

City of Cedar Hill, Texas
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
For the Year Ended September 30, 2021



CITY OF CEDAR HILL, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED September 30, 2021

Prepared by the

CITY OF CEDAR HILL

FINANCE DEPARTMENT

Tia Pettis, Finance Director
Onya Penton, Controller
Latifia Coleman, Assistant Finance Director

CITY COUNCIL

Stephen Mason, Mayor

Alan E. Sims, Mayor Pro Tem
Shirley Daniels, Council Member
Gregory Glover, Council Member

Daniel C. Haydin Jr., Council Member
Chad McCurdy, Council Member
Clifford R. Shaw, Council Member

CITY MANAGER

Greg Porter



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

City of Cedar Hill
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended September 30, 2021

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CEDAR HILL

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INTRODUCTORY SECTION



CEDAR HILL

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Finance Department
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March 15, 2022

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 Annual Comprehensive Financial Report (ACFR) of the City of Cedar Hill (the "City") for the fiscal year ended September 30, 2021. 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, 2021. 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

Centrally located in the heart of the Dallas/Fort Worth Metroplex in southwest Dallas County and northwest Ellis County, Cedar Hill (the "City") is a thriving suburb known for its tree-lined rolling hills, abundant green spaces, big city amenities, and small-town charm. The City is bordered on the north by the cities of Dallas and Duncanville, on the west by the City of Grand Prairie and Joe Pool Lake, on the south by City of Midlothian, and on the east by the City of DeSoto. 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 with approximately 50% being developed. Between the 2010 and 2020 census, the City's population has grown by 9% with a population of 49,148.

The City's abundant green spaces and natural beauty are part of Cedar Hill's distinctive character. The inclusion of neighborhood parks, hike and bike trails, and the preservation of green space for future generations remain a priority of community and City Council. Some of the most beautiful and popular 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 Cedar Hill Independent School District (CHISD) 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, 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, wastewater treatment services, and solid waste services.

Reporting Entity. This accompanying ACFR 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 Financing (TIF #1) Fund 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/July. The City Manager's proposed budget is submitted to City Council in July/August with opportunities for public input throughout the budget process. 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 overall tax base growth. While commercial values decreased 3.1% over 2020 as the result of businesses disputing values during Covid shutdowns, the residential property values increased 5.7%. Overall, the City's taxable value of properties on the tax roll grew 3.3% over 2020. This growth is from appreciation of existing residential properties coupled with residential developments being added to the tax roll. The City is growing among young families and professionals providing a variety of single family residences which make up 70% of the tax base and offer a more affordable housing option within minutes of major job centers. This is complemented by a growing business sector with new job opportunities at every level.

Business development in light manufacturing, commercial, and retail enterprises continues to grow and succeed. Working in conjunction with the Cedar Hill Economic Development Corporation (CHEDC) and the Cedar Hill Chamber of Commerce, the City promotes economic development opportunities to regional, national, and international audiences.

Despite challenges as a result of the Coronavirus pandemic, the Cedar Hill business community continues to thrive. Several new developments in previously undeveloped tracts of land have emerged. Hillwood, A Perot company and one of the leading independent real estate firms in the United States, United Kingdom, and Europe, is transforming Cedar Hill's southern industrial zone into a 180-acre master planned industrial campus. The all-new Class-A industrial space with up to two million square feet named 'High Point 67' will be a cornerstone to the future Loop-9 corridor, pairing manufacturing with last-mile logistic hubs for global brands alike. The project is expected to generate more than \$75 million in capital investments, \$100 million in new taxable value, and support the creation of hundreds of jobs in Cedar Hill. Additionally, Cedar Hill will soon be home to an 80-bed full-service hospital through the Texas Health Resources system. Construction on this project is anticipated to begin within the next two years.

Established commercial industrial developments including DMI Corporation, Dallas Aeronautical Services, and iDX Dallas continue to be among the City's top employers. Other top industrial businesses celebrated milestones and continue to expand their operations. Central States Manufacturing, Inc. celebrated 20 years in business in Cedar Hill in July 2020, and API Precision Machining recently added 18,200 square feet in the High Meadows Industrial Park to name a couple of examples.

Additionally, formerly vacated retail storefronts have been replaced with new commercial establishments including Total Wine & More, Saviana Winery, Ember Brewing Company Microbrewery, and Raising Canes. Hillside Village experiential lifestyle center continues to be a regional draw for anchor stores including Dillard's and Dick's Sporting Goods and popular retail stores including GameStop and H&M. DJ's Steakhouse, Frida's Tacos, and Wing Mac are restaurants that will join Hillside Village soon.

Interest in the development of Cedar Hill's Historic Downtown continues to grow. 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, artisan space, and residential dwellings.

The office sector also continues to see growth and resilience. Indigo Dentistry and Woodus Obstetrics & Gynecology operate in Legacy Crossing, located at the southeast corner of Joe Wilson Road and Pleasant Run Road. There are plans for future construction of 7,000 square

feet of additional office and retail space. Dr. Emilio Lopez and Ruiz Financial completed construction of new professional office space in 2019 with approximately 6,000 square feet per building. Additionally, small business owners whose shops give Cedar Hill its charm captured more than \$800,000 of Cedar Hill Strong Grant/Loan funds, funded by the CARES Act. The Cedar Hill Strong Grant/Loan program strengthened our small businesses, enhanced their use of technology, and made them more resilient. A total of 159,400 square feet of commercial development was constructed or renovated since 2020 and 1.4 million square feet of commercial development is under construction.

As staycations and outdoor activities become increasingly in demand, Cedar Hill has remained a popular Texas tourist destination that showcases the area's attractions and natural beauty. The Dogwood Canyon Audubon Center opened 250-acres of 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 numerous parks, extensive trail system, and open spaces continue to bring tourism to the City. The City continues its plans for the construction of the Aloft hotel and convention center at Hillside Village. The hotel/convention center is a partnership between the City and a private partner.

The Aloft hotel and convention center represents many firsts for the hotel brand. This will be the only Aloft hotel south of interstate highway 30 and is the first time that the Marriott brand will be combined with a convention center. Additionally, the modified design and footprint of this hotel will be implemented on future builds of the Aloft hotel.

The residential sector continues to grow to meet the needs of the market offering a diverse array of housing in our community. The Jane at Preston Trail enhances and highlights the unique character of Cedar Hill as a friendly, family-oriented and nature-oriented Texas town. The multi-family residential development consists of approximately 300 units with high-end amenities, and an emphasis on walkability and connectivity. A 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. The Luxe at Cedar Hill, a 144-unit independent older adult housing complex, features resort style villas on the south side of East Pleasant Run Road. Additionally, The Lilacs duplexes expands housing options in Historic Downtown. In addition to these multi-family units, an additional 171 single-family residential new build units have been constructed since 2020. The City continues to see single-family residential development throughout the City. A total of 582 lots and units are currently under construction in the Bear Creek subdivision, Stonehill phase 1, and the Cottages.

Economic Future. As development activities and interest continue to grow, City officials are committed to balancing expanding economic development opportunities that will foster development with upholding its goal to maintain 20% of open green space to preserve its natural beauty for future generations. Cedar Hill's culture of planning and commitment to vision have fostered the success and resilience of our commercial and residential sectors bringing expanded employment centers, new connections, and significant infrastructure upgrades.

The City's commercial sector continues to grow. Over the next five years, 2.26 million square feet of commercial development is anticipated to be developed in the next five years including a hotel/convention center, 80-bed full-service hospital through the Texas Health Resources system, and other industrial commercial projects.

The residential sector is expanding to offer housing options as our community continues to grow. An additional 1,212 residences are to be developed in the next five years including Addison Hill, The Vineyards at Bear Creek, Anderson Hill, and Huffines Townhomes.

Financial Planning and Fiscal Policies. The City has a long tradition of disciplined and prudent fiscal management. Over the past two years, City staff has engaged the community through various events and platforms to gather broad input and feedback to develop the comprehensive plan. A draft comprehensive plan will be presented for City Council consideration in 2022.

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 holds an annual strategic planning retreat 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 eleven 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. One of the most notable and major initiatives during the year was the continued implementation of the 2017 General Obligation Bond referendum of \$45 million dollars.

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 scheduled to occur in 2022 including the following:

- **Library and Signature Park & Trail:** The City has engaged services of a Construction Manager at Risk for preconstruction services for the Library in a Park project. Additionally, staff is developing long-term operations & maintenance cost plan. The groundbreaking for the new library is anticipated to occur in summer 2022.
- **Community and Neighborhood Parks:** The City completed refurbishments and improvements to various neighborhood and community parks in accordance with the 2017 Bond Referendum. Several of the City's 33 parks will eventually receive some improvements. Improvements to Dot Thomas Park and Windsor Park were completed in 2021. Shade structures at Kingswood and Calf Pasture parks are scheduled to be completed in 2022.

- Community Pool: The groundbreaking for the new pool is anticipated to occur in 2022 and the pool is anticipated to open to the public in 2023 or 2024.
- Hwy 67 lights and Belt Line/Hwy 67 Texas U-turn lighting on decorative rails
- Safe Routes to School Sidewalk Project
- Downtown Complete Streets, Phase 1
- Supervisory Control and Data Acquisition (SCADA) System Upgrades
- Sherwood Lift Station Improvements
- Parkerville Elevated Storage Tank (EST) Overflow Improvements
- Cedar Hill Road water and street reconstruction Phase 1 (Joe Wilson to Wintergreen)

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, 2020. 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 ACFR, whose contents conform to program standards. Such ACFR 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 2021 ACFR 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



 Tia Pettis, Finance Director



 Onya Penton, Controller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Cedar Hill
Texas**

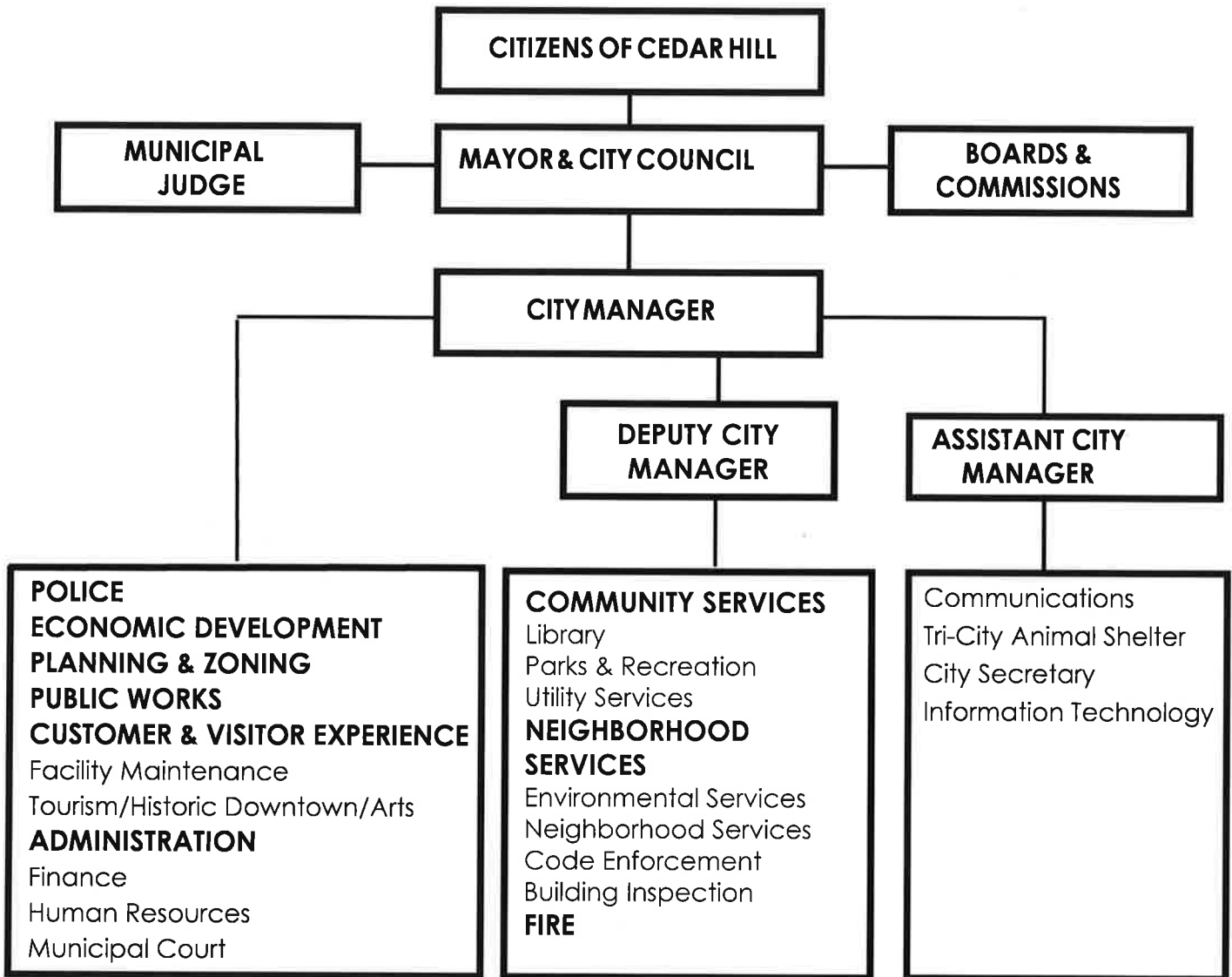
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART



**CITY OF CEDAR HILL
List of Principal Officials
at September 30, 2021**

Elected Officials

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

Appointed Officials

City Manager	Greg Porter
Deputy City Manager.....	Melissa Valadez- Cummings
Assistant City Manager.....	Alison Ream
Finance Director	Tia Pettis
City Secretary.....	Belinda Berg
Police Chief	Ely Reyes
Fire Chief.....	Rodney Smith
Interim Economic Development Director.....	Andy Buffington
Neighborhood Services Director	Stacey Graves
Parks & Recreation Director	Shawn Ray
Planning Director	LaShondra Stringfellow
Public Works Director	Tom Johnson
Director of Administrative Services	Marie Watts
Information Technology Director.....	Earl Shipman
Tri-City Animal Shelter Manager.....	Tammy Miller
Library Director	Aranda Bell
Director of Experience	Russell Read
Director of Human Resources	Tracey Kerezman



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

FINANCIAL SECTION



CEDAR HILL

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INDEPENDENT AUDITOR'S REPORT

*To the 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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, 2021, 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* on pages 4 – 16, 83, 85, 86, 87, and 88, respectively, 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 financial statements and the budgetary comparison schedules, 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 financial statements and budgetary comparison schedules, 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 15, 2022 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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and somewhat stylized.

Crowe LLP

Dallas, Texas
March 15, 2022



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

**CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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, 2021. 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, 2021 by \$208,422,505 (total net position). Of this amount, \$160,807,206 (77%) is net investment in capital assets and \$13,084,045 (6%) is restricted for specific purposes. Other restricted assets are related to Joe Pool Lake (JPL) assets and total \$19,659,971 (9%) and are allocated by City policy into \$4,659,971 expendable and \$15,000,000 nonexpendable assets. The remaining \$14,871,283 is unrestricted and may be used to meet the City's ongoing obligations to citizens in accordance with the City's fund designation and fiscal policies.
- The City's total net position has increased by \$7,548,019 over 2020. Net position for governmental activities increased by \$8,112,613 or 6% and business-type net position decreased by \$564,594 or 1%. The increase in governmental activities is primarily due to an increase in property, sales and other tax revenues.
- At September 30, 2021, the City's governmental funds reported combined ending fund balances of \$79,106,519, an increase of \$757,387 when compared to prior year. With expenditures exceeding revenues by \$3,008,972, this increase was offset by \$11,945,000 in net bond issuance proceeds and \$344,792 net transfers in. Within total fund balance, \$40,732,990 (51%) is restricted by specific legal requirements, \$15,168,965 (19%) is non-spendable as it relates to prepaids, inventories and the JPL Permanent Fund; and further, \$693,443 (1%) is assigned to specific types of expenditures, and \$11,186,540 (14%) is committed by policy of the governing board for specific community projects and the JPL nature corridor. The remainder of the fund balance, \$11,324,581 (14%), is unassigned in the general, grant, and nonmajor governmental funds. The \$11,556,358 unassigned fund balance in the general fund is approximately 29% of total general fund expenditures.
- The City's non-current liabilities decreased by \$4,617,668 or 4% which is attributed to the refunding of general obligation bonds and bonded debt retirements of \$8,785,000.

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
- 3) Notes to the financial statements.

**CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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

**CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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 five major funds (General Fund, Debt Service Fund, Joe Pool Lake Fund, Capital Projects Fund, and Grant Funds). 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.

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.

**CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Total assets of the City at September 30, 2021 were \$338,092,270, deferred outflows of resources were \$5,279,050, total liabilities were \$131,598,809, and deferred inflows of resources were \$3,350,006 resulting in a net position balance of \$208,422,505.

The largest portion of the City's net position, \$160,807,206 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:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 95,994,177	\$ 87,970,844	\$ 18,687,531	\$ 18,511,739	\$ 114,681,708	\$ 106,482,583
Capital and other assets	167,664,742	166,145,755	55,658,128	57,133,493	223,322,870	223,279,248
Other assets	87,692	87,692	-	-	87,692	87,692
Total assets	<u>263,746,611</u>	<u>254,204,291</u>	<u>74,345,659</u>	<u>75,645,232</u>	<u>338,092,270</u>	<u>329,849,523</u>
Deferred outflows of resources	4,781,413	3,619,256	497,637	359,489	5,279,050	3,978,745
Current liabilities	11,486,881	5,260,591	2,439,231	1,693,858	13,926,112	6,954,449
Noncurrent liabilities	98,673,225	101,982,392	18,999,472	20,307,973	117,672,697	122,290,365
Total liabilities	<u>110,160,106</u>	<u>107,242,983</u>	<u>21,438,703</u>	<u>22,001,831</u>	<u>131,598,809</u>	<u>129,244,814</u>
Deferred inflows of resources	<u>3,011,250</u>	<u>3,320,306</u>	<u>338,756</u>	<u>372,459</u>	<u>3,350,006</u>	<u>3,692,765</u>
Net position						
Net investment in capital	115,295,739	113,337,279	45,511,467	45,871,100	160,807,206	159,208,379
Restricted	31,087,683	29,757,841	1,656,333	1,850,905	32,744,016	31,608,746
Unrestricted	<u>8,973,246</u>	<u>4,148,935</u>	<u>5,898,037</u>	<u>5,908,426</u>	<u>14,871,283</u>	<u>10,057,361</u>
Total net position	<u>\$ 155,356,668</u>	<u>\$ 147,244,055</u>	<u>\$ 53,065,837</u>	<u>\$ 53,630,431</u>	<u>\$ 208,422,505</u>	<u>\$ 200,874,486</u>

An additional portion of the City's net position totaling \$32,744,016 or 16%, represent resources that are subject to external restrictions on how these funds can be used. The remaining balances

**CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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of \$14,871,283 is unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.

The net position of the primary government (City) increased by \$7,548,019 or 4% for the fiscal year ended September 30, 2021. The primary government's overall revenues increased by \$7,727,858 or 10% while overall expenses increased by \$1,989,919 or 3%.

The fiscal year 2021 compared to fiscal year 2020 changes in the City's net position were as follows:

Changes in Net Position	Government Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 11,161,621	\$ 9,876,041	\$ 19,222,674	\$ 18,504,639	\$ 30,384,295	\$ 28,380,680
Operating grants and contributions	5,067,806	4,940,619	-	-	5,067,806	4,940,619
Capital grants and contributions	2,421,295	535,687	318,748	333,270	2,740,043	868,957
General revenues:						
Property taxes	31,555,238	29,063,652	-	-	31,555,238	29,063,652
Sales taxes	11,133,044	9,642,400	-	-	11,133,044	9,642,400
Hotel/motel taxes	421,999	288,169	-	-	421,999	288,169
Franchise taxes	3,485,178	3,447,261	-	-	3,485,178	3,447,261
Investment earnings	637,033	1,199,206	85,118	181,122	722,151	1,380,328
Gain on disposal of fixed assets	108,062	23,812	12,700	42,035	120,762	65,847
Miscellaneous	660,793	485,538	-	-	660,793	485,538
Total revenues	<u>66,652,069</u>	<u>59,502,385</u>	<u>19,639,240</u>	<u>19,061,066</u>	<u>86,291,309</u>	<u>78,563,451</u>
Expenses						
General government	8,024,191	7,262,308	-	-	8,024,191	7,262,308
Public safety	32,659,514	29,376,740	-	-	32,659,514	29,376,740
Public works	3,854,279	6,012,302	-	-	3,854,279	6,012,302
Community service	11,780,395	11,574,016	-	-	11,780,395	11,574,016
Water and sewer services	-	-	19,859,042	20,003,612	19,859,042	20,003,612
Interest and fiscal charges	2,565,869	2,524,393	-	-	2,565,869	2,524,393
Total expenses	<u>58,884,248</u>	<u>56,749,759</u>	<u>19,859,042</u>	<u>20,003,612</u>	<u>78,743,290</u>	<u>76,753,371</u>
Increase in net position before transfers	7,767,821	2,752,626	(219,802)	(942,546)	7,548,019	1,810,080
Transfers	344,792	328,149	(344,792)	(328,149)	-	-
Change in net position	<u>8,112,613</u>	<u>3,080,775</u>	<u>(564,594)</u>	<u>(1,270,695)</u>	<u>7,548,019</u>	<u>1,810,080</u>
Net position, beginning of year	147,244,055	144,163,280	53,630,431	54,901,126	200,874,486	199,064,406
Net position, end of year	<u>\$ 155,356,668</u>	<u>\$ 147,244,055</u>	<u>\$ 53,065,837</u>	<u>\$ 53,630,431</u>	<u>\$ 208,422,505</u>	<u>\$ 200,874,486</u>

Governmental Activities—Governmental activities increased the City's net position by \$8,112,613 in comparison with the beginning of the year net position, which is due in large part to property and sales taxes. There was a net increase of \$7,149,684 or 12% in revenues over 2020 and an increase in governmental expenses by \$2,134,489 or 4%. 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 75% of total net position.

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Business-type Activities—Business-type activities decreased the City's net position by \$564,594 in comparison with the beginning of the year net position. Total revenue increased by \$578,174 or 3%, which was due to an increase in charges for services. Business-type activity expenses before transfers have decreased by \$144,570 or 1%. Transfers to other funds increased slightly by \$16,643. Net position for business-type activities represents 25% of total primary government net position.

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 \$79,106,519. Of this amount, \$11,324,581 or 14% constitutes unassigned fund balance and is available for spending at the City's discretion. Fund balances restricted for specific purposes total \$55,901,955 or 71%, 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 \$11,186,540 or 14% 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 \$693,443 or 1%.

