include the General Fund and JPL Permanent Fund.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Deposits and investments

The City considers both restricted and unrestricted demand deposits, cash on hand, investments in highly liquid investment pools and investments with maturities at the time of purchase of under 90 days to be cash equivalents.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity – Continued

1. *Deposits and investments - continued*

The City pools substantially all cash and investments except for separate cash and investment accounts which are maintained in accordance with legal restrictions. Each fund's equity share of the total pooled cash and investments is included on the accompanying statement of net position and balance sheet under the caption "Equity in pooled cash and investments". Investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The City considers pricing provided by a pricing service at September 30, 2019, to be the fair value of investments. Interest earned on investments is recorded in the funds in which the investments are recorded.

2. *Receivables and payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "interfund loans receivable/payable to/from other funds" (i.e., long term interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." There are no internal balances as of September 30, 2019.

Property taxes attach an enforceable lien on property as of January 1. The City's property taxes are levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established at 100% of estimated market value. Taxes are due by January 31 following the October 1 levy date and are considered delinquent after February 1 of each year. The Dallas County Tax Office bills and collects all property taxes for the City. Any uncollected property taxes as of September 30, which are not expected to be collected within 60 days, are recorded as taxes receivable and deferred revenues. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

3. *Inventories and prepaid items*

Inventories are stated at specific identified costs and are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**CITY OF CEDAR HILL, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity – Continued

4. *Restricted assets*

Certain proceeds of bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants or contractual agreements. Customer deposits received by water and wastewater services are, by law, considered to be restricted assets.

5. *Capital assets*

Capital assets, which include land, building/facility and improvements, equipment, water rights, master studies and infrastructure assets (e.g., roads, culverts, drainage systems and similar items), purchased or acquired, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if historical cost is not available. Donated or contributed capital assets are recorded at acquisition value at the date of donation or contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized. Depreciation on capital assets is calculated on the straight-line basis over the following useful lives:

Building/Facilities and improvements	10-60 years
Equipment	3-30 years
Water rights	50 years
Master studies	5 years
Infrastructure	20-50 years

6. *Compensated absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity – Continued

7. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance cost, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

9. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting as deferred outflows:

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity – Continued

9. *Deferred Outflows/Inflows of Resources – continued*

- *Deferred Loss on Refunding* – these deferred outflows result 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 and OPEB-related Deferred Outflows/Inflows* – these deferred outflows or inflows result from pension and OPEB contributions after the measurement date (deferred and recognized in the following fiscal year); the differences in projected and actual earnings on pension and OPEB plan investments (deferred and amortized over a closed five year period; and differences in the change of assumptions for the pension and OPEB plans (deferred and recognized over a closed period equal to the average of expected remaining service lives of employees that are provided the plans).
- *Unavailable revenue* – The City reports certain deferred inflows related to unavailable tax revenues at the fund level.

10. *Fund equity*

The City reports governmental fund balances per GASB 54 definitions as follows:

Nonspendable – Amounts that are not in spendable form or are required to be maintained intact, such as inventory or permanent funds.

Restricted – Amounts that can be spent only for specific purposes stipulated by external parties, such as grants, court technology fees and construction.

Committed – Amounts that can be used only for specific purposes set by resolution of the City Council, such as Street Construction and Building Maintenance.

Assigned – Amounts intended to be used for specific purpose. The City Council has delegated the responsibility to assign funds to the City Manager or the Director of Finance as approved by the fund balance policy. Assignments may occur subsequent to fiscal year end.

Unassigned – Amounts not contained in other classifications that can be used for any purpose.

For the purpose of fund balance classification expenditures are to be spent first from restricted fund balance, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The City will utilize funds for expenditures

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity – Continued

10. Fund equity - continued

from the most restrictive fund balance first when more than one fund balance classification is available. Minimum Fund Balance Policy- it is the policy of the City to achieve and maintain an unassigned fund balance in the General Fund of at least twenty percent of budgeted expenditures, a working capital of at least twenty-five percent of estimated expenditures for the Water and Sewer Fund, an unassigned fund balance in the Community Development Corporation Fund of twenty-five percent of revenues, an unassigned fund balance in the Economic Development Corporation Fund equal to fifteen percent of revenues and an unassigned fund balance in the Debt Service Fund equal to fifteen percent of expenditures.

Deficit Fund Balance – At September 30, 2019, the Winding Hollow PID had a deficit fund balance of \$248,084 due to an interfund loan (liability) for a capital expense to build a screening wall. The expense is to be reimbursed to the Non-Major Government Fund (Street Construction Fund) by making annual payments over a fifteen (15) year period.

11. Other Restricted Net Position

Other restricted net position shown for governmental activities on the government wide statement of net position consists of the following restrictions.

	Restricted for:	
	Construction	Other
Capital Projects	\$ 15,738,450	\$ -
Capital Recovery	4,609,571	-
Park Development Fee Fund	141,841	-
Police Forfeiture	-	190,256
Hotel Occupancy	-	1,039,575
Library fund	-	96,610
PID	-	(128,277)
Grant Fund	-	3,893
TIF	-	200,827
Traffic Safety	-	377,419
PEG	-	526,027
Crime Control	-	334,006
JPL Opportunity Fund	-	95,391
Animal Shelter	-	310,556
Total	<u>\$ 20,489,862</u>	<u>\$ 3,046,283</u>

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity – Continued

12. New accounting standards effective in fiscal year 2019

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. There was no effect on the financial statements from implementation of this standard.

GASB Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements is effective for periods beginning after June 15, 2018. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

13. New accounting standards effective in future years

The GASB has issued the following statements which will be effective in future years as described below. The impact on the City's financial statements of implementation has not yet been determined for the following:

GASB Statement No. 84, *Fiduciary Activities* is effective for periods beginning after December 15, 2018. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 87, *Leases* is effective for periods beginning after December 15, 2019. The objective of this Statement is to improve accounting and financial reporting for leases by governments. This Statement requires 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. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position or Equity – Continued

13. New accounting standards effective in future years, continued

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* is effective for reporting periods beginning after December 15, 2019. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*) is effective for periods beginning after December 15, 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

GASB Statement No. 91, *Conduit Debt Obligations* is effective for periods beginning after December 15, 2020. The primary objectives are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

GASB Statement No. 92, *Omnibus* is effective primarily for periods beginning after June 15, 2020 with the requirements related to GASB 87 implementation, reinsurance recoveries and terminology related to derivative instruments effective immediately. The primary objective is to address implementation issues which have been identified related to GASB 87, *Leases*, reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended*, to reporting assets accumulated for postemployment benefits; The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements; Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs); reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and terminology used to refer to derivative instruments.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 2. DEPOSITS AND INVESTMENTS

Included in the statement of net position and the statement of fiduciary net position are cash and investments totaling \$82,525,552, excluding the discretely presented component units which are disclosed below.

	Fair Value	Investment Maturities (in Years)			More than 10
		Less than 1	1–5	6–10	
City cash—cash	\$ 57,403,999	\$ 57,403,999	\$ -	\$ -	\$ -
Certificates of deposit	24,986,139	20,118,721	4,867,418	-	-
Investment pools	28,927	28,927	-	-	-
Total cash and cash equivalents	<u>\$ 82,419,065</u>	<u>\$ 77,551,647</u>	<u>\$ 4,867,418</u>	<u>\$ -</u>	<u>\$ -</u>
Total cash and cash equivalents—city	<u>\$ 82,419,065</u>	<u>\$ 77,551,647</u>	<u>\$ 4,867,418</u>	<u>\$ -</u>	<u>\$ -</u>
Pension trust:					
Equities	\$ 106,487	\$ 106,487	\$ -	\$ -	\$ -
	<u>\$ 106,487</u>	<u>\$ 106,487</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Fair Value Measurements

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At September 30, 2019, the City had the following recurring fair value measurements.

	9/30/2019	Level 1	Level 2	Level 3
Investments by fair value level				
Pension trust				
Equities	<u>\$ 106,487</u>	<u>\$ 106,487</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

Custodial Credit Risk-Deposits

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. It is the City's policy to require all deposits with financial institutions to be collateralized to the extent not protected by F.D.I.C. insurance. Securities that can be accepted include obligations of the United States or its agencies and instrumentalities; direct obligations of the State of Texas or its agencies; and other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities.

At year end, the carrying amount of the City's deposits with financial institutions was \$82,390,138 and the bank balance was \$81,683,228. The financial institution balances were completely covered by federal depository insurance, other insurance or by collateral held by the City's agent in the City's name.

Custodial Credit Risk-Investments

The laws of the State of Texas and prudent treasury management require that all purchased securities shall be held in safekeeping by either a City account in a third party financial institution, or the City's safekeeping account in its designated depository bank, or in a Federal Reserve Bank. Securities owned by the City are held by the City's depository at the Federal Home Loan Bank in a separate account for the City.

Credit Risk

The City's investment policy, which complies with state statutes, manages credit risk by limiting investments to specific types of investments and by forbidding the investment of funds in investments authorized by the state's Public Funds Investment Act, but not approved by the City Council. This policy permits investments in: 1) obligations of the United States or its agencies and instrumentalities; 2) direct obligations of the State of Texas or its agencies; 3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; 4) Certificates of deposit issued by state and national banks domiciled in the State of Texas; 5) direct repurchase agreements with primary security dealers having a defined termination date, and secured by U.S. Government or federal agency securities; 6) SEC-registered and regulated, no-load money market mutual funds with a dollar-weighted average portfolio maturity of 90 days or less whose assets comply with the Public Funds Investment Act; 7) investment pools that comply with the requirements of the Public Funds Investment Act approved by the City Council.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

The City’s investments during the fiscal year consisted of collateralized certificates of deposits, money market mutual funds and investment pools approved by the City Council.

The City participated in the following investments during the fiscal year:

<u>Description</u>	<u>Issuer</u>	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Type</u>	<u>Fitch</u>	<u>S&P</u>
TEXSTAR LGIP	TEXSTAR	0.02105	10/1/2019	Investment Pool		AAAm

Interest Rate Risk

Interest rate risk is minimized according to policy by diversification of investment instruments as well as stated maximum maturity dates. The City’s investment policy limits investments to the following maturities:

<u>Portfolio Type</u>	<u>Maximum Average Maturity</u>	<u>Maximum Final Maturity</u>
Consolidated funds	Weighted-average maturity of 365 days	Two Years
Debt service funds	None set	Shall not have a stated final date that exceeds corresponding debt service payment date
Debt reserve funds	None set	Call date or shall not have a final maturity date exceeds the corresponding debt service payment
Joe Pool Funds	None set	The shorter of anticipated cash outflows or five years

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

Investment in Local Government Investment Pools

The City invested in TexSTAR Investment Pool. TexSTAR is administered by First Southwest Asset Management Company and JPMorgan Chase. TexSTAR is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity, and competitive yield. The fund is rated AAAM by Standard and Poor's. TexStar uses fair market value to report net assets to compute share prices. A complete copy of the TexStar Operating Procedures may be obtained by contacting TexStar Participant Services, 325 North St. Paul, Suite 800, Dallas, TX 75201.

During the year, the City managed the investments of the EDC and the CDC. The EDC and CDC investments are categorized in the same manner as the City's and consist of the following:

Economic Development Corporation

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1–5	6–10	More than 10
Corporation—cash	\$ 5,126,633	\$ 5,126,633	\$ -	\$ -	\$ -
Certificate of deposit	3,266,053	3,266,053	-	-	-
Total cash and investments— corporation	<u>\$ 8,392,686</u>	<u>\$ 8,392,686</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

At year-end, the carrying amount of the EDC's bank balance and cash on hand was \$5,126,633, which is included in the City's pooled cash (consolidated) account and was completely covered by federal depository insurance, other insurance or by collateral held by the City's agent in the City's name.

Community Development Corporation

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1–5	6–10	More than 10
Corporation—cash	\$ 5,667,385	\$ 5,667,385	\$ -	\$ -	\$ -
Certificate of deposit	4,342,027	1,234,499	3,107,528	-	-
Total cash and investments— corporation	<u>\$ 10,009,412</u>	<u>\$ 6,901,884</u>	<u>\$ 3,107,528</u>	<u>\$ -</u>	<u>\$ -</u>

At year-end, the carrying amount of the CDC's bank balance and cash on hand was \$5,667,385 which is included in the City's pooled cash (consolidated) account and was completely covered by federal depository insurance, other insurance or by collateral held by the City's agent in the City's name.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 3. RECEIVABLES

Receivables as of year-end for the City's individual major funds and non-major, internal service and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Joe Pool	Capital Projects	Water and Sewer	Nonmajor and Other Funds	Total
Receivables							
Taxes	\$ 1,977,013	\$ 203,291	\$ -	\$ -	\$ -	\$ 231,307	\$ 2,411,611
Franchise	659,036	-	-	-	-	21,483	680,519
Accounts	-	-	-	-	5,936,278	16,704	5,952,982
Interest	7,217	3,608	17,313	5,412	-	16,238	49,788
Miscellaneous	4,009,064	-	-	901,909	6,249	1,124,367	6,041,589
Gross receivables	6,652,330	206,899	17,313	907,321	5,942,527	1,410,099	15,136,489
Less: allowance for uncollectible	(3,095,006)	(71,837)	-	-	(2,262,567)	(577,371)	(6,006,781)
Net total receivables	<u>\$ 3,557,324</u>	<u>\$ 135,062</u>	<u>\$ 17,313</u>	<u>\$ 907,321</u>	<u>\$ 3,679,960</u>	<u>\$ 832,728</u>	<u>\$ 9,129,708</u>

The General Fund miscellaneous primarily consists of billed emergency medical services and court fines and fee. The Water and Sewer Fund accounts receivable balance includes unbilled charges for services rendered of \$2,470,526 at September 30, 2019. The Capital Project Fund includes an amount earned on a capital project and due from Texas Department of Transportation through a grant agreement.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 4. CAPITAL ASSETS

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

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets—not being depreciated:					
Land	\$ 15,673,084	\$ 1,806,152	\$ -	\$ -	\$ 17,479,236
Construction in progress	3,257,003	5,130,388	-	(1,554,890)	6,832,501
Total capital assets—not depreciated	18,930,087	6,936,540	-	(1,554,890)	24,311,737
Capital assets—being depreciated:					
Buildings/facilities	62,408,160	605,413	(270,128)	1,075,261	63,818,706
Equipment	13,500,213	1,038,580	(449,219)	-	14,089,574
Infrastructure	172,447,481	117,425	-	479,629	173,044,535
Water rights	26,284,063	-	-	-	26,284,063
Master studies	393,172	-	-	-	393,172
Total capital assets—being depreciated	275,033,089	1,761,418	(719,347)	1,554,890	277,630,050
Less accumulated depreciation for:					
Buildings/facilities	(25,736,519)	(1,946,710)	270,128	-	(27,413,101)
Equipment	(9,032,479)	(1,156,983)	378,196	-	(9,811,266)
Infrastructure	(73,733,788)	(4,978,756)	-	-	(78,712,544)
Water rights	(18,249,284)	(489,429)	-	-	(18,738,713)
Master studies	(372,655)	(1,282)	-	-	(373,937)
Total accumulated depreciation	(127,124,725)	(8,573,160)	648,324	-	(135,049,561)
Total capital assets—being depreciated—net	147,908,364	(6,811,742)	(71,023)	1,554,890	142,580,489
Governmental activities capital assets—net	\$ 166,838,451	\$ 124,798	\$ (71,023)	\$ -	\$ 166,892,226

Internal service fund capital assets of \$3,384,554 are included in the governmental activities' capital assets.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 4. CAPITAL ASSETS – CONTINUED

Primary Government – Continued

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets—not being depreciated:					
Land	\$ 367,764	\$ -	\$ -	\$ -	\$ 367,764
Construction in progress	3,251	214,988	-	-	218,239
Total capital assets—not depreciated	<u>371,015</u>	<u>214,988</u>	<u>-</u>	<u>-</u>	<u>586,003</u>
Capital assets being depreciated:					
Buildings/facilities	666,491	-	-	-	666,491
Water systems	58,792,875	367,714	-	-	59,160,589
Sewer systems	25,276,337	-	-	-	25,276,337
Equipment	3,077,983	1,272,919	(239,989)	-	4,110,913
Master studies	176,244	-	-	-	176,244
Total capital assets being depreciated	<u>87,989,930</u>	<u>1,640,633</u>	<u>(239,989)</u>	<u>-</u>	<u>89,390,574</u>
Less accumulated depreciation for:					
Buildings/facilities	(586,062)	(5,344)	-	-	(591,406)
Water systems	(17,194,908)	(1,170,027)	-	-	(18,364,935)
Sewer systems	(9,334,874)	(505,227)	-	-	(9,840,101)
Equipment	(2,666,379)	(185,191)	239,989	-	(2,611,581)
Master studies	(175,567)	(677)	-	-	(176,244)
Total accumulated depreciation	<u>(29,957,790)</u>	<u>(1,866,466)</u>	<u>239,989</u>	<u>-</u>	<u>(31,584,267)</u>
Total capital assets—being depreciated—net	<u>58,032,140</u>	<u>(225,833)</u>	<u>-</u>	<u>-</u>	<u>57,806,307</u>
Business-type activities capital assets—net	<u>\$ 58,403,155</u>	<u>\$ (10,845)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,392,310</u>

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

Governmental activities:

General government	\$ 1,206,649
Public works	5,236,965
Public safety	930,201
Community service	1,199,345
Total depreciation expense—governmental activities	<u>\$ 8,573,160</u>

Business-type activities—water and sewer	<u>\$ 1,866,466</u>
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**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 4. CAPITAL ASSETS – CONTINUED

Discretely Presented Component Units

Activity for the Economic Development Corporation for the year ended September 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Contributions to the City	Ending Balance
Capital assets—not being depreciated:					
Land	\$ 2,832,944	\$ -	\$ (35,373)	\$ -	\$ 2,797,571
Total capital assets- not being depreciated	2,832,944	-	(35,373)	-	2,797,571
Capital assets—being depreciated:					
Leasehold improvements	95,962	20,095	-	-	116,057
Total capital assets being depreciated	95,962	20,095	-	-	116,057
Less accumulated depreciation for:					
Leasehold improvements	(27,622)	(2,389)	-	-	(30,011)
Total accumulated depreciation	(27,622)	(2,389)	-	-	(30,011)
Total capital assets being depreciated—net	68,340	17,706	-	-	86,046
EDC Capital assets—net	\$ 2,901,284	\$ 17,706	\$ (35,373)	\$ -	\$ 2,883,617

Activity for the Community Development Corporation for the year ended September 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Contributions to the City	Ending Balance
Capital assets—not being depreciated:					
Construction in progress	\$ 2,411,400	\$ 45,442	\$ -	\$ (45,442)	\$ 2,411,400
Total capital assets- not being depreciated	2,411,400	45,442	-	(45,442)	2,411,400
CDC Capital assets—net	\$ 2,411,400	\$ 45,442	\$ -	\$ (45,442)	\$ 2,411,400

CDC capital assets are contributed to the City when completed.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Transfers are used to a) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, b) to accumulate funds for the retirement of the Joe Pool liability, and c) cost allocations and other operational costs as determined by the City’s annual budget. The transfer activity for the year ended September 30, 2019 is presented in the following schedule:

Transfers in	Transfers Out					Total
	General Fund	JPL Permanent Fund	Capital Projects Fund	Nonmajor Funds	Enterprise Funds	
General fund	\$ -	\$ -	\$ -	\$ 250,000	\$ 328,000	\$ 578,000
Debt service fund	-	-	-	93,825	-	93,825
Nonmajor governmental funds	224,978	95,234	-	53,569	-	373,781
Total	\$ 224,978	\$ 95,234	\$ -	\$ 397,394	\$ 328,000	\$ 1,045,606

Transfers were made from Nonmajor Funds to the Debt Service Fund for payment of debt service on qualifying infrastructure debt and to the General Fund for support of services relating to rights-of-way mowing and litter control. The transfer from the Enterprise Fund to the General Fund is for information technology support provided for by the General Fund resources.