The General Fund is the main operating fund of the City. The revenues of the General Fund totaled \$41,506,432 and the expenditures of the fund before other financing sources and users, totaled \$39,199,132 for an excess of revenues over expenditures amount of \$2,307,300. After other financing sources and uses in the General Fund (transfers), the change to fund balance was an increase of \$457,385. This increase was due to an increase in property, sales, and other tax revenue. The City's ending fund balance of \$11,653,511 is 30% 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 decreased by \$152,907. This decrease was due to an increase in principal retirement and interest and fiscal charges. The ending fund balance of the Debt Service Fund is 15% 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 \$137,089.

The Capital Projects Fund accounts for all bond funds used for infrastructure improvements and other investments in the City. The fund had revenues of \$377,316 from investment earnings and other government contributions during the fiscal year and incurred capital expenditures and fiscal charges totaling \$7,362,086. During fiscal year 2021, the City issued bonded debt obligations of

**CITY OF CEDAR HILL, TEXAS
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\$11,945,000 to fund the purchase of public safety equipment and to refund (refinance) bond obligations resulting in debt service savings.

The total fund balance of the Non-Major governmental funds increased by \$4,171,359. This increase is largely due to a transfer of funds from the general fund to the non-major funds for drainage and building projects.

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 \$225,292 at September 30, 2021. 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 \$564,594. The unrestricted net position of the Enterprise fund at the end of the fiscal year is \$5,898,037 and are available for use. The restricted net position of the Enterprise Fund totaled \$1,656,333 and is 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 and 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 \$6,683,704. 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 positive variance of \$2,083,072. This positive variance is primarily due to property and sales tax revenue exceeding budgeted expectations. General Fund expenditures before transfers had a final budget to actual positive variance of \$359,908. The transfers to the General Fund were from the City's Grant Funds, Enterprise Fund and Landscape Beautification Fund and were cost-recovery amounts for Information Technology services and contract mowing services, and covid related expenditures.

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 \$223,322,870. 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 \$43,622.

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

- Windsor Park improvements completed

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- Windmill Hill Greenbelt Park, Crawford, and Dot Thomas Park improvements in progress
- Valley Ridge Playground completed
- Animal Shelter Surgery Center completed
- Signal Light improvements on Joe Wilson & Weaver Street completed
- Public Safety dispatch and radio equipment upgrade in progress
- Senior Center Improvements completed
- FM 1382 Phase I & II Hike and Bike Trail in progress
- South Clark Road Trail in progress
- High Point PID Community Garden completed
- Alan E. Sims Locker Room Renovations complete
- Fire Rescue equipment replaced
- Hwy 67 improvements in progress in partnership with TxDOT
- Various water and sewer lines replaced under rehab program
- Crawford Park Pool Replacement in progress
- Installation of Storm Drainage System on Texas Hardy and Middleton completed
- Sanitary Sewer Replacement on Hickerson Street in progress
- Downtown Infrastructure Improvements in progress
- Wintergreen Rd & Duncanville Rd improvements in progress
- Lakeridge Parkway/Hwy 67 Interchange improvements in progress
- Hotel Motel Conference Center in progress
- Library and Signature Park in progress

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 19,201,716	\$ 17,792,647	\$ 371,264	\$ 371,264	\$ 19,572,980	\$ 18,163,911
Construction in progress	13,886,480	9,747,553	532,884	667,056	14,419,364	10,414,609
Buildings	34,940,103	35,109,919	64,397	69,741	35,004,500	35,179,660
Water System	-	-	38,998,475	39,601,258	38,998,475	39,601,258
Sewer System	-	-	14,425,782	14,931,009	14,425,782	14,931,009
Equipment	5,579,973	6,101,646	1,265,326	1,493,165	6,845,299	7,594,811
Infrastructure	87,473,305	90,320,115	-	-	87,473,305	90,320,115
Water rights	6,566,494	7,055,922	-	-	6,566,494	7,055,922
Master studies	16,671	17,953	-	-	16,671	17,953
Total	\$ 167,664,742	\$ 166,145,755	\$ 55,658,128	\$ 57,133,493	\$ 223,322,870	\$ 223,279,248

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

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Long-term debt—At September 30, 2021, the City had the following long-term liabilities:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Gross bonded debt:						
General obligation	\$ 48,135,000	\$ 62,030,000	\$ 3,685,000	\$ 4,310,000	\$ 51,820,000	\$ 66,340,000
General obligation-Direct placement	7,505,000	-	-	-	7,505,000	-
Certificates of obligation	18,455,000	19,240,000	12,710,000	13,470,000	31,165,000	32,710,000
Taxable Note - Direct borrowing	3,345,000	-	-	-	3,345,000	-
Total bonded debt	77,440,000	81,270,000	16,395,000	17,780,000	93,835,000	99,050,000
Other long-term debt:						
Unamortized premiums	4,342,285	5,090,163	917,477	1,060,208	5,259,762	6,150,371
Compensated absences	3,480,199	3,149,338	161,492	46,647	3,641,691	3,195,985
OPEB liability - Retiree Health	1,489,237	1,078,788	226,212	163,866	1,715,449	1,242,654
OPEB liability - SDBP	1,133,994	909,325	115,076	92,277	1,249,070	1,001,602
Net pension liability	10,657,931	10,484,778	1,184,215	1,164,975	11,842,146	11,649,753
Total other long-term debt	21,103,646	20,712,392	2,604,472	2,527,973	23,708,118	23,240,365
Total	\$ 98,543,646	\$ 101,982,392	\$ 18,999,472	\$ 20,307,973	\$ 117,543,118	\$ 122,290,365

The total bonded debt outstanding of the City is \$93,835,000, 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 \$77,440,000 in bonded debt while that of the business-type was \$16,395,000. Property taxes are levied annually to pay annual principal and interest payments. The City maintains solid self-supporting annual debt commitments from 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 \$36,755,000 or 39% 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, 2021 was \$13,023,467. The EDC increased its net position by \$714,037 or 6% which is primarily attributable to sales tax.

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The EDC's net investment in capital assets was \$3,477,470 with unrestricted assets of \$9,545,997. The unrestricted assets are available for permitted uses by the EDC Board of Directors. The EDC fund balance at September 30, 2021 was \$9,493,812. The EDC's total revenues were \$3,738,398 of which \$3,676,175 was from sales taxes. For the year, the EDC had expenditures of \$3,656,894, and of this amount, \$1,170,750 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, 2021 was \$14,481,994. The CDC increased its net position by \$447,456 which primarily sales tax and user charges.

The CDC's net investment in capital assets was \$2,665,234 with unrestricted assets of \$11,816,760. The unrestricted assets are available for permitted uses by the CDC Board of Directors. The CDC fund balance at September 30, 2021 was \$11,945,452. The CDC's total revenues were \$5,189,210 of which \$4,901,567 or 94% was from sales taxes. There were \$169,567 or 3% in revenue from fees supporting programs at the Alan E. Sims Recreation Center.

For the year, the CDC had expenditures of \$4,771,307, and of this amount, \$973,019 or 20% was contractually required payments to the City for debt service payments and \$1,745,839 or 37% were capital related expenditures for park improvements, trail improvements (F.M.1382 & South Clark), locker room renovations 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 comprising 215 lots. Additional residential development includes the Vineyards and Andersons Road. Covenant Development entered the Cedar Hill market in 2018 to construct Preston Trail Center, a 20-acre site located at the intersection of FM 1382 and Straus Road.

**CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

The Jane at Preston Trail Center is the multifamily component with approximately 300 units containing high-end indoor and outdoor amenities with an emphasis on walkability and connectivity. The second phase will be developed for retail, restaurant, and/or personal service uses.

Development services are experiencing a substantial increase in demand as development interest and projects are popping up all over town. High Point 67, a Class A logistics and manufacturing center with up to two million square feet, will transform Cedar Hill's industrial area into a 180+ acre master planned site within the Loop 9 corridor. Texas Health Resources is planning to build a hospital in Cedar Hill to enhance its presence in the area, which will bring one of the largest industries in North Texas to our community. In historic downtown, the groundbreaking of the Lake Moreno mixed-use project will coincide with enhancements to streets and pedestrian connections. These, plus numerous planned residential and commercial developments.

The City continues to implement the 2017 bond program, with two of the most anticipated projects breaking ground in 2022. Feedback from extensive public input, including the Citizens Design Committee, has been incorporated into the schematic designs of the new library and signature park & trail. The new community pool at Virginia Weaver Park will also begin construction this year. In addition, enhancements to neighborhood parks and asphalt and concrete street repairs will continue throughout the City.

The retail market remains strong in Cedar Hill with formerly vacated retail storefronts being replaced with new establishments including Total Wine & More, Saviana Winery, Ember Brewing Company Mircobrewery, and Raising Canes. Hillside Village experiential lifestyle center continues to be a regional draw for anchor stores including Dillard's, Dick's Sporting Goods, and Barnes & Noble. DJ's Steakhouse, Frida's Tacos, and Wing Mac are restaurants that will join Hillside Village soon.

The office and industrial sectors continue to see growth. Indigo Dentistry offices became the first tenants in Legacy Crossing, located at the southeast corner of Joe Wilson Road and Pleasant Run Road. Plans for future construction include the addition of 7,000 square feet of office and retail space. Dr. Emilio Lopez and Ruiz Financial completed construction of new professional office space in 2019 with approximately 6,000 square feet per building.

The City's tourism sector continues to grow with the addition of the Aloft hotel and convention center. The hotel and convention center is a partnership between the City and a private partner. The groundbreaking took place in October 2019 and the City continues to plan for its construction. 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 the previous fiscal year and the groundbreaking for the new library is anticipated to occur in summer 2022. The Library and Signature Park are major projects in the 2017 Bond Referendum.

**CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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 2022 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 2022 budget and tax rate:

- A 10.6% increase in assessed taxable property values resulting from appreciation of market and taxable values seen throughout the region and new construction
- Maintaining a property tax rate that supports the goals and initiatives of the City with an emphasis on maintaining a safe and diverse city
- Focus on City's financial policy objective of maintain a 25% fund balance (reserve) in the General Fund

The general fund's largest single revenue source is property taxes, followed by sales taxes. The property tax rate for Fiscal Year 2022 was adopted at \$0.697029 cents per \$100 valuation. The 2022 budgeted tax revenue increase was \$1,361,065 or 6% over fiscal year 2021.

The City's portion of the sales tax rate is \$0.01875, and the City has seen stable growth in its sales tax. The fiscal year 2022 budget included a 4% increase in sales tax over fiscal year 2021 estimates due to current trends and the increased reopening of the economy post Covid shutdowns. In November 2012, voters approved the creation of a Crime Control and Prevention District (CCPD) at one-eight cent (\$.00125). 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.

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.

For 2022, Utility Fund operating revenues are expected to increase by 8.7% over fiscal year 2021 estimates due to water and sewer rate increases. Operating expenses for 2022 were projected to increase by 10.10% for the 2021 fiscal year. Proposed expenditures are budgeted at \$22,039,450 with over 50% for pass-thru costs for wastewater treatment costs through the City's contract with Trinity River Authority. The Water and Sewer fund is expected to maintain a fund balance/working capital balance of 30% of operating expenditures which is within policy goals and initiatives.

The Water and Sewer Fund has undergone its fourth year of an annual review by a third-party consulting firm that specializes in cost of services for public utilities. After multiple work sessions with City staff and City Council, the City is taking the recommendation of the consultant to increase rates, implement a fixed rate charge based on the percentage of the American Water Works

**CITY OF CEDAR HILL, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Association capacity ratio relative to meter size for non-residential customers, and provide a senior discounted rate. The new rates are effective, October 1, 2021 (FY2022) and subsequent rate increases will occur in FY2023 and FY2024. After implementation of the recommended rate structure, the City of Cedar Hill will remain highly competitive with respect to rates in our benchmark cities. For the future, the City will continue to examine cost saving and revenue enhancement initiatives.

Capital Planning Budget— 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 allocation included: proposition A - \$10 million for streets and drainage, proposition B - \$20 million for a new library and proposition C - \$15 million for parks and recreation. The bond program authorized \$45 million in total with a six-year plan to sell a specific amount per year. September 30, 2021 marks the fourth year of the bond implementation and several projects have been either completed, in the design phase or in the construction phase. Thus far \$23.1 million has been sold and a planned \$9.57 million to be sold during fiscal year 2022 resulting in a remainder of \$12.33 million of unsold bonds. The fiscal year 2022 budget includes proposed use of CO's for vital Public Safety equipment and additional enhancements and amenities for the outdoor pool and library.

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, 2021**

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	\$ 86,555,547	\$ 4,886,123	\$ 91,441,670	\$ 11,306,607	\$ 4,340,003
Investments	2,201,568	-	2,201,568	-	4,542,552
Receivables (net of allowances for uncollectible)	7,068,097	4,033,335	11,101,432	900,437	640,999
Loan receivable	-	-	-	-	100,000
Internal balances	(129,579)	129,579	-	-	-
Inventory	16,494	-	16,494	-	-
Prepaid and other items	152,471	787	153,258	501	13
Restricted cash and investments	-	9,637,707	9,637,707	-	-
Capital assets:					
Nondepreciable	33,088,196	904,149	33,992,345	2,665,234	3,398,882
Depreciable-net of accumulated depreciation	134,576,546	54,753,979	189,330,525	-	78,588
Other assets	87,692	-	87,692	-	-
TOTAL ASSETS	263,617,032	74,345,659	337,962,691	14,872,779	13,101,037
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refundings	442,418	-	442,418	-	-
Deferred outflows from pension	3,608,361	400,930	4,009,291	-	-
Deferred outflows from total OPEB	730,634	96,707	827,341	39,647	11,329
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,781,413	497,637	5,279,050	39,647	11,329
LIABILITIES					
Accounts payable	2,765,507	1,116,982	3,882,489	58,419	11,148
Accrued liabilities	2,003,166	338,267	2,341,433	83,703	18,607
Unpaid claims liabilities	260,759	-	260,759	-	-
Unearned revenue	5,938,190	-	5,938,190	93,128	-
Customer deposits	-	808,379	808,379	26,843	-
Interest payable	519,259	74,109	593,368	-	-
Payable from restricted assets-current	-	101,494	101,494	-	-
Noncurrent liabilities:					
Due within one year	10,292,290	1,670,024	11,962,314	18,199	6,666
Due in more than one year	88,251,356	17,329,448	105,580,804	141,757	50,083
TOTAL LIABILITIES	110,030,527	21,438,703	131,469,230	422,049	86,504
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows gain on refunding	-	1,071	1,071	-	-
Deferred inflows from pension	2,837,948	315,328	3,153,276	-	-
Deferred inflows from total OPEB	173,302	22,357	195,659	8,383	2,395
TOTAL DEFERRED INFLOWS OF RESOURCES	3,011,250	338,756	3,350,006	8,383	2,395
NET POSITION					
Net investment in capital assets	115,295,739	45,511,467	160,807,206	2,665,234	3,477,470
Restricted for:					
Debt service	1,013,663	-	1,013,663	-	-
Construction	4,384,436	1,656,333	6,040,769	-	-
Dispatch center	87,692	-	87,692	-	-
Other	5,941,921	-	5,941,921	-	-
JPL permanent fund:					
Nonexpendable	15,000,000	-	15,000,000	-	-
Expendable	4,659,971	-	4,659,971	-	-
Unrestricted	8,973,246	5,898,037	14,871,283	11,816,760	9,545,997
TOTAL NET POSITION	\$ 155,356,668	\$ 53,065,837	\$ 208,422,505	\$ 14,481,994	\$ 13,023,467

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, 2021**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 8,024,191	\$ 817,149	\$ -	\$ -
Public works	3,854,279	176,105	-	688,521
Public safety	32,659,514	5,729,124	2,227,473	-
Community services	11,780,395	4,439,243	696,564	1,732,774
Interest and fiscal charges	2,565,869	-	2,143,769	-
Total governmental activities	58,884,248	11,161,621	5,067,806	2,421,295
BUSINESS-TYPE ACTIVITIES:				
Water and sewer	19,859,042	19,222,674	-	318,748
Total business-type activities	19,859,042	19,222,674	-	318,748
TOTAL PRIMARY GOVERNMENT	\$ 78,743,290	\$ 30,384,295	\$ 5,067,806	\$ 2,740,043
COMPONENT UNITS:				
Community Development Corporation	4,741,754	169,567	-	-
Economic Development Corporation	3,024,361	1,650	-	-
TOTAL COMPONENT UNITS	\$ 7,766,115	\$ 171,217	\$ -	\$ -

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.

Net (Expenses) Revenues and Changes in NET POSITION				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Community Development	Economic Development
\$ (7,207,042)	\$ -	\$ (7,207,042)	\$ -	\$ -
(2,989,653)	-	(2,989,653)	-	-
(24,702,917)	-	(24,702,917)	-	-
(4,911,814)	-	(4,911,814)	-	-
(422,100)	-	(422,100)	-	-
<u>(40,233,526)</u>	<u>-</u>	<u>(40,233,526)</u>	<u>-</u>	<u>-</u>
-	(317,620)	(317,620)	-	-
-	(317,620)	(317,620)	-	-
<u>(40,233,526)</u>	<u>(317,620)</u>	<u>(40,551,146)</u>	<u>-</u>	<u>-</u>
-	-	-	(4,572,187)	-
-	-	-	-	(3,022,711)
-	-	-	<u>(4,572,187)</u>	<u>(3,022,711)</u>
31,555,238	-	31,555,238	-	-
11,133,044	-	11,133,044	4,901,567	3,676,175
421,999	-	421,999	-	-
3,485,178	-	3,485,178	-	-
637,033	85,118	722,151	103,151	60,573
108,062	12,700	120,762	-	-
660,793	-	660,793	14,925	-
344,792	(344,792)	-	-	-
<u>48,346,139</u>	<u>(246,974)</u>	<u>48,099,165</u>	<u>5,019,643</u>	<u>3,736,748</u>
8,112,613	(564,594)	7,548,019	447,456	714,037
<u>147,244,055</u>	<u>53,630,431</u>	<u>200,874,486</u>	<u>14,034,538</u>	<u>12,309,430</u>
<u>\$ 155,356,668</u>	<u>\$ 53,065,837</u>	<u>\$ 208,422,505</u>	<u>\$ 14,481,994</u>	<u>\$ 13,023,467</u>

**CITY OF CEDAR HILL, TEXAS
BALANCE SHEET-GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

ASSETS	General	Debt Service Fund	JPL Permanent Fund
EQUITY IN POOLED CASH AND CASH EQUIVALENTS	\$ 10,813,337	\$ 1,514,033	\$ 19,659,024
RECEIVABLES (NET OF ALLOWANCE)	5,074,045	207,261	947
INTERFUND LOAN RECEIVABLE	-	-	-
PREPAID ITEMS	80,659	-	-
INVENTORY	16,494	-	-
TOTAL ASSETS	<u>\$ 15,984,535</u>	<u>\$ 1,721,294</u>	<u>\$ 19,659,971</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable	815,909	-	-
Accrued liabilities	1,789,983	-	-
Due to other funds	-	-	-
Interfund loan payable	-	-	-
Total liabilities	<u>2,605,892</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	1,725,132	188,372	-
Total deferred inflows of resources	<u>1,725,132</u>	<u>188,372</u>	<u>-</u>
FUND BALANCES:			
Nonspendable			
Prepaid and inventory	97,153	-	-
JPL permanent fund	-	-	15,000,000
Restricted for:			
General government	-	-	-
Public works	-	-	-
Public safety	-	-	-
Community services	-	-	-
Debt service	-	1,532,922	-
Committed for:			
JPL nature corridor	-	-	4,659,971
Infrastructure	-	-	-
Facilities	-	-	-
Assigned	-	-	-
Unassigned	11,556,358	-	-
Total fund balances	<u>11,653,511</u>	<u>1,532,922</u>	<u>19,659,971</u>
TOTAL	<u>\$ 15,984,535</u>	<u>\$ 1,721,294</u>	<u>\$ 19,659,971</u>

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

EXHIBIT B-1

<u>Capital Projects Fund</u>	<u>Grant Funds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 28,970,864	\$ 5,754,793	\$ 17,918,347	\$ 84,630,398
496,855	431,685	853,788	7,064,581
-	-	287,689	287,689
-	-	71,812	152,471
-	-	-	16,494
<u>\$ 29,467,719</u>	<u>\$ 6,186,478</u>	<u>\$ 19,131,636</u>	<u>\$ 92,151,633</u>
1,372,766	69,608	491,103	2,749,386
-	40,282	172,901	2,003,166
-	129,579	-	129,579
-	-	287,689	287,689
<u>1,372,766</u>	<u>239,469</u>	<u>951,693</u>	<u>5,169,820</u>
-	5,938,190	23,600	7,875,294
-	5,938,190	23,600	7,875,294
-	-	71,812	168,965
-	-	-	15,000,000
-	-	1,676,534	1,676,534
28,094,953	-	5,103,733	33,198,686
-	32,874	1,512,511	1,545,385
-	-	2,779,463	2,779,463
-	-	-	1,532,922
-	-	308,885	4,968,856
-	-	4,828,447	4,828,447
-	-	1,389,237	1,389,237
-	-	693,443	693,443
-	(24,055)	(207,722)	11,324,581
<u>28,094,953</u>	<u>8,819</u>	<u>18,156,343</u>	<u>79,106,519</u>
<u>\$ 29,467,719</u>	<u>\$ 6,186,478</u>	<u>\$ 19,131,636</u>	<u>\$ 92,151,633</u>

**CITY OF CEDAR HILL, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

EXHIBIT B-2

TOTAL FUND BALANCES-Governmental funds	\$ 79,106,519
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 \$2,830,351).	167,664,742
The regional dispatch center is not reported at the fund level.	87,692
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.	1,937,104
Deferred outflows of resources - unamortized loss on refunding bonds.	442,418
Pension and OPEB related deferred outflows and inflows	1,327,745
Bond interest is not payable with current financial resources and is therefore not accrued at the fund level.	(519,259)
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	(55,640,000)
Certificates of obligation	(18,455,000)
Taxable note	(3,345,000)
Unamortized premiums	(4,342,285)
Compensated absences	(3,480,199)
Total OPEB liability	(2,623,231)
Net pension liability	(10,657,931)
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>3,853,353</u>
TOTAL NET POSITION-Governmental activities	<u><u>\$ 155,356,668</u></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, 2021**

	<u>General</u>	<u>Debt Service Fund</u>	<u>JPL Permanent Fund</u>
REVENUES:			
Taxes, penalties and interest	\$ 32,501,054	\$ 7,406,966	\$ -
Franchise taxes	3,404,867	-	-
License fees and permits	1,367,813	-	-
Intergovernmental	1,208,885	2,143,769	-
Charges for services	1,828,314	-	-
Fines and forfeitures	987,136	-	-
Investment earnings	86,152	18,821	243,791
Grants and donations	-	-	-
Miscellaneous	122,211	-	-
Total revenues	<u>41,506,432</u>	<u>9,569,556</u>	<u>243,791</u>
EXPENDITURES:			
Current:			
General government	6,252,140	-	-
Public works	2,197,878	-	-
Public safety	25,887,236	-	-
Community services	4,710,554	-	-
Debt service:			
Principal retirement	-	7,400,000	-
Interest and fiscal charges	-	3,022,595	-
Capital outlay:			
General government	-	-	-
Public works	-	-	-
Public safety	135,691	-	-
Community services	15,633	-	-
Total expenditures	<u>39,199,132</u>	<u>10,422,595</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,307,300</u>	<u>(853,039)</u>	<u>243,791</u>
OTHER FINANCING SOURCES (USES):			
Transfer in	1,441,631	626,650	-
Transfer out	(3,294,631)	-	(106,702)
Issuance of bonds	-	8,600,000	-
Sale of capital assets	3,085	-	-
Payments to refunded bond escrow agent	-	(8,526,518)	-
Total other financing sources (uses)	<u>(1,849,915)</u>	<u>700,132</u>	<u>(106,702)</u>
CHANGE IN FUND BALANCES	457,385	(152,907)	137,089
FUND BALANCES-Beginning	<u>11,196,126</u>	<u>1,685,829</u>	<u>19,522,882</u>
FUND BALANCES-Ending	<u>\$ 11,653,511</u>	<u>\$ 1,532,922</u>	<u>\$ 19,659,971</u>

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

EXHIBIT B-3

Capital Projects Fund	Grant Funds	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 2,658,147	\$ 42,566,167
-	-	83,038	3,487,905
-	-	-	1,367,813
206,920	1,899,785	42,574	5,501,933
-	-	3,601,352	5,429,666
-	-	160,217	1,147,353
170,396	4,133	94,870	618,163
-	-	30,351	30,351
-	-	837,708	959,919
<u>377,316</u>	<u>1,903,918</u>	<u>7,508,257</u>	<u>61,109,270</u>
-	-	1,784	6,253,924
-	-	-	2,197,878
-	618,255	2,216,137	28,721,628
14,344	173,141	3,322,216	8,220,255
-	-	-	7,400,000
39,068	-	-	3,061,663
270,899	-	-	270,899
4,017,425	418,184	19,732	4,455,341
1,019,376	26,570	255,130	1,436,767
2,000,974	-	83,280	2,099,887
<u>7,362,086</u>	<u>1,236,150</u>	<u>5,898,279</u>	<u>64,118,242</u>
<u>(6,984,770)</u>	<u>667,768</u>	<u>1,609,978</u>	<u>(3,008,972)</u>
18,000	-	3,456,031	5,542,312
-	(901,537)	(894,650)	(5,197,520)
3,345,000	-	-	11,945,000
-	-	-	3,085
-	-	-	(8,526,518)
<u>3,363,000</u>	<u>(901,537)</u>	<u>2,561,381</u>	<u>3,766,359</u>
(3,621,770)	(233,769)	4,171,359	757,387
<u>31,716,723</u>	<u>242,588</u>	<u>13,984,984</u>	<u>78,349,132</u>
<u>\$ 28,094,953</u>	<u>\$ 8,819</u>	<u>\$ 18,156,343</u>	<u>\$ 79,106,519</u>

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

CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

**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, 2021**

EXHIBIT B-4

NET CHANGE IN FUND BALANCES-Total governmental funds	\$ 757,387
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.	8,178,222
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 \$966,920 in depreciation expense recorded in the internal service fund.	(8,207,683)
Net amount of the net effect from disposals of capital assets at the government-wide level, not recorded at the funds.	(5,834)
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.	1,732,774
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.	(94,821)
Increases to vacation and sick liabilities are not shown in the fund financial statements. The net effect of the current year decrease is to increase net position.	(330,861)
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.	(210,561)
Additions to TMRS pension liabilities and related deferred outflows/inflows are not shown in the fund financial statements. The net effect of the current year increase is to increase (decrease) net position.	879,248
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.	(11,945,000)
Current year bond refundings are other financing uses in the fund financial statements but are shown as a decrease in the liabilities in the government-wide financial statements.	8,526,518
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.	7,400,000
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.	676,190
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.	(85,575)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	423,583
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.	419,026
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 8,112,613</u>

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021**

	Business-Type Activities Enterprise Funds Water and Sewer Fund	Governmental Activities Internal Service Funds
ASSETS:		
Current assets:		
Equity in pooled cash and cash equivalents	\$ 4,886,123	\$ 4,126,717
Receivables (net, of allowances for uncollectibles):		
Accounts	4,032,360	3,516
Interest	975	-
Due from other funds	129,579	-
Prepaid expenses	787	-
Restricted assets:		
Restricted-customer deposits	808,379	-
Restricted-capital recovery fee funds-equity in pooled cash and cash equivalents	1,564,605	-
Restricted-pro rata funds-equity in pooled cash and cash equivalents	97,836	-
Restricted-bond proceeds-equity in pooled cash and cash equivalents	7,166,887	-
Total current assets	18,687,531	4,130,233
Noncurrent assets:		
Capital assets:		
Nondepreciable	904,149	-
Depreciable-net of accumulated depreciation	54,753,979	2,830,351
Total noncurrent assets	55,658,128	2,830,351
Total assets	74,345,659	6,960,584
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows from pension	400,930	-
Deferred outflows from total OPEB	96,707	-
Total deferred outflows of resources	497,637	-

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, 2021**

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	1,116,982	16,121
Accrued liabilities	338,267	-
Unpaid claims liabilities	-	260,759
Compensated absences-current	72,671	-
Total payable from current assets	1,527,920	276,880
Payable from restricted assets:		
Accounts and contracts payable	95,386	-
Accrued liabilities	6,108	-
Accrued Interest	74,109	-
Customer deposits	808,379	-
Current bonds payable	1,597,353	-
Total payable from restricted assets	2,581,335	-
Total current liabilities	4,109,255	276,880
Noncurrent liabilities:		
Bonds payable	15,715,124	-
Compensated absences	88,821	-
Total OPEB liability	341,288	-
Net pension liability	1,184,215	-
Total noncurrent liabilities	17,329,448	-
Total liabilities	21,438,703	276,880
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows gain on refunding	1,071	-
Deferred inflows from pension	315,328	-
Deferred inflows from total OPEB	22,357	-
Total deferred inflows of resources	338,756	-
NET POSITION:		
Net investment in capital assets	45,511,467	2,830,351
Restricted for:		
Construction	1,656,333	-
Unrestricted	5,898,037	3,853,353
Total net position	\$ 53,065,837	\$ 6,683,704

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 REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

EXHIBIT C-2

	Business-Type Activities Enterprise Funds	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
OPERATING REVENUES:		
Water sales	\$ 10,811,555	\$ -
Sewer charges	8,152,339	-
City and employee contributions	-	4,026,209
Intergovernmental grant	8,541	-
Miscellaneous	155,058	979,479
Total operating revenues	19,127,493	5,005,688
OPERATING EXPENSES:		
Sewage treatment	6,646,067	-
Purchase of water	3,585,183	-
Personnel services	3,438,485	-
Depreciation	1,960,739	966,920
Gross receipts fee	1,055,250	-
Heat, light and power	275,296	-
Maintenance	227,228	-
Contractual services	1,817,509	-
Materials and supplies	282,643	71,691
Claims paid and change in estimate	-	2,740,343
Administrative and fiscal services	-	808,348
Miscellaneous	64,385	129,041
Total operating expenses	19,352,785	4,716,343
OPERATING INCOME (LOSS)	(225,292)	289,345
NON-OPERATING REVENUES (EXPENSES):		
Other non-operating revenue	103,722	-
Investment income	85,118	18,870
Interest and fiscal charges	(506,257)	-
Gain (loss) on retirement of assets	12,700	110,811
Total nonoperating revenue (expenses)	(304,717)	129,681
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(530,009)	419,026
Impact fees	310,207	-
Transfers out	(344,792)	-
Total contributions and transfers	(34,585)	-
CHANGE IN NET POSITION	(564,594)	419,026
NET POSITION-October 1	53,630,431	6,264,678
NET POSITION-End of year	\$ 53,065,837	\$ 6,683,704

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

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Business-Type Activities Enterprise Funds	Governmental Activities
	Water and Sewer Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 18,813,517	\$ 979,479
Cash received from city and employee contributions	-	3,922,487
Cash received from the wellness program	-	103,944
Cash paid to suppliers	(13,437,453)	(51,967)
Cash paid to employees	(3,323,641)	-
Cash payments for claims	-	(2,723,433)
Cash paid for administrative and fiscal services	-	(937,389)
Net cash provided by operations	2,052,423	1,293,121
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to other funds	(344,792)	-
Net cash used in noncapital financing activities	(344,792)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(485,374)	(788,428)
Proceeds from sales of assets	12,700	110,811
Other non-operating sources	103,722	-
Contributions - impact fees and other	310,207	-
Principal paid on outstanding bonds	(1,385,000)	-
Interest paid on related debt financing	(660,059)	-
Net cash used in capital and related financing activities	(2,103,804)	(677,617)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	85,118	18,870
Net cash provided by investing activities	85,118	18,870
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(311,055)	634,374
CASH AND CASH EQUIVALENTS-Beginning of year	14,834,885	3,492,343
CASH AND CASH EQUIVALENTS-End of year	\$ 14,523,830	\$ 4,126,717

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)	\$ (225,292)	\$ 289,345
Adjustments:		
Depreciation expense	1,960,739	966,920
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(374,521)	4,457
(Increase) decrease in interest receivable	(8)	-
(Increase) decrease in due from other funds	(113,376)	-
(Increase) decrease in prepaids	1,058	-
(Increase) decrease in deferred pension & opeb outflows	(140,336)	-
Increase (decrease) in accounts payable	627,345	15,489
Increase (decrease) in deferred inflows	(34,774)	-
Increase (decrease) in pension and opeb liabilities	104,386	-
Increase (decrease) in accrued liabilities	71,813	-
Increase (decrease) in claims liabilities	-	16,910
Increase (decrease) in customer deposits	60,545	-
Increase (decrease) in compensated absences	114,844	-
Total adjustments	2,277,715	1,003,776
NET CASH PROVIDED BY OPERATIONS	\$ 2,052,423	\$ 1,293,121
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Equity in pooled cash and cash equivalents	4,886,123	4,126,717
Restricted-customer deposits	808,379	-
Restricted-capital recovery fee funds-equity in pooled cash and investments	1,564,605	-
Restricted-pro rata funds-equity in pooled cash and cash equivalents	97,836	-
Restricted-bond proceeds-equity in pooled cash and cash equivalents	7,166,887	-
	\$ 14,523,830	\$ 4,126,717

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021**

EXHIBIT D-1

	Pension Trust Fund Police Reserves Benefit Fund
ASSETS:	
Cash and cash equivalents	\$ 4,242
Investments	
Mutual funds- Corporate Bonds	48,052
Mutual funds- Equity	65,620
Total assets	<u>117,914</u>
NET POSITION:	
Net position restricted for pensions	<u>117,914</u>
Total NET POSITION	<u><u>\$ 117,914</u></u>

**CITY OF CEDAR HILL, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

EXHIBIT D-2

	<u>Pension Trust Fund</u>
	<u>Police Reserves Benefit Fund</u>
ADDITIONS:	
Investment income	\$ 19,178
Total additions	<u>19,178</u>
DEDUCTIONS:	
Pension payments	11,160
Special services	<u>1,201</u>
Total deductions	<u>12,361</u>
NET INCREASE	6,817
NET POSITION RESTRICTED FOR PENSION BENEFITS-Beginning of year	<u>111,097</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS-End of year	<u><u>\$ 117,914</u></u>



CEDAR HILL

WHERE OPPORTUNITIES GROW NATURALLY

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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, 2021. 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, 2021**

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, 2021**

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 Grants Fund accounts for accounts for the various federal, state, and local grant revenue received by the City. All grants included in this fund are for specific projects with limited duration.

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.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

- 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.

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, 2021**

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, 2021, 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, 2021.

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, 2021**

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, 2021**

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, 2021**

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, 2021**

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 thirty 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, 2021, the Winding Hollow PID had a deficit fund balance of \$207,722 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 Other
General government	97,153
Police forfeiture	230,811
Hotel occupancy	868,964
Municipal court	44,989
Library	44,308
Grant funds	32,874
PID	1,130,015
Traffic safety	264,606
PEG	682,044
Crime control	704,976
Animal shelter	196,391
Fire training	70,738
Landscape	685,846
TIF	888,206
Total	<u>\$ 5,941,921</u>

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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 2021

The City has implemented the following new accounting pronouncements:

GASB Statement No. 84, *Fiduciary Activities* is now effective for periods beginning after December 15, 2019. 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. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*) is now effective for periods beginning after December 15, 2019. 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 Implementation Guide No. 2019-1, *Implementation Guidance Update – 2019*. This Implementation Guide provides guidance that clarifies, explains, or elaborates on GASB Statements. It amends questions in Implementation Guide No. 2015-1 and Implementation Guide No. 2017-2, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Questions in paragraph 4 are new Category B guidance in the hierarchy of generally accepted accounting principles. Questions in paragraph 5 amend questions in previously issued Implementation Guides.

GASB Implementation Guide No. 2019-2, *Fiduciary Activities*. This Implementation Guide provides guidance that clarifies, explains, or elaborates on the requirements of Statement No. 84, *Fiduciary Activities*. It supersedes Implementation Guide No. 2015-1, Questions 6.6.1 and 7.81.2. It also amends questions in Implementation Guide No. 2015-1, Implementation Guide No. 2016-1, Implementation Guide Update-2016, and Implementation Guide No. 2017-2, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.

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. 87, *Leases* is now effective for periods beginning after June 15, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

by governments. This Statement increases the usefulness of governments' financial statements by requiring 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.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* is now effective for reporting periods beginning after December 15, 2020. 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. There was no impact on the City's financial statement as result of implementation of this standard.

GASB Statement No. 91, *Conduit Debt Obligations* is now effective for periods beginning after December 15, 2021. 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* paragraphs 6, 7, 8, and 12 is now effective for periods beginning after June 15, 2021. 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, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

GASB Statement No. 93, *Replacement of Interbank Offered Rates* - The objective of this statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of paragraphs 13 and 14 are now effective for fiscal years beginning after June 15, 2021. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement is effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Paragraphs 4 and 5 of this Statement are effective immediately and have been implemented with no material impact. The remainder of the Statement is effective for periods beginning after June 15, 2021.

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 2. DEPOSITS AND INVESTMENTS

Included in the statement of net position and the statement of fiduciary net position are cash and investments totaling \$103,398,859 excluding the discretely presented component units which are disclosed below.

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1–5	6–10	More than 10
City cash—cash	\$ 77,015,435	\$ 77,015,435	\$ -	\$ -	\$ -
Certificates of deposit	21,327,944	14,245,926	7,082,018	-	-
Investment pools	4,937,566	4,937,566	-	-	-
Total cash and cash equivalents	\$ 103,280,945	\$ 96,198,927	\$ 7,082,018	\$ -	\$ -
Total cash and cash equivalents—city	\$ 103,280,945	\$ 96,198,927	\$ 7,082,018	\$ -	\$ -
Pension trust:					
Equities	\$ 117,914	\$ 117,914	\$ -	\$ -	\$ -
	\$ 117,914	\$ 117,914	\$ -	\$ -	\$ -

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, 2021, the City had the following recurring fair value measurements.

	9/30/2021	Level 1	Level 2	Level 3
Investments by fair value level				
Pension trust				
Equities	\$ 117,914	\$ 117,914	\$ -	\$ -

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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 \$98,343,379 and the bank balance was \$103,418,335. 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, 2021**

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:

Description	Issuer	Coupon Rate	Maturity Date	Type	S&P
LOGIC LGIP	LOGIC	0.002207	10/1/2021	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:

Portfolio Type	Maximum Average Maturity	Maximum Final Maturity
Consolidated funds	Weighted-average maturity of 365 days	Three 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, 2021**

NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED

Investment in Local Government Investment Pools

The City invested in LOGIC Investment Pool. LOGIC is administered by First Southwest Asset Management Company and JPMorgan Chase. LOGIC is a AAA rated 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. LOGIC uses fair market value to report net assets to compute share prices. A complete copy of the LOGIC 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	\$ 4,340,003	\$ 4,340,003	\$ -	\$ -	\$ -
Certificate of deposit	4,542,552	3,541,291	1,001,261	-	-
Total cash and investments—corporation	<u>\$ 8,882,555</u>	<u>\$ 7,881,294</u>	<u>\$ 1,001,261</u>	<u>\$ -</u>	<u>\$ -</u>

At year-end, the carrying amount of the EDC’s bank balance and cash on hand was \$4,340,003, 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	\$ 3,526,076	\$ 3,526,076	\$ -	\$ -	\$ -
Certificate of deposit	7,780,531	7,780,531	-	-	-
Total cash and investments—corporation	<u>\$ 11,306,607</u>	<u>\$ 11,306,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

At year-end, the carrying amount of the CDC’s bank balance and cash on hand was \$3,526,076 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, 2021**

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	Grant Funds	Water and Sewer	Nonmajor and Other Funds	Total
Receivables								
Taxes	\$ 2,533,584	\$ 285,262	\$ -	\$ -	\$ 162,288	\$ 5,221,544	\$ 268,880	\$ 8,471,558
Franchise	630,288	-	-	-	-	-	13,879	644,167
Interest	997	-	947	3,936	-	975	3,516	10,371
Miscellaneous	4,968,408	7,074	-	492,919	269,397	-	634,777	6,372,575
Gross receivables	8,133,277	292,336	947	496,855	431,685	5,222,519	921,052	15,498,671
Less: allowance for uncollectible	(3,059,232)	(85,075)	-	-	-	(1,189,184)	(63,748)	(4,397,239)
Net total receivables	\$ 5,074,045	\$ 207,261	\$ 947	\$ 496,855	\$ 431,685	\$ 4,033,335	\$ 857,304	\$11,101,432

The General Fund miscellaneous primarily consists of billed emergency medical services and court fines and fees. The Water and Sewer Fund accounts receivable balance includes unbilled charges for services rendered of \$2,643,779 at September 30, 2021. The Capital Project Fund includes an amount earned on a capital project and due from Dallas County through a grant agreement. Also included in the Capital Project Fund is an amount earned on a capital project and due from Texas Department of Transportation through a project agreement.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets—not being depreciated:					
Land	\$ 17,792,647	\$ 1,409,069	\$ -	\$ -	\$ 19,201,716
Construction in progress	9,747,553	7,750,094	-	(3,611,167)	13,886,480
Total capital assets—not depreciated	27,540,200	9,159,163	-	(3,611,167)	33,088,196
Capital assets—being depreciated:					
Buildings/facilities	64,458,798	516,590	(41,724)	1,394,313	66,327,977
Equipment	16,899,551	1,038,673	(591,794)	-	17,346,430
Infrastructure	174,043,957	23,664	-	2,216,854	176,284,475
Water rights	26,284,063	-	-	-	26,284,063
Master studies	393,172	-	-	-	393,172
Total capital assets—being depreciated	282,079,541	1,578,927	(633,518)	3,611,167	286,636,117
Less accumulated depreciation for:					
Buildings/facilities	(29,348,879)	(2,080,718)	41,723	-	(31,387,874)
Equipment	(10,797,905)	(1,515,847)	547,295	-	(11,766,457)
Infrastructure	(83,723,842)	(5,087,328)	-	-	(88,811,170)
Water rights	(19,228,141)	(489,428)	-	-	(19,717,569)
Master studies	(375,219)	(1,282)	-	-	(376,501)
Total accumulated depreciation	(143,473,986)	(9,174,603)	589,018	-	(152,059,571)
Total capital assets—being depreciated—net	138,605,555	(7,595,676)	(44,500)	3,611,167	134,576,546
Governmental activities capital assets—net	\$ 166,145,755	\$ 1,563,487	\$ (44,500)	\$ -	\$ 167,664,742

Internal service fund capital assets of \$2,830,351 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, 2021**

NOTE 4. CAPITAL ASSETS – CONTINUED

Primary Government – Continued

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets—not being depreciated:					
Land	\$ 371,264	\$ -	\$ -	\$ -	\$ 371,264
Construction in progress	667,056	441,331	-	(575,502)	532,885
Total capital assets—not depreciated	1,038,320	441,331	-	(575,502)	904,149
Capital assets being depreciated:					
Buildings/facilities	666,491	-	-	-	666,491
Water systems	59,139,319	-	-	575,502	59,714,821
Sewer systems	25,276,337	-	-	-	25,276,337
Equipment	4,254,902	44,043	(71,429)	-	4,227,516
Master studies	176,244	-	-	-	176,244
Total capital assets being depreciated	89,513,293	44,043	(71,429)	575,502	90,061,409
Less accumulated depreciation for:					
Buildings/facilities	(596,750)	(5,344)	-	-	(602,094)
Water systems	(19,538,061)	(1,178,285)	-	-	(20,716,346)
Sewer systems	(10,345,328)	(505,227)	-	-	(10,850,555)
Equipment	(2,761,737)	(271,883)	71,429	-	(2,962,191)
Master studies	(176,244)	-	-	-	(176,244)
Total accumulated depreciation	(33,418,120)	(1,960,739)	71,429	-	(35,307,430)
Total capital assets—being depreciated—net	56,095,173	(1,916,696)	-	575,502	54,753,979
Business-type activities capital assets—net	\$ 57,133,493	\$ (1,475,365)	\$ -	\$ -	\$ 55,658,128

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

Governmental activities:	
General government	\$ 1,231,402
Public works	5,363,389
Public safety	1,235,722
Community service	1,344,090
Total depreciation expense—governmental activities	\$ 9,174,603
Business-type activities—water and sewer	\$ 1,960,739

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 4. CAPITAL ASSETS – CONTINUED

Discretely Presented Component Units

Activity for the Economic Development Corporation for the year ended September 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Contributions to the City	Ending Balance
Capital assets—not being depreciated:					
Land	\$ 2,849,061	\$ 549,821	\$ -	\$ -	\$ 3,398,882
Total capital assets- not being depreciated	<u>2,849,061</u>	<u>549,821</u>	<u>-</u>	<u>-</u>	<u>3,398,882</u>
Capital assets—being depreciated:					
Leasehold improvements	116,057	-	-	-	116,057
Total capital assets being depreciated	<u>116,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,057</u>
Less accumulated depreciation for:					
Leasehold improvements	(33,740)	(3,729)	-	-	(37,469)
Total accumulated depreciation	<u>(33,740)</u>	<u>(3,729)</u>	<u>-</u>	<u>-</u>	<u>(37,469)</u>
Total capital assets being depreciated—net	<u>82,317</u>	<u>(3,729)</u>	<u>-</u>	<u>-</u>	<u>78,588</u>
EDC Capital assets—net	<u>\$ 2,931,378</u>	<u>\$ 546,092</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,477,470</u>

Activity for the Community Development Corporation for the year ended September 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Contributions to the City	Ending Balance
Capital assets—not being depreciated:					
Construction in progress	\$ 2,652,169	\$ 1,745,839	\$ -	\$ (1,732,774)	\$ 2,665,234
Total capital assets- not being depreciated	<u>2,652,169</u>	<u>1,745,839</u>	<u>-</u>	<u>(1,732,774)</u>	<u>2,665,234</u>
CDC Capital assets—net	<u>\$ 2,652,169</u>	<u>\$ 1,745,839</u>	<u>\$ -</u>	<u>\$ (1,732,774)</u>	<u>\$ 2,665,234</u>

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, 2021**

NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Transfers are used to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due and for cost allocations and other operational costs as determined by the City’s annual budget. The transfer activity for the year ended September 30, 2021 is presented in the following schedule:

Transfers in	Transfers Out					Total
	General Fund	JPL Permanent Fund	Grant Fund	Nonmajor Funds	Enterprise Funds	
Primary government:						
Governmental activities:						
Major funds:						
General fund	\$ -	\$ -	\$846,839	\$ 250,000	\$ 344,792	\$1,441,631
Debt service fund	-	-	-	626,650	-	626,650
Capital projects fund	-	-	-	18,000	-	18,000
Nonmajor governmental funds	3,294,631	106,702	54,698	-	-	3,456,031
Total	\$3,294,631	\$106,702	\$901,537	\$ 894,650	\$ 344,792	\$5,542,312

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 and rights-of-way mowing and litter control provided for by the General Fund resources. Transfers from the General Fund to Nonmajor funds include payment of the city’s annual share of debt to support Animal Shelter operations and the transfer of set aside funds for building, street construction, and drainage improvements. The transfers from the Grant Fund to the General Fund are due to the timing of cash transactions and advance grant spending.