Eliminations

Interfund transfers are reported in the governmental and proprietary fund financial statements. In the entity-wide statements, interfund transfers are eliminated within the governmental activities column and business-type column, as appropriate.

Interfund Receivable / Payable

A “Memorandum of Understanding” dated, February 21, 2019 was entered into by and between the City of Cedar Hill and the Board of Directors of the Cedar Hill Public Improvement District No. 3, Winding Hollow (PID No. 3) to replace and construct a six-foot brick screening wall adjacent to Joe Wilson Road that extends a total of 880 feet in length. The final cost of replacement was \$356,689 with acceptance of the project by the PID Board and City on September 30, 2019. The cost of the screening wall replacement is to be financed through assessments on all properties within the boundaries of PID No. 3. The assessments shall be collected and annual payments to the City shall be budgeted by the PID No. 3 Board and included in their five (5) year budget. The reimbursement from the assessments shall be made to the City’s Street Construction fund in fifteen (15) annual payments commencing on June 1, 2019 and thereafter at 0% interest rate as follows:

Years	Payment	Total
2020 - 2032	\$ 24,500	\$ 318,500
2033	\$ 18,189	18,189
		\$ 336,689

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 6. LONG-TERM OBLIGATIONS

Changes in Long-Term Liabilities

The following is a summary of transactions affecting long-term liabilities for the year ended September 30, 2019:

	Balance October 1, 2018	Increases	Retirements/ Refundings	Balance September 30, 2019	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 56,111,795	\$ 8,965,000	\$ (6,091,795)	\$ 58,985,000	\$ 6,565,000
Certificates of obligation	5,535,000	9,125,000	(255,000)	14,405,000	395,000
Total bonds payable	61,646,795	18,090,000	(6,346,795)	73,390,000	6,960,000
Unamortized premiums	3,859,905	967,676	(759,801)	4,067,780	695,990
Compensated absences	4,116,281	2,192,678	(1,725,237)	4,583,722	1,787,652
OPEB liability - Health care	998,818	-	(48,673)	950,145	-
OPEB liability - SDBF	756,291	-	(29,672)	726,619	-
Net pension liability	9,228,713	7,782,855	-	17,011,568	-
Total governmental long-term liabilities	\$ 80,606,803	\$ 29,033,209	\$ (8,910,178)	\$ 100,729,834	\$ 9,443,642
Business-type activities:					
General obligation bonds payable	\$ 5,608,205	\$ -	\$ (693,205)	\$ 4,915,000	\$ 605,000
Certificates of obligation bonds payable	8,430,000	3,750,000	(520,000)	11,660,000	680,000
Unamortized premiums	790,046	280,139	(150,455)	919,730	143,247
Compensated absences	38,985	251,170	(243,370)	46,785	21,054
OPEB liability - Health care	151,335	-	(7,009)	144,326	-
OPEB liability - SDBF	76,747	-	(3,011)	73,736	-
Net pension liability	936,516	953,658	-	1,890,174	-
Total business-type long-term liabilities	16,031,834	5,234,967	(1,617,050)	19,649,751	1,449,301
Total primary government long-term liabilities	\$ 96,638,637	\$ 34,268,176	\$ (10,527,228)	\$ 120,379,585	\$ 10,892,943

Claims, judgments, compensated absence and net pension liability are generally liquidated by the General Fund. OPEB obligations are liquidated by the Self-Insurance fund.

Authority for Issuance: The Bonds are issued pursuant to the Texas Constitution, the general laws of the State, including particularly Texas Government Code, Chapter 1331, as amended, and elections held within the City on September 13, 2003 and November 7, 2017, the City's Home Rule Charter and the Bond Ordinance passed by the City Council of the City. The Certificates are authorized and issued pursuant to the Texas Constitution, the general laws of the State, particularly Subchapter C of Chapter 271, Texas Local Government Code, as amended, the City's Home Rule Charter and the Certificate Ordinance passed by the City Council of the City.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 6. LONG-TERM OBLIGATIONS – CONTINUED

Compliance with Debt Covenants: At September 30, 2019, the City was in compliance with all financial bond covenants on outstanding general obligation bonded debt and its certificates of obligation.

Security for general obligation bonds (“Bonds”): The Bonds constitute direct obligations of the City, payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City.

Security for Certificates of obligation (“certificates”): The Certificates constitute direct obligations of the City, payable from a combination of (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge of the net revenues of the City’s Waterworks and Sewer System, as provided in the Certificate Ordinance(s).

Tax Rate Limitation: All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$2.50 per \$100 taxable assessed valuation for all City purposes. The Home Rule Charter of the City adopts the constitutionally authorized maximum tax rate of \$2.50 per \$100 taxable assessed valuation.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the City’s ability to set a debt service tax rate in each year sufficient to pay debt service on all of the City’s tax-supported debt obligations, including the Obligations

Obligation holders’ Remedies on event of default: The Ordinances do not specify events of default with respect to the Obligations (Bonds and Certificates). If the City defaults in the payment of principal, interest or redemption price, as applicable, on the Obligations when due, or if it fails to make payments into any fund or funds created in the Ordinances, or defaults in the observation or performance of any other covenants, conditions or obligations set forth in the Ordinances, the registered owners may seek a writ of mandamus to compel City officials to carry out their legally imposed duties with respect to the Obligations if there is no other available remedy at law to compel performance of the Obligations or the Ordinances and the City’s obligations are not uncertain or disputed. There is no acceleration of maturity of the Obligations in the event of default and, consequently, the remedy of the writ of mandamus may have to be relied upon from year to year. The Ordinances do not provide for the appointment of a trustee to represent the interest of the holders of the Obligations upon any failure of the City to perform in accordance with the terms of the Ordinances, or upon any other condition and, accordingly, all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 6. LONG-TERM OBLIGATIONS – CONTINUED

General Long-Term Liabilities

General obligation bonds, certificates of obligation and revenue bonds outstanding at September 30, 2019, consist of the following individual issues:

	Interest Rates	Balance September 30, 2019
General obligation bonds:		
Governmental activities:		
\$14,630,000; 2011 General Obligation Refunding Bonds, due February 15, 2028 \$9,040,000; 2012 General Obligation Refunding Bonds, due Feb. 15, 2029	3.00%-5.00% .2%-3%	\$ 7,355,000 4,300,000
\$6,040,000; 2013 General Obligation Refunding Bonds, due Feb. 15, 2028 (Split 79% to 21% between governmental and business-type activities)	2.00%-4.00%	4,610,000
\$24,055,000; 2015 General Obligation Refunding and Imprvm't Bonds, due Feb. 15, 2035 (Split 93% to 7% between governmental and business-type activities)	.5% - 3.51%	15,660,000
\$19,990,000; 2016 General Obligation Refunding and Imprvm't Bonds, due Feb. 15, 2028 (Split 82.4% to 17.6% between governmental and business-type activities)	3.00%-5%	14,070,000
\$4,135,000; 2018 General Obligation Bonds, due February 15, 2038	3.00% -3.50%	4,025,000
\$8,965,000; 2019 General Obligation Bonds, due February 15, 2039	3.00%-5.00%	8,965,000
Total governmental activities - general obligation bonds		<u>\$ 58,985,000</u>
Business-type activities:		
\$6,040,000; 2013 General Obligation Refunding Bonds, due Feb. 15, 2024 (Split 79% to 21% between governmental and business-type activities)	2.00%-4.00%	935,000
\$24,055,000; 2015 General Obligation Refunding and Imprvm't Bonds, due Feb. 15, 2035 (Split 93% to 7% between governmental and business-type activities)	.5% - 3.51%	1,240,000
\$19,990,000; 2016 General Obligation Refunding and Imprvm't Bonds, due Feb. 15, 2028 (Split 82.4% to 17.6% between governmental and business-type activities)	3.00%-5%	2,740,000
Total business-type activities - general obligation bonds		<u>\$ 4,915,000</u>
Total general obligation bonds		<u><u>\$ 63,900,000</u></u>
Certificate of obligation bonds:		
Governmental activities:		
\$2,065,000; 2013 Certificates of Obligation, due February 15, 2022	2.00%-3.00%	1,330,000
\$1,730,000; 2015 Certificates of Obligation, due February 15, 2029 (Split 54% to 46% between governmental and business-type activities)	2.00%-4.00%	730,000
\$5,620,000; 2018 Certificates of Obligation, due February 15, 2038 (Split 58.72% to 41.28% between governmental and business-type activities)	3.00%-4.00%	3,220,000
\$5,515,000; 2019 Certificates of Obligation, due February 15, 2034 (Split 32% to 68% between governmental and business-type activities)	3.00%-5.00%	1,765,000
\$7,360,000; 2019 Tax Taxable Certificates of Obligation, due February 15, 2044	3.00%-4.00%	7,360,000
Total governmental activities		<u>\$ 14,405,000</u>
Business-type activities:		
\$6,235,000; 2014 Certificates of Obligation, due February 15, 2029	2.75%-3.75%	5,015,000
\$1,730,000; 2015 Certificates of Obligation, due February 15, 2029 (Split 54% to 46% between governmental and business-type activities)	2.00%-4.00%	630,000
\$5,620,000; 2018 Certificates of Obligation, due February 15, 2038 (Split 58.72% to 41.28% between governmental and business-type activities)	3.00%-4.00%	2,265,000
\$5,515,000; 2019 Certificates of Obligation, due February 15, 2039	3.00%-5.00%	3,750,000
Total business-type activities		<u>\$ 11,660,000</u>
Total certificate of obligation bonds		<u><u>\$ 26,065,000</u></u>

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 6. LONG-TERM OBLIGATIONS – CONTINUED

General Long-Term Liabilities – Continued

Annual requirements to amortize the long-term debt as of September 30, 2019, are as follows:

Year Ending September 30	Governmental Activities			
	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2020	\$ 6,565,000	\$ 2,236,031	\$ 395,000	\$ 556,396
2021	6,215,000	1,982,169	595,000	497,616
2022	6,460,000	1,733,788	625,000	472,591
2023	5,975,000	1,489,444	645,000	445,816
2024	5,700,000	1,258,144	675,000	417,916
2025-2029	17,450,000	3,382,953	3,645,000	1,676,644
2030-2034	6,055,000	1,469,888	3,195,000	1,092,997
2035-2039	4,565,000	344,450	2,580,000	612,710
2040-2044	-	-	2,050,000	226,800
Total principal and interest	<u>\$ 58,985,000</u>	<u>\$ 13,896,866</u>	<u>\$ 14,405,000</u>	<u>\$ 5,772,687</u>

Year Ending September 30	Business-Type Activities			
	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2020	\$ 605,000	\$ 188,575	\$ 680,000	\$ 403,369
2021	625,000	162,800	715,000	378,356
2022	660,000	135,800	735,000	350,744
2023	675,000	107,775	775,000	321,494
2024	715,000	79,125	800,000	291,575
2025-2029	1,635,000	94,750	4,435,000	1,009,550
2030-2034	-	-	1,815,000	435,616
2035-2039	-	-	1,705,000	139,403
2040-2044	-	-	-	-
Total principal and interest	<u>\$ 4,915,000</u>	<u>\$ 768,825</u>	<u>\$ 11,660,000</u>	<u>\$ 3,330,106</u>

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 6. LONG-TERM OBLIGATIONS – CONTINUED

Compensated Absences

Compensated absences represent the estimated liability for employees' accrued sick and vacation leave for which employees are entitled to be paid upon termination. The retirement of this liability is typically paid from the General Fund and Enterprise Funds based on the assignment of an employee at termination.

Component Units

The debt of the Community Development Corporation, a discretely presented component unit, is comprised of the following:

	Balance October 1, 2018,	Increases	Retirements	Balance September 30, 2019	Due Within One Year
Governmental activities:					
Compensated absences	\$ 52,619	\$ 11,237	\$ -	\$ 63,856	\$ 41,506
Total OPEB liability	<u>102,866</u>	<u>-</u>	<u>(18,676)</u>	<u>84,190</u>	<u>-</u>
Total long-term liabilities	<u>\$ 155,485</u>	<u>\$ 11,237</u>	<u>\$ (18,676)</u>	<u>\$ 148,046</u>	<u>\$ 41,506</u>

The debt of the Economic Development Corporation, a discretely presented component unit, is comprised of the following:

	Balance October 1, 2018,	Increases	Retirements	Balance September 30, 2019	Due Within One Year
Compensated absences	\$ 50,347	\$ -	\$ (45,188)	\$ 5,159	\$ 1,805
Total OPEB liability	<u>11,476</u>	<u>12,578</u>	<u>-</u>	<u>24,054</u>	<u>-</u>
	<u>\$ 61,823</u>	<u>\$ 12,578</u>	<u>\$ (45,188)</u>	<u>\$ 29,213</u>	<u>\$ 1,805</u>

In fiscal year 2006, the EDC entered into an agreement with the City to provide funds to amortize the City's \$12,890,000 Certificates of Obligation and related interest for the construction of roads and drainage facilities to support the Uptown Village retail center.

These agreements are classified as voluntary non-exchange transactions. Payments by the EDC require the existence of available resources and an annual appropriation by the Boards of the EDC.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 6. LONG-TERM OBLIGATIONS – CONTINUED

Cedar Hill Industrial Development Corporation

The Cedar Hill Industrial Development Corporation (CHIDC) was organized in December 1979 by the City under the Development Corporation Act of 1979. CHIDC issues tax-exempt revenue bonds for the development of local industry to secure the advantages of balanced and increased employment and an improved economic position, and to provide for a broader tax base. The City Council appoints the Board of Directors of CHIDC. The CHIDC does not have assets, liabilities, revenues, expenditures, or conduit debt as of September 30, 2019, to be included as a component unit.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 7. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and, other claims of various natures. The City purchases commercial liability insurance with the Texas Municipal League Inter-Governmental Risk Pool to indemnify itself in event of loss. For the past three years, settlements have not exceeded scheduled and stated coverage(s).

The City maintains a self-insurance program for health insurance. The City established the self-insurance program effective October 1, 2017. The premiums paid by the City are primarily (expenditures/expenses) of the operating funds. All premiums are paid into the self-funded health internal service fund to pay claims, claim reserves and administrative costs of the program. Group medical benefits are paid from the Self-Insurance Fund (Internal Service Fund), which has an annually negotiated stop loss provision through United Health Care. The aggregate stop loss was \$75,000 per covered individual and coverage is maintained through a private insurance carrier. An independent claims administrator performs all claims handling procedures.

Revenues are recognized from payroll deductions from employee dependent coverage and from City contributions for employee coverage. The liabilities for insurance claims reported in the City's Self-Insurance Fund is based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. These liabilities include an estimate for incurred but not reported (IBNR) claims. The City's consultant has estimated the unpaid claims liability at approximately \$449,602 at September 30, 2019.

Changes in balances during 2019 were as follows:

	<u>2019</u>
Unpaid claims, beginning of year	\$ 338,498
Current year claims (including IBNR) and change in estimate	5,059,619
Claim Payments	<u>4,948,515</u>
Unpaid claims, end of year	<u>\$ 449,602</u>

**CITY OF CEDAR HILL, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 8. COMMITMENTS AND CONTINGENCIES

The City contracts with Trinity River Authority of Texas (TRA), an agency of the State of Texas, whereby TRA finances, constructs, operates and maintains water and sewage transportation and treatment facilities for the benefit of the City. The current contracts are extended through the date at which all bonds mature. The City makes payments monthly, which are based on an estimate of its share of costs. In prior years, TRA has calculated this estimate on an annual basis and made adjustments for over/under charges in the City's next fiscal year. Effective December 1, 1992, TRA changed its billing methodology to adjust its estimate eight months into the City's fiscal year which should reduce over/under charges but may not fully eliminate them. The City's fiscal year for when the adjustments are reported and the City's fiscal year for when the services were provided may differ because of these adjustments and because TRA's fiscal year differs from the City's, as indicated by the schedule below:

Regular monthly expenses for October 1, 2018 to September 30, 2019	\$ 7,020,288
TRA adjustment for prior-year settlement	<u>(373,725)</u>
Sewage treatment and water system facility expenses	<u>\$ 6,646,563</u>

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

The City is engaged in capital improvements as evidenced by its long-term indebtedness. At September 30, 2019, capital funds were on hand sufficient to satisfy all contractual commitments for capital improvements in progress. The most significant contract is with Structural Assurance, Inc. for the construction of F.M. 1382 Hike and Bike Trail.

The City periodically is a defendant in various lawsuits. At September 30, 2019, after consultation with the City's attorney, the City is not aware of any pending litigation with a material impact.

The City contracts for garbage disposal with a third party. Under the terms of the agreement the City bills and collects the residential billing and remits that amount to the contracting party. The contractor bills the commercial customers and remits a franchise fee to the City based on total revenues received from the contract.

The Cedar Hill Economic Development Corporation provides monetary incentives to companies to relocate and provide employment opportunities within the City of Cedar Hill. At September 30, 2019, these commitments totaled approximately \$3,066,311 and are only paid when provisions of incentive agreements are fulfilled.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 9. TAX ABATEMENTS AND ECONOMIC INCENTIVES

The City enters into economic development agreements designed to promote development, stimulate commercial activity, enhance the property tax base, and increase the economic vitality. These programs rebate property taxes and sales tax. The City's economic development agreements are authorized under the Texas Local Government Code Chapter 311 (Tax Increment Financing Act) and Chapter 380 (Economic Development Programs). Recipients may be eligible to receive economic assistance based upon employment impact, economic or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, expanding operations, renewing facility leases or bringing targeted development to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has three categories of economic development agreements:

Tax Abatements

Tax Abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. There were no property taxes abated under this program in fiscal year 2019.

General Economic Development

The City enters into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or a percentage of property taxes or sales tax received by the City. The City has one active Chapter 380 Agreement and provided \$75,000 in incentive payments under this economic development program.