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

In 2019, a “Memorandum of Understanding” 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 a screening wall adjacent to Joe Wilson Road. The final cost of replacement was \$356,689. 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 which commenced on June 1, 2019 at 0% interest rate. Remaining payments are as follows:

Years	Payment	Total
2022 - 2032	\$ 24,500	\$ 269,500
2033	\$ 18,189	18,189
		<u>\$ 287,689</u>

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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, 2021:

	Balance October 1, 2020	Increases	Retirements/ Refundings	Balance September 30, 2021	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 62,030,000	\$ -	\$ (13,895,000)	\$ 48,135,000	\$ 4,590,000
General obligation bonds - Direct placement	-	8,600,000	(1,095,000)	7,505,000	2,310,000
Certificates of obligation	19,240,000	-	(785,000)	18,455,000	875,000
Taxable Note - Direct borrowing	-	3,345,000	-	3,345,000	565,000
Total bonds payable	81,270,000	11,945,000	(15,775,000)	77,440,000	8,340,000
Unamortized premiums	5,090,163	-	(747,878)	4,342,285	595,012
Compensated absences	3,149,338	2,404,660	(2,073,799)	3,480,199	1,357,278
OPEB liability - Health care	1,078,788	410,449	-	1,489,237	-
OPEB liability - SDBF	909,325	224,669	-	1,133,994	-
Net pension liability	10,484,778	173,153	-	10,657,931	-
Total governmental long-term liabilities	\$ 101,982,392	\$ 15,157,931	\$ (18,596,677)	\$ 98,543,646	\$ 10,292,290
Business-type activities:					
General obligation bonds payable	\$ 4,310,000	\$ -	\$ (625,000)	\$ 3,685,000	\$ 660,000
Certificates of obligation bonds payable	13,470,000	-	(760,000)	12,710,000	810,000
Unamortized premiums	1,060,208	-	(142,731)	917,477	127,353
Compensated absences	46,647	247,510	(132,665)	161,492	72,671
OPEB liability - Health care	163,866	62,346	-	226,212	-
OPEB liability - SDBF	92,277	22,799	-	115,076	-
Net pension liability	1,164,975	19,240	-	1,184,215	-
Total business-type long-term liabilities	20,307,973	351,895	(1,660,396)	18,999,472	1,670,024
Total primary government long-term liabilities	\$ 122,290,365	\$ 15,509,826	\$ (20,257,073)	\$ 117,543,118	\$ 11,962,314

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

Direct borrowings and direct placements have terms negotiated directly with the investor or lender and are not offered for public sale. In this category, the City issued 2021 Taxable Note for \$3,345,000 for purchase of public safety equipment, and 2021 General Obligation Bonds for \$8,600,000 for the refunding of Series 2011 and Series 2012 General Obligation Bonds.

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,

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 6. LONG-TERM OBLIGATIONS – CONTINUED

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.

Compliance with Debt Covenants: At September 30, 2021, 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, 2021

NOTE 6. LONG-TERM OBLIGATIONS – CONTINUED

General Long-Term Liabilities

General obligation bonds, certificates of obligation and the taxable note outstanding at September 30, 2021, consist of the following individual issues:

	Interest Rates	Balance September 30, 2021
General obligation bonds:		
Governmental activities:		
\$6,040,000; 2013 General Obligation Refunding Bonds, due Feb. 15, 2028 <i>(Split 79% to 21% between governmental and business-type activities)</i>	2.00%-4.00%	3,170,000
\$24,055,000; 2015 General Obligation Refunding and Imprvm't Bonds, due Feb. 15, 2035 <i>(Split 93% to 7% between governmental and business-type activities)</i>	.5% - 3.51%	12,355,000
\$19,990,000; 2016 General Obligation Refunding and Imprvm't Bonds, due Feb. 15, 2028 <i>(Split 82.4% to 17.6% between governmental and business-type activities)</i>	3.00%-5%	11,175,000
\$4,135,000; 2018 General Obligation Bonds, due February 15, 2038	3.00% -3.50%	3,700,000
\$8,965,000; 2019 General Obligation Bonds, due February 15, 2039	3.00%-5.00%	8,360,000
\$9,610,000; 2020 General Obligation Bonds, due February 15, 2040	2.50%-5.00%	9,375,000
\$8,600,000; 2021 General Obligation Bonds-Direct placement, due February 15, 2040	2.50%-5.00%	7,505,000
Total governmental activities - general obligation bonds		<u>\$ 55,640,000</u>
Business-type activities:		
\$6,040,000; 2013 General Obligation Refunding Bonds, due Feb. 15, 2024 <i>(Split 79% to 21% between governmental and business-type activities)</i>	2.00%-4.00%	580,000
\$24,055,000; 2015 General Obligation Refunding and Imprvm't Bonds, due Feb. 15, 2035 <i>(Split 93% to 7% between governmental and business-type activities)</i>	.5% - 3.51%	930,000
\$19,990,000; 2016 General Obligation Refunding and Imprvm't Bonds, due Feb. 15, 2028 <i>(Split 82.4% to 17.6% between governmental and business-type activities)</i>	3.00%-5%	2,175,000
Total business-type activities - general obligation bonds		<u>\$ 3,685,000</u>
Total general obligation bonds		<u>\$ 59,325,000</u>
Certificate of obligation bonds:		
Governmental activities:		
\$2,065,000; 2013 Certificates of Obligation, due February 15, 2022	2.00%-3.00%	1,065,000
\$1,730,000; 2015 Certificates of Obligation, due February 15, 2029 <i>(Split 54% to 46% between governmental and business-type activities)</i>	2.00%-4.00%	620,000
\$5,620,000; 2018 Certificates of Obligation, due February 15, 2038 <i>(Split 58.72% to 41.28% between governmental and business-type activities)</i>	3.00%-4.00%	2,970,000
\$5,515,000; 2019 Certificates of Obligation, due February 15, 2034 <i>(Split 32% to 68% between governmental and business-type activities)</i>	3.00%-5.00%	1,595,000
\$7,360,000; 2019 Tax Taxable Certificates of Obligation, due February 15, 2044	3.00%-4.00%	7,165,000
\$8,475,000; 2020 Tax Taxable Certificates of Obligation, due February 15, 2044	3.00%-4.00%	5,040,000
Total governmental activities		<u>\$ 18,455,000</u>
Business-type activities:		
\$6,235,000; 2014 Certificates of Obligation, due February 15, 2029	2.75%-3.75%	4,140,000
\$1,730,000; 2015 Certificates of Obligation, due February 15, 2029 <i>(Split 54% to 46% between governmental and business-type activities)</i>	2.00%-4.00%	535,000
\$5,620,000; 2018 Certificates of Obligation, due February 15, 2038 <i>(Split 58.72% to 41.28% between governmental and business-type activities)</i>	3.00%-4.00%	2,090,000
\$5,515,000; 2019 Certificates of Obligation, due February 15, 2039 <i>(Split 32% to 68% between governmental and business-type activities)</i>	3.00%-5.00%	3,500,000
\$2,490,000; 2020 Certificates of Obligation, due February 15, 2040	3.00%-5.00%	2,445,000
Total business-type activities		<u>\$ 12,710,000</u>
Total certificate of obligation bonds		<u>\$ 31,165,000</u>
Taxable Note:		
Governmental activities: (General Purpose)		
\$3,345,000; 2021 Taxable Note-Direct borrowing, February 15, 2027	1.09%	<u>\$ 3,345,000</u>

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 6. LONG-TERM OBLIGATIONS – CONTINUED

General Long-Term Liabilities – Continued

Annual requirements to amortize the long-term debt as of September 30, 2021 are as follows:

Year Ending September 30	Governmental Activities			
	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2022	\$ 4,590,000	\$ 1,832,950	\$ 875,000	\$ 654,066
2023	4,785,000	1,640,675	905,000	619,641
2024	4,975,000	1,443,288	940,000	584,529
2025	5,195,000	1,225,875	985,000	544,766
2026	4,570,000	1,011,500	1,020,000	507,679
2027-2031	10,375,000	3,464,975	4,935,000	1,979,831
2032-2036	8,700,000	1,694,319	4,145,000	1,203,374
2037-2041	4,945,000	284,369	3,375,000	518,420
2042-2044	-	-	1,275,000	92,880
Total principal and interest	\$ 48,135,000	\$ 12,597,951	\$ 18,455,000	\$ 6,705,187

Year Ending September 30	Governmental Activities - Direct Placements and Borrowings			
	General Obligation Bonds		Taxable Note	
	Principal	Interest	Principal	Interest
2022	\$ 2,310,000	\$ 53,340	\$ 565,000	\$ 33,381
2023	1,600,000	36,918	570,000	27,196
2024	1,110,000	25,536	575,000	20,955
2025	615,000	18,291	580,000	14,661
2026	615,000	13,125	525,000	8,638
2027-2031	1,255,000	10,563	530,000	2,889
Total principal and interest	\$ 7,505,000	\$ 157,773	\$ 3,345,000	\$ 107,719

Year Ending September 30	Business-Type Activities			
	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2022	\$ 660,000	\$ 135,800	\$ 810,000	\$ 440,294
2023	675,000	107,775	855,000	408,719
2024	715,000	79,125	880,000	376,600
2025	530,000	52,325	910,000	344,494
2026	555,000	28,625	950,000	312,031
2027-2031	550,000	13,800	3,995,000	1,062,750
2032-2036	-	-	2,570,000	527,282
2037-2040	-	-	1,740,000	95,849
Total principal and interest	\$ 3,685,000	\$ 417,450	\$ 12,710,000	\$ 3,568,018

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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, 2020	Increases	Retirements	Balance September 30, 2021	Due Within One Year
CDC:					
Compensated absences	\$ 54,331	\$ 78,746	\$(105,078)	\$ 27,999	\$ 18,199
Total Health Care OPEB liability	<u>95,588</u>	<u>36,369</u>	<u>-</u>	<u>131,957</u>	<u>-</u>
Total long-term liabilities	<u>\$ 149,919</u>	<u>\$ 115,115</u>	<u>\$(105,078)</u>	<u>\$ 159,956</u>	<u>\$ 18,199</u>

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

	Balance October 1, 2020	Increases	Retirements	Balance September 30, 2021	Due Within One Year
EDC:					
Compensated absences	\$ 8,300	\$ 27,205	\$ (16,458)	\$ 19,047	\$ 6,666
Total Health Care OPEB liability	<u>27,311</u>	<u>10,391</u>	<u>-</u>	<u>37,702</u>	<u>-</u>
	<u>\$ 35,611</u>	<u>\$ 37,596</u>	<u>\$(16,458)</u>	<u>\$ 56,749</u>	<u>\$ 6,666</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 Hillside 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, 2021**

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, 2021, to be included as a component unit.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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 \$260,759 at September 30, 2021.

Changes in balances during 2021 were as follows:

	<u>2021</u>
Unpaid claims, beginning of year	\$ 243,849
Current year claims (including IBNR) and change in estimate	3,158,087
Claim Payments	<u>3,141,177</u>
Unpaid claims, end of year	<u>\$ 260,759</u>

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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, 2020 to September 30, 2021	\$ 7,828,795
TRA adjustment for prior-year settlement	<u>(1,136,262)</u>
 Sewage treatment and water system facility expenses	 <u>\$ 6,692,533</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, 2021, sufficient capital funds were on hand to satisfy all contractual commitments for capital improvements in progress. The City has active construction projects as of September 30, 2021. Total accumulated commitments for ongoing capital project are composed of the following:

Construction Commitments

Capital	\$6,611,635
Water and sewer	703,026
Grant	<u>39,461</u>
Total	<u>\$7,354,122</u>

The City periodically is a defendant in various lawsuits. At September 30, 2021, after consultation with the City’s attorney, the City is not aware of any pending litigation with a material impact.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 8. COMMITMENTS AND CONTINGENCIES – CONTINUED

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, 2021, these commitments totaled approximately \$4,739,800 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, 2021**

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), Chapter 312 (Property Tax Abatements) 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. At fiscal year-end 2021, there was one active tax abatement agreement under this program executed in May 2021. There were no property taxes abated in fiscal year 2021.

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 had three active Chapter 380 agreements totaling \$46,790 in payments in fiscal year 2021.

The Cedar Hill Economic Development Corporation (CHEDC) enters various agreements to promote and encourage development within the Cedar Hill. These agreements incentivize developers and local business to promote and develop the City under the terms and conditions established by the Cedar Hill Economic Development Corporation. CHEDC paid \$776,885 in incentives in fiscal year 2021.

The CHEDC provided economic financial assistance to the Cedar Hill Chamber of Commerce through an interest free loan for a total of \$100,000. The terms of the repayment of the loan include monthly payments from Cedar Hill Chamber of Commerce starting in January 2022 through December 2031.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 9. TAX ABATEMENTS AND ECONOMIC INCENTIVES – CONTINUED

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. The revenue in to TIRZ#1 for fiscal year 2021 was \$ 437,295. There were no active projects funded for the year.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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 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, 2021**

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

Inactive employees or beneficiaries currently receiving benefits	195
Inactive employees entitles but not yet receiving benefits	185
Active employees	<u>338</u>
 Total	 <u><u>718</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 13.79% and 14.09% in calendar years 2020 and 2021, respectively. The city’s contributions to TMRS for the year ended September 30, 2021 were \$3,480,897 and were equal to the required contributions.

Net Pension Liability

The City’s Net Pension Liability (NPL) was measured as of December 31, 2020 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, 2021**

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS – CONTINUED

Actuarial Assumptions

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

Inflation	2.50%	per year
Overall payroll growth	2.75%	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 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. PUB (10) mortality tables, with the Public Safety table use for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Actuarial assumptions used in the December 31, 2020 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018. 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 2018 valuation. After the Asset Allocation Study analysis and experience investigation study, the long-term expected rate of return on pension plan investments remains unchanged at 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, 2021**

NOTE 10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS – CONTINUED

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	30%	5.30%
Core Fixed Income	10	1.25
Non-Core Fixed Income	20	4.14
Real Return	10	3.85
Real Estate	10	4.00
Absolute Return	10	3.48
Private Equity	<u>10</u>	7.75
Total	<u><u>100.00%</u></u>	

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, 2021**

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, 2019	\$ 116,321,234	\$ 104,671,481	\$ 11,649,753
Changes for the year:			
Service Cost	4,244,674	-	4,244,674
Interest	7,853,074	-	7,853,074
Change of benefit terms	-	-	-
Difference between expected and actual experience	1,232,689	-	1,232,689
Changes of assumptions	-	-	-
Contributions - employer	-	3,480,897	(3,480,897)
Contributions - employee	-	1,760,232	(1,760,232)
Net investment income	-	7,950,333	(7,950,333)
Benefit payments, including refunds of employee	(4,203,456)	(4,203,456)	-
Administrative expense	-	(51,411)	51,411
Other charges	-	(2,007)	2,007
Net Changes	<u>9,126,981</u>	<u>8,934,588</u>	<u>192,393</u>
Balance at December 31, 2020	<u>\$ 125,448,215</u>	<u>\$ 113,606,069</u>	<u>\$ 11,842,146</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	\$ 30,966,152	\$ 11,842,146	\$ (3,757,148)

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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, 2021, the city recognized pension expense of \$2,656,150. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,029,957	\$ 174,300
Changes in actuarial assumptions	204,595	-
Differences between projected and actual investment earnings	-	2,978,976
Contributions subsequent the measurement date	<u>2,774,739</u>	<u>-</u>
Total	<u>\$ 4,009,291</u>	<u>\$ 3,153,276</u>

Of the \$4,009,291 for deferred outflows of resources, \$2,774,739 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, 2022. The remainder of the total deferred outflows/inflows of resources, \$1,918,724 will be recognized in pension expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2021	\$ (835,146)
2022	319,135
2023	(1,462,288)
2024	59,575
2025	-
Thereafter	<u>-</u>
	<u>\$ (1,918,724)</u>

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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, 2021, 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, 2021**

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, 2020, membership consisted of:

Retirees and beneficiaries receiving benefits	4
Active employees	<u>328</u>
Total	<u><u>332</u></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>	<u>Premiums Paid By Employee (October 1, 2020 to September 30, 2021)</u>	
	<u>High-Deductible Health</u>	<u>Exclusive Provider</u>
	<u>Plan (HDHP-HSA)</u>	<u>Organization (EPO)</u>
	<u>Base Plan</u>	<u>Buy-Up Plan</u>
Employee Only	\$ 560	\$ 643
Employee & Spouse	\$ 1,071	\$ 1,229

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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 September 30, 2021 ranged from \$560 to \$1,229 per month depending on coverage levels selected. In fiscal year September 30, 2021, the total member contributions were \$51,763. 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 \$86,702; therefore, the City’s contribution to the plan for fiscal year September 30, 2021 was \$34,939 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 total OPEB liability was measured as of December 31, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020.

Actuarial Methods and Assumptions – Retiree Health Care

The City’s total OPEB liability in the December 31, 2020 valuation was determined using the following actuarial assumptions:

<u>Actuarial Assumptions</u>	
Actuarial Cost Method	Individual Entry-Age
Discount Rate	2.00 % as of December 31, 2020
Inflation	2.50%
Salary Increase	3.50% to 11.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. 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 7.00% declining to an ultimate rate of 4.25% after 13 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, 2021**

NOTE 11. OTHER POST EMPLOYMENT BENEFITS – CONTINUED

Discount Rate

The discount rate used to measure the Total OPEB Liability was 2.00%. 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, 2020. For the purpose of this valuation, the municipal bond rate is 2.00% 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 2.75% as of December 31, 2019, 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 2%, 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 (1%) or 1 percentage-point higher (3%):

	1% Decrease in Discount Rate (1.%)	Discount Rate (2.%)	1% Increase in Discount Rate (3.%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB Health Care liability	\$ 2,078,175	\$ 1,885,108	\$ 1,707,726

The following presents the total OPEB – Health Care liability of the City, calculated using the healthcare cost trend rate of 7%, 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%) or 1 percentage-point higher (8%):

	1% Decrease in Trend Rate (6.%)	Trend Rate (7.%)	1% Increase in Trend Rate (8.%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB Health Care liability	\$ 1,637,394	\$ 1,885,108	\$ 2,182,085

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 11. OTHER POST EMPLOYMENT BENEFITS – CONTINUED

Schedule of Changes in Total OPEB Liability – Health Care

	Total OPEB - Health Care Liability
	<u>Liability</u>
Beginning balance	\$ 1,365,553
Changes for the year:	
Service cost	90,090
Interest (on the total OPEB liability)	38,311
Differences between expected and actual experience	140,175
Change of Assumptions	285,919
Benefit Payments	<u>(34,940)</u>
Net changes	<u>519,555</u>
Ending balance	<u>\$ 1,885,108</u>

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

For the year ended September 30, 2021, the city recognized OPEB Health Care expense of \$176,353. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Differences between expected and actual economic experience	\$ 143,549	\$ 119,758
Changes in actuarial assumptions	399,583	-
Contributions subsequent to the measurement date	<u>23,271</u>	<u>-</u>
Total	<u>\$ 566,403</u>	<u>\$ 119,758</u>

Of the \$566,403 for deferred outflows of resources, \$23,271 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, 2022. The remainder of the total deferred outflows/inflows of resources, \$423,374 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, 2021**

NOTE 11. OTHER POST EMPLOYMENT BENEFITS – CONTINUED

	Net Deferred Outflows (Inflows) of Resources
2022	\$ 47,952
2023	47,952
2024	47,952
2025	47,952
2026	47,952
Thereafter	183,614
	<u>\$ 423,374</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, 2021**

NOTE 11. OTHER POST EMPLOYMENT BENEFITS – CONTINUED

Employees Covered by Benefit Terms

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

Inactive employees currently receiving benefits	146
Inactive employees entitled to, but not yet receiving benefits	44
Active employees	<u>338</u>
Total	<u><u>528</u></u>

Actuarial Methods and Assumptions – SDBF

The City’s total OPEB liability in the December 31, 2020 valuation was determined using the following actuarial assumptions:

	<u>Actuarial Assumptions</u>
Actuarial Cost Method	Individual Entry-Age
Discount Rate	2.0% as of December 31, 2020 (based on Fidelity Index’s “20-Year Municipal GO AA Index”) was changed from 2.75% in the prior year
Inflation	2.50%
Salary Increase	3.50% to 11.50%, 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	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

**CITY OF CEDAR HILL, TEXAS
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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 .16% for 2021 and 0.15% for 2020, 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, 2021, 2020, 2019, were \$40,721, \$36,709, and \$33,234 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, 2020 and was determined by an actuarial valuation as of that date.

Schedule of Changes in Total OPEB Liability – SDBP

	Total OPEB Liability
Beginning balance	\$ 1,001,602
Changes for the year:	
Service cost	55,322
Interest (on the total OPEB liability)	28,236
Differences between expected and actual experience	(7,745)
Change of Assumptions	176,684
Benefit Payments	(5,029)
Net changes	<u>247,468</u>
Ending balance	<u>\$ 1,249,070</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 2%, 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 (1%) or one percentage-point higher (3%) than the current rate:

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 11. OTHER POST EMPLOYMENT BENEFITS – CONTINUED

	1% Decrease in Discount Rate (1.%)	Discount Rate (2.%)	1% Increase in Discount Rate (3.%)
	<u> </u>	<u> </u>	<u> </u>
Total OPEB SDBF liability	\$ 1,546,223	\$ 1,249,070	\$ 1,020,714

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

For the year ended September 30, 2021, the City recognized OPEB expense - SDBF of \$124,566.