Tax Increment Financing

Tax Increment Financing (TIF) is a tool to help finance public improvements and development projects within a defined area. A municipality makes an area eligible for TIF by designating it a Tax Increment Reinvestment Zone (TIRZ). Within the designated zone all of the incremental tax revenue growth flows to an established tax increment fund to help pay for public improvements within the zone. During this fiscal year, the City adopted one Tax Increment Reinvestment Zones (TIRZ) in accordance with the provisions of the Tax Increment Financing Act, V.T.C.A., Tax Code, Chapter 311. The City's active Tax increment reinvestment zone is TIRZ #1. The goal of the Tax Increment Zone #1 is to continue funding the construction of needed public infrastructure and to encourage private development that will yield additional tax revenue to all local taxing jurisdictions. The purpose for TIRZ#1 is to promote the creation of contained, mixed-use development consisting of major retail, restaurants, residential, hotel and office. The Zone's projected costs are primarily related to roadway, drainage, storm water detention and utilities. There was a payment of \$159,489 to the TIRZ#1 for fiscal year 2019.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Plan Descriptions

The City of Cedar Hill participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained via their website (www.tMrs.org).

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 of Cedar Hill, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with 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 for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit, which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS – CONTINUED

Benefits Provided - Continued

date. At retirement, the benefit is calculated as if the sum of the employee’s accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

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

Inactive employees or beneficiaries currently receiving benefits	176
Inactive employees entitles but not yet receiving benefits	163
Active employees	<u>340</u>
 Total	 <u><u>679</u></u>

Contributions

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

Employees of the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.11% and 13.86% in calendar years 2018 and 2019, respectively. The city’s contributions to TMRS for the year ended September 30, 2019 were \$3,092,837 and were equal to the required contributions.

Net Pension Liability

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

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS – CONTINUED

Actuarial Assumptions

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

Inflation	2.50%	per year
Overall payroll growth	3.00%	per year
Investment rate of return	6.75%	net pension plan investment expense, including inflation

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

Actuarial assumptions used in the December 31, 2018 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (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, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS – CONTINUED

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.30%
International Equity	17.5	6.10
Core Fixed Income	10	1.00
Non-Core Fixed Income	20	3.39
Real Return	10	3.78
Real Estate	10	4.44
Absolute Return	10	3.56
Private Equity	5	7.75
Total	100.00%	

Discount Rate and Allocations

The discount rate used to measure the Total Pension Liability was 6.75% which was unchanged from the prior year. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions were made at the rates specified in statute. Based on that assumption, the pension plan’s Fiduciary Net Position was projection 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.

The city’s net pension liability, pension expense, and deferred outflows of outflows of resources related to TMRS have been allocated between governmental activities, business-type activities using a contribution-based method.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS – CONTINUED

Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2017	\$ 101,730,508	\$ 91,565,279	\$ 10,165,229
Changes for the year:			
Service Cost	3,697,787	-	3,697,787
Interest	6,875,690	-	6,875,690
Change of benefit terms	-	-	-
Difference between expected and actual experience	6,972	-	6,972
Changes of assumptions	-	-	-
Contributions - employer	-	3,092,837	(3,092,837)
Contributions - employee	-	1,550,899	(1,550,899)
Net investment income	-	(2,744,021)	2,744,021
Benefit payments, including refunds of employee	(3,434,642)	(3,434,642)	-
Administrative expense	-	(53,010)	53,010
Other charges	-	(2,769)	2,769
Net Changes	<u>7,145,807</u>	<u>(1,590,706)</u>	<u>8,736,513</u>
Balance at December 31, 2018	<u>\$ 108,876,315</u>	<u>\$ 89,974,573</u>	<u>\$ 18,901,742</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability	\$ 35,684,868	\$ 18,901,742	\$ 5,256,497

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS – CONTINUED

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 at www.tmr.org.

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

For the year ended September 30, 2019, the city recognized pension expense of \$4,945,996. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 445,129	\$ (238,800)
Changes in actuarial assumptions	178,802	-
Differences between projected and actual investment earnings	4,731,951	-
Contributions subsequent the measurement date	2,427,758	-
Total	<u>\$ 7,783,640</u>	<u>\$ (238,800)</u>

Of the \$7,783,640 for deferred outflows of resources, \$2,427,758 resulted from contributions made subsequent to the measurement date and will be recognized as a reduction of the net position liability in the fiscal year ending September 30, 2020. The remainder of the total deferred outflows/inflows of resources, \$5,117,083 will be recognized in pension expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2019	\$ 1,915,686
2020	792,830
2021	627,143
2022	1,781,423
2023	-
Thereafter	-
	<u>\$ 5,117,082</u>

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS – CONTINUED

Reserve Police Department Defined Benefit Plan

The City provides pension benefits to its volunteer police reserves upon retirement. The City Council establishes plan provisions, is authorized to amend them and acts as the plan administrator. The plan became effective October 1, 1993. Police reserves do not receive a salary, and therefore, there is no covered payroll related to the plan. Police reserves are eligible to participate in the plan if they are at least 15 years old and provided the City with 192 hours of volunteer service per year as a police reserve. Under the plan, the normal retirement age is 55 with ten years of service required. Service is measured by years of service. The reserve officers are not required to contribute to the plan. The normal retirement pension payable to a retirement participant is \$144 per month with a guaranteed minimum of 120 months. Participants are 100% vested with a minimum of ten years of vesting service. A year of vesting is credited for each year during which the participant is credited with 192 hours of service. As of September 30, 2019, the City had no active members of the plan and seven retirees receiving benefits. The plan is a single employer defined benefit plan. The plan does not prepare a separate, audited pension plan report.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 11. OTHER POST EMPLOYMENT BENEFITS

Retiree Health Care Plan Description

The City provides post-employment medical care (OPEB) for employees through a single-employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses and dependents through the City’s group health insurance plans, which cover both active and retired members. The benefit levels and contribution rates are approved annually by the City management and the City Council as part of the budget process. Since an irrevocable trust has not been established, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Benefits Provided

The City provides post-employment medical and dental care benefits to its retirees. Retirees who elect COBRA cannot later elect retiree coverage. To be eligible for coverage, an employee must qualify under all three of the following:

1. The retiree must have been covered for medical benefits under the City Health Plan as an employee immediately prior to termination of employment.
2. The retiree must apply for pension benefits from TMRS in accordance with TMRS requirements and deadlines.
3. The retiree must enroll for retiree health coverage within thirty-one days of the date of termination.

All medical care benefits are provided through the City’s health plan. The benefit levels are the same as those afforded to active employees.

As of December 31, 2018, membership consisted of:

Retirees and beneficiaries receiving benefits	3
Terminated employees eligible for benefits, but not yet enrolled	-
Active employees	317
Total	<u>320</u>

Contributions – Retiree Health Care

The plan’s premium rates are determined annually by City management and approved by the City Council as part of the annual budget. Members receiving medical benefits contribute as follows:

<u>Coverage</u>	Premiums Paid By Employee (October 1, 2018 to September 30, 2019)	
	<u>Base Plan</u>	<u>Buy-Up Plan</u>
Employee Only	\$ 549	\$ 631
Employee & Spouse	\$ 1,050	\$ 1,205

**CITY OF CEDAR HILL, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 11. OTHER POST EMPLOYMENT BENEFITS – CONTINUED

Current retirees contribute to the self-funded health program the blended premium for active and retired participants. Retiree contribution rates for fiscal year 2019 ranged from \$549 to \$1,668 per month depending on coverage levels selected. In fiscal year 2019, the total member contributions were \$58,421. The City contribution for retirees consists of pay-as-you-go claims in excess of the retiree contributions. The City Claims incurred by retirees were \$20,264; therefore, the City’s contribution to the plan for fiscal year 2019 was \$56,084 as retiree contributions covered retiree expense. The City made no additional contributions to the plan assets.

Total OPEB Liability – Retiree Health Care

The City’s net OPEB liability was measured as of December 31, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017 and rolled forward to December 31, 2018.

Actuarial Methods and Assumptions – Retiree Health Care

The City’s total OPEB liability in the December 31, 2017 valuation was determined using the following actuarial assumptions:

<u>Actuarial Assumptions</u>	
Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.71 % as of December 31, 2018
Inflation	2.50%
Salary Increase	3.50% to 10.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2014 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years
Participation Rates	20% of retirees between the ages of 50 and 64 at retirement; 0% for retirees under age 50 at retirement

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 11. OTHER POST EMPLOYMENT BENEFITS – CONTINUED

Discount Rate

The discount rate used to measure the Total OPEB Liability was 3.71%. The discount rate is equal to the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date of December 31, 2018. For the purpose of this valuation, the municipal bond rate is 3.71% based on the daily rate closest to but not later than the measurement date of the Fidelity 20-Year Municipal GO AA Index. The discount rate was 3.31% as of December 31, 2017, the prior measurement date.

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

The following presents the total OPEB – Health Care liability of the City, calculated using the discount rate of 3.71% , as well as what the City’s total OPEB – Health Care liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.71%) or 1 percentage-point higher (4.71%):

	1% Decrease in Discount Rate (2.71%)	Discount Rate (3.71%)	1% Increase in Discount Rate (4.71%)
Total OPEB Health Care liability	\$ 1,336,925	\$ 1,202,715	\$ 1,082,272

The following presents the total OPEB – Health Care liability of the City, calculated using the healthcare cost trend rate of 7.2%, as well as what the City’s total OPEB Health Care liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower (6.2%) or 1 percentage-point higher (8.2%):

	1% Decrease in Trend Rate (6.2%)	Trend Rate (7.2%)	1% Increase in Trend Rate (8.2%)
Total OPEB Health Care liability	\$ 1,046,577	\$ 1,202,715	\$ 1,390,589

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 11. OTHER POST EMPLOYMENT BENEFITS – CONTINUED

Schedule of Changes in Total OPEB Liability – Health Care

	<u>Total OPEB - Health Care Liability</u>
Beginning balance	\$ 1,264,494
Changes for the year:	
Service cost	76,713
Interest (on the total OPEB liability)	42,196
Differences between expected and actual experience	(171,947)
Change of Assumptions	47,343
Benefit Payments	<u>(56,084)</u>
Net changes	<u>(61,779)</u>
Ending balance	<u>\$ 1,202,715</u>

OPEB Expense and Deferred Outflows/(Inflows) of Resources – Health Care

For the year ended September 30, 2019, the city recognized opeb Health Care expense of \$113,853. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 9,104	\$ (154,551)
Changes in actuarial assumptions	91,326	-
Contributions subsequent to the measurement date	<u>29,703</u>	<u>-</u>
Total	<u>\$ 130,133</u>	<u>\$ (154,551)</u>

Of the \$130,133 for deferred outflows of resources, \$29,703 resulted from contributions made subsequent to the measurement date and will be recognized as a reduction of the net position liability in the fiscal year ending September 30, 2020. The remainder of the total deferred outflows/inflows of resources, \$(54,121) will be recognized in OPEB – Health Care expense as follows:

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 11. OTHER POST EMPLOYMENT BENEFITS – CONTINUED

	Net Deferred Outflows (Inflows) of Resources
2020	\$ (5,056)
2021	(5,056)
2022	(5,056)
2023	(5,056)
2024	(5,056)
Thereafter	(28,841)
	<u>\$ (54,121)</u>

Supplemental Death Benefit Fund Plan (SDBF) Description

The City contributes to a single-employer defined benefit OPEB plan, the group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program administered by TMRS in which the City elected, by ordinance, to provide group term life insurance coverage to active and retired members. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. An irrevocable trust has not been established that meets the criteria in paragraph 4 of GASB Statement No. 75. Therefore, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Benefits Provided

Payments from this fund are similar to group term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump sum payment approximately equal to the employee’s annual salary (calculate based on the employee’s actual earnings, for the 12 month period preceding the month of death).

The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. The obligations of this plan are payable only from the SDBF and are not an obligation of, or claim against, the pension trust fund.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 11. OTHER POST EMPLOYMENT BENEFITS – CONTINUED

Employees Covered by Benefit Terms

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

Inactive employees currently receiving benefits	130
Inactive employees entitled to, but not yet receiving benefits	41
Active employees	<u>340</u>
Total	<u><u>511</u></u>

Actuarial Methods and Assumptions – Retiree Health Care

The City’s total OPEB liability in the December 31, 2018 valuation was determined using the following actuarial assumptions:

<u>Actuarial Assumptions</u>	
Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.71% as of December 31, 2018 (based on Fidelity Index’s “20-Year Municipal GO AA Index”) was changed from 3.31% in the prior year
Inflation	2.50%
Salary Increase	3.50% to 10.50%, including inflation
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under GASB Statement No. 68.
Mortality rates-service retirees	RP2000 Combined Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates-disabled retirees	RP2000 Combined Mortality Tables with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

**CITY OF CEDAR HILL, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 11. OTHER POST EMPLOYMENT BENEFITS – CONTINUED

Contributions – SDBF

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was .15% for 2018 and 0.15% for 2018, of which 0.02% and 0.02%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The funding policy of the plan is to assure adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's contributions to SDBF for the fiscal years ended September 30, 2019, 2018, and 2017, were \$33,234, \$32,339, and \$31,903, respectively, which equaled the required contributions each year.

Total OPEB Liability – SDBF

The City's Total OPEB liability (TOL) for SDBF was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Schedule of Changes in Total OPEB Liability - SDBP

	<u>Total OPEB Liability</u>
Beginning balance	\$ 833,038
Changes for the year:	
Service cost	46,527
Interest (on the total OPEB liability)	28,270
Differences between expected and actual experience	(39,771)
Change of Assumptions	(63,278)
Benefit Payments	(4,431)
Net changes	<u>(32,683)</u>
Ending balance	<u>\$ 800,355</u>

Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Sensitivity of the Total OPEB Liability – SDBF to Changes in the Discount Rate:

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.71%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (2.71%) or one percentage-point higher (4.71%) than the current rate:

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 11. OTHER POST EMPLOYMENT BENEFITS – CONTINUED

	1% Decrease in Discount Rate (2.71%)	Discount Rate (3.71%)	1% Increase in Discount Rate (4.71%)
Total OPEB SDBF liability	\$ 971,926	\$ 800,355	\$ 667,263

OPEB Expense and Related Deferred Outflows and Deferred Inflows of Resources – SDBF

For the year ended September 30, 2019, the City recognized OPEB expense - SDBF of \$70,203.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ (33,727)
Changes in actuarial assumptions	50,689	(53,661)
Contributions subsequent the measurement date	3,503	-
Total	<u>\$ 54,192</u>	<u>\$ (87,388)</u>

The City reported \$3,503 as deferred outflows related to OPEB resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2019	\$ (4,594)
2020	(4,594)
2021	(4,594)
2022	(4,594)
2023	(9,240)
Thereafter	(9,083)
	<u>\$ (36,699)</u>

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

NOTE 12. DEFERRED OUTFLOWS AND INFLOWS

The deferred outflows and inflows as of September 30, 2019 for the City's deferred loss on refundings, pension and OPEB plans are as follow:

	TMRS	OPEB- Health	OPEB- SDBF	Total OPEB	Loss on refundings	Total Deferred
Government-wide governmental						
Deferred Outflows of Resources						
Loss on refunding	\$ -	\$ -	\$ -	\$ -	\$ 608,911	\$ 608,911
Difference between expected and actual experience	400,616	7,192	-	7,192	-	407,808
Changes in actuarial assumptions	160,922	72,147	46,019	118,166	-	279,088
Difference in projected and actual investment earnings	4,258,756	-	-	-	-	4,258,756
Employer's contributions after measurement date	2,184,982	23,465	3,180	26,645	-	2,211,627
Total	\$ 7,005,276	\$ 102,804	\$ 49,199	\$ 152,003	\$ 608,911	\$ 7,766,190
Deferred Inflows of Resources						
Difference between expected and actual experience	\$ 214,920	\$ 122,095	\$ 30,620	\$ 152,715	\$ -	\$ 367,635
Changes in actuarial assumptions	-	-	48,717	48,717	-	48,717
Total	\$ 214,920	\$ 122,095	\$ 79,337	\$ 201,432	\$ -	\$ 416,352
Business-type activities and Proprietary Funds						
Deferred Outflows of Resources						
Loss on refunding	\$ -	\$ -	\$ -	\$ -	\$ 6,577	\$ 6,577
Difference between expected and actual experience	44,513	1,093	-	1,093	-	45,606
Changes in actuarial assumptions	17,880	10,959	4,670	15,629	-	33,509
Difference in projected and actual investment earnings	473,195	-	-	-	-	473,195
Employer's contributions after measurement date	242,776	3,565	323	3,888	-	246,664
Total	\$ 778,364	\$ 15,617	\$ 4,993	\$ 20,610	\$ 6,577	\$ 805,551
Deferred Inflows of Resources						
Difference between expected and actual experience	\$ 23,880	\$ 18,546	\$ 3,107	\$ 21,653	\$ -	\$ 45,533
Changes in actuarial assumptions	-	-	4,944	4,944	-	4,944
Total	\$ 23,880	\$ 18,546	\$ 8,051	\$ 26,597	\$ -	\$ 50,477
EDC						
Deferred Outflows of Resources						
Difference between expected and actual experience	\$ -	\$ 182	\$ -	\$ 182	\$ -	\$ 182
Changes in actuarial assumptions	-	1,827	-	1,827	-	1,827
Employer's contributions after measurement date	-	594	-	594	-	594
Total	\$ -	\$ 2,603	\$ -	\$ 2,603	\$ -	\$ 2,603
Deferred Inflows of Resources						
Difference between expected and actual experience	\$ -	\$ 3,091	\$ -	\$ 3,091	\$ -	\$ 3,091
Total	\$ -	\$ 3,091	\$ -	\$ 3,091	\$ -	\$ 3,091
CDC						
Deferred Outflows of Resources						
Difference between expected and actual experience	\$ -	\$ 637	\$ -	\$ 637	\$ -	\$ 637
Changes in actuarial assumptions	-	6,393	-	6,393	-	6,393
Employer's contributions after measurement date	-	2,079	-	2,079	-	2,079
Total	\$ -	\$ 9,109	\$ -	\$ 9,109	\$ -	\$ 9,109
Deferred Inflows of Resources						
Difference between expected and actual experience	\$ -	\$ 10,819	\$ -	\$ 10,819	\$ -	\$ 10,819
Total	\$ -	\$ 10,819	\$ -	\$ 10,819	\$ -	\$ 10,819

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 13. SOUTHWEST REGIONAL COMMUNICATION CENTER

The City of Cedar Hill (“the City”) entered into an annually renewable Interlocal Cooperation agreement (“the agreement”) with the Cities of DeSoto and Duncanville (participating cities) on August 10, 1999 and said agreement was amended on December 29, 2011 and December 8, 2015. The cooperative agreement established a Regional Public Safety Dispatch and Alarm Monitoring Facility known as the Southwest Regional Communication Center (“SWRCC”). SWRCC provides police, fire and emergency medical service communications to participating cities. SWRCC’s Management Committee is comprised of each of the participating cities’ City Manager or their designee. During fiscal year 2016, the cooperative agreement was amended as dated above to direct each participating entity to have all E911 emergency communication fees (“E911 fees”) deposited to an account styled as the City of DeSoto SWRCC. The City of DeSoto provides the accounting and budgetary services for the SWRCC. The City contributed \$742,937 to the operations of the Center from budgeted funds as accounted for in the general fund and the crime control and prevention district fund.

The City has a one-third share in the equity of the Center, which is included in the government-wide statement of net position as other assets. At September 30, 2019, the City’s investment in the Center is \$151,905. The financial statements of the Center can be obtained by contacting: City of DeSoto Finance Department, 211 E. Pleasant Run Rd., DeSoto, TX 75115.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

NOTE 14. REGIONAL ANIMAL CONTROL SHELTER

The City entered into an Interlocal Cooperation Agreement with the Cities of DeSoto and Duncanville on September 3, 1991 to establish a Regional Animal Control Shelter facility (“the facility”). The facility’s Management Committee is comprised of each of the participating cities’ City Manager or their designee. The City owns a one-third (1/3) share of the facility and is reflected in capital assets. In January 2008, the City issued, in its name, \$2,040,000 of bonds to finance the construction of a new animal control shelter. Combined principal and interest of the obligation totaled \$3,064,113. Although, the entire outstanding principal is reflected in the City’s financials, the City of Duncanville and the City of Desoto are each committed to pay one third of that total debt, or \$1,021,371, over twenty years starting in fiscal year 2009. The total outstanding debt service commitment from all three entities as of September 30, 2019 is \$810,050.

NOTE 15. SUBSEQUENT EVENTS

The City Council passed a notice of intention to issue certificate of obligations up to \$8,615,000 with an expected sale date of March 24, 2020. The proceeds will pay for public safety equipment, water and sewer infrastructure improvements, facility improvements and the acquisition of general government equipment.

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. Certain City revenues, such as sales and hotel occupancy taxes and recreation program fees as well as expenditures related to providing emergency and other services, could be adversely affected. The extent to which the coronavirus may impact the City’s financial statements will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

The City has evaluated all events or transactions that occurred after September 30, 2019 and up through March 19, 2020, the date the financial statements were available to be issued and concludes there are no other subsequent events requiring recognition or disclosure.



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

REQUIRED SUPPLEMENTARY INFORMATION



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

CITY OF CEDAR HILL, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND
RELATED RATIOS (LAST 10 CALENDAR YEARS) - TMRS PLAN (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

EXHIBIT E-1

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability					
Service Cost	\$ 3,697,787	\$ 3,589,689	\$ 3,374,101	\$ 3,080,700	\$ 2,863,004
Interest (on the Total Pension Liability)	6,875,690	6,451,988	5,969,704	5,693,839	5,318,311
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experiences	6,972	(353,823)	880,524	262,001	(343,244)
Change of assumptions	-	-	-	765,043	-
Benefit payments, including refunds of employee contributions	(3,434,642)	(3,495,009)	(2,879,343)	(2,818,217)	(2,346,249)
Net Change in Total Pension Liability	7,145,807	6,192,845	7,344,986	6,983,366	5,491,822
Total Pension Liability-Beginning	<u>101,730,508</u>	<u>95,537,663</u>	<u>88,192,677</u>	<u>81,209,311</u>	<u>75,717,489</u>
Total Pension Liability Ending (A)	<u>\$ 108,876,315</u>	<u>\$ 101,730,508</u>	<u>\$ 95,537,663</u>	<u>\$ 88,192,677</u>	<u>\$ 81,209,311</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 3,092,837	\$ 2,943,532	\$ 2,549,683	\$ 2,530,362	\$ 2,555,283
Contributions - Employee	1,550,899	1,510,730	1,416,333	1,346,965	1,347,260
Net Investment Income	(2,744,021)	11,039,446	4,976,866	107,024	3,842,858
Benefit payments, including refunds of employee contributions	(3,434,642)	(3,495,009)	(2,879,343)	(2,818,217)	(2,346,249)
Administrative Expense	(53,011)	(57,193)	(56,192)	(65,183)	(40,117)
Other	(2,771)	(2,898)	(3,028)	(3,219)	(3,298)
Net Change in Plan Fiduciary Net Position	(1,590,709)	11,938,608	6,004,319	1,097,732	5,355,737
Plan Fiduciary Net Position - Beginning	<u>91,565,282</u>	<u>79,626,674</u>	<u>73,622,355</u>	<u>72,524,623</u>	<u>67,168,886</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 89,974,573</u>	<u>\$ 91,565,282</u>	<u>\$ 79,626,674</u>	<u>\$ 73,622,355</u>	<u>\$ 72,524,623</u>
Net Pension Liability - Ending (A-B)	<u>\$ 18,901,742</u>	<u>\$ 10,165,226</u>	<u>\$ 15,910,989</u>	<u>\$ 14,570,322</u>	<u>\$ 8,684,688</u>
Plan Fiduciary Net Position as Percentage of Total Pension Liability	82.64%	90.01%	83.35%	83.48%	89.31%
Covered Payroll	\$ 22,155,702	\$ 21,559,693	\$ 20,192,109	\$ 19,242,351	\$ 19,246,797
Net Pension Liability as a Percentage of Covered Employee Payroll	85.31%	47.15%	78.80%	75.72%	45.12%

Note: The City implemented GASB 68 in FY 2015, therefore the required information for this schedule will be built over the next nine years.

**CITY OF CEDAR HILL, TEXAS
SCHEDULE OF CONTRIBUTIONS – TMRS PLAN (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT E-2

	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 3,092,837	\$ 2,943,532	\$ 2,549,683	\$ 2,530,362	\$ 2,516,536	\$ 2,299,513
Contributions in relation to the actuarially determined contribution	(3,092,837)	(2,943,532)	(2,549,683)	(2,530,362)	(2,516,536)	(2,299,513)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 22,859,264	\$ 22,101,804	\$ 21,268,592	\$ 20,787,053	\$ 19,100,723	\$ 18,331,554
Contributions as a percentage of covered payroll	13.53%	13.32%	11.99%	12.17%	13.18%	12.54%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen months later.

Notes

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	26 years, Closed
Asset Valuation Method	10 Year smoothed market, 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12% including inflation
Investment Rate of Return	7.00%

Retirement Age Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009.

Mortality RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information: Notes There were no benefit changes during the year.

Note: The City implemented GASB 68 in FY 2015, therefore the required information for this schedule will be built over the next six years.

**CITY OF CEDAR HILL, TEXAS
SCHEDULE OF CHANGES IN TOTAL
OTHER POST EMPLOYMENT BENEFITS PLAN
LIABILITY AND RELATED RATIOS - HEALTH CARE
LAST 10 CALENDAR YEARS*
(UNAUDITED)**

EXHIBIT E-3

	2018	2017
Total OPEB liability:		
Service cost	\$ 76,713	\$ 66,387
Interest (on the total OPEB liability)	42,196	43,520
Differences between expected and actual experience	(171,947)	11,480
Change of Assumptions	47,343	61,497
Benefit Payments	(56,084)	(54,986)
Net change in total OPEB liability	\$ (61,779)	\$ 127,898
Total OPEB liability - beginning	1,264,494	1,136,506
Total OPEB liability - ending	<u>\$ 1,202,715</u>	<u>\$ 1,264,404</u>
Covered employee payroll	\$ 22,157,577	\$ 21,565,501
Total OPEB liability as a percentage of covered employee payroll	5.43%	5.86%

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate in each period. The discount rate changed from 3.31 % as of December 31, 2017 to 3.71% as of December 31, 2018.

An irrevocable trust has not been established that meets the criteria in paragraph 4 of GASB Statement No. 75. Therefore, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Note: The City implemented GASB 75 in FY 2018; therefore, the required information for this schedule will be built.

**CITY OF CEDAR HILL, TEXAS
SCHEDULE OF CHANGES IN TOTAL
OTHER POST EMPLOYMENT BENEFITS PLAN
LIABILITY AND RELATED RATIOS - SDBF
LAST 10 CALENDAR YEARS*
(UNAUDITED)**

EXHIBIT E-4

	2018	2017
Total OPEB liability:		
Service cost	\$ 46,527	\$ 38,807
Interest (on the total OPEB liability)	28,270	27,061
Differences between expected and actual experience	(39,771)	
Change of Assumptions	(63,278)	72,823
Benefit Payments	(4,431)	(4,312)
Net change in total OPEB liability	(32,683)	134,379
Total OPEB liability - beginning	833,038	698,659
Total OPEB liability - ending	<u>\$ 800,355</u>	<u>\$ 833,038</u>
Covered payroll	\$ 22,155,702	\$ 21,559,693
Total OPEB liability as a percentage of covered payroll	3.61%	3.86%

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate in each period. The discount rate changed from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018.

An irrevocable trust has not been established that meets the criteria in paragraph 4 of GASB Statement No. 75. Therefore, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

* Note: The City implemented GASB 75 in FY 2018, therefore the required information for this schedule will be built over the next nine years.

CITY OF CEDAR HILL, TEXAS
GENERAL FUND

EXHIBIT E-5

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 27,920,516	\$ 27,920,516	\$ 27,691,193	\$ (229,323)
Franchise fees	3,624,397	3,624,397	3,521,909	(102,488)
Licenses and permits	763,500	763,500	894,811	131,311
Intergovernmental	320,025	320,025	367,218	47,193
Charges for services	1,662,645	1,662,645	1,631,207	(31,438)
Fines and forfeitures	1,068,500	1,068,500	1,163,517	95,017
Investment earnings	153,500	153,500	196,093	42,593
Miscellaneous	124,900	124,900	132,863	7,963
Total revenues	35,637,983	35,637,983	35,598,811	(39,172)
EXPENDITURES				
Current Expenditures:				
General administration	5,436,910	5,436,910	5,420,935	15,975
Public works	2,266,488	2,266,488	2,082,880	183,608
Public safety	22,595,587	22,595,587	22,339,029	256,558
Community services	5,238,024	5,238,024	4,773,824	464,200
Total expenditures	35,537,010	35,537,010	34,616,668	920,342
Excess (deficiency) of revenues over expenditures	100,973	100,973	982,143	881,170
OTHER FINANCING SOURCES (USES)				
Transfer in	575,000	575,000	578,000	3,000
Transfer out	(269,978)	(269,978)	(224,978)	45,000
Sale of capital assets	-	-	5	5
Total other financing sources (uses)	\$ 305,022	\$ 305,022	\$ 353,027	\$ 48,005
Net change in fund balances	405,995	405,995	1,335,170	929,175
Fund balances, beginning of year			8,815,954	
Fund balances, end of year			\$ 10,151,124	

CITY OF CEDAR HILL, TEXAS
 JPL PERMANENT FUND

EXHIBIT E-6

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
 BUDGET AND ACTUAL (UNAUDITED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES-Investment earnings	\$ 326,000	\$ 326,000	\$ 421,667	\$ 95,667
Total revenues	<u>326,000</u>	<u>326,000</u>	<u>421,667</u>	<u>95,667</u>
EXPENDITURES				
Miscellaneous	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Total expenditures	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
OTHER FINANCING SOURCES (USES):				
Transfer in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer out	<u>-</u>	<u>-</u>	<u>(95,234)</u>	<u>(95,234)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(95,234)</u>	<u>(95,234)</u>
Net change in fund balances	<u>\$ 318,500</u>	<u>\$ 318,500</u>	<u>326,433</u>	<u>\$ (7,067)</u>
FUND BALANCE-Beginning of year			<u>18,874,640</u>	
FUND BALANCE-End of year			<u>\$ 19,201,073</u>	

**CITY OF CEDAR HILL, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2019**

1. BUDGETARY INFORMATION

The City Council follows these procedures in establishing the budgets reflected in the financial statements:

1. Prior to the beginning of each fiscal year, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at which all interested persons' comments concerning the budget are heard.
3. The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year.
4. The City Manager has the authority to transfer appropriation balances from one expenditure account to another within a single fund. The City Council, however, must approve any transfer of unencumbered appropriation balances or portions thereof from one fund to another as well as any increases in fund appropriations. All appropriations lapse at the end of the fiscal year.
5. Annual budgets for the General, Special Revenue and Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgets were not adopted for the JPL Opportunity Fund, Capital Recovery Fund, Community Development Block Grant fund, TIF fund and the PEG fund.
6. The budgetary data presented has been amended from the original budget by the City Council.



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

OTHER SUPPLEMENTARY INFORMATION

**CITY OF CEDAR HILL, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2019**

	Nonmajor Special Revenue Funds				
	JPL Opportunity	Police Forfeiture	Hotel Occupancy	Library Fund	Grant Funds
ASSETS					
Cash and cash equivalents	\$ 95,391	\$ 206,220	\$ 1,041,526	\$ 95,410	\$ 4,825
Receivables, net of allowance	-	-	30,899	-	53,364
Interfund loan receivable	-	-	-	-	-
Total assets	\$ 95,391	\$ 206,220	\$ 1,072,425	\$ 95,410	\$ 58,189
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 8,010	\$ (600)	\$ 10,633
Accrued liabilities	-	7,982	8,415	-	16,515
Interfund loan payable	-	-	-	-	-
Total liabilities	-	7,982	16,425	(600)	27,148
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Restricted for:					
General government	-	-	-	-	-
Public works	-	-	-	-	5,014
Public safety	-	198,238	-	-	26,027
Community services	-	-	1,056,000	96,010	-
Committed for:					
JPL nature corridor	95,391	-	-	-	-
Infrastructure	-	-	-	-	-
Facilities	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	95,391	198,238	1,056,000	96,010	31,041
Total liabilities and fund balances	\$ 95,391	\$ 206,220	\$ 1,072,425	\$ 95,410	\$ 58,189

* Combined fund statements. Combining statements are presented on Exhibit F-3.

EXHIBIT F-1 (CONTINUED)

Nonmajor Special Revenue Funds							
Public Improvement Districts*	Traffic Safety	PEG	Crime Control	Animal Shelter	Landscape Beatification	Tax Increment Financing	Total Nonmajor Special Revenue Funds
\$ 664,396	\$ 642,759	\$ 504,544	\$ 234,993	\$ 427,372	\$ 315,351	\$ 200,827	\$ 4,433,614
29,658	-	21,483	177,295	-	486,238	-	798,937
-	-	-	-	-	-	-	-
<u>\$ 694,054</u>	<u>\$ 642,759</u>	<u>\$ 526,027</u>	<u>\$ 412,288</u>	<u>\$ 427,372</u>	<u>\$ 801,589</u>	<u>\$ 200,827</u>	<u>\$ 5,232,551</u>
\$ 60,807	\$ 11,950	\$ -	\$ 3,970	\$ 27,397	\$ 211,686	\$ -	\$ 333,853
-	120,720	-	35,171	31,011	89,477	-	309,291
336,689	-	-	-	-	-	-	336,689
<u>397,496</u>	<u>132,670</u>	<u>-</u>	<u>39,141</u>	<u>58,408</u>	<u>301,163</u>	<u>-</u>	<u>979,833</u>
<u>27,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,339</u>
<u>27,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,339</u>
-	-	526,027	-	-	-	200,827	726,854
-	-	-	-	-	-	-	5,014
-	510,089	-	373,147	368,964	-	-	1,476,465
517,303	-	-	-	-	500,426	-	2,169,739
-	-	-	-	-	-	-	95,391
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(248,084)	-	-	-	-	-	-	(248,084)
<u>269,219</u>	<u>510,089</u>	<u>526,027</u>	<u>373,147</u>	<u>368,964</u>	<u>500,426</u>	<u>200,827</u>	<u>4,225,379</u>
<u>\$ 694,054</u>	<u>\$ 642,759</u>	<u>\$ 526,027</u>	<u>\$ 412,288</u>	<u>\$ 427,372</u>	<u>\$ 801,589</u>	<u>\$ 200,827</u>	<u>\$ 5,232,551</u>

**CITY OF CEDAR HILL, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2019**

	Nonmajor Capital Projects				
	Park Development	Restricted Street	Economic Developmen t Incentive	Street Construction	Downtown City Center
ASSETS					
Cash and cash equivalents	\$ 141,841	\$ 382,713	\$ 104,337	\$ 1,837,676	\$ 946,461
Receivables, net of allowance	-	-	-	7,217	-
Interfund loan receivable	-	-	-	336,689	-
Total assets	\$ 141,841	\$ 382,713	\$ 104,337	\$ 2,181,582	\$ 946,461
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 97,889	\$ -
Accrued liabilities	-	-	-	-	-
Interfund loan payable	-	-	-	-	-
Total liabilities	-	-	-	97,889	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Restricted for:					
General government	-	-	104,337	-	-
Public works	-	382,713	-	-	-
Public safety	-	-	-	-	-
Community services	141,841	-	-	-	-
Committed for:					
JPL nature corridor	-	-	-	-	-
Infrastructure	-	-	-	2,083,693	-
Facilities	-	-	-	-	-
Assigned	-	-	-	-	946,461
Unassigned	-	-	-	-	-
Total fund balances	141,841	382,713	104,337	2,083,693	946,461
Total liabilities and fund balances	\$ 141,841	\$ 382,713	\$ 104,337	\$ 2,181,582	\$ 946,461

EXHIBIT F-1 (CONCLUDED)

Nonmajor Capital Projects						
Building Maintenance	Drainage	Regional Drainage	Capital Recovery	Hotel/Motel Conference Center	Total Capital Project Funds	Total Nonmajor Funds
\$ 184,438	\$ 574,706	\$ 94,413	\$ 4,602,354	\$ 6,170,225	\$ 15,039,164	\$ 19,472,778
-	-	-	7,217	-	14,434	813,371
-	-	-	-	-	336,689	336,689
\$ 184,438	\$ 574,706	\$ 94,413	\$ 4,609,571	\$ 6,170,225	\$ 15,390,287	\$ 20,622,838
\$ -	\$ -	\$ -	\$ -	\$ 15,903	\$ 113,792	\$ 447,645
-	-	-	-	-	-	309,291
-	-	-	-	-	-	336,689
-	-	-	-	15,903	113,792	1,093,625
-	-	-	-	-	-	27,339
-	-	-	-	-	-	27,339
-	-	-	-	-	104,337	831,191
-	-	-	4,609,571	6,154,322	11,146,606	11,151,620
-	-	-	-	-	-	1,476,465
-	-	-	-	-	141,841	2,311,580
-	-	-	-	-	-	95,391
-	574,706	94,413	-	-	2,752,812	2,752,812
184,438	-	-	-	-	184,438	184,438
-	-	-	-	-	946,461	946,461
-	-	-	-	-	-	(248,084)
184,438	574,706	94,413	4,609,571	6,154,322	15,276,495	19,501,874
\$ 184,438	\$ 574,706	\$ 94,413	\$ 4,609,571	\$ 6,170,225	\$ 15,390,287	\$ 20,622,838

**CITY OF CEDAR HILL, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Nonmajor Special Revenue Funds				
	JPL Opportunity	Police Forfeiture	Hotel Occupancy	Library Fund	Grant Funds
REVENUES:					
Taxes	\$ -	\$ -	\$ 341,579	\$ -	\$ -
Franchise taxes	-	-	-	-	-
Intergovernmental	-	-	-	3,525	159,089
Charges for services	-	-	-	-	-
Fines and forfeits	-	75,483	-	-	-
Investment earnings	157	4,755	27,332	3,168	9
Grants and donations	-	-	-	39,917	-
Miscellaneous	-	-	421	-	-
Total revenues	157	80,238	369,332	46,610	159,098
EXPENDITURES					
Current:					
General administration	-	-	-	-	-
Public works	-	-	-	-	117,424
Public safety	-	22,434	-	-	10,633
Community services	-	-	257,840	56,864	-
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Capital outlay					
General administration	-	-	-	-	-
Public safety	-	-	-	-	-
Community services	-	-	-	-	-
Total expenditures	-	22,434	257,840	56,864	128,057
Excess (deficiency) of revenues over expenditures	157	57,804	111,492	(10,254)	31,041
Other Financing Sources (Uses)					
Issuance of long-term debt	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-
Transfer In	95,234	-	53,569	-	-
Transfer Out	-	-	-	-	-
Total Financing Sources (Uses)	95,234	-	53,569	-	-
Changes in Fund Balance	95,391	57,804	165,061	(10,254)	31,041
Fund balances, beginning of year	-	140,434	890,939	106,264	-
Fund balances, end of year	\$ 95,391	\$ 198,238	\$ 1,056,000	\$ 96,010	\$ 31,041

* Combined fund statements. Combining statements are presented on Exhibit F-4.