At September 30, 2021, 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
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ -	\$ 52,252
Changes in actuarial assumptions	298,129	34,427
Contributions subsequent the measurement date	<u>13,785</u>	<u>-</u>
Total	<u>\$ 311,914</u>	<u>\$ 86,679</u>

The City reported \$13,785 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, 2022. 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
	<u> </u>
2022	\$ 41,008
2023	41,008
2024	36,362
2025	36,519
2026	38,226
Thereafter	<u>18,327</u>
	<u>\$ 211,450</u>

CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

NOTE 12. DEFERRED OUTFLOWS AND INFLOWS

The deferred outflows and inflows as of September 30, 2021 are as follows:

	TMRS	OPEB- Health	OPEB- SDBF	Total OPEB	Refunding gain/loss	Total Deferred
Government-wide governmental						
Deferred Outflows of Resources						
Loss on refunding	\$ -	\$ -	\$ -	\$ -	\$ 442,418	\$ 442,418
Difference between expected and actual experience	926,961	113,404	-	113,404	-	1,040,365
Changes in actuarial assumptions	184,135	315,670	270,661	586,331	-	770,466
Difference in projected and actual investment earnings	-	-	-	-	-	-
Employer's contributions after measurement date	2,497,265	18,384	12,515	30,899	-	2,528,164
Total	\$ 3,608,361	\$ 447,458	\$ 283,176	\$ 730,634	\$ 442,418	\$ 4,781,413
Deferred Inflows of Resources						
Difference between expected and actual experience	\$ 156,870	\$ 94,609	\$ 47,438	\$ 142,047	\$ -	\$ 298,917
Changes in actuarial assumptions	-	-	31,255	31,255	-	31,255
Difference in projected and actual investment earning	2,681,078	-	-	-	-	2,681,078
Employer's contributions after measurement date	-	-	-	-	-	-
Total	\$ 2,837,948	\$ 94,609	\$ 78,693	\$ 173,302	\$ -	\$ 3,011,250
Business-type activities and Proprietary Funds						
Deferred Outflows of Resources						
Loss on refunding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Difference between expected and actual experience	102,996	17,226	-	17,226	-	120,222
Changes in actuarial assumptions	20,460	47,950	27,468	75,418	-	95,878
Difference in projected and actual investment earnings	-	-	-	-	-	-
Employer's contributions after measurement date	277,474	2,793	1,270	4,063	-	281,537
Total	\$ 400,930	\$ 67,969	\$ 28,738	\$ 96,707	\$ -	\$ 497,637
Deferred Inflows of Resources						
Gain on refunding	\$ -	\$ -	\$ -	\$ -	\$ 1,071	\$ 1,071
Difference between expected and actual experience	17,430	14,371	4,814	19,185	-	36,615
Changes in actuarial assumptions	-	-	3,172	3,172	-	3,172
Difference in projected and actual investment earning	297,898	-	-	-	-	297,898
Employer's contributions after measurement date	-	-	-	-	-	-
Total	\$ 315,328	\$ 14,371	\$ 7,986	\$ 22,357	\$ 1,071	\$ 338,756
EDC						
Deferred Outflows of Resources						
Difference between expected and actual experience	\$ -	\$ 2,871	\$ -	\$ 2,871	\$ -	\$ 2,871
Changes in actuarial assumptions	-	7,993	-	7,993	-	\$ 7,993
Difference in projected and actual investment earning	-	-	-	-	-	-
Employer's contributions after measurement date	-	465	-	465	-	\$ 465
Total	\$ -	\$ 11,329	\$ -	\$ 11,329	\$ -	\$ 11,329
Deferred Inflows of Resources						
Difference between expected and actual experience	\$ -	\$ 2,395	\$ -	\$ 2,395	\$ -	\$ 2,395
Changes in actuarial assumptions	-	-	-	-	-	-
Difference in projected and actual investment earning	-	-	-	-	-	-
Employer's contributions after measurement date	-	-	-	-	-	-
Total	\$ -	\$ 2,395	\$ -	\$ 2,395	\$ -	\$ 2,395
CDC						
Deferred Outflows of Resources						
Difference between expected and actual experience	\$ -	\$ 10,048	\$ -	\$ 10,048	\$ -	\$ 10,048
Changes in actuarial assumptions	-	27,970	-	27,970	-	\$ 27,970
Difference in projected and actual investment earning	-	-	-	-	-	-
Employer's contributions after measurement date	-	1,629	-	1,629	-	\$ 1,629
Total	\$ -	\$ 39,647	\$ -	\$ 39,647	\$ -	\$ 39,647
Deferred Inflows of Resources						
Difference between expected and actual experience	\$ -	\$ 8,383	\$ -	\$ 8,383	\$ -	\$ 8,383
Changes in actuarial assumptions	-	-	-	-	-	-
Difference in projected and actual investment earning	-	-	-	-	-	-
Employer's contributions after measurement date	-	-	-	-	-	-
Total	\$ -	\$ 8,383	\$ -	\$ 8,383	\$ -	\$ 8,383

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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 \$793,258 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, 2021, the City’s investment in the Center is \$87,692. The financial statements of the Center can be obtained by contacting: City of DeSoto Finance Department, 211 E. Pleasant Run Rd., DeSoto, TX 75115.

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, 2021 is \$631,825.

NOTE 15. SUBSEQUENT EVENTS

The City Council passed a notice of intent to issue certificates of obligations up to \$12,200,000 with expected sale date of March 22, 2022. The proceeds will pay for park improvements, water and sewer infrastructure improvements, acquisition of right-of-way and drainage improvements.

**CITY OF CEDAR HILL, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

NOTE 16. FINANCIAL IMPACT OF COVID-19

In response to the COVID-19 pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) ACT. The ACT provides economic grants to offset some additional expenses and forgone revenue as a result of the response to COVID-19. The City received the COVID-19 federal grant of \$2,605,347 in fiscal year 2020 as a pass-through grant from Dallas County. The city expended grant funds in the amount of \$1,703,810 in fiscal year 2020 and \$901,537 in fiscal year 2021.

The City also received \$5,938,190 in ARPA funding for use in response to the COVID-19 pandemic and future improvements to infrastructure.

REQUIRED SUPPLEMENTARY INFORMATION

**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, 2021**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability			
Service Cost	\$ 4,244,674	\$ 3,868,134	\$ 3,697,787
Interest (on the Total Pension Liability)	7,853,074	7,346,566	6,875,690
Changes of benefit terms			-
Difference between expected and actual experiences	1,232,689	(166,047)	6,972
Change of assumptions	-	340,991	-
Benefit payments, including refunds of employee contributions	<u>(4,203,456)</u>	<u>(3,944,725)</u>	<u>(3,434,642)</u>
Net Change in Total Pension Liability	9,126,981	7,444,919	7,145,807
Total Pension Liability-Beginning	<u>116,321,234</u>	<u>108,876,315</u>	<u>101,730,508</u>
Total Pension Liability Ending (A)	<u>\$ 125,448,215</u>	<u>\$ 116,321,234</u>	<u>\$ 108,876,315</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 3,480,897	\$ 3,179,475	\$ 3,092,837
Contributions - Employee	1,760,232	1,623,318	1,550,899
Net Investment Income	7,950,333	13,919,798	(2,744,021)
Benefit payments, including refunds of employee contributions	(4,203,456)	(3,944,725)	(3,434,642)
Administrative Expense	(51,411)	(78,597)	(53,011)
Other	<u>(2,007)</u>	<u>(2,361)</u>	<u>(2,771)</u>
Net Change in Plan Fiduciary Net Position	8,934,588	14,696,908	(1,590,709)
Plan Fiduciary Net Position - Beginning	<u>104,671,481</u>	<u>89,974,573</u>	<u>91,565,282</u>
Plan Fiduciary Net Position - Ending (B)	<u>\$ 113,606,069</u>	<u>\$ 104,671,481</u>	<u>\$ 89,974,573</u>
Net Pension Liability - Ending (A-B)	<u>\$ 11,842,146</u>	<u>\$ 11,649,753</u>	<u>\$ 18,901,742</u>
Plan Fiduciary Net Position as Percentage of Total Pension Liability	90.56%	89.98%	82.64%
Covered Payroll	\$ 25,146,176	\$ 23,190,254	\$ 22,155,702
Net Pension Liability as a Percentage of Covered Employee Payroll	47.09%	50.24%	85.31%

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

EXHIBIT E-1

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 3,589,689	\$ 3,374,101	\$ 3,080,700	\$ 2,863,004
6,451,988	5,969,704	5,693,839	5,318,311
-	-	-	-
(353,823)	880,524	262,001	(343,244)
-	-	765,043	-
<u>(3,495,009)</u>	<u>(2,879,343)</u>	<u>(2,818,217)</u>	<u>(2,346,249)</u>
6,192,845	7,344,986	6,983,366	5,491,822
<u>95,537,663</u>	<u>88,192,677</u>	<u>81,209,311</u>	<u>75,717,489</u>
<u>\$ 101,730,508</u>	<u>\$ 95,537,663</u>	<u>\$ 88,192,677</u>	<u>\$ 81,209,311</u>
\$ 2,943,532	\$ 2,549,683	\$ 2,530,362	\$ 2,555,283
1,510,730	1,416,333	1,346,965	1,347,260
11,039,446	4,976,866	107,024	3,842,858
(3,495,009)	(2,879,343)	(2,818,217)	(2,346,249)
(57,193)	(56,192)	(65,183)	(40,117)
<u>(2,898)</u>	<u>(3,028)</u>	<u>(3,219)</u>	<u>(3,298)</u>
11,938,608	6,004,319	1,097,732	5,355,737
<u>79,626,674</u>	<u>73,622,355</u>	<u>72,524,623</u>	<u>67,168,886</u>
<u>\$ 91,565,282</u>	<u>\$ 79,626,674</u>	<u>\$ 73,622,355</u>	<u>\$ 72,524,623</u>
<u>\$ 10,165,226</u>	<u>\$ 15,910,989</u>	<u>\$ 14,570,322</u>	<u>\$ 8,684,688</u>
90.01%	83.35%	83.48%	89.31%
\$ 21,559,693	\$ 20,192,109	\$ 19,242,351	\$ 19,246,797
47.15%	78.80%	75.72%	45.12%

**CITY OF CEDAR HILL, TEXAS
SCHEDULE OF CONTRIBUTIONS – TMRS PLAN (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

EXHIBIT E-2

	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 3,480,897	\$ 3,179,475	\$ 3,092,837	\$ 2,943,532	\$ 2,549,683	\$ 2,530,362	\$ 2,516,536
Contributions in relation to the actuarially determined contribution	(3,480,897)	(3,179,475)	(3,092,837)	(2,943,532)	(2,549,683)	(2,530,362)	(2,516,536)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 25,834,657	\$ 24,472,699	\$ 22,859,264	\$ 22,101,804	\$ 21,268,592	\$ 20,787,053	\$ 19,100,723
Contributions as a percentage of covered payroll	13.47%	12.99%	13.53%	13.32%	11.99%	12.17%	13.18%

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	25 years
Asset Valuation Method	10 Year smoothed market, 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%

Retirement Age Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018

Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP

Other Information:

Notes There were no benefit changes during the year.

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

	2020	2019	2018	2017
Total OPEB liability:				
Service cost	\$ 90,090	\$ 68,867	\$ 76,713	\$ 66,387
Interest (on the total OPEB liability)	38,311	44,863	42,196	43,520
Differences between expected and actual experience	140,175	13,279	(171,947)	11,480
Change of Assumptions	285,919	91,629	47,343	61,497
Benefit Payments	(34,940)	(55,808)	(56,084)	(54,986)
Net change in total OPEB liability	\$ 519,555	\$ 162,830	\$ (61,779)	\$ 127,898
Total OPEB liability - beginning	1,365,553	1,202,715	1,264,494	1,136,506
Total OPEB liability - ending	<u>\$ 1,885,108</u>	<u>\$ 1,365,545</u>	<u>\$ 1,202,715</u>	<u>\$ 1,264,404</u>
Covered employee payroll	\$ 25,130,976	\$ 22,999,707	\$ 22,157,577	\$21,565,501
Total OPEB liability as a percentage of covered employee	7.50%	5.94%	5.43%	5.86%

Changes of assumptions reflect a change in the discount rate from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020 and updates to the dependent coverage assumption.

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 six years.

**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

	2020	2019	2018	2017
Total OPEB liability:				
Service cost	\$ 55,322	\$ 39,423	\$ 46,527	\$ 38,807
Interest (on the total OPEB liability)	28,236	30,338	28,270	27,061
Differences between expected and actual experience	(7,745)	(34,373)	(39,771)	
Change of Assumptions	176,684	170,497	(63,278)	72,823
Benefit Payments	(5,029)	(4,638)	(4,431)	(4,312)
Net change in total OPEB liability	247,468	201,247	(32,683)	134,379
Total OPEB liability - beginning	1,001,602	800,355	833,038	698,659
Total OPEB liability - ending	<u>\$ 1,249,070</u>	<u>\$ 1,001,602</u>	<u>\$ 800,355</u>	<u>\$ 833,038</u>
Covered payroll	\$25,146,176	\$23,190,254	\$22,155,702	\$21,559,693
Total OPEB liability as a percentage of covered payroll	4.97%	4.32%	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 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

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 six 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, 2021

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 31,323,832	\$ 31,323,832	\$ 32,501,054	\$ 1,177,222
Franchise fees	3,753,988	3,753,988	3,404,867	(349,121)
Licenses and permits	941,315	941,315	1,367,813	426,498
Intergovernmental	315,587	315,587	1,208,885	893,298
Charges for services	1,706,638	1,706,638	1,828,314	121,676
Fines and forfeitures	1,100,800	1,100,800	987,136	(113,664)
Investment earnings	168,300	168,300	86,152	(82,148)
Miscellaneous	112,900	112,900	122,211	9,311
Total revenues	39,423,360	39,423,360	41,506,432	2,083,072
EXPENDITURES				
Current Expenditures:				
General administration	6,386,826	6,386,826	6,252,140	134,686
Public works	2,266,136	2,266,136	2,197,878	68,258
Public safety	25,480,517	25,480,517	25,887,236	(406,719)
Community services	5,425,561	5,425,561	4,710,554	715,007
Capital Expenditures:				
Public safety	-	-	135,691	(135,691)
Community services	-	-	15,633	(15,633)
Total expenditures	39,559,040	39,559,040	39,199,132	359,908
Excess (deficiency) of revenues over expenditures	(135,680)	(135,680)	2,307,300	2,442,980
OTHER FINANCING SOURCES (USES)				
Transfer in	594,792	594,792	1,441,631	846,839
Transfer out	(280,981)	(280,981)	(3,294,631)	(3,013,650)
Sale of capital assets	-	-	3,085	3,085
Total other financing sources (uses)	\$ 313,811	\$ 313,811	\$ (1,849,915)	\$ (2,163,726)
Net change in fund balances	178,131	178,131	457,385	279,254
Fund balances, beginning of year			11,196,126	
Fund balances, end of year			\$ 11,653,511	

**CITY OF CEDAR HILL, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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.

OTHER SUPPLEMENTARY INFORMATION

**CITY OF CEDAR HILL, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2021**

	Nonmajor Special Revenue Funds					
	JPL Opportunity	Police Forfeiture	Hotel Occupancy	Municipal Court	Library Fund	Public Improvement Districts*
ASSETS						
Cash and cash equivalents	\$ 308,885	\$ 235,386	\$ 820,185	\$ 44,989	\$ 50,473	\$ 1,217,725
Receivables, net of allowance	-	-	70,256	-	-	26,735
Interfund loan receivable	-	-	-	-	-	-
Prepaid items	-	-	10,813	-	-	47,038
Total assets	\$ 308,885	\$ 235,386	\$ 901,254	\$ 44,989	\$ 50,473	\$ 1,291,498
LIABILITIES						
Accounts payable	\$ -	\$ 732	\$ 12,742	\$ -	\$ 6,165	\$ 10,878
Accrued liabilities	-	3,843	8,735	-	-	-
Due to other funds	-	-	-	-	-	-
Interfund loan payable	-	-	-	-	-	287,689
Total liabilities	-	4,575	21,477	-	6,165	298,567
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	23,600
Total deferred inflows of resources	-	-	-	-	-	23,600
FUND BALANCES						
Nonspendable- prepaids and inventory	-	-	10,813	-	-	47,038
Restricted for:						
General government	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public safety	-	230,811	-	44,989	-	-
Community services	-	-	868,964	-	44,308	1,130,015
Committed for:						
JPL nature corridor	308,885	-	-	-	-	-
Infrastructure	-	-	-	-	-	-
Facilities	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(207,722)
Total fund balances	308,885	230,811	879,777	44,989	44,308	969,331
Total liabilities and fund balances	\$ 308,885	\$ 235,386	\$ 901,254	\$ 44,989	\$ 50,473	\$ 1,291,498

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

EXHIBIT F-1 (CONTINUED)

Nonmajor Special Revenue Funds							
Traffic Safety	PEG	Crime Control	Animal Shelter	Regional Fire Training	Landscape Beatification	Tax Increment Financing	Total Nonmajor Special Revenue Funds
\$ 265,966	\$ 661,490	\$ 543,841	\$ 276,832	\$ 71,222	\$ 649,362	\$ 888,206	\$ 6,034,562
-	20,554	216,421	-	-	519,822	-	853,788
-	-	-	-	-	-	-	-
-	-	350	470	-	13,141	-	71,812
<u>\$ 265,966</u>	<u>\$ 682,044</u>	<u>\$ 760,612</u>	<u>\$ 277,302</u>	<u>\$ 71,222</u>	<u>\$ 1,182,325</u>	<u>\$ 888,206</u>	<u>\$ 6,960,162</u>
\$ 1,360	\$ -	\$ 5,997	\$ 39,737	\$ 484	\$ 413,008	\$ -	\$ 491,103
-	-	49,289	40,704	-	70,330	-	172,901
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	287,689
<u>1,360</u>	<u>-</u>	<u>55,286</u>	<u>80,441</u>	<u>484</u>	<u>483,338</u>	<u>-</u>	<u>951,693</u>
-	-	-	-	-	-	-	23,600
-	-	-	-	-	-	-	23,600
-	-	350	470	-	13,141	-	71,812
-	682,044	-	-	-	-	888,206	1,570,250
-	-	-	-	-	-	-	-
264,606	-	704,976	196,391	70,738	-	-	1,512,511
-	-	-	-	-	685,846	-	2,729,133
-	-	-	-	-	-	-	308,885
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(207,722)
<u>264,606</u>	<u>682,044</u>	<u>705,326</u>	<u>196,861</u>	<u>70,738</u>	<u>698,987</u>	<u>888,206</u>	<u>5,984,869</u>
<u>\$ 265,966</u>	<u>\$ 682,044</u>	<u>\$ 760,612</u>	<u>\$ 277,302</u>	<u>\$ 71,222</u>	<u>\$ 1,182,325</u>	<u>\$ 888,206</u>	<u>\$ 6,960,162</u>

**CITY OF CEDAR HILL, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2021**

	Nonmajor Capital Projects				
	Park Development	Restricted Street	Economic Development Incentive	Street Construction	Downtown City Center
ASSETS					
Cash and cash equivalents	\$ 50,330	\$ 392,376	\$ 106,284	\$ 2,840,118	\$ 693,443
Receivables, net of allowance	-	-	-	-	-
Interfund loan receivable	-	-	-	287,689	-
Prepaid items	-	-	-	-	-
Total assets	\$ 50,330	\$ 392,376	\$ 106,284	\$ 3,127,807	\$ 693,443
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Interfund loan payable	-	-	-	-	-
Total liabilities	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Nonspendable- prepaids and inventory	-	-	-	-	-
Restricted for:					
General government	-	-	106,284	-	-
Public works	-	392,376	-	-	-
Public safety	-	-	-	-	-
Community services	50,330	-	-	-	-
Committed for:					
JPL nature corridor	-	-	-	-	-
Infrastructure	-	-	-	3,127,807	-
Facilities	-	-	-	-	-
Assigned	-	-	-	-	693,443
Unassigned	-	-	-	-	-
Total fund balances	50,330	392,376	106,284	3,127,807	693,443
Total liabilities and fund balances	\$ 50,330	\$ 392,376	\$ 106,284	\$ 3,127,807	\$ 693,443

EXHIBIT F-1 (CONCLUDED)

Nonmajor Capital Projects					
Building Maintenance	Drainage	Regional Drainage	Capital Recovery	Total Nonmajor Capital Project Funds	Total Nonmajor Funds
\$ 1,389,237	\$ 1,589,393	\$ 111,247	\$ 4,711,357	\$ 11,883,785	\$ 17,918,347
-	-	-	-	-	853,788
-	-	-	-	287,689	287,689
-	-	-	-	-	71,812
<u>\$ 1,389,237</u>	<u>\$ 1,589,393</u>	<u>\$ 111,247</u>	<u>\$ 4,711,357</u>	<u>\$ 12,171,474</u>	<u>\$ 19,131,636</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 491,103
-	-	-	-	-	172,901
-	-	-	-	-	287,689
-	-	-	-	-	951,693
-	-	-	-	-	23,600
-	-	-	-	-	23,600
-	-	-	-	-	71,812
-	-	-	-	106,284	1,676,534
-	-	-	4,711,357	5,103,733	5,103,733
-	-	-	-	-	1,512,511
-	-	-	-	50,330	2,779,463
-	-	-	-	-	308,885
-	1,589,393	111,247	-	4,828,447	4,828,447
1,389,237	-	-	-	1,389,237	1,389,237
-	-	-	-	693,443	693,443
-	-	-	-	-	(207,722)
<u>1,389,237</u>	<u>1,589,393</u>	<u>111,247</u>	<u>4,711,357</u>	<u>12,171,474</u>	<u>18,156,343</u>
<u>\$ 1,389,237</u>	<u>\$ 1,589,393</u>	<u>\$ 111,247</u>	<u>\$ 4,711,357</u>	<u>\$ 12,171,474</u>	<u>\$ 19,131,636</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, 2021**

	Nonmajor Special Revenue Funds					
	JPL Opportunity	Police Forfeiture	Hotel Occupancy	Municipal Court	Library Fund	Public Improvement Districts*
REVENUES:						
Taxes	\$ -	\$ -	\$ 421,999	\$ -	\$ -	\$ 1,008,048
Franchise taxes	-	-	-	-	-	-
Intergovernmental	-	-	207	-	19,062	23,305
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	40,502	-	48,025	-	-
Investment earnings	1,356	1,206	3,821	146	397	6,908
Grants and donations	-	-	-	-	4,380	-
Miscellaneous	-	-	-	-	-	28,079
Total revenues	1,356	41,708	426,027	48,171	23,839	1,066,340
EXPENDITURES						
Current:						
General administration	-	-	-	-	-	-
Public safety	-	21,393	-	14,905	-	-
Community services	-	-	257,026	-	67,376	534,821
Capital outlay						
Public works	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Community services	-	-	-	-	-	83,280
Total expenditures	-	21,393	257,026	14,905	67,376	618,101
Excess (deficiency) of revenues over expenditures	1,356	20,315	169,001	33,266	(43,537)	448,239
Other Financing Sources (Uses)						
Transfer In	106,702	-	-	-	-	-
Transfer Out	-	-	-	-	-	(18,000)
Total Financing Sources (Uses)	106,702	-	-	-	-	(18,000)
Changes in Fund Balance	108,058	20,315	169,001	33,266	(43,537)	430,239
Fund balances, beginning of year	200,827	210,496	710,776	11,723	87,845	539,092
Fund balances, end of year	\$ 308,885	\$ 230,811	\$ 879,777	\$ 44,989	\$ 44,308	\$ 969,331