EXHIBIT F-2 (CONTINUED)

Nonmajor Special Revenue Funds							
Public Improvement Districts*	Traffic Safety	PEG	Crime Control	Animal Shelter	Landscape Beatification	Tax Increment Financing	Total Nonmajor Special Revenue Funds
\$ 780,838	\$ -	\$ -	\$ 1,028,634	\$ -	\$ -	\$ -	\$ 2,151,051
-	-	87,403	-	-	-	-	87,403
23,300	-	-	-	-	-	-	185,914
-	-	-	-	633,850	2,715,881	-	3,349,731
-	495,451	-	42,626	-	-	-	613,560
17,131	22,922	13,036	5,567	5,714	7,087	2,363	109,241
-	-	-	-	334,682	-	-	374,599
6,762	1,806	-	1,279	95	2,225	159,489	172,077
<u>828,031</u>	<u>520,179</u>	<u>100,439</u>	<u>1,078,106</u>	<u>974,341</u>	<u>2,725,193</u>	<u>161,852</u>	<u>7,043,576</u>
-	-	2,933	-	-	-	-	2,933
-	-	-	-	-	-	-	117,424
-	399,619	-	1,035,673	870,030	-	-	2,338,389
522,392	-	-	-	-	2,314,995	-	3,152,091
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	122,466	-	-	-	-	-	122,466
569,717	-	-	-	-	-	-	569,717
<u>1,092,109</u>	<u>522,085</u>	<u>2,933</u>	<u>1,035,673</u>	<u>870,030</u>	<u>2,314,995</u>	<u>-</u>	<u>6,303,020</u>
<u>(264,078)</u>	<u>(1,906)</u>	<u>97,506</u>	<u>42,433</u>	<u>104,311</u>	<u>410,198</u>	<u>161,852</u>	<u>740,556</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	224,978	-	-	373,781
-	-	-	-	(93,825)	(250,000)	-	(343,825)
-	-	-	-	131,153	(250,000)	-	29,956
<u>(264,078)</u>	<u>(1,906)</u>	<u>97,506</u>	<u>42,433</u>	<u>235,464</u>	<u>160,198</u>	<u>161,852</u>	<u>770,512</u>
533,297	511,995	428,521	330,714	133,500	340,228	38,975	3,454,867
<u>\$ 269,219</u>	<u>\$ 510,089</u>	<u>\$ 526,027</u>	<u>\$ 373,147</u>	<u>\$ 368,964</u>	<u>\$ 500,426</u>	<u>\$ 200,827</u>	<u>\$ 4,225,379</u>

**CITY OF CEDAR HILL, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Nonmajor Capital Projects				
	Park Development	Restricted Street	Economic Development Incentive	Street Construction	Downtown City Center
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	3,613	8,574	3,032	39,613	21,300
Grants and donations	-	-	-	-	-
Miscellaneous	22,110	-	-	-	-
Total revenues	25,723	8,574	3,032	39,613	21,300
EXPENDITURES					
Current:					
General administration	-	-	-	-	-
Public works	-	-	-	-	-
Public safety	-	-	-	-	-
Community Services	-	-	-	-	-
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Capital outlay					
Public safety	-	-	-	-	-
Community Services	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	25,723	8,574	3,032	39,613	21,300
Other Financing Sources (Uses)					
Issuance of long-term debt	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-
Transfer In	-	-	-	-	-
Transfer Out	-	-	-	-	-
Total Financing Sources (Uses)	-	-	-	-	-
Changes in Fund Balance	25,723	8,574	3,032	39,613	21,300
Fund balances, beginning of year	116,118	374,139	101,305	2,044,080	925,161
Fund balances, end of year	\$ 141,841	\$ 382,713	\$ 104,337	\$ 2,083,693	\$ 946,461

EXHIBIT F-2 (CONCLUDED)

Nonmajor Capital Projects					Total	Total
Building		Regional	Capital	Hotel/Motel	Nonmajor	Total
Maintenance	Drainage	Drainage	Recovery	Conference	Capital	Nonmajor
				Center	Project	Funds
					Funds	Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,151,051
-	-	-	-	-	-	87,403
-	-	-	-	-	-	185,914
-	-	-	-	-	-	3,349,731
-	-	-	-	-	-	613,560
4,343	10,813	1,829	86,752	47,145	227,014	336,255
-	-	-	-	-	-	374,599
-	-	-	400,081	-	422,191	594,268
4,343	10,813	1,829	486,833	47,145	649,205	7,692,781
-	-	-	-	43	43	2,976
-	-	-	-	-	-	117,424
-	-	-	-	-	-	2,338,389
-	-	-	-	301,825	301,825	3,453,916
-	-	-	-	166,146	166,146	166,146
-	-	-	-	-	-	122,466
-	-	-	-	833,674	833,674	1,403,391
-	-	-	-	1,301,688	1,301,688	7,604,708
4,343	10,813	1,829	486,833	(1,254,543)	(652,483)	88,073
-	-	-	-	7,360,000	7,360,000	7,360,000
-	-	-	-	102,434	102,434	102,434
-	-	-	-	-	-	373,781
-	-	-	-	(53,569)	(53,569)	(397,394)
-	-	-	-	7,408,865	7,408,865	7,438,821
4,343	10,813	1,829	486,833	6,154,322	6,756,382	7,526,894
180,095	563,893	92,584	4,122,738	-	8,520,113	11,974,980
\$ 184,438	\$ 574,706	\$ 94,413	\$ 4,609,571	\$ 6,154,322	\$ 15,276,495	\$ 19,501,874

**CITY OF CEDAR HILL, TEXAS
COMBINING BALANCE SHEET
PUBLIC IMPROVEMENT DISTRICTS
AS OF SEPTEMBER 30, 2019**

EXHIBIT F-3

	Public Improvement Districts				
	High Pointe PID	Waterford Oaks PID	Winding Hollow PID	Windsor PID	Total Public Improvement Districts
ASSETS					
Cash and cash equivalents	\$ 160,035	\$ 329,621	\$ 88,668	\$ 86,072	\$ 664,396
Receivables (net, where applicable, of allowances for uncollectibles)	24,630	4,174	365	489	29,658
Total assets	\$ 184,665	\$ 333,795	\$ 89,033	\$ 86,561	\$ 694,054
LIABILITIES					
Accounts payable	\$ 2,518	\$ 1,972	\$ 63	\$ 56,254	\$ 60,807
Interfund loan payable	-	-	336,689	-	336,689
Total liabilities	2,518	1,972	336,752	56,254	397,496
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	22,311	4,174	365	489	27,339
Total deferred inflows of resources	22,311	4,174	365	489	27,339
FUND BALANCES					
Restricted for:					
Community services	159,836	327,649	-	29,818	517,303
Unassigned	-	-	(248,084)	-	(248,084)
Total fund balances	159,836	327,649	(248,084)	29,818	269,219
Total liabilities, deferred inflows and fund balances	\$ 184,665	\$ 333,795	\$ 89,033	\$ 86,561	\$ 694,054

**CITY OF CEDAR HILL, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 PUBLIC IMPROVEMENT DISTRICTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT F-4

	Public Improvement Districts				Total Public Improvement Districts
	High Pointe PID	Waterford Oaks PID	Winding Hollow PID	Windsor PID	
REVENUES:					
Taxes	\$ 486,020	\$ 156,611	\$ 47,242	\$ 90,965	\$ 780,838
Intergovernmental	20,000	3,300	-	-	23,300
Investment earnings	5,420	8,721	2,140	850	17,131
Miscellaneous	6,762	-	-	-	6,762
Total revenues	518,202	168,632	49,382	91,815	828,031
EXPENDITURES					
Current:					
Community services	415,415	98,341	2,893	5,743	522,392
Capital outlay					
Community services	132,294	24,480	356,689	56,254	569,717
Total expenditures	547,709	122,821	359,582	61,997	1,092,109
Excess (deficiency) of revenues over expenditures	(29,507)	45,811	(310,200)	29,818	(264,078)
Changes in Fund Balance	(29,507)	45,811	(310,200)	29,818	(264,078)
Fund balances, beginning of year	189,343	281,838	62,116	-	533,297
Fund balances, end of year	\$ 159,836	\$ 327,649	\$ (248,084)	\$ 29,818	\$ 269,219

CITY OF CEDAR HILL, TEXAS
DEBT SERVICE FUND

EXHIBIT G-1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 7,033,194	\$ 7,033,194	\$ 7,006,990	\$ (26,204)
Intergovernmental	2,142,606	2,142,606	2,142,606	-
Investment earnings	42,000	42,000	59,715	17,715
Total revenues	9,217,800	9,217,800	9,209,311	(8,489)
EXPENDITURES				
Principal retirement	6,346,795	6,346,795	6,346,795	-
Interest and fiscal agent charges	2,640,830	2,640,830	2,579,616	61,214
Miscellaneous	177,000	177,000	-	177,000
Total expenditures	9,164,625	9,164,625	8,926,411	238,214
Deficiency of revenues under expenditures	53,175	53,175	282,900	229,725
OTHER FINANCING SOURCES (USES)				
Transfers in	93,825	93,825	93,825	-
Total other financing sources (uses)	93,825	93,825	93,825	-
Net changes in fund balances	\$ 147,000	\$ 147,000	\$ 376,725	\$ 229,725
Fund balances, beginning of year			1,484,107	
Fund balances, end of year			<u>\$ 1,860,832</u>	

**CITY OF CEDAR HILL, TEXAS
POLICE FORFEITURE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT G-2

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeits	\$ 25,000	\$ 25,000	\$ 75,483	\$ 50,483
Investment earnings	1,750	1,750	4,755	3,005
Total revenues	<u>26,750</u>	<u>26,750</u>	<u>80,238</u>	<u>53,488</u>
EXPENDITURES				
Public safety	33,000	33,000	22,434	10,566
Total expenditures	<u>33,000</u>	<u>33,000</u>	<u>22,434</u>	<u>10,566</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,250)</u>	<u>(6,250)</u>	<u>57,804</u>	<u>64,054</u>
Changes in fund balances	<u>\$ (6,250)</u>	<u>\$ (6,250)</u>	<u>57,804</u>	<u>\$ 64,054</u>
Fund balances, beginning of year			<u>140,434</u>	
Fund balances, end of year			<u>\$ 198,238</u>	

**CITY OF CEDAR HILL, TEXAS
HOTEL OCCUPANCY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT G-3

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 230,000	\$ 230,000	\$ 341,579	\$ 111,579
Investment earnings	12,000	12,000	27,332	15,332
Miscellaneous	-	-	421	421
Total revenues	<u>242,000</u>	<u>242,000</u>	<u>369,332</u>	<u>127,332</u>
EXPENDITURES				
Community Services	364,340	364,340	257,840	106,500
Capital Outlay	15,000	15,000	-	15,000
Total expenditures	<u>379,340</u>	<u>379,340</u>	<u>257,840</u>	<u>121,500</u>
Excess of revenues over expenditures	<u>(137,340)</u>	<u>(137,340)</u>	<u>111,492</u>	<u>248,832</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	53,569	53,569
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>53,569</u>	<u>53,569</u>
Net changes in fund balances	<u>\$ (137,340)</u>	<u>\$ (137,340)</u>	<u>165,061</u>	<u>\$ 302,401</u>
Fund balances, beginning of year			<u>890,939</u>	
Fund balances, end of year			<u>\$ 1,056,000</u>	

**CITY OF CEDAR HILL, TEXAS
LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT G-4

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,000	\$ 3,000	\$ 3,525	\$ 525
Investment earnings	1,350	1,350	3,168	1,818
Grants and donations	-	-	39,917	39,917
Miscellaneous revenue	30,000	30,000	-	(30,000)
Total revenues	34,350	34,350	46,610	12,260
EXPENDITURES				
Community Services	34,350	34,350	56,864	(22,514)
Total expenditures	34,350	34,350	56,864	(22,514)
Excess of (deficiency) revenues over (under) expenditures	-	-	(10,254)	(10,254)
Net changes in fund balances	\$ -	\$ -	(10,254)	\$ (10,254)
Fund balances, beginning of year			106,264	
Fund balances, end of year			\$ 96,010	

CITY OF CEDAR HILL, TEXAS **EXHIBIT G-5**
HIGH POINTE PUBLIC IMPROVEMENT DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Assessments	\$ 433,490	\$ 433,490	\$ 486,020	\$ 52,530
Intergovernmental	20,000	20,000	20,000	-
Investment earnings	1,500	1,500	5,420	3,920
Miscellaneous	-	-	6,762	6,762
Total revenues	<u>454,990</u>	<u>454,990</u>	<u>518,202</u>	<u>63,212</u>
EXPENDITURES				
Community service	309,200	309,200	415,415	(106,215)
Capital outlay	197,290	197,290	132,294	64,996
Total expenditures	<u>506,490</u>	<u>506,490</u>	<u>547,709</u>	<u>(41,219)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(51,500)</u>	<u>(51,500)</u>	<u>(29,507)</u>	<u>21,993</u>
Net changes in fund balances	<u>\$ (51,500)</u>	<u>\$ (51,500)</u>	<u>(29,507)</u>	<u>\$ 21,993</u>
Fund balances, beginning of year			<u>189,343</u>	
Fund balances, end of year			<u>\$ 159,836</u>	

CITY OF CEDAR HILL, TEXAS
EXHIBIT G-6

WATERFORD OAKS PUBLIC IMPROVEMENT DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 150,850	\$ 150,850	\$ 156,611	\$ 5,761
Intergovernmental	3,300	3,300	3,300	-
Investment earnings	2,500	2,500	8,721	6,221
Total revenues	156,650	156,650	168,632	11,982
EXPENDITURES				
Community service	104,800	104,800	98,341	6,459
Capital outlay	35,000	35,000	24,480	10,520
Total expenditures	139,800	139,800	122,821	16,979
Excess (deficiency) of revenues over (under) expenditures	16,850	16,850	45,811	28,961
Net changes in fund balances	\$ 16,850	\$ 16,850	45,811	\$ 28,961
Fund balances, beginning of year			281,838	
Fund balances, end of year			\$ 327,649	

CITY OF CEDAR HILL, TEXAS **EXHIBIT G-7**
WINDING HOLLOW PUBLIC IMPROVEMENT DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 44,980	\$ 44,980	\$ 47,242	\$ 2,262
Investment earnings	600	600	2,140	1,540
Total revenues	45,580	45,580	49,382	3,802
EXPENDITURES				
Community service	6,650	26,650	2,893	23,757
Capital outlay	19,500	19,500	356,689	(337,189)
Total expenditures	26,150	46,150	359,582	(313,432)
Excess (deficiency) of revenues over (under) expenditures	19,430	(570)	(310,200)	(309,630)
Changes in fund balances	\$ 19,430	\$ (570)	(310,200)	\$ (309,630)
Fund balances, beginning of year			62,116	
Fund balances, end of year			\$ (248,084)	

**CITY OF CEDAR HILL, TEXAS
TRAFFIC SAFETY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT G-8

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeits	\$ 675,000	\$ 675,000	\$ 495,451	\$ (179,549)
Investment earnings	12,000	12,000	22,922	10,922
Miscellaneous	-	-	1,806	1,806
Total revenues	687,000	687,000	520,179	(166,821)
EXPENDITURES				
Public safety	566,800	566,800	399,619	167,181
Capital outlay	105,874	105,874	122,466	(16,592)
Total expenditures	672,674	672,674	522,085	150,589
Excess (deficiency) of revenues over (under) expenditures	14,326	14,326	(1,906)	(16,232)
Changes in fund balances	\$ 14,326	\$ 14,326	(1,906)	\$ (16,232)
Fund balances, beginning of year			511,995	
Fund balances, end of year			\$ 510,089	

**CITY OF CEDAR HILL, TEXAS
 CRIME CONTROL AND PREVENTION DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT G-9

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,029,700	\$ 1,029,700	\$ 1,028,634	\$ (1,066)
Fines and forfeits	-	-	42,626	42,626
Investment earnings	3,000	3,000	5,567	2,567
Miscellaneous	3,300	3,300	1,279	(2,021)
Total revenues	<u>1,036,000</u>	<u>1,036,000</u>	<u>1,078,106</u>	<u>42,106</u>
EXPENDITURES				
Public safety	<u>1,035,996</u>	<u>1,035,996</u>	<u>1,035,673</u>	<u>323</u>
Total expenditures	<u>1,035,996</u>	<u>1,035,996</u>	<u>1,035,673</u>	<u>323</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4</u>	<u>4</u>	<u>42,433</u>	<u>42,429</u>
Net changes in fund balances	<u>\$ 4</u>	<u>\$ 4</u>	<u>42,433</u>	<u>\$ 42,429</u>
Fund balances, beginning of year			<u>330,714</u>	
Fund balances, end of year			<u>\$ 373,147</u>	

CITY OF CEDAR HILL, TEXAS
ANIMAL SHELTER FUND

EXHIBIT G-10

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 666,882	\$ 666,882	\$ 633,850	\$ (33,032)
Investment earnings	2,500	2,500	5,714	3,214
Grants and donations	-	-	334,682	334,682
Miscellaneous	125,000	125,000	95	(124,905)
Total revenues	<u>794,382</u>	<u>794,382</u>	<u>974,341</u>	<u>179,959</u>
EXPENDITURES				
Public safety	907,976	907,976	870,030	37,946
Total expenditures	<u>907,976</u>	<u>907,976</u>	<u>870,030</u>	<u>37,946</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(113,594)</u>	<u>(113,594)</u>	<u>104,311</u>	<u>217,905</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	224,978	224,978	224,978	-
Transfer out	<u>(93,825)</u>	<u>(93,825)</u>	<u>(93,825)</u>	<u>-</u>
Total other financing sources (uses)	<u>131,153</u>	<u>131,153</u>	<u>131,153</u>	<u>-</u>
Net changes in fund balances	<u>\$ 17,559</u>	<u>\$ 17,559</u>	<u>235,464</u>	<u>\$ 217,905</u>
Fund balances, beginning of year			<u>133,500</u>	
Fund balances, end of year			<u>\$ 368,964</u>	