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

EXHIBIT F-2 (CONTINUED)

Nonmajor Special Revenue Funds							
Traffic Safety	PEG	Crime Control	Animal Shelter	Regional Fire Training	Landscape Beatification	Tax Increment Financing	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 1,228,100	\$ -	\$ -	\$ -	\$ -	\$ 2,658,147
-	83,038	-	-	-	-	-	83,038
-	-	-	-	-	-	-	42,574
-	-	-	751,361	40,950	2,809,041	-	3,601,352
-	-	56,690	-	-	-	-	145,217
1,634	3,426	2,180	1,559	297	2,349	3,474	28,753
-	-	-	25,971	-	-	-	30,351
-	-	600	-	-	64,822	437,295	530,796
<u>1,634</u>	<u>86,464</u>	<u>1,287,570</u>	<u>778,891</u>	<u>41,247</u>	<u>2,876,212</u>	<u>440,769</u>	<u>7,120,228</u>
-	1,784	-	-	-	-	-	1,784
122,247	-	1,113,814	915,566	28,212	-	-	2,216,137
-	-	-	-	-	2,445,634	-	3,304,857
-	19,732	-	-	-	-	-	19,732
5,130	-	-	250,000	-	-	-	255,130
-	-	-	-	-	-	-	83,280
<u>127,377</u>	<u>21,516</u>	<u>1,113,814</u>	<u>1,165,566</u>	<u>28,212</u>	<u>2,445,634</u>	<u>-</u>	<u>5,880,920</u>
<u>(125,743)</u>	<u>64,948</u>	<u>173,756</u>	<u>(386,675)</u>	<u>13,035</u>	<u>430,578</u>	<u>440,769</u>	<u>1,239,308</u>
-	-	54,698	280,981	13,650	-	-	456,031
-	-	-	(87,650)	-	(250,000)	-	(355,650)
-	-	54,698	193,331	13,650	(250,000)	-	100,381
<u>(125,743)</u>	<u>64,948</u>	<u>228,454</u>	<u>(193,344)</u>	<u>26,685</u>	<u>180,578</u>	<u>440,769</u>	<u>1,339,689</u>
<u>390,349</u>	<u>617,096</u>	<u>476,872</u>	<u>390,205</u>	<u>44,053</u>	<u>518,409</u>	<u>447,437</u>	<u>4,645,180</u>
<u>\$ 264,606</u>	<u>\$ 682,044</u>	<u>\$ 705,326</u>	<u>\$ 196,861</u>	<u>\$ 70,738</u>	<u>\$ 698,987</u>	<u>\$ 888,206</u>	<u>\$ 5,984,869</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, 2021**

	<u>Nonmajor Capital Projects</u>				
	<u>Park Development</u>	<u>Restricted Street</u>	<u>Economic Development Incentive</u>	<u>Street Construction</u>	<u>Downtown City Center</u>
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Investment earnings	341	2,141	580	12,509	3,842
Grants and donations	-	-	-	-	-
Miscellaneous	7,786	-	-	-	-
Total revenues	<u>8,127</u>	<u>2,141</u>	<u>580</u>	<u>12,509</u>	<u>3,842</u>
EXPENDITURES					
Current:					
General administration	-	-	-	-	-
Public safety	-	-	-	-	-
Community Services	-	-	-	-	17,359
Capital outlay					
Public works	-	-	-	-	-
Public safety	-	-	-	-	-
Community Services	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,359</u>
Excess (deficiency) of revenues over expenditures	<u>8,127</u>	<u>2,141</u>	<u>580</u>	<u>12,509</u>	<u>(13,517)</u>
Other Financing Sources (Uses)					
Transfer In	-	-	-	900,000	-
Transfer Out	-	-	-	-	-
Total Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>900,000</u>	<u>-</u>
Changes in Fund Balance	<u>8,127</u>	<u>2,141</u>	<u>580</u>	<u>912,509</u>	<u>(13,517)</u>
Fund balances, beginning of year	42,203	390,235	105,704	2,215,298	706,960
Fund balances, end of year	<u>\$ 50,330</u>	<u>\$ 392,376</u>	<u>\$ 106,284</u>	<u>\$ 3,127,807</u>	<u>\$ 693,443</u>

EXHIBIT F-2 (CONCLUDED)

Nonmajor Capital Projects				Total Nonmajor Capital Project Funds	Total Nonmajor Funds
Building Maintenance	Drainage	Regional Drainage	Capital Recovery		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,658,147
-	-	-	-	-	83,038
-	-	-	-	-	42,574
-	-	-	-	-	3,601,352
-	-	15,000	-	15,000	160,217
1,578	3,216	597	41,313	66,117	94,870
-	-	-	-	-	30,351
-	-	-	299,126	306,912	837,708
<u>1,578</u>	<u>3,216</u>	<u>15,597</u>	<u>340,439</u>	<u>388,029</u>	<u>7,508,257</u>
-	-	-	-	-	1,784
-	-	-	-	-	2,216,137
-	-	-	-	17,359	3,322,216
-	-	-	-	-	19,732
-	-	-	-	-	255,130
-	-	-	-	-	83,280
-	-	-	-	17,359	5,898,279
<u>1,578</u>	<u>3,216</u>	<u>15,597</u>	<u>340,439</u>	<u>370,670</u>	<u>1,609,978</u>
1,100,000	1,000,000	-	-	3,000,000	3,456,031
-	-	-	(539,000)	(539,000)	(894,650)
<u>1,100,000</u>	<u>1,000,000</u>	<u>-</u>	<u>(539,000)</u>	<u>2,461,000</u>	<u>2,561,381</u>
1,101,578	1,003,216	15,597	(198,561)	2,831,670	4,171,359
287,659	586,177	95,650	4,909,918	9,339,804	13,984,984
<u>\$ 1,389,237</u>	<u>\$ 1,589,393</u>	<u>\$ 111,247</u>	<u>\$ 4,711,357</u>	<u>\$ 12,171,474</u>	<u>\$ 18,156,343</u>

**CITY OF CEDAR HILL, TEXAS
COMBINING BALANCE SHEET
PUBLIC IMPROVEMENT DISTRICTS
AS OF SEPTEMBER 30, 2021**

EXHIBIT F-3

	Public Improvement Districts					Total Public Improvement Districts
	High Pointe PID	Waterford Oaks PID	Winding Hollow PID	Windsor PID	Cedar Crest PID	
ASSETS						
Cash and cash equivalents	\$ 445,785	\$ 424,338	\$ 79,999	\$ 150,093	\$ 117,510	\$ 1,217,725
Receivables (net, where applicable, of allowances for uncollectibles)	19,043	4,584	1,287	1,078	743	26,735
Prepaid items	30,538	16,500	-	-	-	47,038
Total assets	\$ 495,366	\$ 445,422	\$ 81,286	\$ 151,171	\$ 118,253	\$ 1,291,498
LIABILITIES						
Accounts payable	\$ 4,390	\$ 2,797	\$ 32	\$ 3,659	\$ -	\$ 10,878
Interfund loan payable	-	-	287,689	-	-	287,689
Total liabilities	4,390	2,797	287,721	3,659	-	298,567
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	15,909	4,584	1,287	1,077	743	23,600
Total deferred inflows of resources	15,909	4,584	1,287	1,077	743	23,600
FUND BALANCES						
Nonspendable- prepaids and inventory	30,538	16,500	-	-	-	47,038
Restricted for:						
Community services	444,529	421,541	-	146,435	117,510	1,130,015
Unassigned	-	-	(207,722)	-	-	(207,722)
Total fund balances	475,067	438,041	(207,722)	146,435	117,510	969,331
Total liabilities, deferred inflows and fund balances	\$ 495,366	\$ 445,422	\$ 81,286	\$ 151,171	\$ 118,253	\$ 1,291,498

**CITY OF CEDAR HILL, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
PUBLIC IMPROVEMENT DISTRICTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

EXHIBIT F-4

	Public Improvement Districts					Total Public Improvement Districts
	High Pointe PID	Waterford Oaks PID	Winding Hollow PID	Windsor PID	Cedar Crest PID	
REVENUES:						
Taxes	\$ 554,664	\$ 174,507	\$ 52,889	\$ 105,525	\$ 120,463	\$ 1,008,048
Intergovernmental	20,000	3,305	-	-	-	23,305
Investment earnings	2,616	2,407	572	827	486	6,908
Miscellaneous	28,079	-	-	-	-	28,079
Total revenues	605,359	180,219	53,461	106,352	120,949	1,066,340
EXPENDITURES						
Current:						
Community services	369,165	111,864	22,273	28,080	3,439	534,821
Capital outlay						
Community services	35,018	-	36,550	11,712	-	83,280
Total expenditures	404,183	111,864	58,823	39,792	3,439	618,101
Excess (deficiency) of revenues over expenditures	201,176	68,355	(5,362)	66,560	117,510	448,239
Other Financing Sources (Uses)						
Transfer Out	-	-	-	(18,000)	-	(18,000)
Total Financing Sources (Uses)	-	-	-	(18,000)	-	(18,000)
Changes in Fund Balance	201,176	68,355	(5,362)	48,560	117,510	430,239
Fund balances, beginning of year	273,891	369,686	(202,360)	97,875	-	539,092
Fund balances, end of year	\$ 475,067	\$ 438,041	\$ (207,722)	\$ 146,435	\$ 117,510	\$ 969,331

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 7,772,992	\$ 7,772,992	\$ 7,406,966	\$ (366,026)
Intergovernmental	2,143,770	2,143,769	2,143,769	-
Investment earnings	45,000	45,000	18,821	(26,179)
Total revenues	<u>9,961,762</u>	<u>9,961,761</u>	<u>9,569,556</u>	<u>(392,205)</u>
EXPENDITURES				
Principal retirement	7,235,000	7,235,000	7,400,000	(165,000)
Interest and fiscal agent charges	<u>3,188,225</u>	<u>3,188,225</u>	<u>3,022,595</u>	<u>165,630</u>
Total expenditures	<u>10,423,225</u>	<u>10,423,225</u>	<u>10,422,595</u>	<u>630</u>
Deficiency of revenues under expenditures	<u>(461,463)</u>	<u>(461,464)</u>	<u>(853,039)</u>	<u>(391,575)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	-	-	8,600,000	8,600,000
Refunding of long-term debt	-	-	(8,526,518)	(8,526,518)
Transfers in	<u>426,650</u>	<u>426,650</u>	<u>626,650</u>	<u>200,000</u>
Total other financing sources (uses)	<u>426,650</u>	<u>426,650</u>	<u>700,132</u>	<u>273,482</u>
Net changes in fund balances	<u>\$ (34,813)</u>	<u>\$ (34,814)</u>	<u>\$ (152,907)</u>	<u>\$ (118,093)</u>
Fund balances, beginning of year			<u>1,685,829</u>	
Fund balances, end of year			<u>\$ 1,532,922</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, 2021**

EXHIBIT G-2

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fines and forfeits	\$ 20,000	\$ 20,000	\$ 40,502	\$ 20,502
Investment earnings	9,750	9,750	1,206	(8,544)
Total revenues	<u>29,750</u>	<u>29,750</u>	<u>41,708</u>	<u>11,958</u>
EXPENDITURES				
Public safety	46,500	46,500	21,393	25,107
Total expenditures	<u>46,500</u>	<u>46,500</u>	<u>21,393</u>	<u>25,107</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,750)</u>	<u>(16,750)</u>	<u>20,315</u>	<u>37,065</u>
Changes in fund balances	<u>\$ (16,750)</u>	<u>\$ (16,750)</u>	20,315	<u>\$ 37,065</u>
Fund balances, beginning of year			<u>210,496</u>	
Fund balances, end of year			<u>\$ 230,811</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, 2021**

EXHIBIT G-3

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 250,000	\$ 250,000	\$ 421,999	\$ 171,999
Intergovernmental	-	-	207	207
Investment earnings	15,500	15,500	3,821	(11,679)
Total revenues	<u>265,500</u>	<u>265,500</u>	<u>426,027</u>	<u>160,527</u>
EXPENDITURES				
Community Services	400,956	400,956	257,026	143,930
Capital Outlay	15,000	15,000	-	15,000
Total expenditures	<u>415,956</u>	<u>415,956</u>	<u>257,026</u>	<u>158,930</u>
Excess of revenues over expenditures	<u>(150,456)</u>	<u>(150,456)</u>	<u>169,001</u>	<u>319,457</u>
Net changes in fund balances	<u>\$ (150,456)</u>	<u>\$ (150,456)</u>	<u>169,001</u>	<u>\$ 319,457</u>
Fund balances, beginning of year			<u>710,776</u>	
Fund balances, end of year			<u>\$ 879,777</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, 2021**

EXHIBIT G-4

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,000	\$ 3,000	\$ 19,062	\$ 16,062
Investment earnings	1,200	1,200	397	(803)
Grants and donations	15,000	15,000	4,380	(10,620)
Total revenues	<u>19,200</u>	<u>19,200</u>	<u>23,839</u>	<u>4,639</u>
EXPENDITURES				
Community Services	15,000	15,000	67,376	(52,376)
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>67,376</u>	<u>(52,376)</u>
Excess of (deficiency) revenues over (under) expenditures	<u>4,200</u>	<u>4,200</u>	<u>(43,537)</u>	<u>(47,737)</u>
Net changes in fund balances	<u>\$ 4,200</u>	<u>\$ 4,200</u>	<u>(43,537)</u>	<u>\$ (47,737)</u>
Fund balances, beginning of year			<u>87,845</u>	
Fund balances, end of year			<u>\$ 44,308</u>	

**CITY OF CEDAR HILL, TEXAS
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, 2021**

EXHIBIT G-5

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 580,000	\$ 580,000	\$ 554,664	\$ (25,336)
Intergovernmental	20,000	20,000	20,000	-
Investment earnings	3,000	3,000	2,616	(384)
Miscellaneous	1,000	1,000	28,079	27,079
Total revenues	<u>604,000</u>	<u>604,000</u>	<u>605,359</u>	<u>1,359</u>
EXPENDITURES				
Community service	373,260	373,260	369,165	4,095
Capital outlay	107,000	107,000	35,018	71,982
Total expenditures	<u>480,260</u>	<u>480,260</u>	<u>404,183</u>	<u>76,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>123,740</u>	<u>123,740</u>	<u>201,176</u>	<u>77,436</u>
Net changes in fund balances	<u>\$ 123,740</u>	<u>\$ 123,740</u>	<u>201,176</u>	<u>\$ 77,436</u>
Fund balances, beginning of year			<u>273,891</u>	
Fund balances, end of year			<u>\$ 475,067</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Assessments	\$ 166,800	\$ 166,800	\$ 174,507	\$ 7,707
Intergovernmental	3,300	3,300	3,305	5
Investment earnings	4,000	4,000	2,407	(1,593)
Total revenues	<u>174,100</u>	<u>174,100</u>	<u>180,219</u>	<u>6,119</u>
EXPENDITURES				
Community service	131,900	131,900	111,864	20,036
Capital outlay	40,000	40,000	-	40,000
Total expenditures	<u>171,900</u>	<u>171,900</u>	<u>111,864</u>	<u>60,036</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,200</u>	<u>2,200</u>	<u>68,355</u>	<u>66,155</u>
Net changes in fund balances	<u>\$ 2,200</u>	<u>\$ 2,200</u>	<u>68,355</u>	<u>\$ 66,155</u>
Fund balances, beginning of year			<u>369,686</u>	
Fund balances, end of year			<u>\$ 438,041</u>	

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 49,500	\$ 49,500	\$ 52,889	\$ 3,389
Investment earnings	1,250	1,250	572	(678)
Total revenues	50,750	50,750	53,461	2,711
EXPENDITURES				
Community service	42,300	42,300	22,273	20,027
Capital outlay	48,000	48,000	36,550	11,450
Total expenditures	90,300	90,300	58,823	31,477
Excess (deficiency) of revenues over (under) expenditures	(39,550)	(39,550)	(5,362)	34,188
Changes in fund balances	\$ (39,550)	\$ (39,550)	(5,362)	\$ 34,188
Fund balances, beginning of year			(202,360)	
Fund balances, end of year			\$ (207,722)	

**CITY OF CEDAR HILL, TEXAS
WINDSOR PUBLIC IMPROVEMENT DISTRICT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

EXHIBIT G-8

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 104,216	\$ 104,216	\$ 105,525	\$ 1,309
Investment earnings	800	800	827	27
Total revenues	<u>105,016</u>	<u>105,016</u>	<u>106,352</u>	<u>1,336</u>
EXPENDITURES				
Community service	48,050	48,050	28,080	19,970
Capital outlay	56,000	56,000	11,712	44,288
Total expenditures	<u>104,050</u>	<u>104,050</u>	<u>39,792</u>	<u>64,258</u>
Excess (deficiency) of revenues over (under) expenditures	<u>966</u>	<u>966</u>	<u>66,560</u>	<u>65,594</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	(18,000)	(18,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(18,000)</u>	<u>(18,000)</u>
Changes in fund balances	<u>\$ 966</u>	<u>\$ 966</u>	48,560	<u>\$ 47,594</u>
Fund balances, beginning of year			<u>97,875</u>	
Fund balances, end of year			<u>\$ 146,435</u>	

CITY OF CEDAR HILL, TEXAS EXHIBIT G-9
 CEDAR CREST PUBLIC IMPROVEMENT DISTRICT SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Assessments	\$ 120,806	\$ 120,806	\$ 120,463	\$ (343)
Investment earnings	1,694	1,694	486	(1,208)
Total revenues	<u>122,500</u>	<u>122,500</u>	<u>120,949</u>	<u>(1,551)</u>
EXPENDITURES				
Community service	<u>67,200</u>	<u>67,200</u>	<u>3,439</u>	<u>63,761</u>
Total expenditures	<u>67,200</u>	<u>67,200</u>	<u>3,439</u>	<u>63,761</u>
Excess (deficiency) of revenues over (under) expenditures	<u>55,300</u>	<u>55,300</u>	<u>117,510</u>	<u>62,210</u>
Changes in fund balances	<u>\$ 55,300</u>	<u>\$ 55,300</u>	117,510	<u>\$ 62,210</u>
Fund balances, beginning of year			<u>-</u>	
Fund balances, end of year			<u>\$ 117,510</u>	

**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, 2021**

EXHIBIT G-10

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 5,500	\$ 5,500	\$ 1,634	\$ (3,866)
Total revenues	<u>5,500</u>	<u>5,500</u>	<u>1,634</u>	<u>(3,866)</u>
EXPENDITURES				
Public safety	18,740	18,740	122,247	(103,507)
Capital outlay	118,425	118,425	5,130	113,295
Total expenditures	<u>137,165</u>	<u>137,165</u>	<u>127,377</u>	<u>9,788</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(131,665)</u>	<u>(131,665)</u>	<u>(125,743)</u>	<u>5,922</u>
Changes in fund balances	<u>\$ (131,665)</u>	<u>\$ (131,665)</u>	<u>(125,743)</u>	<u>\$ 5,922</u>
Fund balances, beginning of year			<u>390,349</u>	
Fund balances, end of year			<u>\$ 264,606</u>	

**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, 2021**

EXHIBIT G-11

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,071,862	\$ 1,071,862	\$ 1,228,100	\$ 156,238
Fines and forfeits	50,000	50,000	56,690	6,690
Investment earnings	4,000	4,000	2,180	(1,820)
Miscellaneous	-	-	600	600
Total revenues	1,125,862	1,125,862	1,287,570	161,708
EXPENDITURES				
Public safety	1,128,990	1,128,990	1,113,814	15,176
Total expenditures	1,128,990	1,128,990	1,113,814	15,176
Excess (deficiency) of revenues over (under) expenditures	(3,128)	(3,128)	173,756	176,884
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	54,698	54,698
Total other financing sources (uses)	-	-	54,698	54,698
Net changes in fund balances	\$ (3,128)	\$ (3,128)	228,454	\$ 231,582
Fund balances, beginning of year			476,872	
Fund balances, end of year			<u>\$ 705,326</u>	

CITY OF CEDAR HILL, TEXAS

EXHIBIT G-12

ANIMAL SHELTER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 1,044,243	\$ 1,044,243	\$ 751,361	\$ (292,882)
Investment earnings	3,700	3,700	1,559	(2,141)
Grants and donations	96,000	96,000	25,971	(70,029)
Total revenues	<u>1,143,943</u>	<u>1,143,943</u>	<u>778,891</u>	<u>(365,052)</u>
EXPENDITURES				
Public safety	993,186	993,186	915,566	77,620
Capital outlay	100,000	100,000	250,000	(150,000)
Total expenditures	<u>1,093,186</u>	<u>1,093,186</u>	<u>1,165,566</u>	<u>(72,380)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>50,757</u>	<u>50,757</u>	<u>(386,675)</u>	<u>(437,432)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	280,981	280,981
Transfer out	(87,650)	(87,650)	(87,650)	-
Total other financing sources (uses)	<u>(87,650)</u>	<u>(87,650)</u>	<u>193,331</u>	<u>280,981</u>
Net changes in fund balances	<u>\$ (36,893)</u>	<u>\$ (36,893)</u>	<u>(193,344)</u>	<u>\$ (156,451)</u>
Fund balances, beginning of year			<u>390,205</u>	
Fund balances, end of year			<u>\$ 196,861</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, 2021**

EXHIBIT G-13

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 3,029,100	\$ 3,029,100	\$ 2,809,041	\$ (220,059)
Investment earnings	3,625	3,625	2,349	(1,276)
Miscellaneous	3,000	3,000	64,822	61,822
Total revenues	<u>3,035,725</u>	<u>3,035,725</u>	<u>2,876,212</u>	<u>(159,513)</u>
EXPENDITURES				
Community service	<u>2,484,515</u>	<u>2,484,515</u>	<u>2,445,634</u>	<u>38,881</u>
Total expenditures	<u>2,484,515</u>	<u>2,484,515</u>	<u>2,445,634</u>	<u>38,881</u>
Excess (deficiency) of revenues over (under) expenditures	<u>551,210</u>	<u>551,210</u>	<u>430,578</u>	<u>(120,632)</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Changes in fund balances	<u>\$ 301,210</u>	<u>\$ 301,210</u>	180,578	<u>\$ (120,632)</u>
Fund balances, beginning of year			<u>518,409</u>	
Fund balances, end of year			<u>\$ 698,987</u>	