**CITY OF CEDAR HILL, TEXAS
LANDSCAPE BEAUTIFICATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT G-11

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,477,000	\$ 2,477,000	\$ 2,715,881	\$ 238,881
Investment earnings	5,000	5,000	7,087	2,087
Miscellaneous	1,000	1,000	2,225	1,225
Total revenues	<u>2,483,000</u>	<u>2,483,000</u>	<u>2,725,193</u>	<u>242,193</u>
EXPENDITURES				
Community service	2,354,668	2,354,668	2,314,995	39,673
Capital outlay	-	-	-	-
Total expenditures	<u>2,354,668</u>	<u>2,354,668</u>	<u>2,314,995</u>	<u>39,673</u>
Excess (deficiency) of revenues over (under) expenditures	<u>128,332</u>	<u>128,332</u>	<u>410,198</u>	<u>281,866</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	(250,000)	(250,000)	(250,000)	-
Total other financing sources (uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Changes in fund balances	<u>\$ (121,668)</u>	<u>\$ (121,668)</u>	160,198	<u>\$ 281,866</u>
Fund balances, beginning of year			<u>340,228</u>	
Fund balances, end of year			<u>\$ 500,426</u>	

**CITY OF CEDAR HILL, TEXAS
INTERNAL SERVICES FUND
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

EXHIBIT H-1

	Equipment Fund	Health Insurance Fund	Total
ASSETS:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 1,291,827	\$ 1,692,374	\$ 2,984,201
Receivables (net, of allowances for uncollectibles):			
Accounts	15,075	2,478	17,553
Interest	1,804	-	1,804
Total current assets	1,308,706	1,694,852	3,003,558
Noncurrent assets:			
Capital assets:			
Depreciable-net of accumulated depreciation	3,384,554	-	3,384,554
Total noncurrent assets	3,384,554	-	3,384,554
Total assets	4,693,260	1,694,852	6,388,112
LIABILITIES:			
Current liabilities:			
Payable from current assets:			
Accounts and contracts payable	52,708	8,354	61,062
Unpaid claims liabilities	-	449,602	449,602
Total payable from current assets	52,708	457,956	510,664
Total current liabilities	52,708	457,956	510,664
Total liabilities	52,708	457,956	510,664
NET POSITION:			
Net investment in capital assets	3,384,554	-	3,384,554
Unrestricted	1,255,998	1,236,896	2,492,894
Total net position	\$ 4,640,552	\$ 1,236,896	\$ 5,877,448

CITY OF CEDAR HILL, TEXAS
INTERNAL SERVICES FUND

EXHIBIT H-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Equipment Fund	Health Insurance Fund	Total
OPERATING REVENUES:			
Other charges	\$ 1,002,966	\$ -	\$ 1,002,966
Premiums	-	3,717,357	3,717,357
Total operating revenues	1,002,966	3,717,357	4,720,323
OPERATING EXPENSES:			
Claims paid and change in estimate	-	2,358,267	2,358,267
Administrative and fiscal services	-	676,548	676,548
Depreciation	919,661	-	919,661
Materials and supplies	176,731	-	176,731
Miscellaneous	-	186,598	186,598
Total operating expenses	1,096,392	3,221,413	4,317,805
OPERATING INCOME (LOSS)	(93,426)	495,944	402,518
NON-OPERATING REVENUES (EXPENSES):			
Other non-operating revenue	6,000	-	6,000
Investment income	29,818	28,799	58,617
Gain (loss) on retirement of assets	54,182	-	54,182
Total nonoperating revenue (expenses)	90,000	28,799	118,799
INCOME (LOSS)	(3,426)	524,743	521,317
CHANGE IN NET POSITION	(3,426)	524,743	521,317
NET POSITION-October 1	4,643,978	712,153	5,356,131
NET POSITION-End of year	\$ 4,640,552	\$ 1,236,896	\$ 5,877,448

**CITY OF CEDAR HILL, TEXAS
INTERNAL SERVICES FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT H-3

	Equipment Fund	Health Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,010,756	\$ -	\$ 1,010,756
Cash received from city and employee contributions	-	3,657,928	3,657,928
Cash received from the wellness program	-	62,052	62,052
Cash paid to suppliers	(158,278)	-	(158,278)
Cash payments for claims	-	(2,247,163)	(2,247,163)
Cash payments for administrative and fiscal services	-	(863,147)	(863,147)
Net cash provided by operations	852,478	609,670	1,462,148
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(835,345)	-	(835,345)
Proceeds from sales of assets	54,182	-	54,182
Other non-operating sources	6,000	-	6,000
Net cash used in capital and related financing activities	(775,163)	-	(775,163)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	29,818	28,799	58,617
Net cash provided by investing activities	29,818	28,799	58,617
NET DECREASE IN CASH AND CASH EQUIVALENTS	107,133	638,469	745,602
CASH AND CASH EQUIVALENTS-Beginning of year	1,184,694	1,053,905	2,238,599
CASH AND CASH EQUIVALENTS-End of year	\$ 1,291,827	\$ 1,692,374	\$ 2,984,201
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income(loss)	\$ (93,426)	\$ 495,944	\$ 402,518
Adjustments:			
Depreciation expense	919,661	-	919,661
Change in assets and liabilities:			
Decrease (increase) in receivables	(7,285)	249	(7,036)
Increase (decrease) in accounts payable	33,528	2,373	35,901
Increase (decrease) in claims liabilities	-	111,104	111,104
Total adjustments	945,904	113,726	1,059,630
NET CASH PROVIDED BY OPERATIONS	\$ 852,478	\$ 609,670	\$ 1,462,148

**CEDAR HILL COMMUNITY DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
BALANCE SHEET
AS OF SEPTEMBER 30, 2019**

EXHIBIT I-1

	Community Development Corporation
ASSETS	
Equity in pooled cash and cash equivalents	\$ 10,009,412
Receivable:	
Taxes	694,890
Interest	10,825
Miscellaneous	32,160
	<u>747,875</u>
Total assets	\$ 10,747,287
	<u><u>10,747,287</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	67,471
Accrued liabilities	74,178
Unearned revenue	126,088
Deposits	21,968
	<u>289,705</u>
Total liabilities	289,705
FUND BALANCE	
Unassigned	10,457,582
Total fund balance	10,457,582
	<u><u>10,457,582</u></u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 10,747,287
	<u><u>10,747,287</u></u>

**CEDAR HILL COMMUNITY DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
RECONCILIATION OF THE BALANCE SHEET TO
THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2019**

EXHIBIT I-2

TOTAL FUND BALANCES-Governmental funds	\$ 10,457,582
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.	2,411,400
Deferred outflows on OPEB Healthcare are not recognized until future periods and therefore are not reported in the funds.	9,109
Deferred inflows on OPEB Healthcare are not recognized until future periods and therefore are not reported in the funds.	(10,819)
Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported in the funds. Long-term liabilities consist of:	
Compensated absences	(63,856)
OPEB liability	<u>(84,190)</u>
TOTAL NET POSITION-Governmental activities	<u><u>\$ 12,719,226</u></u>

**CEDAR HILL COMMUNITY DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT I-3

	Community Development Corporation
REVENUES:	
Taxes	\$ 4,143,745
Charges for services	555,137
Investment earnings	254,914
Miscellaneous	22,978
Total revenues	<u>4,976,774</u>
EXPENDITURES	
Current:	
Community services	3,398,655
Capital outlay:	
Community services	45,442
Total expenditures	<u>3,444,097</u>
Excess (deficiency) of revenues over expenditures	<u>1,532,677</u>
Changes in Fund Balance	<u>1,532,677</u>
Fund balances, beginning of year	<u>8,924,905</u>
Fund balances, end of year	<u><u>\$ 10,457,582</u></u>

**CEDAR HILL COMMUNITY DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT I-4

NET CHANGE IN FUND BALANCES-Total governmental funds \$ 1,532,677

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

Governmental funds report capital outlays as expenditures. However, in the government-wide financial statements, they are reported as capital assets. 45,442

In governmental fund financial statements contributions of assets are not reported. In the government-wide financial statements, contributions of assets are reported as reductions in net position. (45,442)

Net changes to vacation and sick liabilities as well as deferred outflows/inflows and OPEB liabilities are not shown (3,461)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,529,216

**CEDAR HILL ECONOMIC DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
BALANCE SHEET
AS OF SEPTEMBER 30, 2019**

EXHIBIT I-5

ASSETS	Economic Development Corporation
Equity in pooled cash and cash equivalents	\$ 6,361,132
Investments	2,031,554
Receivable:	
Taxes	521,161
Miscellaneous	895
Interest	10,825
Prepaid items	11,237
	<hr/>
Total assets	\$ 8,936,804
	<hr/> <hr/>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Current liabilities:	
Accounts payable	20,213
Accrued liabilities	20,494
	<hr/>
Total liabilities	40,707
	<hr/>
FUND BALANCE	
Nonspendable	11,237
Unassigned	8,884,860
Total fund balance	8,896,097
	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 8,936,804
	<hr/> <hr/>

**CEDAR HILL ECONOMIC DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
RECONCILIATION OF THE BALANCE SHEET TO
THE STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2019**

EXHIBIT I-6

TOTAL FUND BALANCES-Governmental funds	\$ 8,896,097
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.	2,883,617
Deferred outflows on OPEB Healthcare are not recognized until future periods and therefore are not reported in the fund statements.	2,603
Deferred inflows on OPEB Healthcare are not recognized until future periods and therefore are not reported in the funds.	(3,091)
Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported in the funds. Long-term liabilities consist of:	
Compensated absences	(5,159)
OPEB liability	<u>(24,054)</u>
TOTAL NET POSITION-Governmental activities	<u><u>\$ 11,750,013</u></u>

**CEDAR HILL ECONOMIC DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT I-7

	<u>Economic Development Corporation</u>
REVENUES:	
Taxes	\$ 3,107,809
Investment earnings	<u>188,032</u>
Total revenues	<u>3,295,841</u>
EXPENDITURES	
Current:	
Community services	<u>2,962,715</u>
Total expenditures	<u>2,962,715</u>
Excess (deficiency) of revenues over expenditures	<u>333,126</u>
Other Financing Sources (Uses)	
Proceeds from sale of assets	<u>108,900</u>
Total Financing Sources (Uses)	<u>108,900</u>
Changes in Fund Balance	<u>442,026</u>
Fund balances, beginning of year	<u>8,454,071</u>
Fund balances, end of year	<u><u>\$ 8,896,097</u></u>

**CEDAR HILL ECONOMIC DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

EXHIBIT I-8

NET CHANGE IN FUND BALANCES-Total governmental funds	\$ 442,026
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	(2,389)
Governmental funds report capital outlays as expenditures. However, in the government-wide financials, they are reported as capital assets	20,095
Additions to vacation and sick liabilities and changes to deferred outflows/inflows are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.	30,246
In governmental fund financial statements, the proceeds from a sale of assets are shown as an increase in financial resources. In the government-wide financial statements, the gain or loss is calculated and reported.	<u>(35,373)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 454,605</u>



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

**STATISTICAL SECTION
(UNAUDITED)**



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

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 City of Cedar Hill's overall financial health.

FINANCIAL TRENDS INFORMATION - information to help the reader understand how the City's financial performance and well-being have changed over time.

- 1 Net assets by component
- 2 Changes in net assets
- 3 Fund balances, governmental funds
- 4 Changes in fund balances, governmental funds

REVENUE CAPACITY INFORMATION - information to help the reader assess the City's most significant local revenue source, the property tax.

- 5 Assessed value and actual value of taxable property
- 6 Direct and overlapping property tax rates
- 7 Principal property tax payers
- 8 Property tax levies and collections

DEBT CAPACITY INFORMATION - information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- 9 Ratios of outstanding debt by type
- 10 Ratios of net general bonded debt outstanding
- 11 Direct and overlapping governmental activities debt
- 12 Legal debt margin information
- 13 Pledged-revenue coverage

DEMOGRAPHIC AND ECONOMIC INFORMATION - information to help the reader understand the environment within which the City's financial activities take place, and to help make comparisons over time and with other governments.

- 14 Demographic and economic statistics
- 15 Principal employers

OPERATING INFORMATION - service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

- 16 Full-time equivalent city government employees by function/program
- 17 Operating indicators by function/program
- 18 Capital asset statistics by function/program

**CITY OF CEDAR HILL, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	2010		2011		2012		2013
Governmental activities							
Net investment in capital assets	\$ 72,409,924	\$	72,596,207	\$	72,238,826	\$	74,150,379
Restricted	12,232,354		11,378,549		10,973,051		10,964,938
Unrestricted	12,564,824		14,718,473		16,659,826		14,134,635
Total governmental activities net position	\$ 97,207,102	\$	98,693,229	\$	99,871,703	\$	99,249,952
Business-type activities							
Net investment in capital assets	\$ 46,312,862	\$	45,512,376	\$	45,886,988	\$	45,615,944
Restricted	3,390,278		3,510,291		3,137,658		3,388,212
Unrestricted	3,951,962		3,690,340		2,912,481		3,730,851
Total business-type activities net position	\$ 53,655,102	\$	52,713,007	\$	51,937,127	\$	52,735,007
Primary government							
Net investment in capital assets	\$ 118,722,786	\$	118,108,583	\$	118,125,814	\$	119,766,323
Restricted	15,622,632		14,888,840		14,110,709		14,353,150
Unrestricted	16,516,786		18,408,813		19,572,307		17,865,486
Total primary government net position	\$ 150,862,204	\$	151,406,236	\$	151,808,830	\$	151,984,959

Source: Comprehensive Annual Financial Reports

TABLE 1

2014	2015	2016	2017	2018	2019
\$ 75,744,968	\$ 80,025,249	\$ 83,215,449	\$ 109,712,318	\$ 106,180,335	\$ 105,638,798
9,967,610	10,511,210	8,394,131	11,582,583	17,678,071	44,459,438
13,484,943	1,871,573	1,966,112	17,843,316	17,850,181	(5,934,956)
<u>\$ 99,197,521</u>	<u>\$ 92,408,032</u>	<u>\$ 93,575,692</u>	<u>\$ 139,138,217</u>	<u>\$ 141,708,587</u>	<u>\$ 144,163,280</u>
\$ 45,480,236	\$ 46,927,843	\$ 45,050,487	\$ 46,893,008	\$ 46,436,363	\$ 44,824,224
4,048,531	3,133,733	1,792,767	1,681,967	3,859,296	5,383,604
6,970,564	6,644,886	7,420,834	6,713,795	4,894,933	4,693,298
<u>\$ 56,499,331</u>	<u>\$ 56,706,462</u>	<u>\$ 54,264,088</u>	<u>\$ 55,288,770</u>	<u>\$ 55,190,592</u>	<u>\$ 54,901,126</u>
\$ 121,225,204	\$ 126,953,092	\$ 128,265,936	\$ 156,605,326	\$ 152,616,698	\$ 150,463,022
14,016,141	13,644,943	10,186,898	13,264,550	21,537,367	49,843,042
20,455,507	8,516,459	9,386,946	24,557,111	22,745,114	(1,241,658)
<u>\$ 155,696,852</u>	<u>\$ 149,114,494</u>	<u>\$ 147,839,780</u>	<u>\$ 194,426,987</u>	<u>\$ 196,899,179</u>	<u>\$ 199,064,406</u>

**CITY OF CEDAR HILL, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	2010	2011	2012	2013
Expenses				
Governmental activities:				
General government	\$ 4,963,810	\$ 4,990,898	\$ 5,280,221	\$ 5,899,317
Public safety	19,648,564	19,143,067	19,185,108	19,700,185
Public works	6,625,549	6,575,290	6,492,493	6,441,727
Community services	6,920,678	6,694,703	6,388,243	6,829,000
Interest and fiscal charges	7,230,607	7,178,521	6,924,676	7,159,431
Total governmental activities expenses	45,389,208	44,582,479	44,270,741	46,029,660
Business-type activities:				
Water and sewer	\$ 15,528,663	\$ 16,374,985	\$ 15,674,005	\$ 15,491,378
Total business-type activities expenses	15,528,663	16,374,985	15,674,005	15,491,378
Total primary government expenses	\$ 60,917,871	\$ 60,957,464	\$ 59,944,746	\$ 61,521,038
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 402,651	\$ 366,589	\$ 353,812	\$ 1,168,201
Public safety	3,630,091	3,592,585	3,936,093	3,798,408
Public works	134,996	235,140	463,247	938,346
Community services	2,635,525	2,487,343	2,715,284	2,903,833
Operating grants/contributions	2,263,449	3,112,884	1,979,785	2,024,725
Capital grants/contributions	662,691	997,587	714,235	2,795,676
Total governmental activities program revenues	9,729,403	10,792,128	10,162,456	13,629,189
Business-type activities:				
Charges for services	\$ 13,762,041	\$ 16,691,383	\$ 15,977,792	\$ 17,209,452
Capital grants/contributions	523,394	354,169	526,269	692,880
Total business-type activities program revenues	14,285,435	17,045,552	16,504,061	17,902,332
Total primary government program revenues	\$ 24,014,838	\$ 27,837,680	\$ 26,666,517	\$ 31,531,521
Net (Expense)/Revenue				
Governmental activities	\$ (35,659,805)	\$ (33,790,351)	\$ (34,108,285)	\$ (32,400,471)
Business-type activities	(1,243,228)	670,567	830,056	2,410,954
Total primary government net expense	\$ (36,903,033)	\$ (33,119,784)	\$ (33,278,229)	\$ (29,989,517)

Source: Comprehensive Annual Financial Reports

TABLE 2 (CONTINUED)

2014	2015	2016	2017	2018	2019
\$ 6,048,611	\$ 6,722,301	\$ 6,767,213	\$ 6,947,494	\$ 6,960,889	\$ 7,123,089
21,050,888	22,189,531	24,862,491	25,618,102	25,902,749	29,519,851
6,696,307	11,736,039	11,441,834	5,008,051	7,021,452	4,879,498
7,058,519	7,865,226	8,430,316	9,280,829	10,800,462	11,409,000
6,977,022	2,907,619	2,405,818	1,874,383	1,910,803	2,431,803
47,831,347	51,420,716	53,907,672	48,728,859	52,596,355	55,363,241
\$ 15,772,743	\$ 16,415,804	\$ 18,221,821	\$ 17,708,700	\$ 17,848,255	\$ 18,832,771
15,772,743	16,415,804	18,221,821	17,708,700	17,848,255	18,832,771
\$ 63,604,090	\$ 67,836,520	\$ 72,129,493	\$ 66,437,559	\$ 70,444,610	\$ 74,196,012
\$ 464,192	\$ 716,293	\$ 870,839	\$ 843,914	\$ 779,978	\$ 788,815
4,096,762	6,019,903	5,254,150	5,550,066	5,588,368	5,733,331
366,992	100,870	316,432	114,914	192,082	126,256
2,717,031	3,036,202	3,224,479	3,525,792	3,745,336	3,960,314
1,740,421	2,001,494	2,666,399	2,537,822	4,374,471	3,824,331
5,186,398	1,048,364	4,457,074	1,511,933	1,095,938	853,951
14,571,796	12,923,126	16,789,373	14,084,441	15,776,173	15,286,998
\$ 17,382,937	\$ 18,685,787	\$ 17,415,597	\$ 17,759,404	\$ 18,621,798	\$ 17,997,411
631,981	257,513	380,971	1,794,910	357,101	480,156
18,014,918	18,943,300	17,796,568	19,554,314	18,978,899	18,477,567
\$ 32,586,714	\$ 31,866,426	\$ 34,585,941	\$ 33,638,755	\$ 34,755,072	\$ 33,764,565
\$ (33,259,551)	\$ (38,497,590)	\$ (37,118,299)	\$ (34,644,418)	\$ (36,820,182)	\$ (40,076,243)
2,242,175	2,527,496	(425,253)	1,845,614	1,130,644	(355,204)
\$ (31,017,376)	\$ (35,970,094)	\$ (37,543,552)	\$ (32,798,804)	\$ (35,689,538)	\$ (40,431,447)

**CITY OF CEDAR HILL, TEXAS
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)**

	2010	2011	2012	2013
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Sales and use taxes	\$ 6,132,913	\$ 6,111,207	\$ 6,365,835	\$ 6,698,766
Property taxes	18,765,437	19,155,974	19,328,492	19,149,038
Hotel/motel taxes	107,434	135,676	161,997	190,302
Franchise fees	2,945,412	3,284,583	3,457,821	3,354,340
Investment earnings	3,406,971	4,535,466	4,005,347	257,379
Gain on disposal of property	40,251	41,859	-	8,479
Miscellaneous	646,777	211,713	167,267	320,416
Transfers	1,800,000	1,800,000	1,800,000	1,800,000
Gain on Joe Pool payment agreement	-	-	-	-
Total governmental activities	33,845,195	35,276,478	35,286,759	31,778,720
Business-type activities:				
Investment earnings	\$ 186,944	\$ 125,261	\$ 119,897	\$ 56,838
Gain/loss of disposal of property	-	-	-	-
Miscellaneous	64,610	62,077	74,167	130,088
Transfers	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)
Total business-type activities	(1,548,446)	(1,612,662)	(1,605,936)	(1,613,074)
Total primary government	\$ 32,296,749	\$ 33,663,816	\$ 33,680,823	\$ 30,165,646
Change in Net Position				
Governmental activities	\$ (1,814,610)	\$ 1,486,127	\$ 1,178,474	\$ (621,751)
Business-type activities	(2,791,674)	(942,095)	(775,880)	797,880
Total primary government	\$ (4,606,284)	\$ 544,032	\$ 402,594	\$ 176,129

TABLE 2 (CONCLUDED)

2014	2015	2016	2017	2018	2019
\$ 7,610,173	\$ 8,075,632	\$ 8,674,970	\$ 8,903,958	\$ 9,097,038	\$ 9,434,328
19,198,820	20,322,289	21,222,889	22,809,120	24,781,240	27,083,238
213,130	220,746	223,330	301,690	250,332	341,579
3,603,799	3,855,211	2,990,157	4,000,294	3,639,798	3,615,024
3,068,688	1,305,343	1,497,708	268,574	928,939	1,341,530
15,704	86,420	(12,968)	(67,853)	82,623	54,187
231,287	340,555	508,136	926,523	465,361	333,050
1,800,000	1,800,000	2,059,800	924,956	1,232,882	328,000
-	-	-	42,139,681	-	-
35,741,601	36,006,196	37,164,022	80,206,943	40,478,213	42,530,936
\$ 36,670	\$ 58,062	\$ 46,538	\$ 81,424	\$ 131,821	\$ 358,088
-	-	(3,859)	22,600	5,450	35,650
3,478,858	-	-	-	-	-
(1,800,000)	(1,800,000)	(2,059,800)	(924,956)	(1,232,882)	(328,000)
1,715,528	(1,741,938)	(2,017,121)	(820,932)	(1,095,611)	65,738
\$ 37,457,129	\$ 34,264,258	\$ 35,146,901	\$ 79,386,011	\$ 39,382,602	\$ 42,596,674
\$ 2,482,050	\$ (2,491,394)	\$ 45,723	\$ 45,562,525	\$ 3,658,031	\$ 2,454,693
3,957,703	785,558	(2,442,374)	1,024,682	35,033	(289,466)
\$ 6,439,753	\$ (1,705,836)	\$ (2,396,651)	\$ 46,587,207	\$ 3,693,064	\$ 2,165,227

**CITY OF CEDAR HILL, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund				
Reserved				
Prepaid and inventory	\$ 289,796	\$ -	\$ -	\$ -
Animal shelter	93,240	-	-	-
Unreserved	7,429,188	-	-	-
Nonspendable	-	79,890	108,886	47,394
Restricted	-	23,359	21,422	15,602
Unassigned	-	7,245,735	8,081,105	8,155,908
Total General Fund	\$ 7,812,224	\$ 7,348,984	\$ 8,211,413	\$ 8,218,904
All Other Governmental Funds				
Reserved for:				
Prepaid and inventory	\$ -	\$ -	\$ -	\$ -
Construction	32,992,500	-	-	-
Debt service	1,338,388	-	-	-
Unreserved - designated for Joe Pool Fund	33,303,314	-	-	-
Unreserved, reported in:				
Special revenue funds	1,812,463	-	-	-
Nonspendable	-	4,113	1,175	875
JPL permanent fund	-	-	-	-
Restricted for:				
Construction	-	27,061,239	21,065,403	18,479,874
PID use	-	255,046	264,048	262,925
Tourism	-	517,732	590,841	665,874
Public Safety	-	267,580	356,891	583,458
Community Service	-	-	-	-
Landscaping	-	-	-	-
Economic Development	-	-	-	-
Debt service	-	1,214,648	1,113,789	1,340,738
General Government	-	-	-	-
Public works	-	-	-	-
Committed for:				
Library	-	64,273	75,740	131,760
Landscaping	-	1,006,819	1,477,075	1,366,022
Construction	-	2,077,747	1,564,353	1,572,054
Facilities	-	-	-	-
Building maintenance	-	725,215	821,645	825,690
JPL nature corridor	-	39,186,264	44,607,884	46,527,005
Economic Development	-	-	-	-
Infrastructure	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	\$ 69,446,665	\$ 72,380,676	\$ 71,938,844	\$ 71,756,275

Source: Comprehensive Annual Financial Reports
Fund Balances have been updated to reflect City's GASB 54 Fund Balance Policy

TABLE 3

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ -	\$ -	\$ 283,522	\$ 117,473	\$ 44,743	\$ 76,879
-	-	123,575	-	-	-
-	-	-	-	-	-
52,652	26,822	-	-	-	-
24,404	24,406	-	-	-	-
7,835,891	9,090,324	8,771,503	8,448,918	8,771,211	10,074,245
<u>\$ 7,912,947</u>	<u>\$ 9,141,552</u>	<u>\$ 9,178,600</u>	<u>\$ 8,566,391</u>	<u>\$ 8,815,954</u>	<u>\$ 10,151,124</u>
\$ -	\$ -	\$ 6,224	\$ -	\$ 282	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
875	1,963	-	-	-	-
-	-	-	-	-	15,000,000
16,652,763	24,504,541	17,612,849	10,059,379	14,665,951	-
270,267	277,468	239,342	368,849	533,015	-
750,883	836,894	821,640	912,273	890,939	-
608,020	541,678	545,723	804,398	1,116,643	1,476,465
-	-	-	-	-	2,311,580
-	-	-	-	222,825	-
-	-	-	-	38,975	-
1,356,029	1,246,232	1,447,330	1,396,399	1,484,107	1,860,832
-	-	-	-	-	831,191
-	-	-	-	-	27,272,227
135,238	121,489	123,146	107,118	-	-
1,092,406	1,050,997	1,277,952	1,377,018	-	-
1,577,647	1,173,232	1,819,952	2,545,026	2,607,973	-
-	-	-	-	180,095	184,438
828,407	817,196	194,232	177,445	-	-
51,305,636	54,301,017	58,689,221	18,564,055	18,874,640	4,296,464
-	-	-	-	101,305	-
-	-	-	-	-	2,752,812
-	-	-	97,936	1,042,564	946,461
-	-	-	-	-	(248,084)
<u>\$ 74,578,171</u>	<u>\$ 84,872,707</u>	<u>\$ 82,777,611</u>	<u>\$ 36,409,896</u>	<u>\$ 41,759,314</u>	<u>\$ 56,684,386</u>

**CITY OF CEDAR HILL, TEXAS
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Revenues				
Taxes	\$ 25,057,110	\$ 25,408,781	\$ 25,812,621	\$ 26,083,264
Franchise taxes	3,745,033	3,188,430	3,431,525	3,352,205
Licenses and permits	599,253	520,502	526,399	772,875
Intergovernmental	2,550,947	3,532,596	2,224,495	2,050,841
Charges for services	4,587,557	4,491,115	4,669,666	4,950,614
Fines and forfeits	1,307,338	1,330,054	1,372,402	1,303,332
Investment earnings	3,217,524	4,510,842	3,989,265	248,395
Grants and donations	-	-	-	-
Miscellaneous	1,043,796	592,110	877,586	4,173,110
Total revenues	<u>42,108,558</u>	<u>43,574,430</u>	<u>42,903,959</u>	<u>42,934,636</u>
Expenditures				
General government	4,268,152	4,213,256	4,411,688	4,572,942
Public works	2,258,685	2,131,623	2,056,306	2,240,304
Public safety	19,365,668	18,715,058	18,560,836	19,066,681
Community services	6,111,610	5,800,851	5,478,014	5,927,054
Principal retirement	4,284,760	4,271,275	4,524,345	4,792,415
Interest and fiscal agent charges	4,001,699	3,957,697	3,444,741	3,086,412
Capital outlay	3,297,991	3,992,499	5,815,584	5,223,906
Total expenditures	<u>43,588,565</u>	<u>43,082,259</u>	<u>44,291,514</u>	<u>44,909,714</u>
Excess of revenues Over (under) expenditures	(1,480,007)	493,914	(1,387,555)	(2,087,769)
Other Financing Sources (Uses)				
Transfer in	3,469,645	2,903,840	3,746,000	3,213,790
Transfer out	(1,669,645)	(1,103,840)	(1,946,000)	(1,413,790)
Premium or discount on issuance of debt	-	223,578	474,838	-
Issuance of debt	2,767,655	14,630,000	9,040,000	-
Refunding bonds issued	-	-	-	-
Payment to refunding bond escrow agent	(2,730,000)	(14,678,464)	(9,506,686)	-
Sale of Capital Assets	-	-	-	-
Total other financing sources (uses)	<u>1,837,655</u>	<u>1,975,114</u>	<u>1,808,152</u>	<u>1,800,000</u>
Net change in fund balance	<u>\$ 357,648</u>	<u>\$ 2,469,028</u>	<u>\$ 420,597</u>	<u>\$ (287,769)</u>
Capitalized Capital outlay	3,297,991	3,990,756	5,815,584	5,223,906
Debt service as a percentage of noncapital expenditures	20.6%	21.1%	20.7%	19.9%

Source: Comprehensive Annual Financial Reports
 Note: Capitalized Capital Outlay updated per CAFR

TABLE 4

2014	2015	2016	2017	2018	2019
\$ 27,058,897	\$ 28,678,707	\$ 30,120,119	\$ 32,334,075	\$ 34,105,970	\$ 36,849,234
3,637,472	3,819,178	3,465,968	3,531,434	3,640,135	3,609,312
738,332	780,478	778,437	807,719	789,254	894,811
2,556,633	3,550,102	6,750,150	3,611,557	4,525,530	3,956,900
5,015,795	5,219,839	4,733,546	4,557,442	4,780,801	4,980,938
1,389,008	1,865,880	1,760,310	1,936,758	1,857,906	1,777,077
3,064,301	2,522,617	1,490,918	255,087	899,426	1,282,913
-	-	-	-	-	374,599
810,058	1,145,450	759,828	1,398,078	946,389	727,131
44,270,496	47,582,251	49,859,276	48,432,150	51,545,411	54,452,915
4,917,868	4,868,548	5,026,331	5,322,042	5,539,114	5,423,911
2,572,167	2,145,169	2,053,159	2,249,229	2,180,935	2,200,304
20,151,570	20,773,934	21,791,776	22,755,963	23,718,688	24,677,418
6,040,714	6,601,545	6,849,744	7,492,414	7,591,881	8,227,740
5,225,860	5,641,240	6,102,000	46,889,359	6,443,517	6,346,795
2,997,075	2,860,726	2,874,002	2,506,334	2,491,606	2,927,327
3,390,010	2,062,022	12,169,887	9,121,689	6,733,928	7,774,859
45,295,264	44,953,184	56,866,899	96,337,030	54,699,669	57,578,354
(1,024,768)	2,629,067	(7,007,623)	(47,904,880)	(3,154,258)	(3,125,439)
3,394,411	3,218,718	3,764,661	3,024,806	2,444,571	1,045,606
(2,144,994)	(2,399,486)	(1,738,295)	(2,099,850)	(1,211,689)	(717,606)
410,735	2,961,899	2,336,076	-	172,287	967,676
-	-	-	-	7,435,000	18,090,000
9,495,000	23,325,050	16,477,611	-	-	-
(7,614,445)	(16,990,488)	(17,112,097)	-	-	-
-	-	-	-	-	5
3,540,707	10,115,693	3,727,956	924,956	8,840,169	19,385,681
\$ 2,515,939	\$ 12,744,760	\$ (3,279,667)	\$ (46,979,924)	\$ 5,685,911	\$ 16,260,242
3,390,010	1,369,729	12,190,814	10,375,451	5,236,086	7,746,148
19.6%	19.5%	20.1%	57.5%	18.1%	18.6%

**CITY OF CEDAR HILL, TEXAS
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

TABLE 5

Fiscal Year Ended September 30,	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2010	2,951,398,588	306,248,770	(344,662,593)	2,912,984,765	0.64140
2011	2,838,901,972	297,036,800	(353,400,773)	2,782,537,999	0.67000
2012	2,810,514,062	277,211,190	(350,446,444)	2,737,278,808	0.68588
2013	2,765,638,796	280,235,120	(340,371,034)	2,705,502,882	0.69569
2014	2,786,675,623	283,871,690	(384,154,819)	2,686,392,494	0.69876
2015	2,982,480,619	287,043,060	(419,337,325)	2,850,186,354	0.69876
2016	3,186,822,798	282,090,960	(451,668,826)	3,017,244,932	0.69876
2017	3,445,936,429	290,270,770	(505,646,426)	3,230,560,773	0.69876
2018	3,664,209,975	299,008,240	(527,367,350)	3,435,850,865	0.69876
2019	4,098,436,803	322,237,770	(641,573,266)	3,779,101,307	0.69703

Source: Dallas Central Appraisal District, Ellis Central Appraisal District.

Note: Property in the city is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value.



CEDAR HILL
WHERE OPPORTUNITIES GROW NATURALLY

**CITY OF CEDAR HILL, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)
(RATE PER \$100 OF ASSESSED VALUE)**

Fiscal Year Ended September 30,	City Direct Rates			Cedar Hill I.S.D.	Dallas County Community College District
	Basic Rate	General Obligation Debt Service	Total Direct		
2010	0.459490	0.181910	0.641400	1.400000	0.094900
2011	0.488090	0.181910	0.670000	1.440000	0.099230
2012	0.499820	0.186060	0.685880	1.440000	0.099670
2013	0.509630	0.186060	0.695690	1.440000	0.119375
2014	0.512700	0.186060	0.698760	1.525000	0.124700
2015	0.512700	0.186060	0.698760	1.525000	0.124780
2016	0.512700	0.186060	0.698760	1.525000	0.123650
2017	0.512700	0.186060	0.698760	1.516000	0.124240
2018	0.512700	0.186060	0.698760	1.516000	0.124240
2019	0.512935	0.184093	0.697028	1.376000	0.124000

Source: Dallas Central Appraisal District, various taxing entities.

TABLE 6

Dallas County Hospital District	Dallas County	County School Equalization	Duncanville I.S.D.	Ellis County	Midlothian I.S.D.
0.274000	0.228100	0.005212	1.418000	0.393600	1.397500
0.271000	0.243100	0.010000	1.418000	0.393599	1.397500
0.271000	0.243100	0.010000	1.418000	0.393599	1.397500
0.271000	0.243100	0.009937	1.418000	0.380091	1.540000
0.276000	0.243100	0.010000	1.410000	0.380091	1.540000
0.286000	0.243100	0.010000	1.410000	0.380091	1.540000
0.286000	0.243100	0.010000	1.529500	0.380091	1.540000
0.279400	0.243100	0.009271	1.521480	0.380091	1.540000
0.279400	0.243000	0.009000	1.520000	0.371000	1.540000
0.279400	0.243100	0.010000	1.520000	0.370533	1.540000

**CITY OF CEDAR HILL, TEXAS
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND NINE YEARS AGO
 (UNAUDITED)**

TABLE 7

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value ^a	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value ^b
EL AD Cedar Hill, LLC	\$ 56,769,450	1	1.50%	\$ -		
Uptown Village at Cedar Hill	46,137,460	2	1.22%	41,682,560	2	1.42%
Price Midtown LLC	40,445,830	3	1.07%			
Inland Western Cedar Hill	35,102,090	4	0.93%	36,219,640	3	1.24%
KRG Cedar Hill Plaza, LP	31,500,000	5	0.83%	42,969,550	1	1.47%
JC Penny Co., INC.	30,595,731	6	0.81%	26,609,084	5	0.91%
Oncor Electric Delivery	30,550,640	7	0.81%	27,412,120	4	0.93%
Wal-Mart Stores	22,233,740	8	0.59%	21,574,470	8	0.74%
Gates Cedar Hill, LTD	20,776,820	9	0.55%			
STAG TX Holdings LP	18,500,000	10	0.49%			
Target Corporation				16,690,990	10	0.57%
TSCA 202 Ltd Partnership						
RPI Cedar Hill Ltd						
Dillard Tex Operating LTD				23,975,980	6	0.82%
EE Cedar Hill Crossing LP						
2003 Legacy Partners LTD				23,972,780	7	0.82%
Masco Builder Cabinet Group				17,251,944	9	0.59%
Total	\$ 332,611,761		8.80%	\$ 278,359,118		9.49%

Source: Dallas Central Appraisal District

Note:

^a Total taxable value including real and personal property for tax year 2018 (fiscal year 2019) is \$3,779,101,307

^b Total taxable value including real and personal property for tax year 2009 (fiscal year 2010) is \$2,932,747,423

**CITY OF CEDAR HILL, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 8

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	18,683,884	18,378,688	98.37%	153,449	18,532,137	99.19%
2011	18,643,004	18,379,231	98.59%	179,230	18,558,461	99.55%
2012	18,774,447	18,521,004	98.65%	126,178	18,647,182	99.32%
2013	18,758,258	18,456,444	98.39%	170,958	18,627,402	99.30%
2014	18,886,686	18,558,194	98.26%	145,432	18,703,626	99.03%
2015	19,915,962	19,563,101	98.23%	37,189	19,600,290	98.41%
2016	21,083,301	20,729,114	98.32%	117,800	20,846,915	98.88%
2017	22,573,866	22,196,989	98.33%	130,858	22,327,847	98.91%
2018	24,008,352	23,858,851	99.38%	68,976	23,858,851	99.38%
2019	26,341,470	26,027,748	98.81%	-	26,027,748	98.81%

Sources: Dallas County Tax Office

**CITY OF CEDAR HILL, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Certificate of Obligation Bonds	Other Obligations	Unamortized Premiums	Waterworks & Sewer System Revenue Bonds	Waterworks & Sewer System GO & CO Bonds ^c	Unamortized Premiums ^c
2010	56,837,895	31,410,000	59,345,601	798,006	10,250,000	2,167,105	58,877
2011	62,666,620	21,670,000	62,718,212	918,887	9,795,000	1,938,380	52,869
2012	59,092,275	20,880,000	66,282,488	1,195,401	9,325,000	1,702,725	47,110
2013	55,019,860	20,160,000	70,049,322	1,027,368	8,835,000	1,460,140	41,614
2014	51,239,000	20,990,000	74,030,225	1,274,903	6,575,000	9,186,000	450,007
2015	61,812,760	11,420,000	78,237,362	3,814,067	4,375,000	11,217,240	710,622
2016	63,920,760	3,080,000	82,683,592	5,389,921	-	14,264,240	1,043,341
2017	58,245,312	2,410,000	-	4,503,276	-	13,014,688	877,422
2018	56,111,795	5,535,000	-	3,859,905	-	14,038,205	790,045
2019	58,985,000	14,405,000	-	4,067,779	-	16,575,000	919,730

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

^a See Table 5 for property value data.