CITY OF CEDAR HILL, TEXAS
 JPL PERMANENT FUND

EXHIBIT G-14

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL (UNAUDITED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES-Investment earnings	<u>\$ 438,400</u>	<u>\$ 438,400</u>	<u>\$ 243,791</u>	<u>\$ (194,609)</u>
Total revenues	<u>438,400</u>	<u>438,400</u>	<u>243,791</u>	<u>(194,609)</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 out	<u>(102,460)</u>	<u>(102,460)</u>	<u>(106,702)</u>	<u>(4,242)</u>
Total other financing sources (uses)	<u>(102,460)</u>	<u>(102,460)</u>	<u>(106,702)</u>	<u>(4,242)</u>
Net change in fund balances	<u><u>\$ 328,440</u></u>	<u><u>\$ 328,440</u></u>	<u>137,089</u>	<u><u>\$ (206,351)</u></u>
FUND BALANCE-Beginning of year			<u>19,522,882</u>	
FUND BALANCE-End of year			<u><u>\$ 19,659,971</u></u>	

**CITY OF CEDAR HILL, TEXAS
INTERNAL SERVICES FUND
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

EXHIBIT H-1

	<u>Equipment Fund</u>	<u>Health Insurance Fund</u>	<u>Total</u>
ASSETS:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 1,780,340	\$ 2,346,377	\$ 4,126,717
Receivables (net, of allowances for uncollectibles):			
Accounts	-	3,516	3,516
Total current assets	<u>1,780,340</u>	<u>2,349,893</u>	<u>4,130,233</u>
Noncurrent assets:			
Capital assets:			
Depreciable-net of accumulated depreciation	2,830,351	-	2,830,351
Total noncurrent assets	<u>2,830,351</u>	<u>-</u>	<u>2,830,351</u>
Total assets	<u>4,610,691</u>	<u>2,349,893</u>	<u>6,960,584</u>
LIABILITIES:			
Current liabilities:			
Payable from current assets:			
Accounts and contracts payable	16,121	-	16,121
Unpaid claims liabilities	-	260,759	260,759
Total payable from current assets	<u>16,121</u>	<u>260,759</u>	<u>276,880</u>
Total current liabilities	<u>16,121</u>	<u>260,759</u>	<u>276,880</u>
Total liabilities	<u>16,121</u>	<u>260,759</u>	<u>276,880</u>
NET POSITION:			
Net investment in capital assets	2,830,351	-	2,830,351
Unrestricted	1,764,219	2,089,134	3,853,353
Total net position	<u>\$ 4,594,570</u>	<u>\$ 2,089,134</u>	<u>\$ 6,683,704</u>

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, 2021

	Equipment Fund	Health Insurance Fund	Total
OPERATING REVENUES:			
Other charges	\$ 979,479	\$ -	\$ 979,479
Premiums	-	4,026,209	4,026,209
Total operating revenues	979,479	4,026,209	5,005,688
OPERATING EXPENSES:			
Claims paid and change in estimate	-	2,740,343	2,740,343
Administrative and fiscal services	-	808,348	808,348
Depreciation	966,920	-	966,920
Materials and supplies	71,691	-	71,691
Miscellaneous	-	129,041	129,041
Total operating expenses	1,038,611	3,677,732	4,716,343
OPERATING INCOME (LOSS)	(59,132)	348,477	289,345
NON-OPERATING REVENUES (EXPENSES):			
Investment income	7,876	10,994	18,870
Gain (loss) on retirement of assets	110,811	-	110,811
Total nonoperating revenue (expenses)	118,687	10,994	129,681
INCOME (LOSS)	59,555	359,471	419,026
CHANGE IN NET POSITION	59,555	359,471	419,026
NET POSITION-October 1	4,535,015	1,729,663	6,264,678
NET POSITION-End of year	\$ 4,594,570	\$ 2,089,134	\$ 6,683,704

**CITY OF CEDAR HILL, TEXAS
INTERNAL SERVICES FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

EXHIBIT H-3

	Equipment Fund	Health Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 979,479	\$ -	\$ 979,479
Cash received from city and employee contributions	-	3,922,487	3,922,487
Cash received from the wellness program	-	103,944	103,944
Cash paid to suppliers	(51,967)	-	(51,967)
Cash payments for claims	-	(2,723,433)	(2,723,433)
Cash payments for administrative and fiscal services	-	(937,389)	(937,389)
Net cash provided by operations	<u>927,512</u>	<u>365,609</u>	<u>1,293,121</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(788,428)	-	(788,428)
Proceeds from sales of assets	110,811	-	110,811
Net cash used in capital and related financing activities	<u>(677,617)</u>	<u>-</u>	<u>(677,617)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	7,876	10,994	18,870
Net cash provided by investing activities	<u>7,876</u>	<u>10,994</u>	<u>18,870</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	257,771	376,603	634,374
CASH AND CASH EQUIVALENTS-Beginning of year	<u>1,522,569</u>	<u>1,969,774</u>	<u>3,492,343</u>
CASH AND CASH EQUIVALENTS-End of year	<u>\$ 1,780,340</u>	<u>\$ 2,346,377</u>	<u>\$ 4,126,717</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income(loss)	\$ (59,132)	\$ 348,477	\$ 289,345
Adjustments:			
Depreciation expense	966,920	-	966,920
Change in assets and liabilities:			
Decrease (increase) in receivables	3,603	854	4,457
Increase (decrease) in accounts payable	16,121	(632)	15,489
Increase (decrease) in claims liabilities	-	16,910	16,910
Total adjustments	<u>986,644</u>	<u>17,132</u>	<u>1,003,776</u>
NET CASH PROVIDED BY OPERATIONS	<u>\$ 927,512</u>	<u>\$ 365,609</u>	<u>\$ 1,293,121</u>

**CEDAR HILL COMMUNITY DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
BALANCE SHEET
AS OF SEPTEMBER 30, 2021**

EXHIBIT I-1

	Community Development Corporation
ASSETS	
Equity in pooled cash and cash equivalents	\$ 11,306,607
Receivable:	
Taxes	846,321
Interest	5,337
Miscellaneous	48,779
Prepaid items	<u>501</u>
Total assets	<u>\$ 12,207,545</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	58,419
Accrued liabilities	83,703
Unearned revenue	93,128
Deposits	<u>26,843</u>
Total liabilities	<u>262,093</u>
FUND BALANCE	
Nonspendable	501
Unassigned	<u>11,944,951</u>
Total fund balance	<u>11,945,452</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 12,207,545</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, 2021**

EXHIBIT I-2

TOTAL FUND BALANCES-Governmental funds	\$ 11,945,452
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.	2,665,234
Deferred inflows on OPEB Healthcare are not recognized until future periods and therefore are not reported in the funds.	(8,383)
Deferred outflows on OPEB Healthcare are not recognized until future periods and therefore are not reported in the funds.	39,647
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	(27,999)
OPEB liability	<u>(131,957)</u>
TOTAL NET POSITION-Governmental activities	<u>\$ 14,481,994</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, 2021**

EXHIBIT I-3

	<u>Community Development Corporation</u>
REVENUES:	
Taxes	\$ 4,901,567
Charges for services	169,567
Investment earnings	103,151
Grants and donations	266
Miscellaneous	<u>14,659</u>
Total revenues	<u>5,189,210</u>
EXPENDITURES	
Current:	
Community services	3,025,468
Capital outlay:	
Community services	<u>1,745,839</u>
Total expenditures	<u>4,771,307</u>
Excess (deficiency) of revenues over expenditures	<u>417,903</u>
Changes in Fund Balance	<u>417,903</u>
Fund balances, beginning of year	<u>11,527,549</u>
Fund balances, end of year	<u>\$ 11,945,452</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, 2021**

EXHIBIT I-4

NET CHANGE IN FUND BALANCES-Total governmental funds \$ 417,903

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

Governmental funds report capital outlays as expenditures. However, in the government-wide financial statements, they are reported as capital assets. 1,745,839

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. (1,732,774)

Net changes to vacation and sick liabilities as well as deferred outflows/inflows and OPEB liabilities are not shown 16,488

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 447,456

**CEDAR HILL ECONOMIC DEVELOPMENT CORPORATION
(A COMPONENT OF THE CITY OF CEDAR HILL, TEXAS)
BALANCE SHEET
AS OF SEPTEMBER 30, 2021**

EXHIBIT I-5

ASSETS	Economic Development Corporation
Equity in pooled cash and cash equivalents	\$ 4,340,003
Investments	4,542,552
Receivable:	
Taxes	634,740
Interest	6,259
Prepaid items	<u>13</u>
Total assets	<u>\$ 9,523,567</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Current liabilities:	
Accounts payable	11,148
Accrued liabilities	<u>18,607</u>
Total liabilities	<u>29,755</u>
FUND BALANCE	
Nonspendable	13
Unassigned	<u>9,493,799</u>
Total fund balance	<u>9,493,812</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 9,523,567</u>

**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, 2021**

EXHIBIT I-6

TOTAL FUND BALANCES-Governmental funds	\$ 9,493,812
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds.	3,477,470
Long term loans receivable are not due and receivable in the current period and therefore are not reported in the fund statements.	100,000
Deferred inflows on OPEB Healthcare are not recognized until future periods and therefore are not reported in the fund statements.	(2,395)
Deferred outflows on OPEB Healthcare are not recognized until future periods and therefore are not reported in the funds.	11,329
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	(19,047)
OPEB liability	<u>(37,702)</u>
TOTAL NET POSITION-Governmental activities	<u><u>\$ 13,023,467</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, 2021**

EXHIBIT I-7

	<u>Economic Development Corporation</u>
REVENUES:	
Taxes	\$ 3,676,175
Charges for services	1,650
Investment earnings	<u>60,573</u>
Total revenues	<u>3,738,398</u>
EXPENDITURES	
Current:	
Community services	3,107,073
Capital outlay:	
Community services	<u>549,821</u>
Total expenditures	<u>3,656,894</u>
Excess (deficiency) of revenues over expenditures	<u>81,504</u>
Changes in Fund Balance	<u>81,504</u>
Fund balances, beginning of year	<u>9,412,308</u>
Fund balances, end of year	<u><u>\$ 9,493,812</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, 2021**

EXHIBIT I-8

NET CHANGE IN FUND BALANCES-Total governmental funds	\$ 81,504
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.	(3,729)
Long-term loans made in the current year are expenditures in the fund financial statements but are shown as increases to loan receivable in the government-wide financial statements	100,000
Governmental funds report capital outlays as expenditures. However, in the government-wide financials, they are reported as capital assets	549,821
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.	<u>(13,559)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 714,037</u></u>

**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 position by component
- 2 Changes in net position
- 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)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities				
Net investment in capital assets	\$ 72,238,826	\$ 74,150,379	\$ 75,744,968	\$ 80,025,249
Restricted	10,973,051	10,964,938	9,967,610	10,511,210
Unrestricted	16,659,826	14,134,635	13,484,943	1,871,573
Total governmental activities net position	<u>\$ 99,871,703</u>	<u>\$ 99,249,952</u>	<u>\$ 99,197,521</u>	<u>\$ 92,408,032</u>
Business-type activities				
Net investment in capital assets	\$ 45,886,988	\$ 45,615,944	\$ 45,480,236	\$ 46,927,843
Restricted	3,137,658	3,388,212	4,048,531	3,133,733
Unrestricted	2,912,481	3,730,851	6,970,564	6,644,886
Total business-type activities net position	<u>\$ 51,937,127</u>	<u>\$ 52,735,007</u>	<u>\$ 56,499,331</u>	<u>\$ 56,706,462</u>
Primary government				
Net investment in capital assets	\$ 118,125,814	\$ 119,766,323	\$ 121,225,204	\$ 126,953,092
Restricted	14,110,709	14,353,150	14,016,141	13,644,943
Unrestricted	19,572,307	17,865,486	20,455,507	8,516,459
Total primary government net position	<u>\$ 151,808,830</u>	<u>\$ 151,984,959</u>	<u>\$ 155,696,852</u>	<u>\$ 149,114,494</u>

Source: Annual Comprehensive Financial Reports

TABLE 1

2016	2017	2018	2019	2020	2021
\$ 83,215,449	\$ 109,712,318	\$ 106,180,335	\$ 105,638,798	\$ 113,337,277	\$ 115,295,739
8,394,131	11,582,583	17,678,071	44,459,438	29,757,843	31,087,683
1,966,112	17,843,316	17,850,181	(5,934,956)	4,148,935	8,973,246
<u>\$ 93,575,692</u>	<u>\$ 139,138,217</u>	<u>\$ 141,708,587</u>	<u>\$ 144,163,280</u>	<u>\$ 147,244,055</u>	<u>\$ 155,356,668</u>
\$ 45,050,487	\$ 46,893,008	\$ 46,436,363	\$ 44,824,224	\$ 45,871,100	\$ 45,511,467
1,792,767	1,681,967	3,859,296	5,383,604	1,850,905	1,656,333
7,420,834	6,713,795	4,894,933	4,693,298	5,908,426	5,898,037
<u>\$ 54,264,088</u>	<u>\$ 55,288,770</u>	<u>\$ 55,190,592</u>	<u>\$ 54,901,126</u>	<u>\$ 53,630,431</u>	<u>\$ 53,065,837</u>
\$ 128,265,936	\$ 156,605,326	\$ 152,616,698	\$ 150,463,022	\$ 159,208,377	\$ 160,807,206
10,186,898	13,264,550	21,537,367	49,843,042	31,608,748	32,744,016
9,386,946	24,557,111	22,745,114	(1,241,658)	10,057,361	14,871,283
<u>\$ 147,839,780</u>	<u>\$ 194,426,987</u>	<u>\$ 196,899,179</u>	<u>\$ 199,064,406</u>	<u>\$ 200,874,486</u>	<u>\$ 208,422,505</u>

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

	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	\$ 5,280,221	\$ 5,899,317	\$ 6,048,611	\$ 6,722,301
Public works	6,492,493	6,441,727	6,696,307	11,736,039
Public safety	19,185,108	19,700,185	21,050,888	22,189,531
Community services	6,388,243	6,829,000	7,058,519	7,865,226
Interest and fiscal charges	6,924,676	7,159,431	6,977,022	2,907,619
Total governmental activities expenses	44,270,741	46,029,660	47,831,347	51,420,716
Business-type activities:				
Water and sewer	\$ 15,674,005	\$ 15,491,378	\$ 15,772,743	\$ 16,415,804
Total business-type activities expenses	15,674,005	15,491,378	15,772,743	16,415,804
Total primary government expenses	\$ 59,944,746	\$ 61,521,038	\$ 63,604,090	\$ 67,836,520
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 353,812	\$ 1,168,201	\$ 464,192	\$ 716,293
Public works	463,247	938,346	366,992	100,870
Public safety	3,936,093	3,798,408	4,096,762	6,019,903
Community services	2,715,284	2,903,833	2,717,031	3,036,202
Operating grants/contributions	1,979,785	2,024,725	1,740,421	2,001,494
Capital grants/contributions	714,235	2,795,676	5,186,398	1,048,364
Total governmental activities program revenues	10,162,456	13,629,189	14,571,796	12,923,126
Business-type activities:				
Charges for services	\$ 15,977,792	\$ 17,209,452	\$ 17,382,937	\$ 18,685,787
Capital grants/contributions	526,269	692,880	631,981	257,513
Total business-type activities program revenues	16,504,061	17,902,332	18,014,918	18,943,300
Total primary government program revenues	\$ 26,666,517	\$ 31,531,521	\$ 32,586,714	\$ 31,866,426
Net (Expense)/Revenue				
Governmental activities	\$ (34,108,285)	\$ (32,400,471)	\$ (33,259,551)	\$ (38,497,590)
Business-type activities	830,056	2,410,954	2,242,175	2,527,496
Total primary government net expense	\$ (33,278,229)	\$ (29,989,517)	\$ (31,017,376)	\$ (35,970,094)

Source: Annual Comprehensive Financial Reports

TABLE 2 (CONTINUED)

2016	2017	2018	2019	2020	2021
\$ 6,767,213	\$ 6,947,494	\$ 6,960,889	\$ 7,123,089	\$ 7,262,308	\$ 8,024,191
11,441,834	5,008,051	7,021,452	4,879,498	6,012,302	3,854,279
24,862,491	25,618,102	25,902,749	29,519,851	29,376,740	32,659,514
8,430,316	9,280,829	10,800,462	11,409,000	11,574,016	11,780,395
2,405,818	1,874,383	1,910,803	2,431,803	2,524,393	2,565,869
53,907,672	48,728,859	52,596,355	55,363,241	56,749,759	58,884,248
\$ 18,221,821	\$ 17,708,700	\$ 17,848,255	\$ 18,832,771	\$ 20,003,612	\$ 19,859,042
18,221,821	17,708,700	17,848,255	18,832,771	20,003,612	19,859,042
\$ 72,129,493	\$ 66,437,559	\$ 70,444,610	\$ 74,196,012	\$ 76,753,371	\$ 78,743,290
\$ 870,839	\$ 843,914	\$ 779,978	\$ 788,815	\$ 787,083	\$ 817,149
316,432	114,914	192,082	126,256	102,698	176,105
5,254,150	5,550,066	5,588,368	5,733,331	5,334,068	5,729,124
3,224,479	3,525,792	3,745,336	3,960,314	3,652,192	4,439,243
2,666,399	2,537,822	4,374,471	3,824,331	4,940,619	5,067,806
4,457,074	1,511,933	1,095,938	853,951	535,687	2,421,295
16,789,373	14,084,441	15,776,173	15,286,998	15,352,347	18,650,722
\$ 17,415,597	\$ 17,759,404	\$ 18,621,798	\$ 17,997,411	\$ 18,504,639	\$ 19,222,674
380,971	1,794,910	357,101	480,156	333,270	318,748
17,796,568	19,554,314	18,978,899	18,477,567	18,837,909	19,541,422
\$ 34,585,941	\$ 33,638,755	\$ 34,755,072	\$ 33,764,565	\$ 34,190,256	\$ 38,192,144
\$ (37,118,299)	\$ (34,644,418)	\$ (36,820,182)	\$ (40,076,243)	\$ (41,397,412)	\$ (40,233,526)
(425,253)	1,845,614	1,130,644	(355,204)	(1,165,703)	(317,620)
\$ (37,543,552)	\$ (32,798,804)	\$ (35,689,538)	\$ (40,431,447)	\$ (42,563,115)	\$ (40,551,146)

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

	2012	2013	2014	2015
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 19,328,492	\$ 19,149,038	\$ 19,198,820	\$ 20,322,289
Sales and use taxes	6,365,835	6,698,766	7,610,173	8,075,632
Hotel/motel taxes	161,997	190,302	213,130	220,746
Franchise fees	3,457,821	3,354,340	3,603,799	3,855,211
Investment earnings	4,005,347	257,379	3,068,688	1,305,343
Gain on disposal of property	-	8,479	15,704	86,420
Miscellaneous	167,267	320,416	231,287	340,555
Transfers	1,800,000	1,800,000	1,800,000	1,800,000
Gain on Joe Pool payment agreement	-	-	-	-
Total governmental activities	35,286,759	31,778,720	35,741,601	36,006,196
Business-type activities:				
Investment earnings	\$ 119,897	\$ 56,838	\$ 36,670	\$ 58,062
Gain/loss of disposal of property	-	-	-	-
Miscellaneous	74,167	130,088	3,478,858	-
Transfers	(1,800,000)	(1,800,000)	(1,800,000)	(1,800,000)
Total business-type activities	(1,605,936)	(1,613,074)	1,715,528	(1,741,938)
Total primary government	\$ 33,680,823	\$ 30,165,646	\$ 37,457,129	\$ 34,264,258
Change in Net Position				
Governmental activities	\$ 1,178,474	\$ (621,751)	\$ 2,482,050	\$ (2,491,394)
Business-type activities	(775,880)	797,880	3,957,703	785,558
Total primary government	\$ 402,594	\$ 176,129	\$ 6,439,753	\$ (1,705,836)

TABLE 2 (CONCLUDED)

	2016	2017	2018	2019	2020	2021
\$	21,222,889	\$ 22,809,120	\$ 24,781,240	\$ 27,083,238	\$ 29,063,652	\$ 31,555,238
	8,674,970	8,903,958	9,097,038	9,434,328	9,642,400	11,133,044
	223,330	301,690	250,332	341,579	288,169	421,999
	2,990,157	4,000,294	3,639,798	3,615,024	3,447,261	3,485,178
	1,497,708	268,574	928,939	1,341,530	1,199,206	637,033
	(12,968)	(67,853)	82,623	54,187	23,812	108,062
	508,136	926,523	465,361	333,050	485,538	660,793
	2,059,800	924,956	1,232,882	328,000	328,149	344,792
	-	42,139,681	-	-	-	-
	37,164,022	80,206,943	40,478,213	42,530,936	44,478,187	48,346,139
\$	46,538	\$ 81,424	\$ 131,821	\$ 358,088	\$ 181,122	\$ 85,118
	(3,859)	22,600	5,450	35,650	42,035	12,700
	-	-	-	-	-	-
	(2,059,800)	(924,956)	(1,232,882)	(328,000)	(328,149)	(344,792)
	(2,017,121)	(820,932)	(1,095,611)	65,738	(104,992)	(246,974)
\$	35,146,901	\$ 79,386,011	\$ 39,382,602	\$ 42,596,674	\$ 44,373,195	\$ 48,099,165
\$	45,723	\$ 45,562,525	\$ 3,658,031	\$ 2,454,693	\$ 3,080,775	\$ 8,112,613
	(2,442,374)	1,024,682	35,033	(289,466)	(1,270,695)	(564,594)
\$	(2,396,651)	\$ 46,587,207	\$ 3,693,064	\$ 2,165,227	\$ 1,810,080	\$ 7,548,019

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Reserved				
Prepaid and inventory	\$ -	\$ -	\$ -	\$ -
Animal shelter	-	-	-	-
Unreserved	-	-	-	-
Nonspendable	108,886	47,394	52,652	26,822
Restricted	21,422	15,602	24,404	24,406
Unassigned	<u>8,081,105</u>	<u>8,155,908</u>	<u>7,835,891</u>	<u>9,090,324</u>
Total General Fund	<u>\$ 8,211,413</u>	<u>\$ 8,218,904</u>	<u>\$ 7,912,947</u>	<u>\$ 9,141,552</u>
All Other Governmental Funds				
Reserved for:				
Prepaid and inventory	\$ -	\$ -	\$ -	\$ -
Construction	-	-	-	-
Debt service	-	-	-	-
Unreserved - designated for Joe Pool Fund	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Nonspendable	1,175	875	875	1,963
JPL permanent fund	-	-	-	-
Restricted for:				
Construction	21,065,403	18,479,874	16,652,763	24,504,541
PID use	264,048	262,925	270,267	277,468
Tourism	590,841	665,874	750,883	836,894
Public Safety	356,891	583,458	608,020	541,678
Community Service	-	-	-	-
Landscaping	-	-	-	-
Economic Development	-	-	-	-
Debt service	1,113,789	1,340,738	1,356,029	1,246,232
General Government	-	-	-	-
Public works	-	-	-	-
Committed for:				
Library	75,740	131,760	135,238	121,489
Landscaping	1,477,075	1,366,022	1,092,406	1,050,997
Construction	1,564,353	1,572,054	1,577,647	1,173,232
Facilities	-	-	-	-
Building maintenance	821,645	825,690	828,407	817,196
JPL nature corridor	44,607,884	46,527,005	51,305,636	54,301,017
Economic Development	-	-	-	-
Infrastructure	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 71,938,844</u>	<u>\$ 71,756,275</u>	<u>\$ 74,578,171</u>	<u>\$ 84,872,707</u>