^b See Table 14 for population data.

^c Self-supporting tax-backed bonds.

^d See Table 14 for population data.

TABLE 9

Total Primary Government	Percentage of Total Personal Personal Income ^d	Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
160,867,484	14%	5.52%	3,474
159,759,968	14%	5.74%	3,530
158,524,999	13%	5.79%	3,385
156,593,304	13%	5.75%	3,344
163,745,135	13%	6.03%	3,322
171,587,051	14%	5.86%	3,458
170,381,854	13%	5.65%	3,346
79,050,698	6%	2.45%	1,518
80,334,950	6%	2.34%	1,526
94,952,509	6%	2.94%	1,788

**CITY OF CEDAR HILL, TEXAS
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 10

Fiscal Year	General Bonded Debt Outstanding		Unamortized Premium ^d	Less Sinking Fund ^c	Percentage of Net General Bonded Debt	Actual Taxable Value of Property ^a	Per Capita ^b
	General Obligation Bonds	Certificate of Obligation Bonds					
2010	59,005,000	31,410,000	856,883	1,338,388	89,933,495	3.09%	1,942
2011	64,605,000	21,670,000	971,756	1,214,648	86,032,108	3.09%	1,901
2012	60,795,000	20,880,000	1,242,511	1,113,789	81,803,722	2.99%	1,747
2013	56,480,000	20,160,000	1,068,982	1,340,738	76,368,244	2.82%	1,631
2014	60,425,000	20,990,000	1,724,910	1,356,029	81,783,881	3.04%	1,659
2015	73,030,000	11,420,000	4,524,689	1,247,844	87,726,845	3.08%	1,768
2016	71,190,000	10,075,000	6,433,262	1,447,330	86,250,932	2.86%	1,694
2017	64,700,000	8,970,000	5,380,698	1,396,399	77,654,299	2.40%	1,491
2018	61,720,000	13,965,000	4,649,950	1,484,107	78,850,843	2.29%	1,497
2019	63,900,000	26,065,000	4,987,509	1,860,832	93,091,677	2.46%	1,753

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

^a See Table 5 for property value data.

^b See Table 14 for population data.

^c Debt Service Fund Balance

^d In FY 2017, this table was restated to include the unamortized prium for years presented.

**CITY OF CEDAR HILL, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2018
(UNAUDITED)**

TABLE 11

Taxing Jurisdiction	2017/2018 Taxable Assessed Value	2017/2018 Tax Rate	Total G.O. Tax Debt	Estimated % Applicable	City's Overlapping G.O. Tax Debt
City of Cedar Hill	\$ 3,780,520,430	0.69703	77,457,779 ⁽¹⁾	100.00%	\$ 77,457,779
Cedar Hill ISD	3,599,590,013	1.37600	105,551,468	91.95%	97,054,575
Dallas County	243,677,733,215	0.24300	151,495,000	1.33%	2,014,884
Dallas County Comm. College Dist.	250,711,265,787	0.12400	182,800,000	1.33%	2,431,240
Dallas County Hospital Dist.	244,186,272,009	0.27900	640,180,000	1.33%	11,473,511
Dallas County Schools	243,677,733,215	0.00900	37,306,896	1.33%	489,456
Desoto ISD	3,155,093,553	1.49000	143,274,401	0.12%	172,276
Duncanville ISD	4,716,946,896	1.52000	200,331,096	1.92%	3,846,357
Ellis County	15,355,774,687	0.37100	40,425,000	0.63%	254,678
Midlothian ISD	4,221,058,240	1.54000	348,716,373	1.97%	6,998,157
Subtotal, overlapping debt					\$ 124,735,134
City of Cedar Hill (direct debt)					\$ 77,457,779
Total Direct and Overlapping Tax Debt					\$ 202,192,913
Ratio of Direct and Overlapping G. O. Tax Debt to Taxable Assessed Valuation					5.35%
Per Capita Direct and Overlapping G. O. Tax Debt					\$ 3,839.66

Source:

Hilltop Securities, Inc. Official Statement 1/1/2019

Note: 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 the businesses of Cedar Hill. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

⁽¹⁾ The City's total direct debt is net of self supporting debt and Debt Service Fund Balance; the City does not include its contract liability on Joe Pool Lake.

**CITY OF CEDAR HILL, TEXAS
LEGAL DEBT MARGIN INFORMATION
AS OF SEPTEMBER 30, 2018
(UNAUDITED)**

TABLE 12

As a home rule city, the City of Cedar Hill is not limited by law in the amount of debt it may issue.

Article X, Section 2 of the City of Cedar Hill charter states in part:

The City Council shall have the power and it is hereby authorized and made its duty to levy annually for general purposes and for the purpose of paying interest and providing the sinking fund on the bonded indebtedness of the City of Cedar Hill now in existence or which may hereafter be created an ad valorem tax on all real, personal or mixed property within the territorial limits of said City and upon all franchises granted by the City to any individuals or corporations of not exceeding a total of Two Dollars and Fifty cents (\$2.50) on the One Hundred Dollars (\$100.00) assessed valuation of said property. If for any cause the City Council shall fail, neglect or refuse to pass a tax ordinance for any one year, levying taxes for that year, then and in that event the tax levying ordinance last passed shall and will be considered in force and effect as the tax levying ordinance for the year which the City Council failed, neglected or refused to pass such ordinance, and the failure so to pass such ordinance for any year shall in no wise invalidate the tax collections for that year.

The tax rate at October 1, 2019 is \$0.697028 per \$100 of assessed valuation at 100% of market value.

The tax rate is 27.88% of the legal limit.

**CITY OF CEDAR HILL, TEXAS
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

TABLE 13

<u>Fiscal Year</u>	<u>Gross Revenues (1)</u>	<u>Less: Operating Expenses (2)</u>	<u>Net Available Revenue</u>	<u>Average Debt Service (3)</u>	<u>Coverage</u>
2010	15,697,120	13,429,002	2,268,118	801,810	2.83
2011	16,880,608	13,023,051	3,857,557	1,065,193	3.62
2012	16,171,856	13,629,548	2,542,308	790,942	3.21
2013	17,396,378	13,479,383	3,916,995	1,046,807	3.74
2014	20,898,465	13,735,658	7,162,807	621,679	11.52
2015	18,634,284	14,168,974	4,465,310	438,658	10.18
2016	17,333,094	15,765,558	1,567,536	-	0.00
2017	17,679,424	15,273,504	2,405,920	-	0.00
2018	18,541,621	15,688,000	2,853,621	-	0.00
2019	17,818,947	16,447,045	1,371,902	-	0.00

Source: Comprehensive Annual Financial Reports

- (1) Gross revenues include all water and sewer revenues exclusive of capital recovery fees, interest on accumulated capital recovery fees, contributed capital, and interest on bond proceeds. Gross revenues for 2010 include \$1,800,000 in capital recovery fees accumulated from prior years that the City has earmarked for debt service.
- (2) Direct operating expenses include all water and sewer operating expenses, less depreciation.
- (3) Average annual debt service is the average principal and interest payments due over the remaining term of all water and sewer revenue bonds. All existing Revenue Bonds were defeased in FY2016

**CITY OF CEDAR HILL, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 14

<u>Year</u>	<u>Estimated Population ^a</u>	<u>Personal Income</u>	<u>Per Capita Personal Income ^b</u>	<u>Median Household Income^b</u>	<u>Median Age ^b</u>	<u>Cedar Hill I.S.D. Enrollment ^c</u>	<u>Unemployment Rate ^d</u>
2010	46,300	1,188,382,100	25,667	66,654	34	8,204	8.7%
2011	45,260	1,116,699,980	24,673	64,727	32	8,134	9.2%
2012	46,829	1,186,084,912	25,328	63,499	31	8,170	7.4%
2013	46,829	1,186,084,912	25,328	63,499	31	7,868	7.4%
2014	49,289	1,304,088,362	26,458	63,667	35	8,700	5.9%
2015	49,615	1,258,087,555	25,357	65,421	35	7,915	4.7%
2016	50,917	1,300,267,429	25,537	68,526	34	8,046	4.7%
2017	52,066	1,394,171,282	26,777	69,412	34	7,883	4.0%
2018	52,659	1,410,050,043	26,777	73,106	36	7,866	3.8%
2019	53,096	1,481,696,976	27,906	73,658	36	7,791	3.1%

Sources:

^a Available estimates are provided by Claritas, Applied Geographic Solutions.

^b Available estimates are provided by Cedar Hill Economic Development Corporation (Claritas, US Census Bureau).
Per capita personal income estimate obtained from U.S. Census Bureau for the yer 2014 in 2018 dollars.

^c Cedar Hill Independent School District

^d Texas Workforce Commission, September.

**CITY OF CEDAR HILL, TEXAS
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 (UNAUDITED)**

TABLE 15

<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Estimated Employees</u>	<u>Rank</u>	<u>Percentage of Total City Workforce</u>	<u>Estimated Employees</u>	<u>Rank</u>	<u>Percentage of Total City Workforce</u>
Wal-Mart Supercenter	250	1	0.89%	450	2	1.84%
Total Highway Maintenance	250	2	0.89%	-	-	-
JCPenney, Distribution Center	240	3	0.86%	496	1	2.02%
Super Target	220	4	0.79%	200	3	0.82%
Dillard's	144	5	0.51%	110	7	0.61%
JCPenney, Department Store	135	6	0.48%	130	5	0.53%
DMI Corporation	130	7	0.46%	150	4	-
Home Depot	130	8	0.46%	115	6	0.47%
MJB Wood Group/Precision Wood	125	9	0.45%	-	-	-
P&W Quality Machine, Inc	115	10	0.41%	-	-	-
Kohl's				110	8	0.45%
Trinity School				110	9	0.45%
Southern Star Concrete				100	10	
Total	<u>1,739</u>		<u>6.22%</u>	<u>1,971</u>		<u>7.19%</u>

Source: City surveys of employers

Notes: City of Cedar Hill and Cedar Hill I.S.D. are not included in the rankings.
 Total Estimated City Workforce in FY 2019 and FY 2010 is 28,019 and 24,513 respectively

**CITY OF CEDAR HILL, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 16

<u>Function/Program</u>	<u>Full Time Equivalent Employees as of September 30</u>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government:										
Administration	10.00	10.00	10.00	10.00	9.50	10.00	9.50	9.50	9.50	8.50
Human resources	4.00	3.00	4.00	4.00	4.00	4.00	3.00	3.00	3.80	3.50
Information technology	4.00	4.00	4.00	4.00	4.23	4.50	5.20	5.20	5.20	5.20
Finance	6.75	6.75	6.75	6.75	7.00	7.00	7.00	7.00	8.00	8.00
Economic development	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Tourism	-	-	-	-	-	1.00	1.50	1.50	1.50	2.00
Non-Departmental	1.50	0.77	2.27	2.27	2.27	2.27	2.50	2.00	2.50	2.50
Government center	1.50	2.50	2.50	2.50	3.00	2.50	3.00	3.00	3.00	3.00
Public Works:										
Streets & drainage	13.58	14.25	14.25	14.25	15.25	14.25	14.40	14.40	14.40	14.40
Fleet maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Water & sewer	43.65	43.65	43.65	43.65	41.15	44.65	44.65	36.00	38.00	38.00
Public Safety:										
Police	84.00	86.10	87.40	87.40	88.10	87.40	89.50	88.50	86.50	93.00
Animal control	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Fire	78.00	78.00	78.00	78.00	78.00	78.00	79.00	78.00	6.00	79.00
Municipal court	7.30	6.80	7.93	7.93	6.80	7.93	6.68	6.68	79.00	8.00
Code enforcement	9.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00	6.88	10.00
Animal shelter	9.63	9.63	9.63	9.63	10.53	10.53	10.53	10.33	10.00	11.33
Community Services:										
Parks	26.40	26.40	26.40	28.40	26.40	28.40	23.77	23.77	22.42	19.63
Community development	6.79	6.79	6.79	7.79	7.79	7.79	7.79	7.79	7.79	5.00
Recreation	10.25	10.50	11.50	11.50	10.50	11.50	11.50	8.45	9.19	9.19
Recreation center	21.50	22.50	23.00	23.00	23.84	23.00	23.80	23.80	23.80	23.80
Library	11.48	10.48	10.72	10.72	12.72	10.72	12.20	12.20	13.41	14.04
Main Street	-	-	-	-	-	-	-	1.00	1.00	1.00
Planning	4.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.25
Neighborhood services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total City Employees:	362.33	362.12	370.79	373.79	373.08	378.44	378.52	365.12	377.19	373.34

Source: Annual Budgets

Notes: FTE's are based on 2,080 hours for conversion purposes

The Economic Development Corporation personnel are paid by the Economic Development Fund, not the General Fund.

The Water and Sewer personnel are paid by the Water & Sewer Fund, not the General Fund.

The Community Development personnel are paid by the Community Development Fund, not the General Fund.

The Government Center positions were created in fiscal year 2009.



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

**CITY OF CEDAR HILL, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Public Works:				
Streets & Drainage				
Number of street lights	2,705	2,777	2,777	2,618
Water & Sewer				
Number of water consumers	15,283	15,186	15,236	15,438
Average daily water consumption (millions of gallons)	8.4	9	8	8
Maximum storage capacity (millions of gallons)	18	18	18	18
Number of sewer connections	13,873	13,874	13,956	14,102
Public Safety:				
Police				
Index crimes, by calendar year	1,846	1,720	1,752	1,593
Index crime rate per 100,000, by calendar year	3,955	3,673	3,741	3,402
Percent index crimes cleared, by calendar year	29%	32%	39%	34%
Number of reserve police officers	3	3	3	3
Fire				
Calls for service - Fire & EMS	5,221	n/a	n/a	n/a
Municipal Court				
Number of cases filed	6,419	7,472	6,204	7,188
Number of cases closed	6,165	8,142	6,566	7,193
Number of cases appealed	345	345	126	126
Number of warrants issued	2,752	5,056	3,211	3,410
Code Enforcement				
Construction permits issued	491	404	415	482
Total dollar value of permits issued	33,687,160	22,611,850	19,898,425	102,991,772
Animal Shelter				
Number of incoming animals	5,380	4,909	5,300	4,784
Number of lost pets returned to owners	785	769	790	749
Number of animals adopted out	797	724	830	741
Number of animals euthanized	2,757	2,500	2,305	1,931
Number of animals transferred or rescued	927	777	800	722

Sources: City Departments

Notes: N/D means reliable data is not available.
N/A means data is not yet available.

TABLE 17

2014	2015	2016	2017	2018	2019
2,639	2,632	2,616	2,616	2,616	2,665
15,427	15,788	15,940	16,019	16,407	16,492
10	6	6	6	5.9	5.2
18	18	18	18	18	18
14,071	14,267	14,537	14,923	14,972	14,987
1,531	1,528	1,653	1,618	1,463	1,350
3,341	3,335	3,510	3,419	3,081	2,837
35%	35%	30%	30%	29%	29%
3	3	4	4	5	2
6,077	6,150	6,207	6,257	6,302	6,256
7,450	7,785	7,610	8,621	8,962	8,684
6,229	7,393	6,642	4,801	7,453	7,799
97	163	143	198	195	182
4,218	4,885	4,604	5,486	2,617	3,150
520	605	584	652	255	622
38,018,194	58,530,567	40,449,488	50,982,675	59,238,591	68,213,408
4,694	6,253	6,493	5,894	7378	6464
704	901	912	1,055	999	1249
932	1,298	1,332	1,448	1112	915
1,905	2,636	2,284	1,715	1529	1511
899	1,131	1,796	1,914	2444	2730

**CITY OF CEDAR HILL, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 18

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public Works:										
Streets & Drainage										
Paved streets (miles) ^a	216	217	218	218	218	218	218	218	218	218
Graded streets (miles)	1	1	1	1	1	1	1	1	1	1
Paved alleys (miles)	42	42	42	42	42	42	42	42	42	42
Storm sewers (miles) ^a	74	76	76	76	77	77	77	77	77	77
Water & Sewer										
Water mains (miles) ^a	279	279	273	278	279	279	279	279	279	279
Storage capacity (millions of gallons)	18	18	18	18	18	18	18	18	18	18
Sanitary sewers (miles) ^a	214	215	214	214	214	214	214	214	214	214
Public Safety:										
Police										
Stations	1	2	2	2	2	2	2	2	2	2
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Animal Shelter										
Buildings	1	1	1	1	1	1	1	1	1	1
Community Services:										
Parks										
Acreage	692	692	692	692	692	692	692	692	692	692
Municipal swimming pools	1	1	1	1	1	1	1	1	1	1
Lighted tennis courts	2	2	2	2	2	2	2	2	2	2
Lighted ball diamonds	23	23	23	23	23	23	23	23	23	23
Community/senior center	1	1	1	1	1	1	1	1	1	1
Recreation center	1	1	1	1	1	1	1	1	1	1
Library										
Number of libraries	1	1	1	1	1	1	1	1	1	1

Sources: City Departments

Notes:

^a FY2010 data has been updated to reflect only assets in use and owned by the City of Cedar Hill