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

TABLE 3

2016	2017	2018	2019	2020	2021
\$ 283,522	\$ 117,473	\$ 44,743	\$ 76,879	\$ 108,327	\$ 97,153
123,575	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,771,503	8,448,918	8,771,211	10,074,245	11,087,799	11,556,358
<u>\$ 9,178,600</u>	<u>\$ 8,566,391</u>	<u>\$ 8,815,954</u>	<u>\$ 10,151,124</u>	<u>\$ 11,196,126</u>	<u>\$ 11,653,511</u>
\$ 6,224	\$ -	\$ 282	\$ -	\$ 173,011	\$ 71,812
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	15,000,000	15,000,000	15,000,000
17,612,849	10,059,379	14,665,951	-	-	-
239,342	368,849	533,015	-	-	-
821,640	912,273	890,939	-	-	-
545,723	804,398	1,116,643	1,476,465	1,588,572	1,545,385
-	-	-	2,311,580	2,100,685	2,779,463
-	-	222,825	-	-	-
-	-	38,975	-	-	-
1,447,330	1,396,399	1,484,107	1,860,832	1,685,829	1,532,922
-	-	-	831,191	1,170,237	1,676,534
-	-	-	27,272,227	37,021,579	33,198,686
123,146	107,118	-	-	-	-
1,277,952	1,377,018	-	-	-	-
1,819,952	2,545,026	2,607,973	-	-	-
-	-	180,095	184,438	287,659	1,389,237
194,232	177,445	-	-	-	-
58,689,221	18,564,055	18,874,640	4,296,464	4,723,709	4,968,856
-	-	101,305	-	-	-
-	-	-	2,752,812	2,897,125	4,828,447
-	97,936	1,042,564	946,461	706,960	693,443
-	-	-	(248,084)	(202,360)	(231,777)
<u>\$ 82,777,611</u>	<u>\$ 36,409,896</u>	<u>\$ 41,759,314</u>	<u>\$ 56,684,386</u>	<u>\$ 67,153,006</u>	<u>\$ 67,453,008</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues				
Taxes	\$ 25,812,621	\$ 26,083,264	\$ 27,058,897	\$ 28,678,707
Franchise taxes	3,431,525	3,352,205	3,637,472	3,819,178
Licenses and permits	526,399	772,875	738,332	780,478
Intergovernmental	2,224,495	2,050,841	2,556,633	3,550,102
Charges for services	4,669,666	4,950,614	5,015,795	5,219,839
Fines and forfeits	1,372,402	1,303,332	1,389,008	1,865,880
Investment earnings	3,989,265	248,395	3,064,301	2,522,617
Grants and donations	-	-	-	-
Miscellaneous	877,586	4,173,110	810,058	1,145,450
Total revenues	<u>42,903,959</u>	<u>42,934,636</u>	<u>44,270,496</u>	<u>47,582,251</u>
Expenditures				
General government	4,411,688	4,572,942	4,917,868	4,868,548
Public works	2,056,306	2,240,304	2,572,167	2,145,169
Public safety	18,560,836	19,066,681	20,151,570	20,773,934
Community services	5,478,014	5,927,054	6,040,714	6,601,545
Principal retirement	4,524,345	4,792,415	5,225,860	5,641,240
Interest and fiscal agent charges	3,444,741	3,086,412	2,997,075	2,860,726
Capital outlay	5,815,584	5,223,906	3,390,010	2,062,022
Total expenditures	<u>44,291,514</u>	<u>44,909,714</u>	<u>45,295,264</u>	<u>44,953,184</u>
Excess of revenues Over (under) expenditures	(1,387,555)	(2,087,769)	(1,024,768)	2,629,067
Other Financing Sources (Uses)				
Transfer in	3,746,000	3,213,790	3,394,411	3,218,718
Transfer out	(1,946,000)	(1,413,790)	(2,144,994)	(2,399,486)
Premium or discount on issuance of debt	474,838	-	410,735	2,961,899
Issuance of debt	9,040,000	-	-	-
Refunding bonds issued	-	-	9,495,000	23,325,050
Payment to refunding bond escrow agent	(9,506,686)	-	(7,614,445)	(16,990,488)
Sale of Capital Assets	-	-	-	-
Total other financing sources (uses)	<u>1,808,152</u>	<u>1,800,000</u>	<u>3,540,707</u>	<u>10,115,693</u>
Net change in fund balance	<u>\$ 420,597</u>	<u>\$ (287,769)</u>	<u>\$ 2,515,939</u>	<u>\$ 12,744,760</u>
Capitalized Capital outlay	5,815,584	5,223,906	3,390,010	1,369,729
Debt service as a percentage of noncapital expenditures	20.7%	19.9%	19.6%	19.5%

Source: Annual Comprehensive Financial Reports

Note: Capitalized Capital Outlay updated per ACFR

TABLE 4

2016	2017	2018	2019	2020	2021
\$ 30,120,119	\$ 32,334,075	\$ 34,105,970	\$ 36,849,234	\$ 38,958,655	\$ 42,566,167
3,465,968	3,531,434	3,640,135	3,609,312	3,439,407	3,487,905
778,437	807,719	789,254	894,811	763,180	1,367,813
6,750,150	3,611,557	4,525,530	3,956,900	4,937,744	5,501,933
4,733,546	4,557,442	4,780,801	4,980,938	4,972,956	5,429,666
1,760,310	1,936,758	1,857,906	1,777,077	1,112,505	1,147,353
1,490,918	255,087	899,426	1,282,913	1,160,306	618,163
-	-	-	374,599	119,532	30,351
759,828	1,398,078	946,389	727,131	712,765	959,919
<u>49,859,276</u>	<u>48,432,150</u>	<u>51,545,411</u>	<u>54,452,915</u>	<u>56,177,050</u>	<u>61,109,270</u>
5,026,331	5,322,042	5,539,114	5,423,911	5,733,160	6,253,924
2,053,159	2,249,229	2,180,935	2,200,304	2,151,651	2,197,878
21,791,776	22,755,963	23,718,688	24,677,418	26,723,372	28,721,628
6,849,744	7,492,414	7,591,881	8,227,740	9,672,415	8,220,255
6,102,000	46,889,359	6,443,517	6,346,795	6,960,000	7,400,000
2,874,002	2,506,334	2,491,606	2,927,327	3,071,409	3,061,663
12,169,887	9,121,689	6,733,928	7,774,859	7,277,343	8,262,894
<u>56,866,899</u>	<u>96,337,030</u>	<u>54,699,669</u>	<u>57,578,354</u>	<u>61,589,350</u>	<u>64,118,242</u>
(7,007,623)	(47,904,880)	(3,154,258)	(3,125,439)	(5,412,300)	(3,008,972)
3,764,661	3,024,806	2,444,571	1,045,606	2,045,950	5,542,312
(1,738,295)	(2,099,850)	(1,211,689)	(717,606)	(1,717,801)	(5,197,520)
2,336,076	-	172,287	967,676	1,755,773	-
-	-	7,435,000	18,090,000	14,840,000	11,945,000
16,477,611	-	-	-	-	-
(17,112,097)	-	-	-	-	(8,526,518)
-	-	-	5	2,000	3,085
<u>3,727,956</u>	<u>924,956</u>	<u>8,840,169</u>	<u>19,385,681</u>	<u>16,925,922</u>	<u>3,766,359</u>
<u>\$ (3,279,667)</u>	<u>\$ (46,979,924)</u>	<u>\$ 5,685,911</u>	<u>\$ 16,260,242</u>	<u>\$ 11,513,622</u>	<u>\$ 757,387</u>
12,190,814	10,375,451	5,236,086	7,746,148	7,318,457	8,178,222
20.1%	57.5%	18.1%	18.6%	18.5%	18.7%

**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
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
2020	4,361,878,376	333,576,136	(678,100,436)	4,017,354,076	0.69703
2021	4,512,785,068	319,964,080	(681,662,806)	4,151,086,342	0.68810

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		
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
2020	0.512935	0.184093	0.697028	1.306000	0.124000
2021	0.518071	0.170031	0.688102	1.283000	0.124000

Source: Dallas Central Appraisal District, various taxing entities.

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.

TABLE 6

Dallas County Hospital District	Dallas County	County School Equalization	Duncanville I.S.D.	Ellis County	Midlothian I.S.D.
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
0.270000	0.243000	0.010000	1.418000	0.330000	1.470000
0.266100	0.228000	0.010000	1.368000	0.030100	1.379800

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

TABLE 7

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank1	Percentage of Total City Taxable Assessed Value ^a	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value ^b
	Legacy of Cedar Hill MO	\$ 84,000,000.00	1	2.02%	\$ -	-
Prep Hillside Real Estate LLC	51,000,000	2	1.23%	-	-	-
BW Midtown Cedar Hill LLC	50,084,500	3	1.21%	-	-	-
Aspire at Preston Trials LLC	39,293,470	4	0.95%	-	-	-
Oncor Electric Delivery	38,184,420	5	0.92%	24,130,530	5	0.88%
Gates Cedar Hill, LTD	27,400,000	6	0.66%	14,400,000	9	0.53%
Inland Western Dallas	31,818,500	7	0.77%	-	-	-
KRG Cedar Hill Plaza, LP	27,176,000	8	0.65%	32,525,000	2	1.19%
Delta Steel Inc	27,012,110	9	0.65%	-	-	-
LXDWSC LLC	21,450,000	10	0.52%	-	-	-
Uptown Village at Cedar Hill	-	-	-	44,921,510	1	1.64%
Inland Western Cedar Hill	-	-	-	28,908,160	3	1.06%
Wal-Mart Stores	-	-	-	22,764,000	6	0.83%
JC Penny Co., INC.	-	-	-	22,890,325	4	0.84%
Target Corporation	-	-	-	15,815,690	8	0.58%
Masco Builder Cabinet Group	-	-	-	14,155,864	10	0.52%
Dillards	-	-	-	18,764,500	7	0.69%
Total	\$ 397,419,000		9.57%	\$ 239,275,579		8.74%

Source: Dallas Central Appraisal District

Note:

^a Total taxable value including real and personal property for tax year 2020 (fiscal year 2021) is \$4,151,086,342

^b Total taxable value including real and personal property for tax year 2011 (fiscal year 2012) is \$2,737,278,808

**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	Adjusted Taxes Levied Within the Fiscal Year	Collected within the Fiscal Year of the Levy		Adjusted Taxes Levied for the prior Fiscal Year	Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy			Amount	Percentage of Levy
2012	18,774,447	18,774,448	18,521,694	98.65%	18,711,305	180,100	18,701,794	99.95%
2013	18,758,258	18,681,768	18,456,444	98.79%	18,640,303	172,329	18,628,773	99.94%
2014	18,886,686	18,766,592	18,557,355	98.89%	18,724,158	152,975	18,710,330	99.93%
2015	19,915,962	19,766,412	19,560,054	98.96%	19,634,147	47,531	19,607,586	99.86%
2016	21,083,301	20,906,038	20,729,114	99.15%	20,888,890	135,294	20,864,408	99.88%
2017	22,573,866	22,414,016	22,193,896	99.02%	22,377,360	154,932	22,348,829	99.87%
2018	24,008,352	24,107,970	23,896,988	99.12%	24,044,714	109,540	24,006,528	99.84%
2019	26,341,470	26,408,201	26,184,435	99.15%	26,344,909	100,837	26,285,272	99.77%
2020	28,002,163	28,397,214	28,095,876	98.94%	28,368,609	135,896	28,231,773	99.52%
2021	28,563,708	30,407,438	29,982,367	98.60%	30,407,439	-	29,982,367	98.60%

Sources: Dallas County Tax Office

Note: Schedule has been updated to include taxes levied within the fiscal year and adjusted taxes levied for the prior fiscal year.

**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
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
2020	62,030,000	19,240,000	-	5,090,165	-	17,780,000	1,060,209
2021	55,640,000	18,455,000	3,345,000	4,342,288	-	16,395,000	917,477

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
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%	2.51%	1,769
105,200,374	7%	2.62%	1,959
99,094,765	6%	2.39%	1,855

**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				Less Sinking Fund ^c	Net General Bonded Debt	Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
	General Obligation Bonds	Certificate of Obligation Bonds	Taxable Notes	Unamortized Premium ^d				
2012	60,795,000	20,880,000		1,242,511	717,295	81,803,722	2.99%	1,747
2013	56,480,000	20,160,000		1,068,982	961,328	76,368,244	2.82%	1,631
2014	60,425,000	20,990,000		1,724,910	1,005,262	81,783,881	3.04%	1,659
2015	73,030,000	11,420,000		4,524,689	936,921	87,726,845	3.08%	1,768
2016	71,190,000	10,075,000		6,433,262	1,178,322	86,250,932	2.86%	1,694
2017	64,700,000	8,970,000		5,380,698	1,104,243	77,654,299	2.40%	1,491
2018	61,720,000	13,965,000		4,649,950	1,166,122	78,850,843	2.29%	1,497
2019	63,900,000	26,065,000		4,987,509	1,462,017	93,091,677	2.46%	1,753
2020	66,340,000	32,710,000		6,150,374	1,261,391	103,938,983	2.59%	1,936
2021	59,325,000	31,165,000	3,345,000	5,259,765	1,013,663	94,736,102	2.28%	1,774

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 This is the amount restricted for debt service principal payments. Government-Wide Statement of Net Position. Amounts updated in FY21.

^d Unamortized premium amounts updated in FY17.

**CITY OF CEDAR HILL, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2021
(UNAUDITED)**

TABLE 11

Taxing Jurisdiction	2020/2021 Taxable Assessed Value	2020/2021 Tax Rate	Total G.O. Tax Debt	Estimated % Applicable	City's Overlapping G.O. Tax Debt
City of Cedar Hill	\$ 4,591,804,327	0.69700	93,835,000	100.00%	\$ 93,835,000
Cedar Hill ISD	4,024,974,846	1.28300	101,107,515	90.75%	91,755,070
Dallas County	263,171,536,372	0.22800	116,665,000	1.36%	1,586,644
Dallas County Comm. College Dist.	271,168,476,338	0.12400	115,750,000	1.36%	1,574,200
Dallas County Hospital Dist.	263,749,217,449	0.26610	575,530,000	1.36%	7,827,208
Dallas County Schools	291,250,432,162	0.01000	16,679,652	1.36%	226,843
Desoto ISD	3,344,986,109	1.52910	120,419,593	0.18%	216,755
Duncanville ISD	5,207,012,365	1.36800	195,310,000	1.92%	3,749,952
Ellis County	19,463,854,137	0.03010	31,020,000	0.58%	179,916
Midlothian ISD	5,881,737,435	0.49000	429,760,000	1.67%	<u>7,176,992</u>
Subtotal, overlapping debt					\$ 208,128,580
City of Cedar Hill (direct debt)					<u>\$ 93,835,000</u>
Total Direct and Overlapping Tax Debt					<u>\$ 301,963,580</u>
Ratio of Direct and Overlapping G. O. Tax Debt to Taxable Assessed Valuation					4.53%
Per Capita Direct and Overlapping G. O. Tax Debt					\$ 3,896.88

Source:

Hilltop Securities, Inc.

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, 2021
(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, 2021 is \$0.697029 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 (4)</u>
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	-	-
2017	17,679,424	15,273,504	2,405,920	-	-
2018	18,541,621	15,688,000	2,853,621	-	-
2019	17,818,947	16,447,045	1,371,902	-	-
2020	18,392,329	17,521,852	870,477	-	-
2021	19,127,493	17,392,046	1,735,447	-	-

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.
- (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
- (4) All existing Revenue Bonds were defeased in FY2016

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

TABLE 14

Year	Estimated Population ^a	Personal Income	Per Capita Personal Income ^b	Median Household Income^b	Median Age ^b	Cedar Hill I.S.D. Enrollment ^c	Unemployment Rate ^d
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%
2020	53,689	1,560,524,474	29,066	72,463	34	7,625	4.1%
2021	53,409	1,552,385,994	29,066	72,791	34	7,250	5.7%

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 2015 in 2019 dollars.
FY 2021 updated amounts are not available. Prior year amount used.

^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>2021</u>			<u>2012</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	0.99%	436	1	1.84%
Super Target	220	2	0.87%	180	3	0.76%
Dillard's	200	3	0.79%	125	5	0.53%
Woodmont Cabinetry	175	4	0.69%			
JC Penney Distrubution Center	160	5	0.63%	425	2	1.79%
Total Highway Maintenance, LLC	130	6	0.52%			
Home Depot	130	7	0.52%	125	6	0.53%
Idx Dallas, LLC	125	8	0.50%			
MJB Wood Group, Inc	120	9	0.48%			
Central States Manufacturing	108	10	0.43%			
DMI Corporation				150	4	0.63%
Crestview Court				120	7	0.51%
JC Penney, Department Store				120	8	0.51%
Trinity School				110	9	0.46%
Babe's Chicken				115	10	0.49%
Total	<u>1,618</u>		<u>6.42%</u>	<u>1,906</u>		<u>8.05%</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 2021 and FY 2012 is 25,222 and 23,677 respectively

CITY OF CEDAR HILL, TEXAS **TABLE 16**
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</u>	<u>Full Time Equivalent Employees as of September 30</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>	<u>2020</u>	<u>2021</u>
General Government:										
Administration	10.00	10.00	9.50	10.00	9.50	9.50	9.50	8.50	8.50	8.50
Human resources	4.00	4.00	4.00	4.00	3.00	3.00	3.80	3.50	4.00	4.00
Information technology	4.00	4.00	4.23	4.50	5.20	5.20	5.20	5.20	5.20	5.20
Finance	6.75	6.75	7.00	7.00	7.00	7.00	8.00	8.00	8.00	8.00
Economic development	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Tourism	-	-	-	1.00	1.50	1.50	1.50	2.00	2.00	2.00
Non-Departmental	2.27	2.27	2.27	2.27	2.50	2.00	2.50	2.50	2.75	2.75
Government center	2.50	2.50	3.00	2.50	3.00	3.00	3.00	3.00	3.00	3.00
Public Works:										
Streets & drainage	14.25	14.25	15.25	14.25	14.40	14.40	14.40	14.40	14.00	14.00
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	41.15	44.65	44.65	36.00	38.00	38.00	41.00	41.00
Public Safety:										
Police	87.40	87.40	88.10	87.40	89.50	88.50	86.50	93.00	92.50	92.50
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	79.00	78.00	6.00	79.00	79.00	79.00
Municipal court	7.93	7.93	6.80	7.93	6.68	6.68	79.00	8.00	8.00	7.00
Code enforcement	9.00	9.00	9.00	9.00	9.00	9.00	6.88	10.00	12.00	12.00
Animal shelter	9.63	9.63	10.53	10.53	10.53	10.33	10.00	11.33	11.50	11.50
Community Services:										
Parks	26.40	28.40	26.40	28.40	23.77	23.77	22.42	19.63	17.55	17.55
Community development	6.79	7.79	7.79	7.79	7.79	7.79	7.79	5.00	6.00	6.00
Recreation	11.50	11.50	10.50	11.50	11.50	8.45	9.19	9.19	5.75	5.75
Recreation center	23.00	23.00	23.84	23.00	23.80	23.80	23.80	23.80	23.00	23.00
Library	10.72	10.72	12.72	10.72	12.20	12.20	13.41	14.04	14.09	13.30
Main Street (Historic Downtown)	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Planning	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.25	4.00	4.00
Neighborhood services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Total City Employees:	370.79	373.79	373.08	378.44	378.52	365.12	365.89	373.34	372.84	372.05

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Public Works:				
Streets & Drainage				
Number of street lights	2,777	2,618	2,639	2,632
Water & Sewer				
Number of water consumers	15,236	15,438	15,427	15,788
Average daily water consumption (millions of gallons)	8	8	10	6
Maximum storage capacity (millions of gallons)	18	18	18	18
Number of sewer connections	13,956	14,102	14,071	14,267
Public Safety:				
Police				
Index crimes, by calendar year	1,752	1,593	1,531	1,528
Index crime rate per 100,000, by calendar year	3,741	3,402	3,341	3,335
Percent index crimes cleared, by calendar year	39%	34%	35%	35%
Number of reserve police officers	3	3	3	3
Fire				
Calls for service - Fire & EMS	n/a	n/a	6,077	6,150
Municipal Court				
Number of cases filed	6,204	7,188	7,450	7,785
Number of cases closed	6,566	7,193	6,229	7,393
Number of cases appealed	126	126	97	163
Number of warrants issued	3,211	3,410	4,218	4,885
Code Enforcement				
Construction permits issued	415	482	520	605
Total dollar value of permits issued	19,898,425	102,991,772	38,018,194	58,530,567
Animal Shelter				
Number of incoming animals	5,300	4,784	4,694	6,253
Number of lost pets returned to owners	790	749	704	901
Number of animals adopted out	830	741	932	1,298
Number of animals euthanized	2,305	1,931	1,905	2,636
Number of animals transferred or rescued	800	722	899	1,131

Sources: City Departments

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

TABLE 17

2016	2017	2018	2019	2020	2021
2,616	2,616	2,616	2,665	2,665	2,665
15,940	16,019	16,407	16,492	16,564	16,554
6	6	5.9	5.2	5.6	5.6
18	18	18	18	18	18
14,537	14,923	14,972	14,987	14,987	14,987
1,653	1,618	1,463	1,350	987	876
3,510	3,419	3,081	2,837	2,059	1,782.0
30%	30%	29%	29%	19%	17%
4	4	5	2	3	1
6,207	6,257	6,302	6,256	6,154	7,539
7,610	8,621	8,962	8,684	5,977	7,592
6,642	4,801	7,453	7,799	5,677	6,757
143	198	195	182	145	233
4,604	5,486	2,617	3,150	2,455	3,929
584	652	255	622	631	738
40,449,488	50,982,675	59,238,591	68,213,408	55,261,882	100,265,319
6,493	5,894	7378	6464	5317	5513
912	1,055	999	1249	936	1396
1,332	1,448	1112	915	921	1027
2,284	1,715	1529	1511	865	923
1,796	1,914	2444	2730	2502	2128

**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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public Works:										
Streets & Drainage										
Paved streets (miles)	218	218	218	218	218	218	218	218	219	219
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)	76	76	77	77	77	77	77	77	78	78
Water & Sewer										
Water mains (miles)	273	278	279	279	279	279	279	279	280	280
Storage capacity (millions of gallons)	18	18	18	18	18	18	18	18	18	18
Sanitary sewers (miles)	214	214	214	214	214	214	214	214	215	215
Public Safety:										
Police										
Stations	2	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	2
Community Services:										
Parks										
Acreage	692	692	692	692	692	692	692	692	692	721
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